

Compliance



Promotion of compliance meeting the expectations of clients and society

Objectives

- We will respond appropriately to prevent bribery, violation of the anti-monopoly law and inappropriate political donations.
- In addition to complying with laws and regulations, we will strive to meet the expectations of clients and society, as well as understand and respond appropriately to various business risks.

Key performance indicators

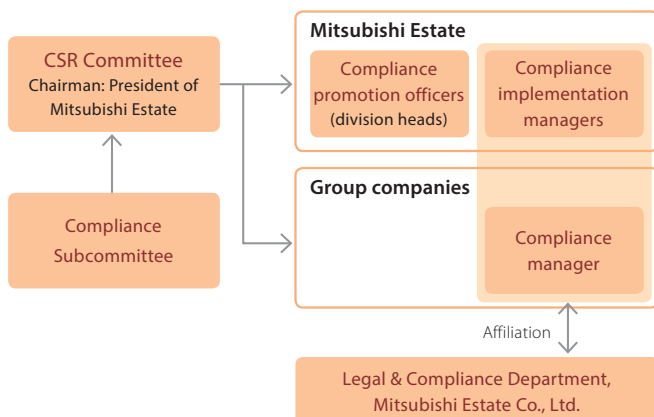
- KPI 24** Compliance training such as training by level and CSR lectures
- KPI 25** Compliance survey "Extent to which Code of Conduct is achieved"

The Mitsubishi Estate Group aspires to build trusting relationships with its stakeholders through a highly transparent management system and reinforced compliance.

System for promoting compliance

The Mitsubishi Estate Group believes that compliance does not simply involve legal compliance, but is also defined as adherence to internal rules and corporate ethics. Mitsubishi Estate's compliance system has its roots in the determination of its executives and employees to improve their awareness and reform the organization after the company was found in

Mitsubishi Estate Group's compliance system



violation of some stipulations of the Commercial Code of Japan in 1997. In that year, the Code of Corporate Conduct was formulated to define the company's basic commitment to reform. Group-wide reform was implemented, with all employees sharing the sense of urgency. In July 2005, a Compliance Advisory Committee consisting of external experts was formed on a temporary basis to review the compliance system in light of the soil and groundwater contamination problems discovered at Osaka Amenity Park. This committee worked to improve the corporate culture, for example, by revising the Code of Conduct.

The current compliance promotion system is administered by the CSR Committee, which discusses CSR issues in general, including Group compliance, and the Compliance Subcommittee, a body consisting of general managers, including those from major Group companies, that holds discussions before the CSR Committee meets. In addition, an executive director has been appointed by decision of the Board of Directors to take responsibility for overseeing and ensuring compliance. All Mitsubishi Estate departments and Group companies are working closely with the Legal & Compliance Department to pursue compliance in a coordinated manner.

Rigorous information management

In light of society's growing concern over the protection of personal information and information management, the Mitsubishi Estate Group has implemented a system that ensures a high level of information management.

In May 2003, the Mitsubishi Estate Group's Basic Regulations on Information Management Compliance and the Mitsubishi Estate Group's Policy on Personal Information Protection were established—two years before Japan's Act on the Protection of Personal Information went into effect in April 2005. Coupled with thorough monitoring and oversight, the company continues to reinforce its management of personal information and the other confidential information it handles.

Moreover, given the increasingly widespread use of social media, the company established Social Media Use Guidelines in December 2012 to ensure appropriate use.

Holding CSR lectures

Mitsubishi Estate holds a CSR Lecture every year in October, which is CSR Promotion Month, for managers and executives, including those at Group companies.

The lecture topic is chosen from a wide range of CSR genres in light of social conditions in that particular year. In fiscal 2014, Tadashi Kunihiro, a lawyer at T. Kunihiro & Co. Attorneys-at-Law, spoke on the topic of risk management for executives and managers in November.

Providing compliance training

The Mitsubishi Estate Group uses opportunities such as training sessions for new hires and new managers to provide compliance training to raise compliance awareness among all executives and employees.

In particular, new hires from major Group companies participate in joint training together to learn about the Code of Conduct and basic compliance issues (168 participants from 16 companies in April 2014).

Beginning in fiscal 2014, compliance training was provided during

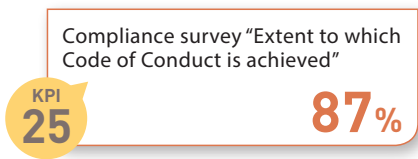
KPI 24 Compliance training such as training by level and CSR lectures

training for Mitsubishi Estate's newly appointed managers and deputy general managers.

Mitsubishi Estate also provides training to all employees through e-learning.

Compliance surveys

Mitsubishi Estate gives compliance surveys every two years to its approximately 12,000 executive officers and employees (including temporary employees) to ascertain the extent to which they are aware of compliance issues. The Group uses the results, after analyzing them to identify overall trends and characteristics of each company, to plan activities to improve compliance.



Reinforcing compliance at the Mitsubishi Estate Group

The Mitsubishi Estate Group not only offers compliance training tailored to each of its company's particular businesses, but also develops training menus and tools covering topics that all Group employees should learn, such as harassment and compliance fundamentals.

Augmenting the help line

The Mitsubishi Estate Group has established a compliance help line to receive inquiries and consultations on compliance issues. The help line has both internal and external contact points and can be used by Group employees, temporary employees, part-time employees and various other part-time staff, and even the business partners of Group companies. Inquiries can be made anonymously. There were 40 consultations and reports via the help line in fiscal 2014. Depending on the substance of the inquiries, they are studied and the situation is confirmed so that an appropriate response can be made.



Leaflet about the help line exclusively for business partners

Risk management

The Mitsubishi Estate Group has established the Mitsubishi Estate Group Risk Management Rules and has set up a risk management system to manage risk in all its business activities. The company has reinforced its risk management system by setting up the Risk Management Committee (held four times a year), which oversees implementation of risk management for the Group, and the Risk Management Subcommittee (held four times a year), a working-level consultative body consisting of department managers including those from major Group companies. The Executive Director of Risk Management has been appointed by decision of the Board of Directors to take responsibility for overseeing risk management, and general managers of each business group and general managers in the Corporate Staff Departments have been designated as Risk Management

Officers. Each group company has also designated its own Risk Management Operating Officer. It is under this system that the Group implements and integrates the management of risk.

In fiscal 2014, the Group systematically carried out a risk management program focused on the following two activities.

(1) Individual risk management activities

Individual group companies and business groups identify risks of focus based on a risk analysis, and carry out activities throughout the year to reduce the risks identified.

(2) Group-wide priority risk management activities

The Group identifies priority risks that require new countermeasures from the entire Group, taking into account the risks of focus identified by individual group companies as described above and social trends, and carries out activities throughout the year to reduce these risks.

Preventing corruption

The Mitsubishi Estate Group has declared that it will carry out equitable, transparent corporate activities with a primary emphasis on earning trust. The Group's Code of Conduct forbids not just actions that could be construed as collusion with government officials or other actions considered illegal, but also entertainment and gift-giving to politicians and government employees that could be deemed ethically inappropriate for going beyond the bounds of social convention.

Moreover, when providing support related to the activities of political groups, the Group decides on the appropriate response in accordance with relevant laws and regulations such as the Political Funds Control Law and the Public Office Election Law, as well as internal regulations such as the Mitsubishi Estate Group's Code of Conduct.

In February 2013, the Group set up a corruption prevention system to address business expansion overseas and recent social trends. In addition, the Group ensures that all employees are well versed in corruption-related legislation and the Group's regulations and corruption prevention system, and that they comply with these laws and regulations.

Measures against organized criminal elements

The Mitsubishi Estate Group clearly stipulates its refusal to countenance any relationship whatsoever with organized criminal elements in its Guidelines for Conduct. Mitsubishi Estate's Legal & Compliance Department serves as a special department to take resolute measures for the Group, in cooperation with the police, in the event of any contact from criminal elements.