



Human resource development

Support for human resource development and active careers for the creation of communities of the future and support for work styles tailored to individual lifestyles

Objectives

- We will select and hire employees equitably, provide appropriate education and training opportunities for the employees responsible for future community development, and will support flexible work styles tailored to individual lifestyles.
- We will offer equitable opportunities so that a diverse workforce can succeed in its jobs, regardless of gender, age and/or disability.

Key performance indicators

KPI 19

Number of people taking childcare leave of absence, nursing care leave of absence and shortened work hours

KPI 20

Number of hours of overtime on average per month

KPI 21

Training time/cost per employee

KPI 22

Number of female managers

KPI 23

Employment rate for persons with disabilities

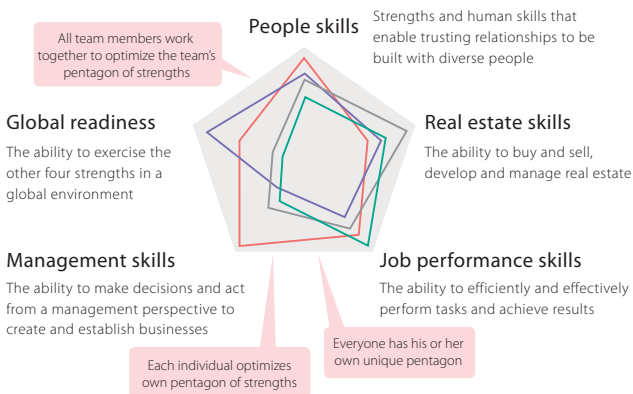
Initiatives in human resource development

Human resource development programs

Mitsubishi Estate believes that human resources are a very important management asset and recognizes that their growth is essential to the Group's continued growth. Accordingly, it upgraded its human resource development programs in April 2009.

The company defines Mitsubishi Estate's ideal employee as a person with the following five strengths: people skills, real estate skills, job performance skills, management skills and global readiness. The company's human resources programs aim to raise the company's performance as a professional organization with a distinctive personality while enabling individuals to make the most of their own strengths. Mitsubishi Estate develops its employees' skills using multiple approaches, combining training programs with job rotations and coordinated programs at the workplace level.

Five strengths



Consultations for career development

At Mitsubishi Estate, employees set their own work goals and skill development goals, and then review their achievements every six months via management by objective (MBO) consultations with supervisors. Salary changes are decided primarily based on the results of these consultations. The company also regularly holds human resource development consultations with every employee, with the exception of senior managers, aiming to provide a venue for them to express their views and requests as well as to promote skill development.

Equitable salary system

At Mitsubishi Estate, regular wage raises were discontinued in 2000, and a salary increase system based on skill development was adopted. A performance-based bonus system based on MBO and an objective performance evaluation and promotion system have also been adopted to raise employees' motivation to improve their work and skills. There are no salary discrepancies based on gender.

Average annual salary of employees

11,302,584 yen

Initial salaries at Mitsubishi Estate Co., Ltd.

Initial salary (monthly salary)	Comparison to minimum wage
210,000 yen	52% higher

Offering a wide range of HR development and training programs

The Mitsubishi Estate Group has established a wide range of training programs to develop employees' capabilities and raise their awareness about compliance and human rights.

The Group holds joint Group training for new hires and newly appointed managers to ensure that group companies can work together to achieve impressive results. Mitsubishi Estate also has optional programs aimed at enhancing skills, in which employees select classes on their own.

Mitsubishi Estate's total annual hours of human resource development training (fiscal 2015)

Total training hours per year	18,462 hours
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* This does not include the time for overseas dispatch, English language training, correspondence courses, and other optional programs chosen by employees.

Training time/cost per employee

KPI 21 **11.5 hours/77,528 yen a year**

Initiatives to educate a global workforce

Mitsubishi Estate defines a "global employee" as an employee who not only has linguistic skills and an understanding of foreign markets and customs, but also can demonstrate the people skills (ability and aptitude to build trusting relationships with people from different backgrounds), real estate skills, job performance skills and management skills needed to perform in a global environment.

In addition to systematic human resource development measures taken in Japan through on-the-job and off-the-job training, the company provides many overseas training programs to develop this kind of employee. Employees are sent to training programs for group companies in the U.S. and UK, real estate courses for the general public at New York University and short-term programs at European business schools. The Company also sent employees to the Asia Business Leader Development Endowment Course organized by Kyoto University.

Providing short-term programs lasting two months, in addition to medium- and long-term dispatch programs, makes it easy for employees in managerial positions who are unable to leave the workplace for long periods to participate. Moreover, after the training, internal debriefing sessions are held so that the results and learning can be shared widely with other employees, so that everyone sees how a global mindset is relevant to their own work.

Mitsubishi Estate will continue to augment its training programs in and outside of Japan to ensure they can be used by employees in a wide range of positions and globalize its workforce.

Voices of a training participant



Tomoya Godai
Americas and Europe Business Department, Mitsubishi Estate Co., Ltd.

I applied for a trainee program in the UK, and was sent for six months in June 2015. I focused on work at the UK subsidiary, but also got to experience many programs there, including internships at four local real estate companies with which Mitsubishi Estate does business and real estate courses for the general public offered at a university. I also met many people outside of the training on occasions such as parties at the home of my supervisors at the companies I interned with and industry networking events. My days were really full, and through the various programs I absorbed language, industry customs and lifestyles. This was an amazing opportunity to really experience London's dynamically changing real estate market first-hand. I want to make use of these experiences and become a business person who can perform on the global field.

Creating a vibrant workplace

Mitsubishi Estate Group's Hito-Machi Award

The Group established the Hito-Machi Award (literally, "People and the City Award") in 2011 to recognize efforts by employees at group companies to enhance the Group's corporate brand. This award is intended to encourage the shared sense throughout the Group that building a strong corporate brand is not a special activity, but rather an integral part of everyone's daily work. In its fifth year, the award attracted 241 entries from 24 group companies in 2015. A total of 30 groups of winners were selected for the Sincerity and Trust Award, Customer-Oriented Award, Value Creation Award, and Challenge Award. Moreover, four groups were chosen to receive the President's Award, taking into account the results of a vote by Group employees.

The Group plans to continue using the Hito-Machi Award to share best practices throughout the Mitsubishi Estate Group and help to improve employee motivation. This will also help to earn more trust from customers and enhance the Group's overall reputation.

Voice of a Hito-Machi Award winner

Mitsubishi Estate Home Juku secretariat members Mitsubishi Estate Home Co., Ltd.

Mitsubishi Estate Home Juku established as internal educational organization

Mitsubishi Estate Home Co., Ltd. established Mitsubishi Estate Home Juku ("Mitsubishi Estate Home Seminar") as an internal educational organization for all employees. This is meant to enhance young employees' potential, serve as a forum for personal interaction that goes beyond the boundaries of age and organizations and strengthen the human resource development skills of middle-ranking and veteran employees. Employees active on the front lines of business and employees with advanced expertise in a specific field serve as instructors to convey their views on work through lectures. One of the objectives is to create a venue that will help young employees understand the significance of working for the company. After the course, optional get-togethers and other events were also organized to facilitate networking.

In fiscal 2015, a total of four courses with about 40 participants in each were held. Many middle-ranking employees also attended, seeking hints on personal growth from the instructors. The courses also had the effect of encouraging young employees to ask questions of veteran employees during the course of their daily work and communicate across divisions.



Mitsubishi Estate Home Juku lecture

Establishment of action plan to promote women's success

Mitsubishi Estate has established an action plan in accordance with Japan's Act on Promotion of Women's Participation and Advancement in the Workplace, which went into effect in April 2016.

As the number of women hired and their years of continuous employment increase, the number of female candidates for managerial positions has risen and the ratio of female managers has also improved. Mitsubishi Estate believes that creating an environment conducive to the performance of both male and female employees will raise the ratio of female managers. The Company will continue to promote diversity, including the success of women in the workplace.

Overview of action plan

Objectives

1. Raise the percentage of female employees at the level of section head to about 20% by fiscal 2020, with the aim of bringing the percentage of female employees who are managers to more than 10% by 2030.
2. By fiscal 2020 or before,
 - (1) encourage men to take childcare leave and raise the percentage of men taking childcare leave to 13% or more and
 - (2) encourage employees to actively take paid leave to raise the rate of those taking leave to 60% or more.

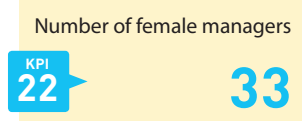
Initiatives

1. Reinforce mid-career hire of female employees at the section head level who can be candidates for managerial positions
2. Aim to further augment support for balancing childcare and work
3. Carry out initiatives to encourage employees to take paid leave
4. Continue to take measures to cut overtime



Ratio of female managers to all managers

April 2012	April 2013	April 2014	April 2015	April 2016
3.2%	3.4%	3.8%	4.2%	4.4%



Voice of a female manager



Chika Kanamori
Invest Management Business Department
Mitsubishi Estate Co., Ltd.

Aiming to boost organizational strength by training human resources

I am often asked if I'm anxious about being a female manager since there isn't much precedent for it, but I view gender differences as simply another facet of individuality. I have never felt that I'm acting differently because I am a woman. I don't think that you can lump male managers together in a single profile either, so I just try to be true to myself.

Since I became a manager, I've tried to prioritize human resource development. I'm particularly aware of the importance of (1) teaching subordinates how to think for themselves rather than waiting for direction and guidance from supervisors, (2) creating an environment in which the team's strength can be exercised to its maximum potential and (3) encouraging employees to become people of character and not focus exclusively on work. Developing subordinates doubles or even triples the team's strength. Going forward, I hope to keep working as a manager to maximize the organization's strength.

Respecting human rights and employee diversity

Basic approach to human rights

The Mitsubishi Estate Group respects the basic human rights of all people, and believes that a workforce where people respect one another's diverse values and cultures is the cornerstone of corporate success. Respect for human rights is part of the Mitsubishi Estate Group Guidelines for Conduct, which all employees are expected to follow on a daily basis. Meanwhile, we offer training and other programs designed to foster employees' awareness of human rights.

Ongoing human rights programs

The Mitsubishi Estate Group provides training on human rights as part of its training for new employees on an ongoing basis.

In addition to training tailored by job grade, Mitsubishi Estate carries out group training on specific themes related to human rights for all employees. Human rights lectures are also given every year to executives such as the Company's president, directors and department managers, as well as group companies' presidents. In fiscal 2015, training on corporate management and human rights was given by Suehiro Kitaguchi, a professor at the Center for Human Rights, Kindai University. He lectured on the approach to universal human rights, from population fluctuations and social issues to government policy and recent social integration issues.

Also in fiscal 2015, the Group provided new hire joint training to 302 new hires from 21 group companies, and Mitsubishi Estate and some group companies also carried out training on the prevention of workplace harassment and on social integration. By raising participants' awareness of discrimination, this training sought to cultivate a greater sense of human rights.

Total hours of annual human rights training at Mitsubishi Estate

(fiscal 2015)

Total training hours, per year	3,710 minutes (61 hours)
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Mitsubishi Estate's human rights training (fiscal 2015)

Themes

- Power harassment
- Sexual harassment (including LGBT issues)
- Social integration
- Issues faced by people with disabilities

Total number of participants: 516 people

Mitsubishi Estate Group's human rights training results* (fiscal 2015)

50 participants from 22 companies received human rights training for a total of 1,329 minutes (22 hours)

* External human rights training sessions offered via Mitsubishi Estate liaison to group company employees.

Human Rights Education Committee meets

Mitsubishi Estate holds a meeting of its Human Rights Education Committee (chaired by the director in charge of human resources) once a year to review the status of its human rights initiatives, exchange views on ways to improve programs, review that fiscal year's activity plan and share knowledge on recent human rights conditions.

The Mitsubishi Estate Group has joined the Industrial Federation for Human Rights, Tokyo, and the Corporate Federation for Dowa and Human Rights Issues, Osaka. In addition to participating in training on social integration issues and other human rights issues, the Group independently provides human rights training and participates in activities such as information compilation to expand this training to group companies.

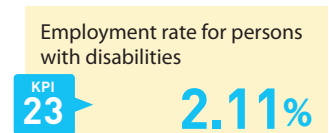
Helpline system

The Mitsubishi Estate Group has set up a helpline that employees of the Group, regardless of their employment status, as well as group companies' business partners, can use to discuss issues related to compliance. In addition, Mitsubishi Estate set up a separate hotline for employees internally so that they can discuss harassment and other issues. This is intended to prevent problems.

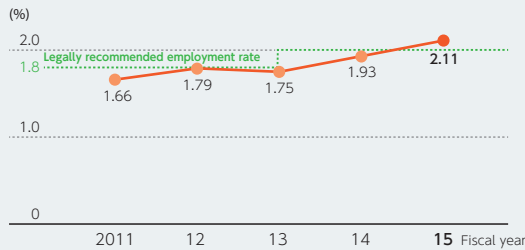
All reports and consultations are treated confidentially, and are dealt with appropriately after confirming and investigating all of the facts. In addition, the Group implements training tailored to hotline operators at group companies on how to respond to consultations.

Hiring of people with disabilities

Mitsubishi Estate actively seeks to hire persons with disabilities, in accordance with the normalization concept advocated by the United Nations and the Mitsubishi Estate Group Guidelines for Conduct. As of the end of fiscal 2015, Mitsubishi Estate's employment of people with disabilities was 2.11%, above the legally recommended employment rate of 2.0%. Mitsubishi Estate will continue to expand its hiring of people with disabilities, while striving to create a workplace in which all employees can make the most of their unique skills.



Employment rate of persons with disabilities



Reuse initiatives

In November 2014, Mitsubishi Estate started to reuse office equipment at its headquarters with the twin goals of expanding the scope of work as part of its effort to promote the hiring of people with disabilities and of encouraging reuse internally. Office equipment that is no longer used in divisions is regularly collected, and objects that can be reused are offered to internal divisions free of charge. Currently two employees with disabilities are in charge of this initiative, while also carrying out other responsibilities. About 50,000 to 200,000 yen per month is saved, compared to what it would cost to buy new equipment. Divisions buy new office equipment only after considering reusing items. Employees of various internal divisions



visit the room in which the items available for reuse are displayed, which facilitates interaction with the employees in charge of this initiative.

Supportive workplaces for employees

Programs to foster work-life balance

Mitsubishi Estate respects its employees' individuality and values, and believes that it is important to ensure a balance between work and home life in order to provide a workplace in which each individual employee can perform to potential. Mitsubishi Estate has established a leave of absence program for childcare and nursing care, as well as a program that allows employees to work shorter or flexible hours, so that they can select from diverse work styles.

Employees can take childcare leave until the end of March after the child turns three, and can work shorter or flexible hours for childcare activities until the child has completed the third grade of elementary school. Mitsubishi Estate also implements other initiatives to support childcare, such as temporary daycare services using contracted daycare centers and subsidies for the cost of babysitting. Mitsubishi Estate has established a general action plan compliant with the Japanese law called the "Act on Advancement of Measures to Support Raising Next-Generation Children" so that employees can balance work and childcare. It has also issued a Childbirth and Childcare Guidebook explaining support programs available for childcare on its intranet.

In light of Japan's changing social structure, the company enables employees to take nursing care leave for three years, and they can now work flexible hours as well as shorter hours while providing nursing care to family

members. In addition, a nursing guidebook is issued to offer information on caring for family members. Since January 2013, the company has established a new program to enable employees who had to leave the company due to their spouse's work transfer or other reason who meet certain conditions to apply for reemployment.

In fiscal 2015, 100% of employees returned to work after taking childcare leave, and the retention rate one year after the return to work was also 100%.

Number of people taking childcare leave of absence, nursing care leave of absence and shortened work hours

KPI 19 **13/0/33** people a year

Number of people taking childcare leave of absence, nursing care leave of absence and shortened work hours for childcare

		Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
Childcare leave	Men	0	0	0	0
	Women	17	22	23	13
	Total	17	22	23	13
Nursing care leave	Men	0	0	0	0
	Women	0	0	0	0
	Total	0	0	0	0
Shortened work hours for childcare	Men	0	1	0	0
	Women	25	29	32	33
	Total	25	30	32	33

List of work-life balance programs and welfare programs

Name of program	Overview of program
Childcare leave of absence	Can be used until the end of the fiscal year in which the child turns three years old (14 days of paid leave from the day on which childcare leave starts)
Nursing care leave of absence	Can be used for a maximum of three years
Nursing care leave of absence for children	Can be used until the end of the March after the child enters the third grade in elementary school Can be used as a special paid leave of absence until the child enters elementary school
Nursing care leave of absence for family	Can be used as a special paid leave of absence
Shortened work hours for childcare	Can be used until the end of the March after the child enters the third grade in elementary school Daily work hours can be shortened by up to 2.5 hours in increments of 15 minutes
Shortened work hours for nursing care	Can be used for up to 93 days per family member Daily work hours can be shortened by up to 2.5 hours in increments of 15 minutes
Flextime program for pregnant women, those caring for children and those nursing family members	Can be used until the end of the March after the child enters the third grade in elementary school (Stipulated work hours can be shortened by up to one hour in increments of 15 minutes)
"Refresh" vacations	Special paid vacations are given every five years after five consecutive years of employment Company pays travel costs after 25 years of consecutive employment (upper limit imposed)
Accumulated vacation	Employees can accumulate up to 90 days of paid vacation that was not used. This can be used for the employee's or family member's illness, a spouse's childbirth, to participate in volunteer activities, childcare or nursing care for family members, among others.
Reemployment program	In the event that an employee retires due to a spouse's transfer, the former employee can be reemployed within five years of retirement.

Note: Each program has its own unique conditions, such as applicable job types.



Voice of an employee who took childcare leave



Yukako Kawano
Legal & Compliance Department
Mitsubishi Estate Co., Ltd.

I had a baby in 2014 and took childcare leave after maternity leave. Since my child was born early, I took childcare leave for one year on the assumption that I would put my child in daycare in April of the following year. Since the timing of my return to work would depend on when I was able to put my child into daycare, this flexibility in the duration of childcare leave was very reassuring. Currently, I am working on a flex-time schedule with shorter working hours. This flex-time system is helpful because it gives me flexibility with my schedule, for example when I have to take my child to the doctor. There are also times when I have to take a day off unexpectedly, for example when my child gets a fever, but my colleagues understand the situation and give me support, which I'm really grateful for.

Protecting the health and safety of employees

Mitsubishi Estate makes commitments to safety and hygiene in its labor agreements, and strives to protect employee health and safety through health checkups and safety education.

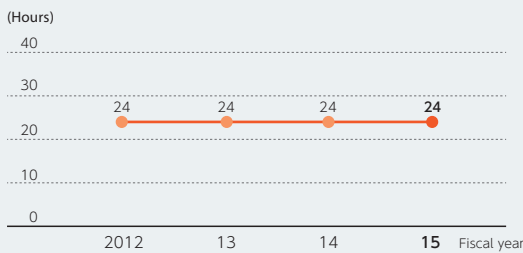
The Company has introduced a work management system that is linked with computer log-on/off time so that supervisors can follow employees' work conditions. Supervisors meet one-on-one with their subordinates to discuss workload and task difficulty, seeking to understand conditions that may impact their health. Any employee who works more than 90 hours of overtime in a month is encouraged to have a checkup with an occupational physician. As such, Mitsubishi Estate is dedicated to taking measures that help employees manage their health.

Beginning in fiscal 2016, the Company adopted a flex-time schedule for all employees, and implemented initiatives such as "early return days" whereby people set days to go home early and manage objectives accordingly, and the "positive off movement" to help employees make plans to take days off and encourage them to take paid leave. These new measures are intended to improve productive, promote work-life balance and enhance health.

Number of hours of overtime on average per month



Overtime hours worked, per month, per person



Support for employees' life plans

Mitsubishi Estate has set a retirement age of 60, but has introduced a job matching program to reemploy employees that want to continue working after this retirement age.

This program enables employees of retirement age who meet certain conditions to continue working, which not only supports employees' life plans, but also enables veteran employees to pass on the skills, expertise and personal connections built up over years of experience, thus helping to maintain service quality. Currently, these veterans are registered as advisors.

Expectations for this second phase of life are varied, and individuals make diverse choices. For this reason, the company provides life planning seminars, training on planning for life after retirement. In addition, the second life support program has been set up, enabling employees two years away from retirement to embark on a fulfilling "second life" with early retirement.

Retirement allowance program

The Mitsubishi Estate Group's domestic companies have adopted a defined-benefit pension plan, and offer both savings-type and non-savings-type lump sum retirement grants, defined-benefit pension plans and defined-contribution pension plans.

Mitsubishi Estate has established a defined-benefit lump sum retirement grant program and a corporate pension program, and as of March 31, 2016, its corporate pension plan had total assets of 40.8 billion yen, while its liability reserve was 35 billion yen.

Dialogue with employees

Mitsubishi Estate supports the right to group negotiation and also emphasizes problem-solving together with labor unions. About 70%, or 608, of the 849 employees, excluding employees in managerial positions, are members of the Mitsubishi Estate Labor Union (as of April 1, 2016). The Company forms labor agreements and discusses issues that need to be resolved and the right course of development for the Company to take on the basis of trust, in order to build positive relationships.

The labor agreement stipulates that any changes that would have a major impact on the employee, such as employee cuts and changes to labor conditions resulting from a contraction and consolidation of the Company's business, are discussed in advance and that policies and standards are clarified. Moreover, internal management standards are stipulated in cooperation with the labor union so that employees' working hours are not excessive, with the Group and labor union working together.

Voice of the labor union president



Koji Kawamoto
Executive President,
Mitsubishi Estate Labor Union

At the Mitsubishi Estate Labor Union, we strive to make work more rewarding and easier to accomplish for employees. Not merely requesting improvements in wages and benefits, which do translate into job satisfaction, the labor union also makes various proposals to enhance the work environment, including actions such as making work times and places more flexible, reviewing existing work conventions, and improving intranet and other operational infrastructure. Listening to employees' opinions, sharing them with the company and working together to explore solutions in order to make improvements are all standard responsibilities of the labor union, but the steady reiteration of these actions is the essence of what we do.

Data on human resources

Mitsubishi Estate Group's employment conditions

Number of employees (Mitsubishi Estate Group overall)

	FY2012	FY2013	FY2014	FY2015
Total number of employees	8,001	7,952	8,388	8,474
(Men)	-	-	6,012	6,082
(Women)	-	-	2,326	2,256

* Data covers consolidated subsidiaries in fiscal 2015 (the number of companies differs depending on the fiscal year).
 * There were 194 consolidated companies in fiscal 2015 (46 in Japan and 148 overseas).
 * Some companies do not provide data by gender.

Number of employees by region (Mitsubishi Estate Group overall)

	Japan	UK	US	China	Singapore
Total number of employees	7,941	11	508	-	14

* Data covers consolidated subsidiaries in fiscal 2015.
 * Employees on loan are included in region in which the affiliated company is located.

Number of employees by business division and percentage of total (Mitsubishi Estate Group overall)

Segment	Number of employees	Percentage
Building Business	1,626	19%
Lifestyle Property Business	321	4%
Residential Business	3,116	37%
International Business	405	5%
Investment Management	266	3%
Architectural Design and Engineering	596	7%
Hotel Business	1,248	14%
Real Estate Services	487	6%
Other	164	2%
Corporate Group (Mitsubishi Estate)	245	3%
Total	8,474	100%

*As of March 31, 2016

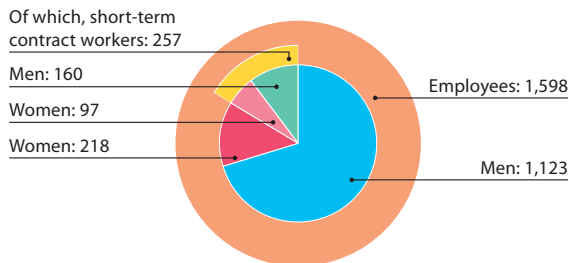
Number of new hires and people leaving the company (Mitsubishi Estate Group overall)

	FY2014	FY2015
New employees	856	1,012
Number of employees leaving company (including those retiring at mandatory retirement age)	628	1,003

Employment at Mitsubishi Estate

Workforce breakdown

The breakdown of Mitsubishi Estate's workforce is as follows.



* As of March 31, 2016 (including employees seconded to Group companies)

	FY2011	FY2012	FY2013	FY2014	FY2015
Men	1,383	1,344	1,319	1,294	1,283
(Of which, regular employees)	1,177	1,159	1,150	1,131	1,123
(Of which, short-term contract workers)	206	185	169	163	160
Women	304	314	321	313	315
(Of which, regular employees)	201	206	212	217	218
(Of which, short-term contract workers)	103	108	109	96	97
Total	1,687	1,658	1,640	1,607	1,598

Workforce profile, by age bracket (fiscal 2015)

	20-29	30-39	40-49	50-59	60 and over
Men	155	209	392	397	130
Women	59	84	112	51	9
Total	214	293	504	448	139

Number of new hires and people leaving the company (Mitsubishi Estate, non-consolidated)

	FY2011	FY2012	FY2013	FY2014	FY2015
New graduate hires	60	58	48	58	50
New employees	33	33	31	33	33
Mid-career hires	1	4	4	5	4
Rehired contract employees	26	21	13	20	13
Number of employees leaving company (including those retiring at mandatory retirement age)	58	50	38	49	40
Rate of employees leaving for personal reasons	0.6%	0.3%	0.5%	0.4%	0.4%

Number and percentage of employees overall, by gender (Mitsubishi Estate, non-consolidated)

	March 2012			March 2013			March 2014			March 2015			March 2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Main career track N positions	1,181	1,088	93	1,185	1,085	100	1,195	1,087	108	1,205	1,089	116	1,201	1,081	120
Main career track A positions*	—	92.1%	7.9%	—	91.6%	8.4%	—	91.0%	9.0%	—	90.4%	9.6%	—	90.0%	10.0%
Of which, section/division managers	731	710	21	729	706	23	738	713	25	745	717	28	743	712	31
Clerical workers	—	97.1%	2.9%	—	96.8%	3.2%	—	96.6%	3.4%	—	96.2%	3.8%	—	95.8%	4.2%
	108	0	108	106	0	106	104	0	104	101	0	101	98	0	98

* Main career track N positions: Main career track positions without a specified work location
 Main career track A positions: Main career track positions with a specified work location
 Note: Data is as of March 31 for each fiscal year.