



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

Basic Concept and Approach

Employees are the driving force behind the Mitsubishi Estate Group's vision for creating the communities of the future. This is why the Group works so hard to develop its employees and support their achievements. The Group selects and hires employees equitably and provides opportunities for appropriate education and training. The Group also supports flexible work styles tailored to individual lifestyles, and provides equal opportunities so that all of its diverse employees can thrive, regardless of gender, age, or disability.

Management System

The Mitsubishi Estate Group strives to provide a range of human resource development programs and to create a workplace in which human rights and diversity are respected. Mitsubishi Estate's Human Resource Department and MEC Human Resources, Inc., which provides human-resource related services for the Group, take the central role in this. The CSR Committee and the CSR & Environmental Sustainability Subcommittee, which cover CSR issues in general, each meet twice a year, and they discuss and share information about human resource development and efforts to provide a workplace that is respectful of human rights and diversity.

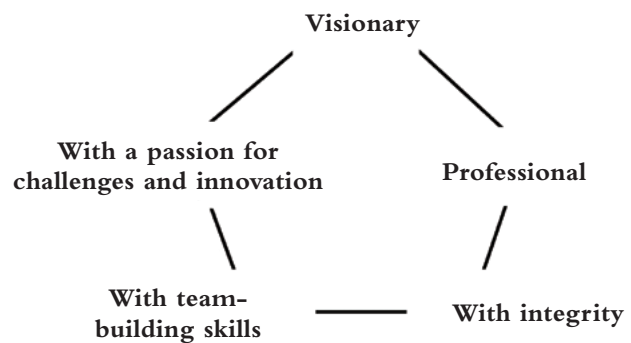
* Please refer to pages 10-11 for information on objectives and key performance indicators (KPI).

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 is implementing upgraded human resource development programs in 2017.

Mitsubishi Estate has defined the ideal traits for its human resources: visionary, professional, with integrity, team-building skills, and a passion for challenges and innovation. Mitsubishi Estate develops its employees' skills using multiple approaches, combining training programs with job rotations and coordinated programs at the workplace level.



Comment from Staff



Kohei Mukunoki
Human Resource Department,
Mitsubishi Estate Co., Ltd.

When reforming the human resource development programs, I felt that the best way for the Mitsubishi Estate Group to adapt to the unprecedented speed of social change and survive as a competitive company would be for each employee to embrace challenges with fresh ideas and perspectives, without being limited by past successes and approaches and conventional ideas. I also wanted the entire company to support these efforts as an organization.

After a long process of discussing and considering how best to value individual employees' desire to learn independently and take up challenges and to train these human resources, we finally came up with our new human resource development program.

I think that people have incredible potential that they are not even aware of. It would be amazing if we could become a company that empowers each employee to take their vision and passion for innovation and maximize their abilities to the greatest extent possible.

Consultations for Career Development

At Mitsubishi Estate, employees set goals for their own work, their contributions to the organization, and their skill development. They then review their achievements every six months via management by objective (MOB) consultations with supervisors. They also confirm the evaluation of their performance in these consultations, and salary changes are decided based on the results of these appraisals. The company also regularly holds human resource development consultations with every employee (with the exception of general managers), aiming to solicit their views and requests of the company 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

11,904,874 yen

Initial salaries at Mitsubishi Estate Co., Ltd.

Initial salary (monthly salary)	Comparison to minimum wage
240,000 yen	164%

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.

In addition to skill development programs aimed at raising basic skills, Mitsubishi Estate has established elective self-development support programs that give employees the opportunity to choose their own classes.

Mitsubishi Estate's total annual hours of human resource development training (fiscal 2016)

Total training hours per year (Mitsubishi Estate Co., Ltd.)	16,666 hours
--	--------------

* 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 (Mitsubishi Estate Co., Ltd.)

KPI 7.4 hours/135,541 yen a year

Creating a Vibrant Workplace

Establishment of Action Plan to Promote Women's Success

Mitsubishi Estate has established and published an action plan in accordance with Japan's Act on Promotion of Women's Participation and Advancement in the Workplace.

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 help 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 (from April 1, 2016 to March 31, 2017)

1. Raise the percentage of female employees at the level of section head, who are candidates for management, 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,
 - (2) encourage employees to actively take paid leave to raise the rate of those taking leave to 60% or more, and
 - (3) Although annual overtime hours are on the decline, the company believes that further reductions are essential to promote work-life balance. As such, the company aims for a 5% reduction in the average monthly overtime compared to fiscal 2014.

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

Voice of a Female Manager



Miwako Chiba
Corporate Communications Department,
Mitsubishi Estate Co., Ltd.

Bringing Women's Unique Skills to Managerial Positions

Many people believe that women don't want to be managers. I became a manager without thinking too much about this sort of thing, but in this position I had greater access to information and I was involved in a wider range of work. This change in my surroundings made work even more enjoyable than before. It was also easier to manage time, and I was able to comfortably balance raising two children with my work.

I do feel that women in Japan have heavier responsibilities when it comes to housework and childcare, but I want to see women become managers and skillfully balance their work and their personal lives. At present, reforms in work approaches, such as adopting flex systems, are making this easier for women. I hope that they will seize this chance and that even more women will achieve great things.

Ratio of female managers to all managers at Mitsubishi Estate Co., Ltd.

April 2013	April 2014	April 2015	April 2016	April 2017
3.4%	3.8%	4.2%	4.4%	5.1%

Number of female managers
(Mitsubishi Estate Co., Ltd.)

KPI 39

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 sixth year, the award attracted 165 entries from a record-high 28 Group companies in 2016. A total of 29 groups of winners were selected for the Sincerity and Trust Award, Customer-Oriented Award, Value Creation Award, and Challenge Award. Moreover, one Grand Prix and four Runner-up laureates were selected by the president, and one group was chosen for the Special Award based on 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.



RPM Award Program Recognizes Impressive Daily Initiatives

Mitsubishi Jisho Retail Property Management Co., Ltd. established the Retail Property Management (RPM) Award to share the initiatives taken by employees on a daily basis. This award, consisting of the Grand Prize, Group Award and Individual Award, was established so that employees can sense the direct link between their everyday efforts and the invigoration of the workplace environment. In its second year, the Award attracted a greater number of entrants than the first round, with 19 entrants for the Group Awards, and 39 entrants for the Individual Awards. The entries were judged based on their adherence to the corporate slogan "Interaction between people sparks inspiration." The Grand Prize was awarded in February 2017 after a round of voting by all employees, a first screening and a final screening. The Grand Prize winner was given a trophy, and the Individual Award winners were given the "red chair" for one year.

Going forward, we will promote a system that results in many nominations of a wide range of employees' initiatives and enables employees to recognize each other.



2016 "red chair" recipient

Susumu Sugawara

Corporate Planning and General Affairs
Department, Mitsubishi Jisho Retail
Property Management Co., Ltd.

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 2016, attorney Kenichi Kojima gave a talk entitled "Employment of People with Disabilities and Work Reform," focusing especially on employment of people with mental disabilities. In the talk, he showed how effort to address legal issues and hire people with disabilities actually enhance productivity.

Moreover, the Group provided new hire joint training to 318 new hires from 23 Group companies, and Mitsubishi Estate and some Group companies also carried out lectures for managers on topics such as social integration and regulations on the prevention of sexual harassment. 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 2016)

Total training hours, per year	133 minutes (2.2 hours)
--------------------------------	-------------------------

Mitsubishi Estate's human rights training (fiscal 2016)

Themes:

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

Total number of participants: 245 people

Mitsubishi Estate Group's human rights training results* (fiscal 2016)

1,252 participants from 30 companies received human rights training for a total of 172,800 minutes (2,880 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; renamed the Human Rights Education & Diversity Promotion Committee in 2017) 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.

Hiring of People with Disabilities

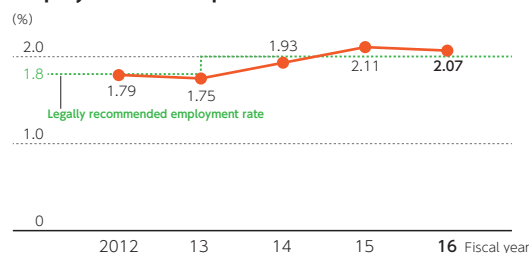
Mitsubishi Estate actively seeks to hire people with disabilities, in accordance with the Mitsubishi Estate Group Guidelines for Conduct and the social demands following Japan's ratification of the Convention on the Rights of Persons with Disabilities. As of the end of fiscal 2016, Mitsubishi Estate's employment of people with disabilities was 2.07%, above the legally recommended employment rate of 2.0%. Mitsubishi Estate strives to create a workplace in which all employees can demonstrate their unique skills without regard to their disability, while providing the environment they need for success.

Employment rate for persons with disabilities (Mitsubishi Estate Co., Ltd.)

2.07%



Employment rate of persons with disabilities



Supportive Workplaces for Employees

Establishment of Work Reform Promotion Committee

Mitsubishi Estate has previously taken steps to redress long working hours and help promote work-life balance. On April 1, 2017, the company upgraded this effort by establishing the Work Style Reform Promotion Committee, which is chaired by and reports directly to the president. The goal of this move was to promote reform to the corporate culture and streamline the operating process from the top down. This committee is transforming programs and reforming the office environment company-wide and across departments.

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 range of programs for childcare and nursing care, such as leave of absence, shortened work hours, flex-time schedule, and hourly paid vacation programs, so that they can select from diverse work styles.

Employees can take childcare leave until March 31 after the child turns three, and can work shorter or flexible hours for childcare activities until March 31 of the year the child completes 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. The company also opened a center that helps employees find day-care centers for their children. 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 2016, 100% of employees returned to work after taking childcare leave, and the retention rate 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 (Mitsubishi Estate Co., Ltd.)

KPI **18/0/11** people a year

Number of people taking childcare leave of absence, nursing care leave of absence and shortened work hours for childcare (Mitsubishi Estate Co., Ltd.)

		Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Childcare leave	Men	0	0	0	0	7
	Women	17	22	23	13	11
	Total	17	22	23	13	18
Nursing care leave	Men	0	0	0	0	0
	Women	0	0	0	0	0
	Total	0	0	0	0	0
Shortened work hours for childcare	Men	0	1	0	0	0
	Women	25	29	32	33	11
	Total	25	30	32	33	11

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 (can be divided into shorter durations up to three times)
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 within three years of the start of use for each person in the eligible family 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
"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



Daiki Kikuchi
Corporate Planning Department,
Mitsubishi Estate Co., Ltd.

I took one month of childcare leave from the time my first child was two months old. The times we live in call for a wide range of work styles, so I thought that focusing on childcare for a set period would be a chance to take another look at my own work style and pursue balance between childcare and work. After I returned to work, I looked at my daily schedule in terms of both childcare and work. At work, I focused on how I could most efficiently achieve results in the allotted time, while trying to find time to be with my child, too. My wife and I seek balance between childcare and work in our lives. I hope that more male employees take childcare leave in the future.



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.

At the same time, 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. As of March 31, 2017, 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 588, of the 839 employees, excluding employees in managerial positions, are members of the Mitsubishi Estate Labor Union (as of April 1, 2017). 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.

Voice of the Labor Union President

Mitsuo Soraki
Executive President,
Mitsubishi Estate Labor Union



We proactively discuss issues with the company as we work to foster a workplace environment where employees can thrive. Work reforms and a headquarters relocation are planned for fiscal 2017. In addition to improvements to wages and benefits, we also plan to make recommendations that will lead to greater work efficiency and higher productivity, such as more options for workplaces and work times, a review of past working practices, and improvements to infrastructure such as the intranet. Going forward, as the social environment changes and diverse work styles take hold, we believe it will be important for management and labor to work together to establish and expand programs that reflect employees' views.

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.

Promotion of Health Management

Mitsubishi Estate issued the Health Management Declaration in October 2016 to systematize the initiatives and plans that the company and the health insurance union had carried out thus far, make clear top management's commitment, and ensure further improvements in maintaining and improving employee health. The company also makes commitments to safety and hygiene in its labor agreements, and strives to protect employee health and safety through health check-ups 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.

Moreover, beginning in fiscal 2017 a subsidy program was set up for health-promoting programs (sports activities, checkups not covered by health insurance, etc.) for employees with the "Cafeteria Plan."* This and other measures are aimed at improving employee health.

In order to promote work-life balance, the company adopted a flex-time schedule for all employees in fiscal 2016, and implemented initiatives such as "early return days" whereby people sets 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.

In fiscal 2017, an hourly paid vacation program was introduced as part of our efforts to create a friendly working environment.

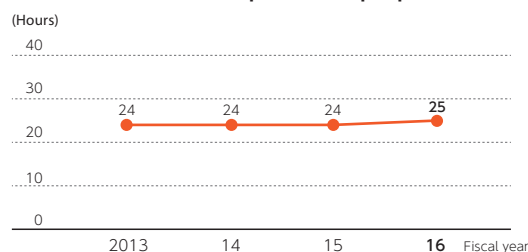
* This program enables employees to use points allotted to them to choose programs from a menu set by the company (sports activities, checkups not covered by health insurance, etc.).

Number of hours of overtime on average per month
(Mitsubishi Estate Co., Ltd.)



25 hours

Overtime hours worked, per month, per person



Data on Human Resources

Mitsubishi Estate Group's Employment Conditions

Number of employees (Mitsubishi Estate Group overall)

	FY2013	FY2014	FY2015	FY2016
Total number of employees	7,952	8,388	8,474	8,642
(Men)	-	6,012	6,082	6,150
(Women)	-	2,326	2,256	2,346

* Data covers consolidated subsidiaries in fiscal 2016 (the number of companies differs depending on the fiscal year).

* There were 201 consolidated companies in fiscal 2016 (44 in Japan and 157 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	8,126	76	423	1	16

* Data covers consolidated subsidiaries in fiscal 2016.

* Employees on loan are included in region in which the affiliated company is located.

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

Segment	Number of employees	Percentage
Building Business	1,631	19%
Lifestyle Property Business	394	5%
Residential Business	3,149	36%
International Business	387	4%
Investment Management	273	3%
Architectural Design and Engineering	587	7%
Hotel Business	1,292	15%
Real Estate Services	490	6%
Other	174	2%
Corporate Group (Mitsubishi Estate)	265	3%
Total	8,642	100%

*As of March 31, 2017

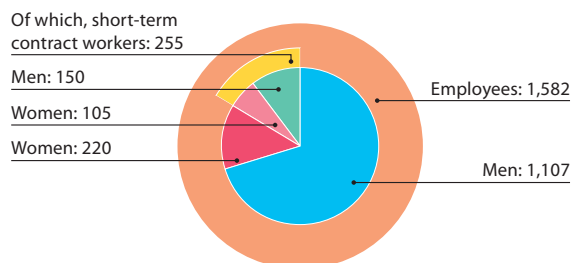
Number of new hires and people leaving the company (Mitsubishi Estate Group overall)

	FY2015	FY2016
New employees	1,012	713
Number of employees leaving company (including those retiring at mandatory retirement age)	1,003	635

Employment at Mitsubishi Estate

Workforce breakdown

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



* As of March 31, 2017 (including employees seconded to Group companies)

	FY2012	FY2013	FY2014	FY2015	FY2016
Men	1,344	1,319	1,294	1,283	1,257
(Of which, regular employees)	1,159	1,150	1,131	1,123	1,107
(Of which, short-term contract workers)	185	169	163	160	150
Women	314	321	313	315	325
(Of which, regular employees)	206	212	217	218	220
(Of which, short-term contract workers)	108	109	96	97	105
Total	1,658	1,640	1,607	1,598	1,582

Workforce profile, by age bracket (fiscal 2016)

	20-29	30-39	40-49	50-59	60 and over
Men	148	229	358	402	120
Women	58	93	114	51	9
Total	26	322	472	453	129

New hires and people leaving the company (Mitsubishi Estate, non-consolidated)

	FY2012	FY2013	FY2014	FY2015	FY2016
New graduate hires	58	48	58	50	63
New employees	33	31	33	33	28
Mid-career hires	4	4	5	4	6
Rehired contract employees	21	13	20	13	29
Number of employees leaving company (including those retiring at mandatory retirement age)	50	38	49	40	43
Rate of employees leaving for personal reasons	0.3%	0.5%	0.4%	0.4%	0.2%

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

	March 2013			March 2014			March 2015			March 2016			March 2017		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Main career track N positions*	1,185	1,085	100	1,195	1,087	108	1,205	1,089	116	1,201	1,081	120	1,208	1,083	125
Main career track A positions*	—	91.6%	8.4%	—	91.0%	9.0%	—	90.4%	9.6%	—	90.0%	10.0%	—	89.7%	10.3%
Of which, section/division managers	729	706	23	738	713	25	745	717	28	743	712	31	725	693	32
	—	96.8%	3.2%	—	96.6%	3.4%	—	96.2%	3.8%	—	95.8%	4.2%	—	95.6%	4.4%
Clerical workers	106	0	106	104	0	104	101	0	101	98	0	98	95	0	95

* 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.