

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

As globalization progresses in the modern age, there is an increasing diversification in workers and other stakeholders as well as in working styles. In this environment, the Mitsubishi Estate Group believes it is highly important to consider the human rights of all persons involved in its businesses. To that end, the Mitsubishi Estate Group Human Rights Policy was formulated in April 2018 to clearly set out the basic human rights that must be protected. At the same time the Group became a signatory to the UN Global Compact, which means an even greater commitment to initiatives aimed at respecting human rights along with the rest of the international community going forward. When it comes to human resource development, which forms the foundation of a sustainable corporation and society, the Mitsubishi Estate Group places great emphasis on developing employees and supporting employee activities which will help the Group achieve its vision for creating the communities of the future. 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. Accordingly, it provides equal opportunities and promotes diversity so that diverse employees with their various backgrounds can thrive, regardless of gender, age, or disability.

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.

Management System

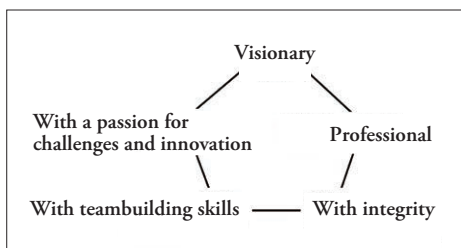
The Mitsubishi Estate Group works with the Mitsubishi Estate's Human Resource Department and MEC Human Resources, which provides human-resource related services for the Group, to strive to provide a range of human resource development programs and to create a workplace in which human rights and diversity are respected. 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. In addition to this, to encourage human rights-related efforts, the Human Rights Awareness and Diversity Promotion Committee meets once a year to review reports on human rights initiatives and exchange opinions on possible improvements.

Human Resource Development

Human Resource Development Programs

Mitsubishi Estate Group believes that human resources are a very important management asset and recognizes that employee growth is essential to the Group's continued growth. Accordingly, it started upgraded human resource development programs in 2017.

Mitsubishi Estate has defined the ideal traits it seeks in 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.



The Five Traits

Voice of a Manager

Building a company where individual employees can freely display their talents



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

For Mitsubishi Estate to adapt to the unprecedented speed of social change, survive as a competitive company and continue to grow, each employee needs to embrace challenges with fresh ideas and perspectives, without being limited by conventional ideas and past approaches and successes. The whole organization will need to support them in these efforts.

Our company trains human resources systematically, offering both on-the-job and off-the-job training in various fields to employees in a variety of roles to bring out their individual capabilities.

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

Offering a Wide Range of HR Development and Training Programs KPI 3

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

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 2017)

Total training hours per year	18,687 hours
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(Note) This does not include the time for overseas dispatch, English language training, correspondence courses, and other self-development programs freely chosen by employees.

Promoting Diversity

Basic Approach to Human Rights

As a member of society, the Mitsubishi Estate Group is keenly aware of the importance of respect for human rights. To fulfill our responsibility to respect the basic human rights of all stakeholders, not only those involved in Group businesses, we set up the Mitsubishi Estate Group Human Rights Policy on April 1, 2018. 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. These Guidelines stress the importance of respect for human rights and diversity, which means that employees show concern for human rights and the environment in the course of their business activities. The Human Rights Policy is intended to ensure that we, as a good corporation, understand that internationally mandated human rights are a bare minimum that we must go beyond, that we reaffirm the importance of supporting, protecting and respecting human rights and that we work to respect the fundamental human rights of every single person involved in the Group's businesses.

historically been the victim of severe discrimination and ostracism in Japan. Professor Okuda spoke at length on the background of the law, the state of human rights in Japan and abroad, the current state of discrimination against *buraku* people and the kinds of initiatives companies are expected to undertake to eliminate *buraku* discrimination.

Moreover, the Group provided new hire joint training to 333 new hires from 22 Group companies. Mitsubishi Estate and some Group companies also organized training for the managers in charge of the helpline and harassment consultation service as well as lectures for managers and executives on topics such as social integration and regulations on the prevention of sexual harassment. Training was also provided on themes such as *buraku* issues for Mitsubishi Estate and some Group companies. These training sessions all sought to cultivate a greater sense of human rights by raising participants' awareness of discrimination.

Ongoing Human Rights Programs KPI 3

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

In addition to training for management career track positions, Mitsubishi Estate also carries out group training on the prevention of workplace harassment. Human rights lectures are also given every year to executives such as the company's president, directors and department managers, as well as Group company presidents. In fiscal 2017, Professor Hitoshi Okuda of the Kinki University Human Rights Issues Research Center delivered a lecture on the theme, "The challenges and significance of the Law on the Promotion of the Elimination of Discrimination against *Buraku*." *Buraku* refers to a group of outcasts that has

Total hours of annual human rights training at Mitsubishi Estate (fiscal 2017)

Training hours per session	105 minutes (1.75 hours)
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Mitsubishi Estate's human rights training (fiscal 2017)

Themes:

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

Total number of participants: 894 people

Mitsubishi Estate Group's human rights training results (fiscal 2017)

544 participants from 34 companies received human rights training for a total of 185,025 minutes (3,083 hours)

(Note) Including external human rights training sessions offered via Mitsubishi Estate liaison to Group company employees

Fiscal 2017 KPI results


- Training time/cost per employee (Mitsubishi Estate Group*) KPI 3

Average for the three companies: 11.92 hours/74,275 yen a year

(Note) Reason for change from previous fiscal year's results (7.4 hours/135,541 yen a year):

The expansion of KPI targets from FY2018 onwards and the use of weighted averages.

* Three companies: Mitsubishi Estate, Mitsubishi Jisho Residence and Mitsubishi Jisho Property Management

 Please visit the website for details.

<http://www.mec.co.jp/e/csr/employees/index.html>

The Human Rights Education & Diversity Promotion Committee Meets

Mitsubishi Estate holds an annual meeting of its Human Rights Education & Diversity Promotion Committee (chaired by the director in charge of human resources) 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 Tokyo Industrial Federation for Human Rights and the Corporate Federation for Dowa and Human Rights Issues, Osaka. In addition to participating in training on issues facing *buraku* people and other human rights issues, the Group is committed to addressing human rights issues and participates in activities such as information collection to expand this training to Group companies.

Calling for Human Rights Education Slogans

The Mitsubishi Estate Group solicits suggestions for human rights education slogans every year. In fiscal 2017, it received 804 entries from employees and their families. The winning entry will be published in *mec's*, the Group's communication magazine, providing an opportunity for readers to reflect on human rights.



mec's, the Group's communication magazine

Hiring of Persons with Disabilities



Mitsubishi Estate actively seeks to hire persons with disabilities in response to social demands to provide employment opportunities for persons with disabilities. As of the end of fiscal 2017, Mitsubishi Estate's employment rate of persons with disabilities was 2.22%, higher than the legally recommended 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.

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.

Ratio of female managers to all managers at Mitsubishi Estate

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

Overview of Action Plan (Mitsubishi Estate)

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

Creating a workplace with a future vision based on diverse role models

Yasuko Kitazawa

Head of the Residence Care Promotion Office,
Mitsubishi Jisho Residence Co., Ltd.



In April 2018 I was appointed the head of the newly created Residence Care Promotion Office. I have been working with my team members to tackle our new duties in the months since then. I rose to a management position without experiencing much job rotation earlier in my career, so I was somewhat hesitant to make important decisions at first. However two things helped me determine to take up the challenge. The first was the support and encouragement of those around me. The second was my own sense of responsibility towards young female employees in the company today. I want to become a role model they can

look up to as they draw up career plans. Everyone has a different life plan, but I am convinced that the true way to encourage women to succeed is to provide them with role models working hard in a variety of positions so they can imagine their future selves in those roles.

Moreover, women are confronted with several complicated issues that they need to navigate before they can succeed, ranging from the peculiarities of their jobs to their individual lifestyles and family circumstances. In order to realize “female success,” I believe it is not enough merely for companies to put systems in place. Society as a whole needs to change. As a prerequisite, there needs to be a thought reform and a shift towards an individually productive work style.

At the same time, now that the world has begun to change into one with a large number of successful women, it is also important for women to remain grateful for the support they receive from their families and colleagues as they work.

Creating a Vibrant and Pleasant Workplace

Please read Sustainability Highlights (p. 14) for information on the relocation of the company’s headquarters.

Mitsubishi Estate Group’s Hito-Machi Award

The Group established the Hito-Machi Award (literally, “People and the City Award”) in 2011 to recognize the various 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 2016, its sixth year, the award attracted 165 entries from a record-high 28 Group companies. 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. One other 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.

Opening a Workplace Childcare Center at the Gotemba Premium Outlet

The Gotemba Premium Outlet has over 200 tenants, each of which has many employees. However there are no childcare facilities nearby because it is located far from an urban area. There was the need to create an environment where parents could work with peace of mind while raising their children.

Tenants complained that a lack of childcare made returning to work after childcare leave difficult. To resolve their concerns, Mitsubishi Estate-Simon, the operating company, opened an internal childcare center in September 2017. Anyone working in the facility can use the center regardless of their form of employment. It is also available to everyone in the community.

Reaction from users was positive, with comments like “I can work harder when my children are close by,” and “I chose to work at the Outlet because they had a daycare center.” The center both improved the work-life balance of the workers and helped the tenants secure human resources.

Fiscal 2017 KPI results

•Number/ratio of female managers (Mitsubishi Estate Group*1)

78 people/6.55%
(Fiscal 2030 ongoing goal: over 10%*2)



•Employment rate for persons with disabilities (Mitsubishi Estate Group*1)

Average for the three companies: 2.20%
(Fiscal 2020 ongoing goal: 2.2%)



• Please visit the website for details.

<http://www.mec.co.jp/e/csr/employees/index.html>

*1 Three companies: Mitsubishi Estate, Mitsubishi Jisho Residence and Mitsubishi Jisho Property Management

*2 Target for Mitsubishi Estate alone

Establishment of Work Reform Promotion Committee

On April 1, 2017, Mitsubishi Estate upgraded its efforts to reform the corporate culture, streamline work processes from the top down and create new value by increasing productivity by establishing the Work Style Reform Promotion Committee, which is chaired by and reports directly to the president.

This committee is transforming programs and reforming the office environment company-wide and across departments. It also supports voluntary efforts by employees to improve the efficiency of their work.

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. The company began telecommuting trials for all employees in 2017.

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 measures 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 daycare 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 created a pregnancy, childbirth and childcare information site on its intranet to provide information and explain childcare-related programs.

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 shorter hours while nursing family members. In addition, a nursing guidebook is issued and internal seminars are held to offer information on caring for family members. In January 2013, the company 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 2017, 100% of employees returned to work after taking childcare leave. 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 for childcare (Mitsubishi Estate)

		Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Childcare leave	Men	0	0	0	7	10
	Women	22	23	13	11	20
	Total	22	23	13	18	30
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	1	0	0	0	0
	Women	29	32	33	11	7
	Total	30	32	33	11	7

Voice of the Manager in Charge of Work-Style Reform

Reforming work styles to achieve zero normal working hours



Hiroyuki Takahashi

Secretary of the Human Resources Planning Department and Work-style Reform Office, Mitsubishi Jisho Property Management Co., Ltd.

Mitsubishi Estate is undergoing work reforms to expand the company and develop employees while reducing overtime with a target value of zero normal overtime hours by fiscal 2022.

Work style reforms do not happen overnight, as since all employees work under different conditions, creating an environment that is ideal for everyone is still a work in progress. However under this initiative, which began in fiscal 2016, certain teams were selected as monitoring units and they began quick-turnaround meetings ("kaeru kaigi") where individuals reviewed their work for greater efficiency and trials of work optimization policies are carried out. The plan is for effective policies to be spread by deploying them throughout the company. By adopting various methods to change the mindsets of employees such as flex time for the whole company and the work style challenge award system, the whole company gradually became aware of the impulse to transform the working culture. As a result, certain accomplishments were achieved such as the reduction in overtime hours by fiscal 2017 and a greater rate of use of paid vacation time. Although there is a greater social "work style reform" movement under way, Mitsubishi Estate will not be content with temporary measures but will constantly undertake new policies so that employees will work together in full understanding and cultivate stronger teamwork in order to achieve sustainable growth for employees and for the company as a whole.

Fiscal 2017 KPI results

•Number of people taking childcare leave of absence, nursing care leave of absence and shortened work hours (Mitsubishi Estate Group*)

Total for the three companies: 71/1/82 people a year



•Number of hours of overtime on average per month (Mitsubishi Estate Group*)

Average for the three companies: 17.21 hours



Dialogue with Employees

Mitsubishi Estate supports the right to group negotiation and also emphasizes problem-solving together with labor unions. About 70%, or 615, of the 858 employees, excluding employees in managerial positions, are members of the Mitsubishi Estate Labor Union (as of April 1, 2018). 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.

Under the stipulations of the labor agreement, any

changes, such as employee cuts and changes to labor conditions resulting from a contraction and consolidation of the company's business, that would have a major impact on the employee are discussed in advance and that policies and standards are clarified.

Moreover, the Group and labor union work together to set internal management standards based on labor-management consultations to avoid excessive working hours for employees.

Work Health and Safety

Promotion of Health Management KPI 2

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 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 also meet one-on-one with their subordinates to discuss workload and task difficulty so they can 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."* Under the plan, the company provides a free breakfast to prevent missed meals and holds in-house exercise events along with other measures 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 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

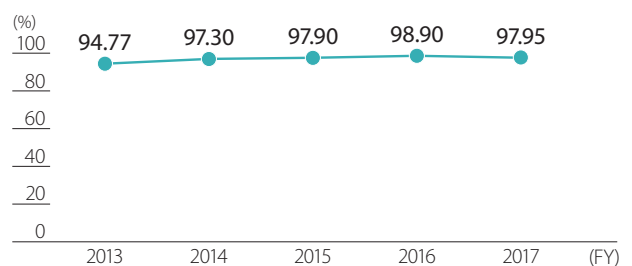
part of the company's efforts to create a comfortable working environment.

* 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.).

Managing Employee Health through Medical Examinations

Mitsubishi Estate carries out a scheduled medical examination once a year for all employees to help them maintain and improve their health. In 2016, the company added electrocardiographs and stomach ultrasounds (for persons 35 and older) to further improve detection of lifestyle diseases. We also take the time to provide follow-up examinations, urgent examinations and meetings with occupational physicians depending on the results of the medical examinations. To improve the screening rate, individual notices with information about medical examinations are sent to people who miss their examinations. (fiscal 2017 medical examination rate: 97.95%)

Rate of personnel undergoing medical examinations (Mitsubishi Estate)



•Rate of reinstatement to work after maternity/childcare leave (Mitsubishi Estate Group*)

Average for the three companies: 97.7% (Fiscal 2030 ongoing goal: 100%)

* Three companies: Mitsubishi Estate, Mitsubishi Jisho Residence and Mitsubishi Jisho Property Management

KPI
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Please visit the website for details.

<http://www.mec.co.jp/e/csr/employees/index.html>