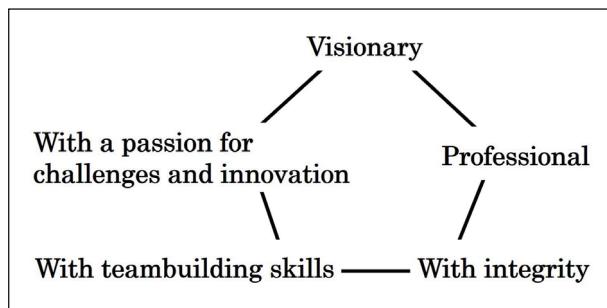


Human Resource Development

Approach to Human Resource Development

Mitsubishi Estate believes that human resources are an essential management asset and recognizes that employee growth is crucial to the Group's continued growth. It 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 in line with each individual's career stage, combining training programs with job rotations and coordinated programs at workplaces.

The Five Traits



Offering a Wide Range of HR Development and Training Programs

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 basic skill development programs, Mitsubishi Estate has established a range of elective skill development programs that give employees the opportunity to choose at their own initiative.

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 (MBO) 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 holds human resource consultations with every employee (with the exception of Level 3 management career employees and re-employed contract employees), aiming to solicit their views and requests of the company as well as to promote skill development.

Global Human Resource Development Initiatives

As part of the Global Basic Skill Strengthening options to develop human resources capable of thriving on the global stage, Mitsubishi Estate provides programs such as short-term overseas language training and has introduced a system to subsidize second-language studies. Additionally, under the Global Business Skills Strengthening option, employees can take part in a training system where they gain practical experience at Group companies in the U.S., the U.K. and Asia. There are also study-abroad and business school programs available so they can develop the capabilities needed to perform in a global environment.

Occupational Health and Safety / Health Management

Policy on Occupational Health and Safety and Health Management

Mitsubishi Estate advocates health management, in which it considers employee health from a management perspective and works on it strategically. Based on this perspective, Mitsubishi Estate established the Health Management Declaration in October 2016 to systematize initiatives and plans the company and the health insurance union has carried out thus far, articulate the top management's commitment, and ensure further improvements in maintaining and improving employee health.

Mitsubishi Estate Health Management Declaration

Mitsubishi Estate believes that the source of corporate vitality is maximizing employee performance through both mental and physical health.

With the aim of creating a vibrant workplace advocated in the Mitsubishi Estate Group Code of Conduct, the company will further develop the activities to maintain and improve employee health that it has worked on thus far and continue to promote health as we work together with the health insurance union, the Mitsubishi Estate Labor Union, employees and their families.

In addition, based on the Mission of the Mitsubishi Estate Group to contribute to society through urban development, we will continue contributing to the society at large by supporting health promotion for the people who live, work and relax in the communities.

In implementing its health management, Mitsubishi Estate has appointed the executive with responsibility for human resources as the health management promotion officer. 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.

Preventing Excessive Work

Mitsubishi Estate has introduced a work management system that is linked with computer log-on/off times 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, including those in managerial positions, who works more than 80 hours of overtime in a month is encouraged to have a checkup with an occupational physician. This is a part of Mitsubishi Estate's commitment to helping employees manage their health.

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."^{*1} Under the plan, the company provides a free breakfast to prevent missed meals. It also strives to raise employees' awareness of health by holding health-related in-house exercise events and seminars, including a physical improvement competition.^{*2}

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, the company introduced an hourly paid leave program and a tele-working program. The company is also making efforts to create a healthy and innovative working environment led by the BxS Promotion Committee, an organization under the direct supervision of the President established in the same year.

*1 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.).

*2 Five-member teams representing each department compete for rankings, with changes in fat and muscle mass and number of steps taken over the last two months converted into points.

- ▶ **List of work-life balance and employee health promotion programs and welfare initiatives (Mitsubishi Estate)**
💻 <https://www.mec.co.jp/e/sustainability/activities/social/work-life-balance/>

Winning Recognition under the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program

Mitsubishi Estate was recognized as an outstanding organization in health management under the large enterprise category in the 2020 Certified Health & Productivity Management

Organization Recognition Program run by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



Realizing Diverse Workstyles

Hiring of Persons with Disabilities

Mitsubishi Estate actively seeks to hire persons with disabilities, in response to social demands to ensure their employment opportunities. The company strives to create a workplace in which all employees can demonstrate their unique skills without regard to their disability and provide 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 improve the ratio of female managers. The company will continue to promote diversity, including the success of women in the workplace.

- ▶ **Overview of Action Plan to Promote Women's Success**
💻 <https://www.mec.co.jp/e/sustainability/activities/social/work-life-balance/>

Programs to Encourage Open Innovation

In order to promote business in a social and economic environment that is changing at an increasingly rapid speed, Mitsubishi Estate is engaging in business model innovation. In October 2019, Mitsubishi Estate established new personnel programs for the purpose of encouraging open innovation and expanding further the possibilities for independent career choices by individuals.

• Secondary Job Program (from January 2020)

Mitsubishi Estate has established a secondary job program* based on a permit system to help employees maximize their own potential through diverse experience and encourage them to accept various challenges that lead to their growth or career advancement. In so doing, the company aims not just to help the knowledge and connections obtained through a secondary job be returned into the core business, but also to create an environment for employees to work with more satisfaction through self-actualization.

* Excludes businesses that involve a conflict of interest with Mitsubishi Estate, such as competitors. Working hours up to 50 hours in any single month.

- Open Recruitment of Human Resources with Secondary Jobs and Dual Employment in Some Businesses (from October 2019)

In some of its businesses, primarily new ones, Mitsubishi Estate has begun accepting human resources with secondary jobs and dual employment* through open recruitment to hire a broad range of human resources that possess knowledge not present in its existing businesses. As the first step, in the meditation studio operation business, which was established in April 2019 through the new business proposal program, Mitsubishi Estate recruited and employed* human resources with responsibility for planning brand and marketing strategy from among human resources with secondary jobs and dual employment.

* Assumes once weekly employment based on an individual outsourcing agreement with Mitsubishi Estate.

Human Rights Initiatives

Policy on 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, throughout its supply chain.

- ▶ Mitsubishi Estate Group Human Rights Policy
 <https://www.mec.co.jp/e/sustainability/activities/social/human-right/>

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 and diversity promotion initiatives, exchange views on ways to improve programs, review that fiscal year's activity plan and share knowledge on recent human rights conditions and promotion of diversity.

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

Launch of the Construction and Real Estate Human Rights Due Diligence Study Group

In September 2018, as a facilitator, Mitsubishi Estate launched the Seminar on Construction and Real Estate Human Rights Due Diligence Study Group, drawing participation from eight real estate and construction companies.

The United Nation's Guiding Principles on Business and Human Rights call on companies to not only to avoid causing and exacerbating a direct negative impact on human rights, but also to avoid and reduce infringements of a wide range of human rights along the value chain. However, this requires efforts that encompass the supply chain, and there are limits to the impact that Mitsubishi Estate can have by itself. In light of this, Mitsubishi Estate launched a study group to develop mechanisms for human rights due diligence, in collaboration with other companies in the real estate and construction industries.

At the study group, participants identify the impact that business activities have on human rights and study relevant laws to address them, in order to fulfill the Guiding Principles on Business and Human Rights' requirement and taking responsible steps to "avoid infringing on the human rights of others" and "address adverse human rights impacts with which they are involved." In fiscal 2019, the study group has been conducting deliberations on specific human rights due diligence approaches, focusing on issues on construction materials (concrete forms) and foreign workers on construction sites.

Ongoing Human Rights Programs

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. The human rights lecture in fiscal 2019 was presented by an attorney on the theme of Responding to LGBT from the Corporate Perspective in order to promote active participation by diverse human resources and was attended by 90 employees.

Moreover, the Group provided new hire joint training to 350 new hires from 24 Group companies, as well as a lecture to explain regulations on the prevention of sexual harassment, which has been held annually since fiscal 2017. Mitsubishi Estate and some Group companies also organized training on themes such as social integration. These training sessions all sought to cultivate a greater sense of human rights by raising participants' awareness of discrimination.

for large projects are placed and holds discussions concerning compliance. It met three times in fiscal 2019.

Establishment of CSR Procurement Guidelines

The Mitsubishi Estate Group believes that, in order for it to contribute to the creation of a truly meaningful society through its business activities, it is crucial that it ensure responsible procurement not only for itself but also in cooperation with business partners across the entire supply chain. Based on this idea, in April 2016, it established the Mitsubishi Estate Group CSR Procurement Guidelines.

In order to ensure the dissemination of its CSR Procurement Guidelines and Green Procurement Guidelines both in and outside of the Group, Mitsubishi Estate publishes these guidelines on its corporate website. The Company also works with its Group companies to notify the Group's key suppliers of these guidelines. Going forward, Mitsubishi Estate will continue with its efforts to ensure the dissemination throughout the supply chain.

▶ CSR Procurement Guidelines

 <https://www.mec.co.jp/e/sustainability/activities/social/supply-chain/>

Supply Chain Management

Mitsubishi Estate Group Order Action Guidelines

In accordance with the Mitsubishi Estate Group's Mission and Code of Conduct, Mitsubishi Estate has established the Order Action Guidelines, which all executive officers and employees placing orders with business partners must follow, to ensure that orders and contracts are administered with transparency and impartiality. The Guidelines are intended to ensure objectivity and economic rationality, but they also include rules on environmental conservation, information management and avoidance of any involvement with organized criminal elements. These Order Action Guidelines are shared by the entire Group, and order and contract processes are established and administered to suit the businesses of individual companies based on them.

The Mitsubishi Estate Group applies the same approach as in the Mitsubishi Estate Group Code of Conduct to its suppliers in regards to environmental problems, labor problems, corruption and other issues.

At Mitsubishi Estate, when orders are placed with construction companies, the business organization and ordering organization are clearly separated. Appropriate orders and contracts are ensured by requiring that employees use a check sheet to self-verify compliance, after which Mitsubishi Estate's Legal & Compliance Department provides objective confirmation. The Orders Surveillance Committee, chaired by the president, meets when orders