

MESSAGES



Message from the President

Atsushi Nakajima

President & Chief Executive
Officer

Mitsubishi Estate Co., Ltd.

[READ MORE →](#)



Bunroku Naganuma

Executive Vice President
Mitsubishi Estate Co., Ltd.

Message from the Director Responsible for Sustainability

[READ MORE →](#)



Tetsuo Narukawa

Outside Director
Mitsubishi Estate Co., Ltd.

Outside Director's Message

[READ MORE →](#)



Message from the President

Creating a truly meaningful society through urban development based on trusting relationships with diverse stakeholders

Atsushi Nakajima

**President & Chief Executive Officer
Mitsubishi Estate Co., Ltd.**

Inheriting entrepreneurship and enhancing the value of spaces

The Mitsubishi Estate Group has been working on its Long-Term Management Plan 2030 since April 2020. However, during the first three years of the plan, we have experienced major changes in the social environment that were unforeseen at the time it was formulated. The spread of COVID-19 has completely shaken up our economy and livelihoods, as well as the way people work and even their values. In addition, we are facing a situation in which it is difficult to predict the future due to waves of change with the manifestation of geopolitical risks and the fragmentation of the international community, particularly the invasion of Ukraine by Russia in 2022. I assumed the post of President in April 2023, and I take my responsibility for setting the direction of management in this increasingly uncertain environment very seriously.



In the Long-Term Management Plan, the Group clearly stated its policy of integrating sustainability into management. As set out in this plan, my mission is to practice management focused on increasing both social and shareholder value. While these two elements may be contradictory in the short term, they are not inherently opposed to one another. Building an internal compliance system is the right thing to do, and engaging in business that contributes to society and being useful to society over the long term will amass excellent human resources and create opportunities for the next stage of growth. For a company, being recognized for providing social value is the minimum requirement for engaging in corporate activities, and ultimately translates into an increase in shareholder value.

The urban development of the Mitsubishi Estate Group originates from Mitsubishi's decision to take over from the Meiji government the entire Marunouchi area of Tokyo, which in 1890 was a deserted field overgrown with grass. Thanks to the strong determination of our predecessors, the Marunouchi area (the Otemachi, Marunouchi, and Yurakucho districts) subsequently evolved into a business center that supports the economic development of Japan. Throughout this time up until the present day, we have been pursuing urban development that has enhanced the value of spaces in addition to real estate for more than 130 years with a belief in being cutting-edge while contributing to the creation of Japan's industry. This kind of mindset inherited from our predecessors has been embodied in our mission statement, which is to contribute to the creation of a truly meaningful society through urban development.

We believe that "a truly meaningful society" is a society in which each of our stakeholders can find happiness and joy.



We will identify changes in society, listen to the opinions of our stakeholders, and take advantage of the various business capabilities of the Group to enhance the attractiveness of spaces. By so doing we will bring satisfaction, happiness, and smiles to all kinds of people. I believe that our ability to pursue this kind of businesses is precisely where our strength lies. Keeping in our minds the tremendous entrepreneurship of our predecessors, who, in an empty field, built a world-class business center, we will continue to promote urban development with more flexibility in our ideas than ever before without being constrained by the stereotypes of the past.

Identifying global trends to reflect them in business

Over the past ten years or so, the Mitsubishi Estate Group's International Business has expanded significantly. In addition to real estate development businesses in various countries, we have also expanded the global network of the Investment Management Business. In the International Business, our mission of building attractive communities and enhancing the value of spaces is the same. Going forward, we will continue to grow the International Business further and strengthen its collaboration with other business sectors as set out in the Long-Term Management Plan.

At the same time, it will be important to be alert and identify global trends in promoting business in Japan as well. When we think about how the Mitsubishi Estate Group can contribute to Japan maintaining its presence in the world, continuing to increase the competitiveness of cities with a high profile internationally such as Tokyo and Osaka is essential. However, it is also vital to create unique towns and areas in order to increase the attractiveness of Japan as a whole, including rural areas. Looking at the development of the Marunouchi area, we may have a strong sense of the merits of the Mitsubishi Estate Group, but I think we must look at our company objectively from a broader perspective, without being complacent.

A global perspective also holds the key to taking a multi-faceted approach to providing value to society. From 2011, I was seconded to Rockefeller Group, the core of our U.S. business, and I served as President & CEO there from 2014, which was a very valuable experience for me. When I was initially assigned, I was often bewildered by differences in culture, ways of thinking, and business practices. I learned from this experience that it's not a matter of whose argument or position is right. Rather, it is important to understand things from diverse perspectives. Communicating with one another and working toward mutual understanding is key.

Today's world is being described an "era of fragmentation." However, precisely because we are in this situation, I want to have faith that the whole world could join together through mutual recognition of diversity and respect for diverse values. In 2019, many people visited Japan for the Rugby World Cup 2019™ Japan Tournament co-sponsored by Mitsubishi Estate, and we witnessed firsthand fans and players enjoying their stay in Japan. I feel that the steady recovery of inbound travel demand amid the easing of travel restrictions indicates that many people feel Japan is an attractive country. Sports, culture, and the arts play a substantial role in connecting people, and I would like to incorporate these elements into urban development, creating the hope that people will connect on a global scale.

Using Marunouchi as the platform for meeting the challenge of new value creation



With 2020 onwards positioned as Marunouchi NEXT Stage, we have been working to create new urban value for the Marunouchi area, which forms the foundation of the Mitsubishi Estate Group. Marunouchi NEXT Stage is a vision to create a platform where people and companies come together and interact to create new values, generating innovation and strengthening digital infrastructure, and thereby aims to improve quality of life (QOL) for individuals and find and solve social issues. Using the entire neighborhood as the platform, we will provide venues for demonstration experiments, expand support for startups, and leverage entertainment and the arts to develop the area into a place where people come together to exchange information and culture

with each other.

Take Yurakucho, a district which is to undergo a large-scale redevelopment. We will take on the challenge of leveraging art for creative urban development. Although we are still in the exploratory stages, based on the special features of the neighborhood, we would like to create a unique character that is distinct from the Marunouchi and Otemachi districts, which are ahead in redevelopment, and which will, in turn, translate into enhancement of value in the Marunouchi area as a whole.

On another front, in our TOKYO TORCH project (formerly Tokyo Station Tokiwabashi Project), where we anticipate the completion of the Torch Tower in fiscal 2027 following the Tokiwabashi Tower, completed in June 2021, we challenge ourselves to deliver diverse functions not limited to offices, including Japan's highest hanging garden, an ultra-luxury hotel, and the first high-rise residences in the Marunouchi area.

We are also aware of the changing roles of offices as work from home (WFH) is becoming more accepted in the post-pandemic work environment. What is the significance of going into the office despite the increasing number of tasks that can be performed online even at a remote location? What people are seeking is value as a "place for interaction and creation" consisting of communication that deepens through sharing spaces in real life and the new ideas and inspiration that come about unexpectedly through casual conversations. As a place where people and companies meet, the overwhelming conglomeration of the Marunouchi area is a major strength. Going forward, we hope to build on this strength to further accelerate urban development with an accurate grasp of the changes in social needs and a more flexible approach to buildings, spaces, and their functions.



Demonstrating management commitment and striving for high goals aimed at decarbonization

The Mitsubishi Estate Group formulated the Mitsubishi Estate Group Sustainability Vision 2050 by reflecting on the present from the perspective of our vision for 2050 and our purpose (the meaning of our existence in society). In our Long-Term Management Plan, we position the Mitsubishi Estate Group 2030 Goals for the SDGs, which are the milestones for achieving the vision, as the center of our strategy for increasing social value. We established KPIs and action plans in the four key themes of the 2030 Goals — that are environment, diversity and inclusion, innovation, and resilience — to drive our efforts in these areas.

In terms of our decarbonization initiatives, we significantly revised up our targets for reducing GHG emissions and the renewable energy ratio, and, in June 2022, we were the first Japanese company to receive certification for targets in line with the Net-Zero Standard from the SBT initiative^{*1}. This can be considered a step forward, but we still have much to do. The targets we set this time certainly cannot be achieved easily, and we must keep going with trial and error and adjusting our course as necessary.

Furthermore, there are growing social demands for nature positive initiatives. As some aspects of the Group's real estate development business alter nature, we have a responsibility to be proactive about conserving and expanding natural capital and ensuring biodiversity. In February 2023, Mitsubishi Estate concluded a three-way collaboration agreement with Minakami-cho, Gunma Prefecture and the Nature Conservation Society of Japan (NACS-J), launching efforts aimed at becoming nature positive^{*2}. This initiative utilizes Japan's corporate hometown tax donation system, working to convert planted forests with depleted biodiversity into natural forests and regenerating woodlands through donations to the town of Minakami. By collaborating with people who have specialist knowledge and share our vision, we will give concrete shape to a goal we cannot achieve alone.

This is a challenge in a field yet to be explored by Mitsubishi Estate. However, we will assess the results of the initiative quantitatively and qualitatively and consider the potential for applying it in other areas. Furthermore, looking ahead, I believe we should aim to become nature positive through our business in itself.

In the field of sustainability, we cannot bring about major changes even if each of the relevant departments add up their likely achievements and set realistic goals. I think it is a field in which there will be no progress unless top management sets high goals itself and communicates their thoughts. From this perspective, I think positioning increasing social value as a strategic goal, demonstrating the commitment of management both inside and outside the company in the Long-Term Management Plan was of great significance. In fiscal 2022, I was involved in initiatives aimed at achieving the goal in my position as Director Responsible for Sustainability, and I would like to make further significant progress for the Group as a whole by demonstrating my own commitment as top management again, both inside and outside the Company.



Increasing sensitivity to the issues to realize a truly diverse society

In order to implement the Long-Term Management Plan, it is essential to create an environment in which each and every Mitsubishi Estate Group employee can make the most of their different capabilities. The continued pursuit of true diversity and inclusion at the Mitsubishi Estate Group also forms an important foundation for providing society with proposals for richly diverse urban development.

During my assignment in the United States, I felt every day that it is a society where people with different races, nationalities, cultures, religions and various other attributes coexist, based on mutual respect of each other's diversity. In comparison, I feel the idea that Japanese society is contrastingly homogenic in a certain sense has been the accepted opinion for a long time.

The United States has its own unique challenges, and I do not believe we should simply follow in its footsteps. However, I think we can say that an environment in which diversity must be recognized encourages the creation of these principles and norms. There has been an increasing understanding of gender issues in Japan in recent years, and Mitsubishi Estate has accelerated initiatives aimed at increasing the percentage of female managers. However, we need to further deepen our understanding of diversity, and I include myself in this. I believe that the important thing as a company or as an individual is to first increase our sensitivity to the kind of issues arising in the world today. We must dig deep to find out what the issues are and where we need to change. Everyone at the Group, and managers in particular, must be prepared to take another look at and improve their own organization, with the assumption that unconscious bias is present.

In April 2022, the Group revised the Mitsubishi Estate Group CSR Procurement Guidelines into the Mitsubishi Estate Group Supplier Code of Conduct to clarify our policy on striving to ensure global standards across the supply chain on human rights and environmental issues. The Code of Conduct not only covers suppliers that have direct transactions with the Group but also second tier suppliers and others lower in the supply chain. We have transactions with many companies of different sizes and from different industries, and it is not easy to treat them the same as the situations of each company are not uniform. Now that we are going into the second year of the Code of Conduct, we would like to further deepen our communication with each company to progress in a better direction across the supply chain.

Continuing to meet challenges as the Ecosystem Engineers

Now that I am in charge of management in my capacity as President, my hope for the future of the Mitsubishi Estate Group is that it will be a corporate group that continues to take on new challenges. I would like to build a strong presence around the world as well as in Japan so that Mitsubishi Estate comes to mind when people think about real estate companies. To accomplish this, it is not only important to build strength in our business but also to build trusting relationships with diverse partners. Urban development is a project in which society as a whole creates things that individuals and companies cannot achieve by themselves, and this is the same everywhere. Mitsubishi Estate is a company with approximately 1,000 employees on the non-consolidated basis and approximately 10,000 employees at the Group overall. The number of employees is by no means large in comparison with the size of our business. In other words, it can be said that our business is based on strong external partnerships and the fusion of mutual resources. Thus, the foundation of our business consists of strong relationships with diverse partners as well as our employees, who are our human assets with the interpersonal skills to build these relationships and a spirit of meeting challenges without fear of failure.

Our vision to "Be the Ecosystem Engineers" as stated in the Mitsubishi Estate Group Sustainability Vision 2050 has deepened our awareness of co-creation with diverse stakeholders. We will continue to be the Ecosystem Engineers bringing together the power of people and companies in different positions by demonstrating solid achievements in increasing both social and shareholder value in order to earn trust. We would like to contribute to the realization of a sustainable society while sharing aspirations and values related to urban development with all kinds of stakeholders.



- *1 An environmental initiative that calls for companies to set greenhouse gas emission reduction targets based on scientific evidence (= SBT: Science Based Target) consistent with the level required by the Paris Agreement (limiting average global temperature rise due to climate change to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C)
- *2 Nature positive: Refers to halting the loss of biodiversity and restoring nature for the sake of human beings and the Earth. The realization of a nature-positive society was set as a mission for the international community at the 15th Conference of the Parties to the Convention on Biological Diversity (COP 15) and global targets have been established to achieve it.

Atsushi Nakajima

President & Chief Executive Officer

Mitsubishi Estate Co., Ltd.

(As of September 29, 2023)

MESSAGES

Messages from the Director Responsible for Sustainability and an Outside Director



Message from the Director Responsible for Sustainability

Bunroku Naganuma

Executive Vice President

Mitsubishi Estate Co., Ltd.

Contributing to solving social issues through business activities

As the world undergoes major changes due to the impact of the COVID-19 pandemic, the international situation, and other factors, the sense of urgency about social sustainability, including climate change and human rights, continues to escalate. It is expected of corporations that they promote a virtuous cycle between economy and the environment to drive the creation of a sustainable society. Today, it is no longer possible to increase corporate value without taking action to increase social value.

To respond appropriately to this situation and contribute to the realization of a sustainable society while engaging in business activities, we must consider the best options the Group should take based on identification of accurate information and dialogue with our stakeholders.

Working to realize the vision for 2050

The Mitsubishi Estate Group has set out the Mitsubishi Estate Group Sustainability Vision 2050, “Be the Ecosystem Engineers,” as our vision for 2050. We have been promoting urban development in a variety of locations, principally the Marunouchi area (the Otemachi, Marunouchi, Yurakucho districts), for over 130 years. Urban development involves working in partnership with various stakeholders to nurture the city together. The Group has promoted urban development while making it a goal to constantly provide society with new value by considering local communities and the natural environment, addressing the diverse social issues and responding to changes in the times, and designing plans based on a forward-looking perspective.



As the Ecosystem Engineers, the Mitsubishi Estate Group provides the spaces and infrastructure (ecosystems) in which diverse individuals and corporations are able to coexist sustainably and thrive together economically, environmentally, and socially. We believe doing this creates new value and innovation which leads to the development of our goal: a sustainable city and society. The Group also formulated the Mitsubishi Estate Group 2030 Goals for SDGs (“the 2030 Goals”) to serve as milestones for achieving this vision. We articulated specific action plans and KPIs in the four key themes — environment, diversity and inclusion, innovation, and resilience. The 2030 Goals serve as a key driver in increasing social value, one of the strategic goals of the Group’s Long-Term Management Plan. We strive to provide even greater value and help realize a sustainable society through our business activities for all of our stakeholders based on the 2030 Goals.

In my capacity as the director responsible for sustainability, I lead the Sustainability Management and Promotion Department in the planning and drafting of measures related to sustainability targets across the Group. We formulate measures following deliberations and reports at the Sustainability Committee, which is chaired by the President of Mitsubishi Estate. In addition, the Group has incorporated its annual targets and initiatives related to the four key themes of the 2030 Goals into annual plans for each business or functional group since fiscal 2020. The Sustainability Management and Promotion Department implements interviews timed with the establishment and review of these annual plans. The Sustainability Committee reports on the progress of the KPIs in the 2030 Goals and deliberates on the establishment of new targets and revisions. The details of the meetings of the Sustainability Committee are also reported to the Board of Directors. Achievement of the targets in annual plans has been positioned as one of the qualitative evaluation items for officer remuneration.

Initiatives toward the 2030 Goals

In the area of environment, as part of our efforts toward a decarbonized society, we established the Group’s GHG emission reduction targets and announced net-zero commitment in March 2022. As a result, we became the first Japanese company to gain certification in June 2022 for targets in line with the Net-Zero Standard from the SBT initiative. In terms of GHG emissions, in particular, in order to reduce Scope 2 emissions, we have been actively promoting the introduction of renewable power since fiscal 2021 and have significantly accelerated the timing for achievement of RE100, which we aim to do in 2025. In fiscal 2022, we achieved a renewable power ratio of more than 50% for the Group overall by switching all the electricity used in properties that the Group owns and operates* in Tokyo and Yokohama to renewable energy sources, and expanding similar initiatives at properties in Sendai, Hiroshima and other cities where the Group has its branches.

We are also working to strengthen our governance and business strategies related to climate change, and we will continue to proactively disclose appropriate information based on frameworks such as TCFD and SASB. With regard to TCFD, we published a new scenario analysis based on risk analysis utilizing Carbon Risk Real Estate Monitor (CRREM), a risk assessment tool developed by research institutes in Europe, in May 2023.

In addition, in areas such as biodiversity and water resources, discussions have accelerated about the role expected of corporations and new information disclosures. In February 2023, Mitsubishi Estate concluded a three-way, ten-year collaboration agreement with Minakami-cho, Gunma Prefecture and the Nature Conservation Society of Japan (NACS-J) to undertake a “Nature Positive” initiative to halt the loss of biodiversity and restore nature. While closely monitoring these trends, Mitsubishi Estate will consider and address the issues it needs to work on to realize sustainable growth in recognition of the importance of addressing global-scale issues beyond those that relate specifically to the Group.



In the key theme of diversity and inclusion, we revised our targets for the percentage of female managers, while boosting recruitment of new graduates and experienced professionals to increase the percentage of female employees to over 40%. We are also promoting a variety of initiatives, including the enhancement of internal programs to support diverse workstyles, as well as education to ensure the appropriate mindset of our employees. In October 2022, the OMY SDGs ACT5 Executive Committee, composed of Mitsubishi Estate, The Norinchukin Bank and others, conducted a survey asking questions regarding the progress of diversity and inclusion (D&I) in fiscal 2021. We targeted the Marunouchi-area workers and people from companies, offices, and stores in charge of human resources and promoting D&I with the aim of “realizing development of urban spaces with a barrier-free mindset.” Based on the results of this questionnaire, we will further develop a variety of actions to realize a city where everyone embraces differences and can work with ease. We will aim to realize a society in which all people can live more safely and securely.

In the key theme of innovation, we are actively investing in start-ups and venture capital with the aim of discovering new business projects and creating synergies with existing businesses. In addition, we are developing and operating business incubators and also promote digital transformation (DX) in the real estate industry utilizing the latest technologies. In 2022, we also launched Bricks Fund Tokyo, a CVC that invests in start-ups attempting to create a mid-to-long term social impact through solving social challenges and industrial restructuring.

In the key theme of resilience, we consider being prepared for natural disasters, such as earthquakes and storms, one of the most important issues for urban development. We have already taken measures to counter earthquake and water damage and develop stable energy supplies for individual properties, and we have also promoted human aspects of resilience in collaboration with our external partners, including the development of an environment to enable business continuity in a disaster and the establishment of temporary accommodations for stranded commuters. We will continue to strengthen safe and secure urban development through a variety of initiatives.

Promoting urban development that creates value in partnership with diverse stakeholders

The Mitsubishi Estate Group must share common values and standards for conduct and make concerted efforts with diverse stakeholders in aiming to realize a sustainable society and the Group’s mission. Mitsubishi Estate has established the Sustainability-Minded Construction Architectural Design and Construction Policies for real estate development that outline the conditions required by type and scale in areas such as design specifications. This document is provided to contractors together with a written quote outline when we place orders. Moreover, in April 2022, we established the Mitsubishi Estate Group Supplier Code of Conduct in line with global standards and reinforced systems for verifying compliance of suppliers on human rights, the environment, and other areas. By doing so, the Group is working to build an even more sustainable supply chain.

The Mitsubishi Estate Group endorsed the UN Global Compact in April 2018. Since then, the Group has been working steadily to realize a sustainable society in accordance with the approach of international initiatives. Going forward, we will continue our work to engage in dialogue and collaboration with all stakeholders to solve diverse social issues and respond to the needs of society as well as the demands and expectations of the Mitsubishi Estate Group through our core business, thereby striving to maximize the value we provide to all stakeholders and further enhance our corporate value.

* Refers to buildings and commercial facilities of which the Company owns a 50% equity stake or higher, excluding buildings owned in the capital recycling business and buildings slated to be redeveloped.

(As of September 29, 2023)



Outside Director's Message

Tetsuo Narukawa

Outside Director

Mitsubishi Estate Co., Ltd.

Bringing a long-term approach to urban development Supporting sustainable urban development and management exemplifying the Group's identity

The Mitsubishi Estate Group has long established its identity as a corporate group dedicated to bringing a long-term view to urban development. I was strongly reminded of this after being appointed as an outside director in 2018.

I worked in the property development industry for over ten years and was also involved in developing office buildings during the 15 years I spent working in Germany before that. In Germany, sustainability is the focus of urban development, and the approach for both offices and housing is to create urban areas that are aligned with the environment and easy to live in for human beings. Based on this thinking, master plans are written by local governments and other entities in line with national policies and property developers engage in urban development in accordance with these master plans.

In Japan, while there are certain regulations imposed by the authorities, it can be said that businesses have a high degree of freedom on how they pursue urban development. This means that the approach of a real estate company toward urban development has great impact as well as coming with great responsibilities.

The Mitsubishi Estate Group operates based on a long-term view having drawn up a master plan on how to pursue urban development in an area. I believe this serves as the foundation of Mitsubishi's approach because the experience of doing business in the Marunouchi area accumulated over many years.

The Group's identity as a corporate group that values long-term views is indeed firmly embedded in minds of employees precisely because of the Group's experience and foundation in the Marunouchi area, and each and every employee has a sense of mission, satisfaction, and pride about being involved in urban development. I feel that this is exactly where the Group's strength lies.



As part of its Long-Term Management Plan 2030, Mitsubishi Estate pursues management focused on increasing both social and shareholder value in tandem. In order to enhance sustainability and corporate value into the future, we must constantly anticipate change and continue to make strategic investments. To accomplish this, it is essential to take a long-term view on value creation and solving social issues, as well as considering ESG. This is what the society of today demands, and I believe it is a key means of solving social issues.

Decarbonization is one of the key themes in sustainable urban development. The meaning of urban development is conceiving a vision for an area as a whole and, by extension, for society as a whole. I believe that the Mitsubishi Estate Group has the strength, the experience, and the will to carry this out.

One of the most important challenges for real estate companies in the approach to a decarbonized society is addressing so-called Scope 3 emissions (indirect emissions across the value chain). Promoting further initiatives in response to this challenge will increase the social value of the Mitsubishi Estate Group. In order for us to present our efforts in this area to shareholders and investors in a more convincing manner, it will be necessary to enhance discussions of the KPIs that will form the basis for the disclosure.

In the area of diversity and inclusion, Mitsubishi Estate is also showing significant progress, including the strengthening of supply chain management initiatives based on human rights and promotion of recruitment activities with an awareness of gender balance. I believe this will entail both the Board of Directors and the business execution team working together while pursuing diverse expertise and perspectives ourselves.

Although I think there are still many difficulties in terms of translating social value or non-financial value into financial value in Japan, Japanese companies need to consider this point strategically. I feel that the younger generation, the next generation, is moving closer to a more global standard of awareness. I believe that, by promoting initiatives to increase social value, we will become a company that is also highly valued by the next generation. I would like to share my experience with the younger generation as well as the management team while supporting Mitsubishi Estate in the enhancement of its corporate value.

(As of September 29, 2022)