



Sustainability of the Mitsubishi Estate Group and Society: Four Key Themes



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Background to Definition of Key Themes

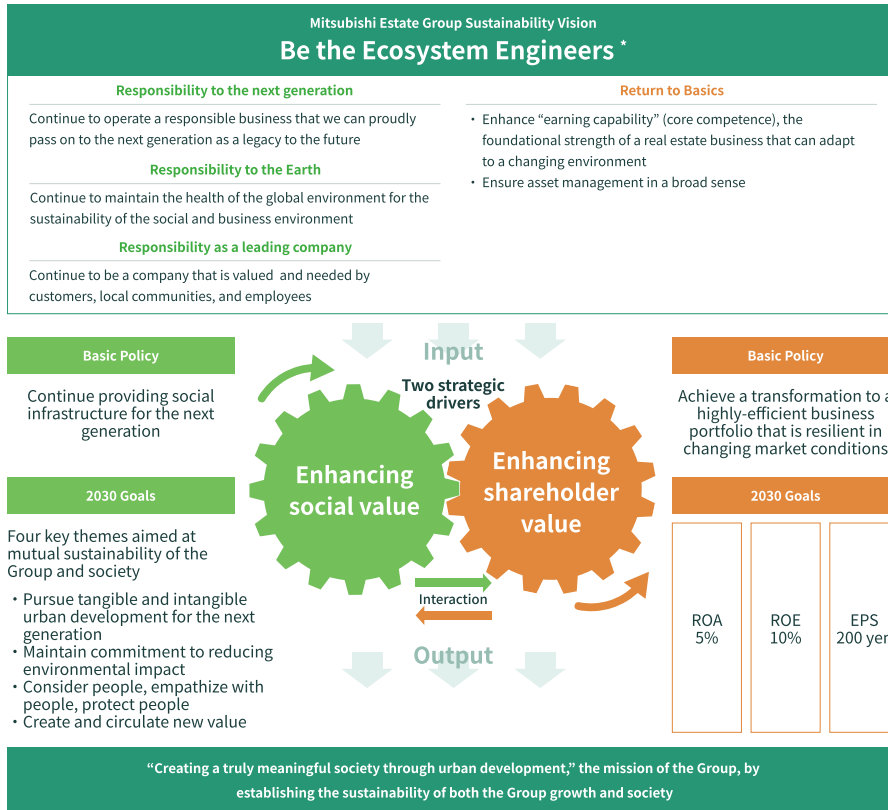
In 2024, the Mitsubishi Estate Group revised its key themes and material issues related to sustainability in light of changes in the natural and social environment surrounding the Group and the increasingly complex sustainability-related demands on companies.

Under its Long-Term Management Plan 2030, the Mitsubishi Estate Group is committed to management focused on strategies for increasing both social and shareholder values. Returning to the fundamental characteristics of its business, the Group believes that the only way for it to develop sustainably into the future and continue returning value to its stakeholders is to pursue a responsible business with an eye on the next generation 50-100 years from now. Based on this belief, in February 2024, the Group established “three responsibilities” for providing social infrastructure for the next generation, which serve as a bridge uniting the two strategies.

At the same time, the Group reviewed the positioning of the key themes related to sustainability, which have functioned as the focus for the provision of value to society to date, and redefined them as “actions for realizing the sustainability of both the Group and society.” Mitsubishi Estate will accelerate initiatives aimed at solving social issues through the business activities of the entire Group with the aim of establishing the sustainability of its business activities as a company needed by the next generation while creating a truly meaningful society which is the Mission of the Mitsubishi Estate Group.



Two-strategic-driver framework



* We aspire to be a corporate group (=engineers) that provides spaces and infrastructure (=ecosystems) where all actors (individuals, corporations, and more) are able to coexist sustainably and thrive together—economically, environmentally, and socially. (Announced February 5, 2020)

Sustainability of the Mitsubishi Estate Group and Society: Four Key Themes



Pursue tangible and intangible urban development for the next generation

Urban development and services

“Urban areas of choice” that are valued by all generations and develop organically



Maintain commitment to reducing environmental impact

The global environment

Realization of sustainable urban areas and global environment



Consider people, empathize with people, protect people

Respect for people

A society in which diverse people can work and live happily



Create and circulate new value

Value creation

Anticipating changing times and fostering affluence and convenience



Sustainability of the Mitsubishi Estate Group and Society: Four Key Themes

Review Process for Key Themes

In 2020, the Mitsubishi Estate Group established four key themes related to sustainability on which to concentrate its efforts as a strategic driver for increasing social value under the Long-Term Management Plan 2030 and has since been pursuing initiatives.

In light of the changes in the natural and social environment surrounding Mitsubishi Estate, a revision of material issues and the key themes was conducted between July 2023 and February 2024 using the backcasting method with the aim of clarifying their relationship with business activities.

Step1 Sorting Out Social Issues

We identified social issues that are deeply related to the Group with reference to the following:

- Sustainability information disclosure guidelines (GRI Standards, SASB)
- ESG evaluations (FTSE, DJSI, MSCI, CDP)
- SDGs
- Global megatrends
- The Group's mission, codes of conduct, long-term vision, long-term management plan, etc.

Step2 Conducting Stakeholder Surveys

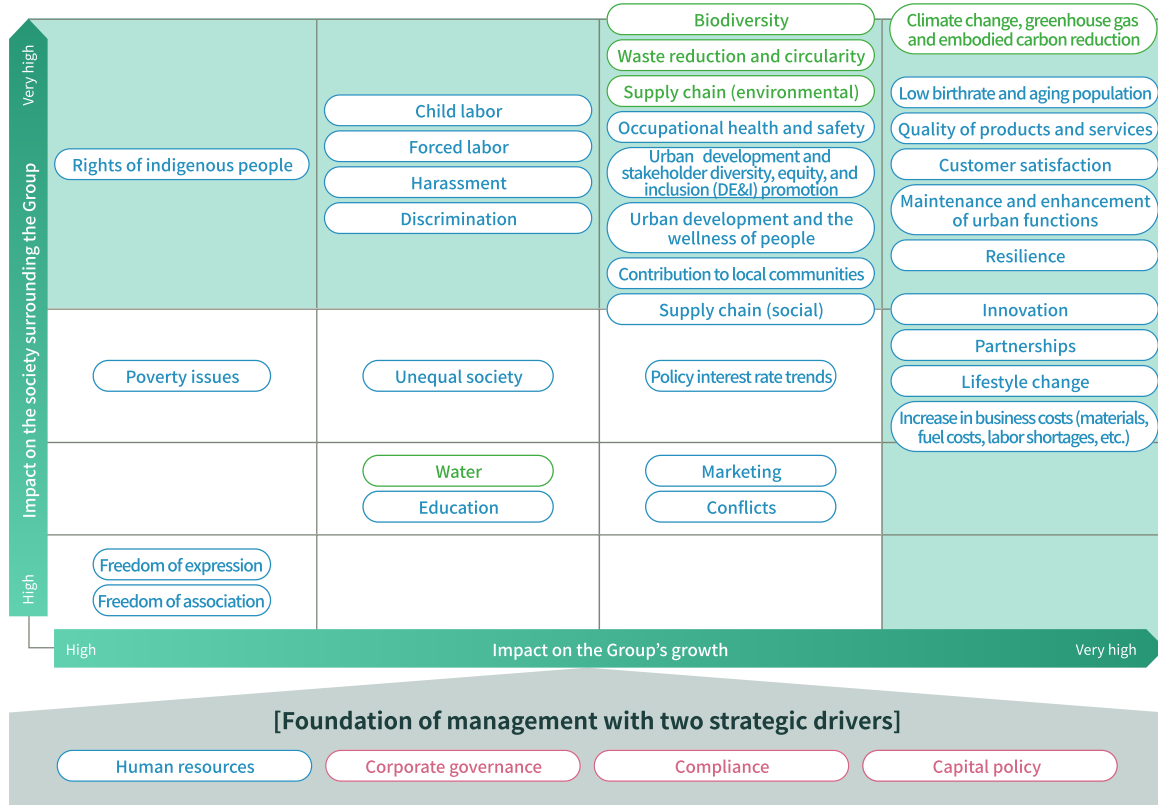
We exchanged opinions concerning the direction for the review of the key themes with representatives from different sections within the Group along with more than 60 external stakeholders in total. External stakeholders inquired about the relationship between the Group's growth strategy and the ESG measures, and how they support the core business. Stakeholders within the Group provided opinions on emphasizing affinity between the company's business and the ESG measures, especially on visualization of the value provided to society through real estate development and management, which is the core business.



Step3 Mapping Out Social Issues

Based on Step 1 and Step 2, we identified the social issues with a deep relationship to Mitsubishi Estate and mapped and prioritized them along the two axes of “impact on the society surrounding the Group” and “impact on the Group’s growth” to identify items assessed as having a particularly large impact on each axis as material issues.

Mitsubishi Estate Group’s Material Issue Matrix



- E Environment
- S Social
- G Governance

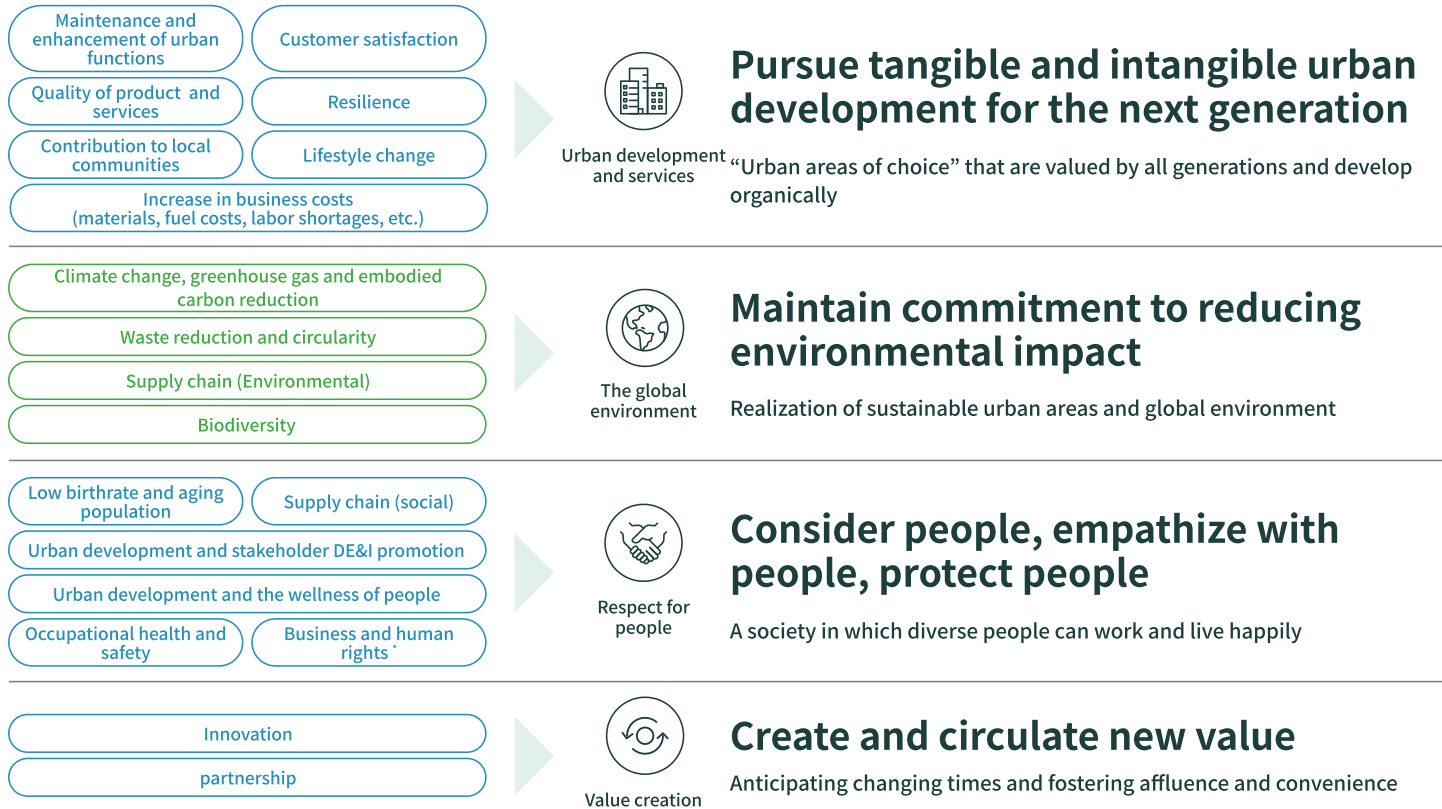


Step4 Identifying Four Key Themes

The material issues identified in Step 3 are grouped for similar items and organized into four groups: urban development and services, the global environment, respect for people, and value creation, and based on the result, “Sustainability of the Mitsubishi Estate Group and Society: Four Key Themes” were established.

Classification of Material Issues

Sustainability of the Mitsubishi Estate Group and Society Four Key Themes



* Encompasses issues including child labor, forced labor, harassment, discrimination, rights of indigenous people

Step5 Verifying the Applicability

Management evaluated the applicability of the key themes and material issues after deliberations by the Sustainability Committee and the Board of Directors. The Group will continue to regularly evaluate the impact of its business operations on society based on the key themes and material issues for each theme and implement initiatives based on the Plan-Do-Check-Act (PDCA) cycle.



Urban Development and Services

Pursue tangible and intangible urban development for the next generation

In order to establish ourselves as a leading company that represents Japan, we are aware of our responsibility and impact in providing social infrastructure as a comprehensive real estate developer and we pursue world-class urban areas and services that we can proudly pass on to the next generation. By engaging in businesses with intrinsic value, we gain formidable brand power in urban development and related services, to provide “urban areas of choice” that are valued by all generations and develop organically

[Vision]

“Urban areas of choice” that are valued by all generations and develop organically

Material Issues

Maintenance and enhancement of urban functions

Customer satisfaction

Quality of products and services

Resilience

Contribution to local communities

Lifestyle change

Increase in business costs (materials, fuel costs, labor shortages, etc.)

Risks

- ① Sidelineing of existing business model due to lifestyle change, decrease in value of owned assets, and disengagement of customers
- ② Delays in promoting development due to cost increases
- ③ Loss of trust and disengagement of customers due to delays in recovery from disasters and insufficient risk response capacity

Opportunities

- ① Stable increase in profit and business opportunities due to longstanding and ongoing trust in product and service quality and its wider impact
- ② Acceleration of differentiation and increase in earning opportunities due to expansion in the potential of the Otemachi, Marunouchi, and Yurakucho districts
- ③ Increased opportunities in International Business by leveraging domestic track record and know-how



Urban Development and Services Related Initiatives

Fourth Phase of the Chain Urban Renaissance Project in Otemachi Realizing Future-Oriented Values at TOKYO TORCH

In September 2023, Mitsubishi Estate commenced construction of Torch Tower in the TOKYO TORCH district in front of the Nihonbashi Exit of Tokyo Station, a mixed-use development project that constitutes the fourth phase of the Chain Urban Renaissance Project in Otemachi, which has been an ongoing venture for 20 years. Located adjacent to Tokyo Station, Torch Tower—which will become Japan’s tallest skyscraper at approximately 390 m—features offices and large-scale retail properties in addition to an observation deck, rental apartments, a luxury hotel, and an entertainment hall, with completion scheduled for 2028.

The Chain Urban Renaissance Project in Otemachi started in 2003 as a project integrating a rezoning effort implemented by the Urban Renaissance Agency and urban development led by landowners and business partners to renovate functions in the area, where buildings and urban infrastructure facilities had deteriorated significantly. The project will realize four large-scale mixed-use redevelopment projects over a period of 25 years, including the TOKYO TORCH district.

Guided by its long-term perspective on urban development, Mitsubishi Estate has participated in all four redevelopment phases in capacities that include landowner and business partner. Through its involvement in modernizing buildings; creating vibrancy through the development of retail properties, hotels, and other amenities in the Otemachi area, which was best known previously as an office district; improving aboveground and underground pedestrian networks; and updating and developing urban infrastructure facilities, such as electricity substations, utility tunnels, a sewage treatment facility, data centers, and disaster support facilities, the Company has been central to the ongoing updates of functions throughout the area.

When the project began, 70% of the buildings in the Otemachi area were more than 30 years old. Since then, over half of those have been redeveloped, transforming Otemachi into both an international business center and a vibrant area with a diverse range of functions.

Torch Tower marks the culmination of the TOKYO TORCH district development and the Chain Urban Renaissance Project in Otemachi. In developing this extensive and symbolic district, Mitsubishi Estate will engage in future-oriented measures related to the sustainability of people, the city, and the global environment, developing the functions needed for the future of Japan and the global city of Tokyo to create a new landmark that will illuminate Japan.



Rendering of the TOKYO TORCH district exterior upon completion



View of the low-rise section of Torch Tower from the south side of the district



Otemachi in 2004



Otemachi in 2024



Torch Tower has received Leadership in Energy and Environmental Design (LEED®) BD+C CS Core and Shell Gold precertification under the LEED® rating system for new buildings and expects to receive Gold certification upon its completion.

This project has achieved precertification under the LEED® green building program



Torch Tower has received WELL precertification under the WELL Building Standard® and expects to receive Gold certification upon its completion



Marking the 50th Anniversary of the Opening of Izumi Park Town and Looking Ahead to Its Future

In 2024, Izumi Park Town (Sendai, Miyagi Prefecture), which the Mitsubishi Estate Group develops and manages, celebrated the 50th anniversary of its opening. The Group began work on this suburban housing development—among the largest urban development projects to be undertaken solely by a private-sector operator in Japan at a total development area of 1,074 hectares and home to more than 10,000 households—in the high-growth period of the 1960s, when there was a pressing need to develop high-quality residential environments nationwide. Through this unprecedentedly large project, the Group realized a new style of urban living in harmony with nature, with the aim of creating a model case to address issues faced by cities.



Development of this extensive site has advanced gradually while incorporating changes in society over time to realize a well-balanced distribution of various functions—such as housing, retail properties, schools, medical facilities, and hotels—and coexistence with nature, establishing the Izumi Park Town brand as a housing development in the suburbs of Sendai that is home to a diverse range of households.

Today, on the 50th anniversary of its opening, urban development at Izumi Park Town has entered a new phase. In May 2019, the town was selected as a priority promotion project under the Ministry of Land, Infrastructure, Transport and Tourism's Smart City Model Program in response to changes in its environment. Under this program, we are working to address social issues faced by suburban housing developments, with a focus on Asahi, a new district created in 2022. Mitsubishi Estate's urban development efforts at Izumi Park Town will continue well into the future.



Launch of first phase of Takamori sales in 1974



Panoramic view of Izumi Park Town



Further Strengthening of Public–Private Cooperation a Century on from the Great Kanto Earthquake of 1923: Holding of the 97th People × City Disaster Drill

In September 2023, the 100th anniversary of the Great Kanto Earthquake, the Mitsubishi Estate Group held a comprehensive drill centered on the Marunouchi area in preparation for a major disaster through public–private cooperation with the Metropolitan Police Department and the Tokyo Fire Department and with the participation of approximately 2,000 employees. The occasion marked the Group's first large-scale drill in cooperation with the Metropolitan Police Department in the Marunouchi area. With the aim of enhancing disaster resilience throughout the area in cooperation with customers, employees of tenant companies in the Marunouchi Building and the Shin-Marunouchi Building also took part in the drill.

Mitsubishi Estate's history of preparing for disasters can be traced back to the Great Kanto Earthquake, when the Marunouchi area—which had avoided damage—became a hub for relief and support efforts for earthquake victims while also accepting the temporary relocation of over 400 entities, including government agencies, banks, and companies, serving as a center for disaster recovery and undertaking the core functions of political and economic activities until Tokyo's recovery.

Today, the entire Mitsubishi Estate Group has inherited this DNA, establishing policies for responding to disasters and measures to ensure proper and prompt recovery through the Emergency Response Manual, the Disaster Response Manual, and other materials covering the entire Group, in addition to taking preventive measures and holding regular drills. Mitsubishi Estate continues to earn the trust of its customers by offering resilience through safe and secure urban development.



Firefighting drill led by the Tokyo Fire Department at the Shin-Marunouchi Building



Guests offering remarks at People × City Disaster Drill



The Global Environment

Maintain commitment to reducing environmental impact

In order to fulfill our responsibility to the global environment and realize sustainability, we will maintain our commitment to minimizing environmental impact in our corporate activities and will seek to enhance corporate value as a leading environmentally-friendly company. By realizing a recycling-oriented society, preserving healthy forests, conserving and restoring biodiversity, and thereby creating positive impact, we will create an environment in which our business can operate in a sustainable manner.

[Vision]

Realization of sustainable urban areas and global environment

Material Issues

Climate change, greenhouse gas and embodied carbon reduction

Waste reduction and circularity

Supply chain (environmental)

Biodiversity

Risks



- (1) Loss of sustainability in our business environment due to changes in the global environment
- (2) Increase in costs due to compliance with environment-related regulations and guidelines
- (3) Disengagement of customers and decrease in profit opportunities due to failing to comply with environmental requirements of customers

Opportunities

- (1) Differentiation of products and services and acquisition of new business opportunities and customers through innovative responses to the environmental issues
- (2) Acquisition of business opportunities through utilization of existing building stock through such measures as large-scale building and residential renovations leveraging know-how
- (3) Enhanced investor engagement and increased stock market presence through proactive information disclosure



Targets

<p>CO2 and other GHG emissions reductions</p> 	<ul style="list-style-type: none"> ● Reduce Scope 1 and 2 emissions by a total of 70% or more and Scope 3 by 50% or more by fiscal 2030 compared with fiscal 2019 ● Achieve net-zero emissions by 2050 (reduce Scope 1, 2, and 3 by 90% or more. Neutralize residual emissions^{*1}) (Targets approved by the SBT initiative^{*2} in June 2022)
<p>Percentage of electricity derived from renewable energy</p> 	<p>100% by fiscal 2025 (Joined RE100)</p>
<p>Waste emissions</p>	<p>Reduce emissions per square meter by 20% by fiscal 2030 compared with fiscal 2019</p>
<p>Waste recycling rate</p>	<p>90% by fiscal 2030</p>
<p>Procurement of timber in countries with low risk of illegal logging only, including Japan-grown timber^{*3}</p>	<p>Achieve 100% by fiscal 2030</p>

*1 Emissions that remain unabated within the value chain in the target year are termed “residual emissions.” The SBTi standard requires neutralizing any residual emissions using forest absorption and carbon removal technologies outside the value chain to counterbalance the impact of these unabated emissions and to achieve net-zero emissions.

*2 An international initiative aiming to limit the average global temperature rise resulting from climate change to below 2 °C above pre-industrial levels

*3 Applies to procurement of timber in the Mitsubishi Estate Group’s own value chain



The Global Environment Related Initiatives

Japan's First ZEB-Certified Airport Terminal Commencing Solar Power Generation at Miyako Shimojishima Airport

Managed by the Mitsubishi Estate Group, Miyako Shimojishima Airport in Miyakojima, Okinawa Prefecture, obtained Zero Energy Building (ZEB) Ready certification by improving its thermal insulation performance through the incorporation of cross-laminated timber (CLT) into the structural materials of its roof—a first for an airport in Japan—and promoting proactive efforts to leverage natural energy. As an environmentally friendly airport, it will begin a project to generate solar power to further enhance its environmental performance.

The airport will achieve net-zero energy consumption by installing solar panels and storage batteries on neighboring land and consuming all electricity generated at the terminal to address an issue unique to remote islands, namely, a lack of nearby surplus renewable energy and difficulties in purchasing renewable energy from external sources. Power generation is scheduled to begin in April 2025. With this initiative, the Group will ensure that Miyako Shimojishima Airport becomes the first airport terminal in Japan to obtain ZEB certification, the highest level available, and expand environmental measures in various businesses.



Miyako Shimojishima Airport Terminal



CLT roof

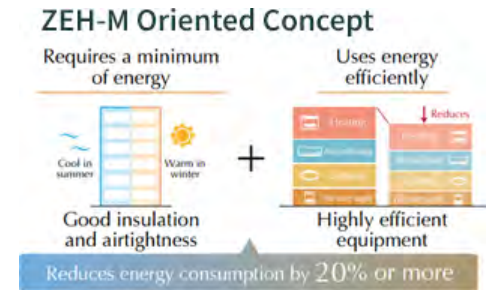


Aiming to Achieve a Decarbonized Society by Ensuring Condominiums Meet the ZEH-M Oriented Standard

In its strategies to reduce its CO₂ emissions, Mitsubishi Estate Residence has adopted a target of achieving a 50% reduction in emissions by 2030 compared with its fiscal 2019 level. As part of efforts to achieve this target, it will aim to obtain ZEH-Oriented certification for all the condominiums and rental apartments it offers from 2025.

As an example, The Parkhouse Matsudo Honcho (scheduled for completion in late March 2025) has adopted ECO ONE (hybrid water heater and heating system manufactured by Rinnai Corporation), which helps meet the ZEH standard by reducing CO₂ emissions significantly, and installed solar panels and outlets for charging electric vehicles (in certain locations). Through these efforts, The Parkhouse Matsudo Honcho will meet the standard for ZEH-M Oriented certification along with that for low-carbon buildings defined in the Low-Carbon City Act.

The Mitsubishi Estate Group will continue to promote environmental initiatives through its housing businesses.





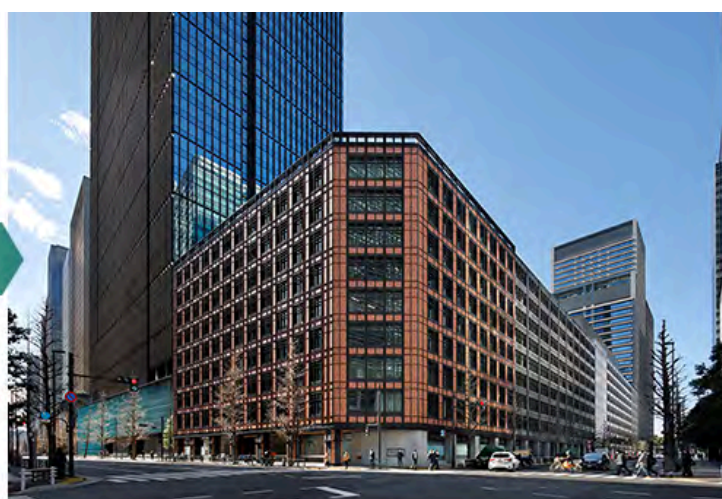
Renovation Business Promoting the Effective Use of Building Stock in Cities in Japan and Overseas

Amid a growing number of aging and deteriorating buildings in Japan, the Mitsubishi Estate Group is expanding efforts to address issues through renovations by ensuring that Group companies leverage each other's know-how to meet societal demands for the effective use of such buildings, incorporating the perspectives of the consideration for global and local environments and population dynamics in Japan. In particular, leveraging assets effectively together with developers for use over the long term is ingrained in the DNA of Mitsubishi Jisho Design Inc., which has served as Mitsubishi Estate's in-house design office for much of its 130-year history. The major renovation of the Otemachi Building enabled Mitsubishi Jisho Design to fully demonstrate its capabilities. The building was more than 60 years old, having been completed in 1958. Rather than rebuilding it, Mitsubishi Estate chose to use its original structure and materials with the aim of creating a building to last 100 years. Completion of highly challenging renovation work at a building with tenants that is directly connected to the subway lines of Otemachi Station was achieved in May 2022, thanks to Mitsubishi Jisho Design's design techniques and skills in supervising the work and by consolidating the know-how of all parties involved. In addition to fully refurbishing the building's infrastructure, the renovation provided added value by creating new networking spaces where people and companies can meet, including the introduction of networking functions throughout the building to enable venture companies and start-ups to interact with one another.

In environmental terms, in addition to achieving a significant reduction in the amount of waste and construction materials compared with developments involving demolition and new construction, the renovation lowered future building management costs by using alkali-resistant, glass fiber reinforced concrete (GFRC), which is more durable and fire resistant than regular concrete, as the principal material for the exterior. In addition, the introduction of LED lighting and the adoption of low-emissivity (low-E) double glazing with superior thermal insulation and window frames with embedded sunshades improved the building's environmental performance, including achieving energy savings from reduced heat load (reduction of approximately 44%)



Otemachi Building before renovation



Otemachi Building after renovation



The Group's efforts to make effective use of existing building stock also extend overseas.

The development of 600 Fifth—an office building in Washington D.C. (the capital of the United States) on which Mitsubishi Estate New York Inc., Rockefeller Group International, Inc. (the Group's U.S. subsidiary), and Taisei USA LLC have commenced work as a joint venture, will minimize the construction period, costs, and environmental load through a renovation plan to utilize the original structure, and add four new levels to the existing eight-floor building to create 11 floors plus a penthouse through creative construction techniques.



Original building (former headquarters of the Washington Metro Area Transit Authority)



Rendering of project exterior

Meanwhile, in the United Kingdom, we conducted the large-scale renovation of Warwick Court, an office building forming part of the redeveloped district of Paternoster Square (completed in 2003), next to St. Paul's Cathedral, a historic building and symbol of London. Completed in July 2022, the renovation made full use of the building's original exterior and structure to transform it into an office building that meets the demands of the new era, enhancing well-being and reducing environmental impact.

The Mitsubishi Estate Group will expand its business activities globally and create assets responsibly using the credibility and brand power it has amassed through continuous pioneering efforts in tune with the times.



Paternoster Square, a mixed-use development project



Warwick Court



Respect for people

Consider people, empathize with people, protect people

We create urban areas that embrace people's lives and lifestyles, value the connections between people, and enable each and every individual to spend time productively. We take business and human rights issues seriously, creating environments that physically and mentally fulfill the people who live, work, and relax in them, and aim for urban development and services that help diverse people to live happily.

[Vision]

A society where diverse people can work and live happily

Material Issues

Low birthrate and aging population

Supply chain (society)

Urban development and stakeholder DE&I promotion

Urban development and the wellness of people

Industrial safety and health

Business and human rights

Risks

- (1) Loss of supply chain continuity and reputation due to inadequate human rights and occupational health and safety compliance
- (2) Mismatch between supply and demand due to inadequate support for diversity of urban areas and services and society with low birthrate and aging population
- (3) Outflow of human resources and decrease in employee engagement and competitiveness due to inadequate support for internal diversity

Opportunities

- (1) Increase in competitiveness over the medium to long term due to industry-leading human rights initiatives
- (2) Creation of opportunities to develop and manage types of assets that give consideration to diversity
- (3) Value added to urban areas and services and increase in opportunities to acquire customers through promotion of wellness measures



Targets

Percentage of female managers	Over 20% by fiscal 2030, 30% by fiscal 2040, and 40% by fiscal 2050
Use of timber specified in Sustainable Sourcing Code for concrete formwork panels (certified timber and Japan-grown timber)	100% by 2030

* The code, in which international agreements and guidelines for sustainability in different sectors are used as a reference, specifies guidelines and methods of operation aimed at implementing sustainability-oriented procurement, among other matters.



Respect for people Related Initiatives

Developing Residences Catering to Diverse Lifestyles

Mitsubishi Estate Residence is expanding asset development businesses other than condominiums in accordance with the declining birthrate and aging population and increasingly diverse lifestyles. Positioning the development of housing for seniors, which offers high-quality residences and enriched lifestyles to seniors, as a new business pillar, it is currently developing 20 properties in the Tokyo Metropolitan area as healthcare assets and will promote residential developments under a new brand together with HIMEDIC, Inc. (Resorttrust Group), a company operating Senior Lifestyle and Medical businesses, with which it concluded a joint venture agreement in November 2023. Mitsubishi Estate Residence also plans to open the Kamakura Iwase 1-chome Project—work on which began in October 2023—as a commercial assisted living residence, the company's first joint development with Sompo Care Inc., which operates a nursing care business in the SOMPO Group, accelerating its contribution to the creation of new lifestyles for seniors.

Meanwhile, as ensuring access to education for all students and developing environments to facilitate it becomes increasingly important, Mitsubishi Estate Residence has developed seven residences for students since it first took part in the development of such residences in 2018. Along with a plan emphasizing privacy in accordance with the times, the company supports the enriched lifestyles and future endeavors of students through the provision of nutritious meals with the establishment of a dining lounge and the creation of facilities to encourage interactions among students.



Charm Premier Grand Gotenyama (commercial assisted living facility)



The Park Hive Sendai Hasekura (student condominium)



Promoting a Co-Living Business Tailored to Increasingly Diverse Workstyles and Lifestyles and Globalization

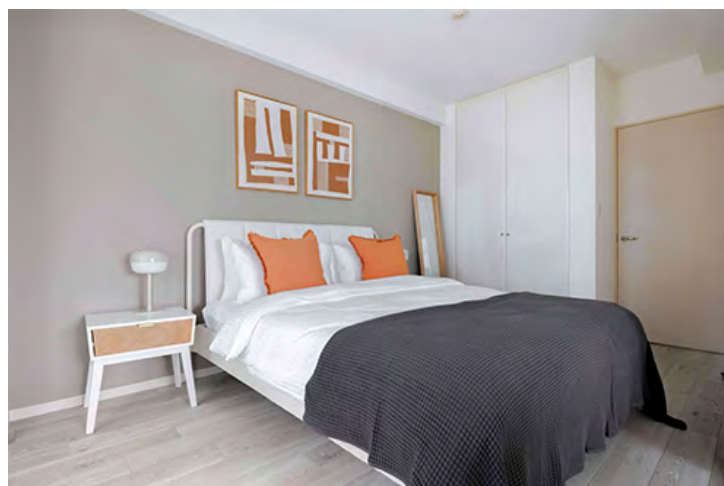
Mitsubishi Estate expects that increasingly diverse lifestyles globally will lead to growing demand for rental apartments offering greater flexibility. With this in mind, it established a joint venture company with Singapore-based Hmlet Pte. Ltd. (currently Habyt Pte. Ltd.) in 2019, taking the lead in launching a co-living business in Japan to incorporate a community development concept into rental apartments for medium- to long-term residents. In the wake of the COVID-19 pandemic, with the number of foreign residents in Japan exceeding the pre-pandemic level, Japan has become an attractive place to stay for digital nomads. Non-Japanese residents from more than 50 countries occupy approximately 80% of the roughly 850 rooms in operation at Hmlet's 45 locations (as of June 2024).

In anticipation of the further expansion of these new ways of living, Mitsubishi Estate concluded an exclusive licensing agreement in Japan with Blueground Holdings Ltd., which operates over 15,000 rooms in 17 countries and 34 cities globally, to bolster its flexible rental apartment business (flexible living business), which includes the co-living business.

By further expanding our flexible living business, we will meet demand arising from increasingly diverse lifestyles in Japan and overseas.



Hmlet Sangenjaya



Blueground Park Place Mita



Aiming to Create Communities and a Society Where Everyone Can Play Active Roles with Peace of Mind

Mitsubishi Estate, which aims to promote diversity, equity, and inclusion (DE&I) in society through urban development, is accelerating a variety of measures on the basis that further understanding and promotion of DE&I within the Company is essential to achieving this goal. In January 2024, recognizing that promoting the active role of women is critical to conducting management and operating businesses, Mitsubishi Estate became the first real estate company in Japan to endorse the Women's Empowerment Principles (WEPs), clarifying the position of gender equality in its management by signing a statement declaring that it will act based on the WEPs.

Establishing high-level corporate leadership in gender equality is one of the WEPs. Mindful of this, to identify issues through opportunities for members of the management team to communicate with frontline employees, Mitsubishi Estate held a luncheon in March 2024 where employees and executives could talk freely about future career plans, issues, and other topics. The Company plans to hold several such gatherings going forward.

Meanwhile, as of April 2024, we regard same-sex partners and their families in the same way as heterosexual marriages and define them as such in various internal programs.

In this way, we are creating vibrant workplaces through respect for individual human rights and diverse ways of thinking, as set forth in the Mitsubishi Estate Group Code of Conduct.

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the
UN Global Compact Office



Luncheon with outside directors and employees



Luncheon with President & CEO Nakajima and employees



Promoting Initiatives to Establish a Sustainable Supply Chain

The Mitsubishi Estate Group has led the way in the real estate industry in advancing various measures aimed at strengthening supply chain management from the perspectives of business and human rights and of environmental conservation. In fiscal 2023, along with its usual surveys using a questionnaire, the Group conducted in-person interviews of those working on construction sites.

Through these efforts, we endeavor to gain a better understanding of the circumstances in the supply chain. In addition, believing that it has a duty to identify risks in relation to construction materials, the Group has begun conducting traceability surveys with the cooperation of suppliers for construction materials designated as high risk through the due diligence process. Moreover, we have begun the introduction of a consultation and grievance contact service for non-Japanese workers, which we are expanding steadily at relevant sites, to establish a grievance mechanism for non-Japanese workers employed at construction sites.

Meanwhile, the Construction and Real Estate Human Rights Due Diligence Study Group, established in 2018 with Mitsubishi Estate as the organizing company, transitioned to become the Construction and Real Estate Human Rights Due Diligence Promotion Council in 2023 to further develop its activities, with Mitsubishi Estate spearheading the council's efforts. The council conducts surveys and research continuously to raise the level of human rights throughout the industry through collaboration among companies that face the same issues in the construction and real estate industry.

Although the establishment of our ideal supply chain remains a work in progress, we will fulfill our responsibility as a leading company in the industry and continue working to contribute to the sustainable development of our supply chain and of society.



Consultation and grievance contact service for non-Japanese workers



Value Creation

Create and circulate new value

We will prevent the stagnation of the Group's business model and develop businesses that match and anticipate the times by continuing to create new value through innovation. Through co-creation and collaboration with diverse partners, we will create value that we cannot achieve alone, update lifestyles, and foster affluence and convenience that match the times.

[Vision]

Anticipating changing times and fostering affluence and convenience

Material Issues

Innovation

Partnership

Risks

- (1) Slowdown in growth and decline in competitiveness due to mediocrity in urban development and services and delays in updating existing businesses
- (2) Slowdown in growth due to delays in diversification and globalization of business owing to absence of outstanding partners

Opportunities

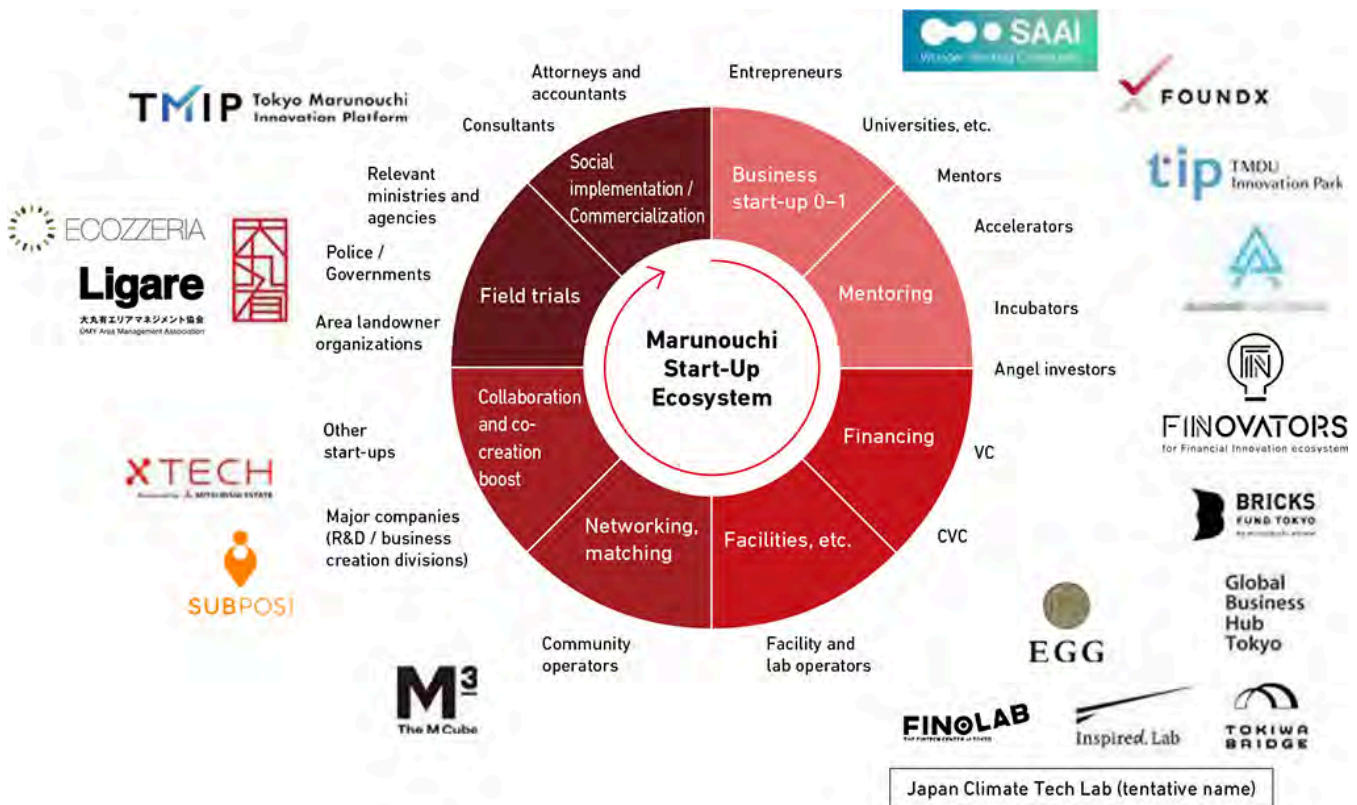
- (1) Urban diversification, differentiation, and acquisition of competitive edge through provision of innovative development schemes and services
- (2) Expansion of business opportunities and fields and provision of value added that cannot be achieved alone through diverse partnerships



Value Creation Related Initiatives

Building an Incubation Ecosystem for Innovation

With a history spanning a quarter of a century, Mitsubishi Estate’s support for start-ups and promotion of incubation efforts focusing on the Marunouchi area (Otemachi, Marunouchi, and Yurakucho) dates back to 2000, when it established an organization that assisted venture companies. Since then, always in touch with the times, Mitsubishi Estate has engaged in the operation of seven facilities and communities, including the creation of EGG JAPAN (currently EGG), an incubation office for early-stage start-ups that was a pioneering initiative in Japan in 2007; FINOLAB, Japan’s first fintech hub; and Inspired.Lab, which focuses on the deep tech field. In fall 2024, the Company plans to open Japan’s first incubation hub dedicated to the climate tech. Meanwhile, we are advancing academic collaborations with Tokyo University, Tokyo Medical and Dental University, and Hitotsubashi University. Through these endeavors, we will boost efforts to create new value for society by building an incubation ecosystem through collaboration with players in industry, government, and academia centered on the Marunouchi area.



Mitsubishi Estate’s Start-Up Ecosystem



Investment Management Business Using Bases in Japan, the United States, Europe, and Asia Operating the MEGP Platform

Since listing Japan's first real estate investment trust (REIT) on the Tokyo Stock Exchange in 2001, Mitsubishi Estate has led the creation of new markets and investment opportunities through the integration of finance and real estate. Its management of a global real estate portfolio through Mitsubishi Estate Global Partners (MEGP), a global investment platform established through a particularly strategic M&A track record, is without precedent in the real estate industry, and MEGP's assets under management have grown to reach ¥5.7 trillion.* Through the ongoing expansion of MEGP's portfolio, the Mitsubishi Estate Group will meet the needs of investors around the world for long-term, stable management while raising the environmental performance of real estate globally and offering sustainable real estate assets to communities by maintaining the Group's policy of responsible management.



* As of March 2024 for Japan and December 2023 for overseas investors





Business Model Innovation through Co-Creation with a Wide Range of Partners

Mitsubishi Estate promotes new business creation and open innovation leveraging its accumulated business assets, capabilities, and know-how with the aim of spurring change of its own accord to realize business transformation: business model innovation for creating value that enriches future generations.

BRICKS FUND TOKYO, our corporate venture capital (CVC) fund launched in April 2022 for engaging in the co-creation of growth industries, established three investment themes (new lifestyles, paradigm shifts in existing industries, and sustainability) and 12 focus areas to accelerate investment in promising impact areas on the concept of co-creating impact, supporting transformation, and building the foundations for the future together with others.

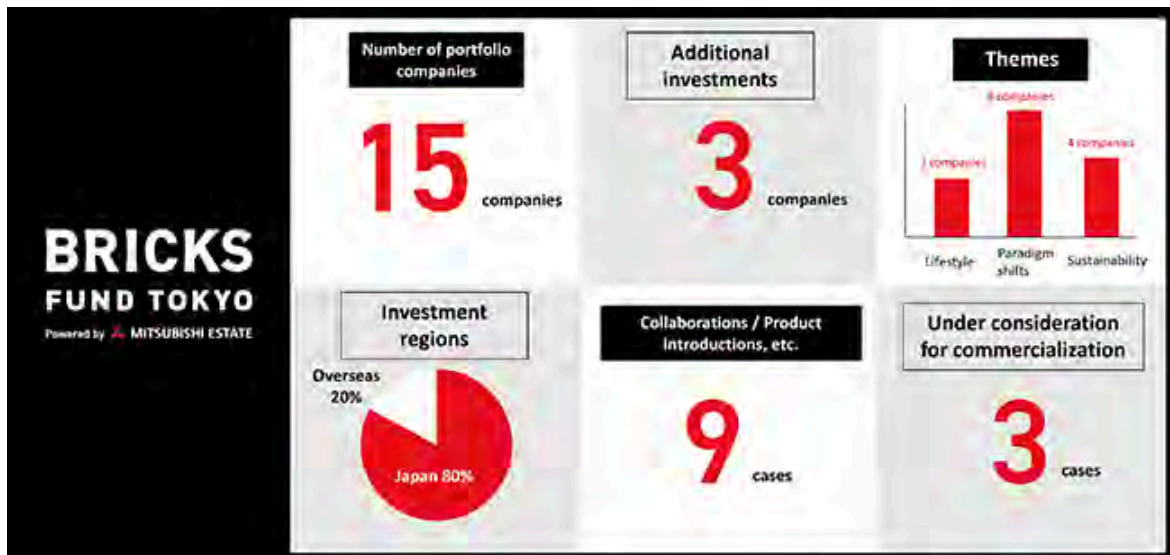
The fund aims to contribute to improvements in corporate value over the medium to long term and create growth companies by providing investment targets with social implementation support, such as management support drawing on the Group's management infrastructure, field trials in the Marunouchi area and elsewhere, business co-creation, and collaboration.

We expect our total investment in start-ups and venture capital companies in Japan and overseas to come to ¥50.0 billion on a cumulative basis (including commitments) by the mid-2020s. Along with investment and business support for start-ups that take on the challenge of creating social impacts over the medium- to long-term, such as addressing social issues and transforming industrial structures, we will create value that enriches future generations by promoting open innovation.

Meanwhile, through open innovation with a diverse range of partners, Mitsubishi Estate creates new businesses—including elevator advertising and 5G infrastructure sharing businesses—backed by its core competitiveness. It also operates the Mitsubishi Estate Group Innovation Challenge (MEIC), a new business proposal system for Mitsubishi Estate and Group company employees to encourage them to take on challenges with the goal of creating new businesses and promoting Groupwide innovation that helps diversify the Group's sources of earnings and strengthen its core business. Businesses produced through the system include Ecofurni, a business that resells used furniture, and GYYM, a reservation support service for fitness facilities.

BRICKS FUND TOKYO





LIFESTYLE
New lifestyles

- Real estate technology: **maisu technologies**
- Communities D&I: **site**
- Entertainment: **UTAITE**

SUSTAINABILITY
Sustainability

- Biotech Climate tech: **GELTOR**
- Sustainability: **ZYMOCHEM**
- D&I: **VALT JAPAN**

INDUSTRIAL PARADIGM SHIFT
Paradigm shifts in existing industries

Mobility / Retail: Mellow	Legal tech: Lisse	Mobility: Nealle	Fintech / AI: LayerX
Logistics: ROMS	DX: Techtouch	DX / AI: IVRY	Fintech: CreditEngine

BRICKS FUND TOKYO Activity Results (April 2022-April 2024)

Elecinema Media business offering new audiovisual experiences in elevators	5G-Infrastructure Sharing Communications environment solutions making use of idle real estate space	Ecofurni Business facilitating a circular economy through the sale of used furniture	GYM Gym network service offering pay-as-you-go tickets for affiliated fitness facilities	WELL ROOM Multilingual healthcare service supporting the well-being of non-Japanese human resources

Examples of new businesses created through open innovation and MEIC