



MESSAGES

Message from the President

Atsushi Nakajima

President & Chief Executive Officer

Mitsubishi Estate Co., Ltd.

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Yutaro Yotsuzuka

Executive Vice President
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Outside Director
Mitsubishi Estate Co., Ltd.



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Message from the President

The challenge of creating new value through the integration between sustainability and urban development for people's lives

Atsushi Nakajima

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



Resolve to provide properties with value for the next generation

In fiscal 2025, the Mitsubishi Estate Group reached the midway point of Long-Term Management Plan 2030. Looking back on the progress made in the previous fiscal year, our office, retail facility, and hotel businesses in Japan remained firm, and we achieved a fourth consecutive year of all-time high results. In the Office Business, against the background of intensifying competition between companies to secure human resources, there was a growing need for offices with high-level functions in prime locations, providing a boost to Mitsubishi Estate's strength. The continuation of robust inbound tourist demand also served as a tailwind supporting growth in the B to C area that includes retail facilities and hotels. In the second half of the Long-Term Management Plan, the investment in prime assets we have implemented to date will enter the phase of returns on our investments. We will further strengthen collaboration between Group companies and advance toward the achievement of our targets.



Despite such steady progress, business continues to face challenges, including labor shortages and soaring construction costs. For the entire industry to remain sustainable, we must also take into account the rising costs faced by construction companies and other partners, and address them by providing added value ahead of the time, achieving high profitability and sharing the benefits with the supply chain. While embracing the changes in the environment as the inevitable, the question is how we ourselves will adapt to these changes.

Even in a situation of uncertainty, our strategic focus of increasing both social value and shareholder value remains unchanged. Under the review of Long-Term Management Plan 2030 announced last May, we reaffirmed our commitment to promoting further integration between business activities and sustainability with "Be the Ecosystem Engineers" set out in Sustainability Vision 2050 at the core of management. Now, one year later, there is no wavering in our resolve.

To achieve the Long-Term Management Plan, we will further strengthen the balance between growth and improving efficiency. As we aim to increase profit and improve ROE, there may be questions about whether sustainability measures will lead to an increase in costs. However, a company that cannot provide things with value for society will never be recognized as having economic value over the long term. In particular, I firmly believe that providing properties with value from the perspective of future generations is the very thing that will in turn increase economic and shareholder value for Mitsubishi Estate, which is engaged in the long-term business of urban development.

Toward the integration of business activities and sustainability

In the review of Long-Term Management Plan 2030, we updated our key themes related to sustainability and defined urban development and services, the global environment, respect for people, and value creation as Sustainability of the Mitsubishi Estate Group and Society: Four Key Themes. In particular, we set out “Seek to provide urban properties and services that can be proudly passed down to the future” as a theme related to urban development and services, and I believe that has made it even clearer that the pursuit of our core business in itself is a means of increasing social value.

It has been a year since the review, and we have made definite progress toward the integration of business activities and sustainability. Each business group has been working to develop concrete goals for strategies to increase social value that are linked to business targets. The discussions of the Board of Directors have also been revitalized as a result of the reports from the Sustainability Committee, and this has had a positive impact on management.

Since last fiscal year we have introduced issues related to the social significance of business into deliberations by the Executive Committee, which makes investment decisions. This fact can also be described as one of the changes we have made. However, this goal has only been half-achieved. I myself have not been able to fully address the question of how it will lead to an increase in social value. We are continuing to explore how to incorporate contributing to increasing social value into investment decisions and the creation of mechanisms for doing it. Our aim is to ask why and present a convincing answer from the perspective of sustainability in all decision making.

Social value and shareholder value are not inherently contradictory. Mitsubishi Estate has been striving to realize environmentally-friendly development since before the demands for companies to address the environment became stronger over the past few years. Looking back even further, the enthusiasm and determination of our predecessors in trying to create a world-standard business center for Japan built the foundations of today's Marunouchi area. Inheriting this 135-year history, we aspire to be an entity that can meet the expectations of society through our core business activities. Conducting business activities in such an authentic manner will in turn increase social value. It is this kind of virtuous circle that we want each and every employee keep in mind and realize so that it is also recognized by society.

Creating new model of urban development as the Ecosystem Engineers



project management and leasing, and I believe we were also able to present our unique corporate presence.

In fiscal 2024 Grand Green Osaka, developed by a nine-company joint venture (JV9) led by Mitsubishi Estate, celebrated its preliminary opening.* The project, which is centered on an approximately 4.5 hectare urban park located in front of JR Osaka Station, features an expansive green space and innovative facilities bringing together diverse people and ideas, which makes it a project of great significance in terms of creating social value through urban development. The project has received a high level of social attention as a success story for urban development. As part of the complex project scheme in which nine companies took part, Mitsubishi Estate was responsible for various functions as the lead company including



Notably, one of the project's distinctive initiatives is the MIDORI Partner system, a partnership framework established with the objective of making the maintenance and management of the urban park and the creation of liveliness and value sustainable. Collaborators other than the project partners have been recruited to develop diverse citizen participation-type programs, which have already been implemented. This business model, which employs co-creation with multiple players to create value that we cannot create alone will, in turn, help build a leading position for us. This is precisely the embodiment of the vision for urban development that Mitsubishi Estate aspires to in "Be the Ecosystem Engineers."

Going forward, we aim to increase the value of both urban areas and Mitsubishi Estate through the provision of "venues and systems" in which diverse stakeholders with different perspectives coexist and co-create. As the Ecosystem Engineers on projects that exhibit both economic and social value, we will continue to develop into various areas and on various scales in and outside Japan, leveraging the strengths of the knowledge and networks we have cultivated through our core base in the Marunouchi area and the International Business to present a new model of urban development that only we can create to the next generation.

* Full-scale opening is planned for 2027.

Responding at a more fundamental level to demands around sustainability

Nowadays, the global trends around sustainability are becoming increasingly complex. In terms of the environment, in particular, international standards such as that of the Science Based Targets initiative (SBTi) to which Mitsubishi Estate has committed now require companies to take more concrete and effective initiatives. On the other hand, the reality is that, under real-world constraints such as soaring energy prices and supply shortages, we are observing a trend in various places that could be described as a backlash.

In this environment, I believe it is important for us to calmly assess what we should and can do fundamentally ourselves and then implement it in a sustainable way while monitoring global developments. While keeping in mind the bigger goal of eventual decarbonization, there should be a variety of approaches that suit the circumstances of individual countries and regions.

In particular, the field of electric power is very complex, and there are limits to the issues we can solve by ourselves in terms of energy creation and connection to the power grid. This is why it is essential to continue actively collaborating with external partners that possess extensive knowledge and pushing forward with new initiatives.

Conventional urban development assumes the construction of new buildings. However, if we consider minimizing environmental impact, the effective utilization of existing stock, including renovation and conversion, will also be an important perspective in urban development going into the future. Mitsubishi Estate has been actively involved in renovation projects in and outside Japan, including the large-scale renovation of the Otemachi Building, which was built more than 60 years ago. The development of such projects is also a strength that is unique to Mitsubishi Estate, which brings together the expertise and knowledge of Group companies, including a design company. We take the changes in the social environment as an opportunity for us to update our values and mindset, and will actively meet this challenge.

To be a corporate group that cares for people and is chosen by people

The construction of a sustainable supply chain is also a very important theme. In the area of human rights and environmental issues, we have so far conducted human rights due diligence and a series of onsite interviews and other activities targeting foreign workers at construction and cleaning companies. It is by no means easy to continuously monitor the supply chain in the real estate and construction industries as the locations where materials are procured and produced are not fixed as they are in the manufacturing industry, and human resources and sites are also fluid. The hurdles for such initiatives are particularly high overseas.

Nevertheless, as a leading company, I believe we have a responsibility to continue tackling such issues. We steadily work on what we can do one step at a time and encourage changes in the awareness and behavior of our suppliers through our efforts, thereby aspiring to create a positive cycle to realize a sustainable supply chain.

We also place importance on the promotion of diversity, equity, and inclusion as an initiative that is related to the intrinsic essence of the company. Bringing together diverse human resources and utilizing everyone's strengths increases the quality of decision-making and enhances the flexibility and ability of an organization to adapt to change. It is essential to create an environment that respects all differences, including gender, age, nationality, values, and presence of disability, and empowers everyone to demonstrate their strengths.

The percentage of women in management positions, which is one of our KPIs for gender equality and women's empowerment, has been gradually increasing as we have continued to foster the corporate culture for creating a positive working environment for everyone and stepping up recruitment of women, including those with potential for management positions. Mitsubishi Estate is a signatory to the Women's Empowerment Principles (WEPs), declaring that gender equality and women's empowerment are at the center of its management.

Recently, attitudes to careers have also diversified, particularly among younger generations. It is becoming increasingly important to establish an environment that enables people to build a career that fits with their own aspirations, rather than having everyone aim for the same goals. In order to continue being an organization that enables diverse human resources to demonstrate their strengths, I also feel the need to reflect on the existing personnel system with an eye to the future. Although there will not be any immediate answers to this issue, the imperative to change is clear. We will steadily move forward toward becoming a corporate group that cares for people and is chosen by people.

Leading the future society through urban development

As society changes at an accelerating pace, it is not easy to see into the future. Recently, while taking part in discussions looking 20 or 30 years into the future, I felt very conscious of the perspective of what the unchanging aspects of human beings are. However much technology evolves, people are beings who cannot live alone but rather go through life maintaining connections with others. I believe that time for people to meet and talk face-to-face will continue to have unchanging value throughout the ages as seen in the renewed focus on interacting in the real world after the COVID-19 pandemic.

There is likely to be diversification in our ideals about places to live and work going forward. It is also possible that lifestyles combining “home” and “work” will become more widespread. However, the role of each space that supports the rhythm of life and human relationships is likely to remain the same despite changing in form. I believe our job in urban development is to increase “A Love for People, A Love for the City” while being closely connected to people's lives in order to continue providing value in keeping with the times.

Under its mission statement, which is to contribute to society through urban development, Mitsubishi Estate will lead and build the society of the future. With this kind of resolve, we want to continually set ourselves new challenges. Precisely because this is an era of dramatic change, we will engage in urban development rooted in universal human values with the aim of being a company that continues to be trusted by society.

Atsushi Nakajima

President & Chief Executive Officer

Mitsubishi Estate Co., Ltd.

(As of August 22, 2025)

MESSAGES

Messages from the Director Responsible for Sustainability and an Outside Director



Message from the Director Responsible for Sustainability

Yutaro Yotsuzuka

Executive Vice President

Mitsubishi Estate Co., Ltd.

I took charge as the Director responsible for the Sustainability Management and Promotion Department starting fiscal 2025. I am strongly committed to realizing sustainability management utilizing the experience I have developed to date in a wide range of areas including the international business and the real estate development business, as well as in corporate divisions.

As changes in the international situation and social environment surrounding the Mitsubishi Estate Group intensify, the responsibilities that companies must fulfill are becoming more prominent, and there are also growing calls for transparency in corporate activities. In light of these changes in the social and business environment, the Group revised its four key themes and material issues related to sustainability in fiscal 2024.

The new key themes are designed to establish the sustainability of both the Group and society by further increasing the inter-relationship between business and sustainability and responding to the demands of the times through business activities. As exemplified by my own responsibility for the Corporate Planning Department and the Sustainability Management and Promotion Department, promoting increase in social value and shareholder value as two strategic drivers is the foundation of the Company's business strategy. As Long-Term Management Plan 2030 reaches its halfway point, we will accelerate concrete actions aimed at integrating business and sustainability.

Responding to climate change, which will have a direct impact on future generations, is a particularly pressing challenge among the social issues surrounding Mitsubishi Estate. The Group has been making steady progress toward realizing net zero CO2 emissions by 2050, and we expect to mark a major milestone in fiscal 2025 with the achievement of 100% introduction of renewable energy. Moreover, at the same time as implementing such initiatives by the Group alone, as an industry leader, we are working to move forward with efforts throughout the supply chain through industry-wide cooperation.

I believe that the fundamental objectives of sustainability are consideration for the next generation, passing on the happiness we have now to future generations, and not leaving behind anything undesirable. The Group is actively engaging in dialogue with customers, local communities, investors, employees, young people from the next generation and other stakeholders to pinpoint the responsibilities and roles it needs to fulfill. By steadily fulfilling the expectations on the Company identified through such dialogue, we will pass on a better future to the next generation while realizing an increase in the Group’s corporate value.

(As of August 22, 2025)



Outside Director's Message

Ayako Sonoda

Outside Director

Mitsubishi Estate Co., Ltd.

Preparing for a diverse future based on its own vision

I was appointed as an Outside Director in June 2023 and have taken part in the Board of Directors and various committees over the past two years since then. Our internal discussions are very open. We go beyond simply talking about the current state of the company and business plans to discuss the questions of what Mitsubishi Estate should do and how it will contribute as a leading company from a local community, national, and even a global perspective. I have also been deeply impressed by the company's serious approach to social issues such as the low birthrate, aging society, and regional revitalization, which are issues it puts at the center of its management.

Recently, particularly with the destabilization of the international situation, we can see a reversal in society, including a backlash against climate change countermeasures and diversity, equity, and inclusion (DE&I). I feel that moving forward firmly grounded on its own vision rather than being influenced by such temporary trends is Mitsubishi Estate's characteristic strength.

Under the review of Long-Term Management Plan 2030 announced in May 2024, Mitsubishi Estate updated its double materiality approach and key themes related to sustainability in order to further promote the integration of business activities and sustainability. Discussions were also held by the Board of Directors, and I stated my views from a variety of perspectives. I genuinely feel that the four key themes of urban development and services, the global environment, respect for people, and value creation provide a clear statement of the direction Mitsubishi Estate should take in addressing the numerous issues facing modern society.

In order to address these themes effectively, in addition to having ideals, it is essential to be in a state of readiness for a diverse future while taking a realistic view of the challenges. Of course, promoting urban development in the context of steady advancement in society overall is important, but Mitsubishi Estate actually fulfills its potential more in challenging conditions. None of us can predict the future. However, envisaging a variety of possible scenarios and refining our ability to respond to them as we do in large-scale disaster drills should improve our ability to handle any crisis that may arise, which is our resilience.

Connecting the global environment, society, and human happiness through urban development

The Mitsubishi Estate Group has built up a track record in implementing pioneering initiatives for the real estate industry, in addition to participating in international frameworks, such as RE100, TCFD, and SBTi, from an early stage. There is a good prospect that the company will achieve RE100 in fiscal 2025, which shows how serious it is about measures to address climate change.

This year, Mitsubishi Estate also fully engaged in its response to the disclosure recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). The company is taking this theme seriously as one that also resonates with issues of interest to shareholders and investors. We ourselves are part of the natural ecosystem. This means that the value of biodiversity and natural capital are easy to understand intuitively, which makes these themes effective for building dialogue and a story with stakeholders. Going forward, I look forward to seeing more widespread initiatives addressing coexistence with nature and biodiversity in terms of collective action through collaboration across the entire industry and throughout the value chain.

Wellbeing is also a very important key word. When we talk about wellbeing at a company, health and productivity management and workstyle reform spring to mind, but wellbeing goes further than that.

The Mitsubishi Estate Group has established “Urban development and the wellness of people” as one of the material issues related to “Respect for people,” and the question is how this can be realized in the context of urban development. There must also be forms of wellbeing unique to a particular locality which take advantage of their regional characteristics.

Furthermore, the perspective of planetary wellbeing, which treats the planet and human health and happiness holistically, provides an important foundation in aiming for a sustainable society. I believe a series of diverse and thriving areas can be nurtured by envisaging a vision of attractive communities where people want to live or be involved and applying the backcasting approach to realize that future vision.

Becoming a company that creates new value in society with the power of diversity

Numerous real-world settings have demonstrated that organizations which embrace diverse talent and values are more likely to generate innovation. In particular, the issue of gender is not only deeply related to career development for women but also the workstyles of men, and the question is how to change social norms and attitudes based on an understanding shared throughout society that “gender is a human rights issue.”

Last year, Mitsubishi Estate became the first comprehensive real estate developer in Japan to sign up to the Women’s Empowerment Principles (WEPs), showing the commitment of the top management to gender equality and women’s empowerment. I hope this commitment will not only remain within the company but will go further to create new trends in society through urban development while keeping in mind the entire value chain.

I have been involved in consulting and practice in the sustainability area for a long time, and I have always been conscious of reading a little ahead into the future and looking at the big picture in considering the demands of society from the perspectives of various stakeholders. As an Outside Director at Mitsubishi Estate, I want to contribute to increasing the corporate value of the Mitsubishi Estate Group over the medium to long term by anticipating changes in the global environment and society and providing forward-looking suggestions.

(As of August 22, 2025)