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Printed in Japan

Integrated Report

2022

Building On
Our Track Record
for Future Growth

“A Love for People A Love for the City”

Forever Taking On New Challenges—The Mitsubishi Estate Group

The Spirit of Mitsubishi: Three Principles

“Shoki Hoko”
所期奉公

Corporate Responsibility to Society
Strive to enrich society, both materially and spiritually, while contributing toward the preservation of the global environment.

“Shoji Komei”
处事光明

Integrity and Fairness
Maintain principles of transparency and openness, conducting business with integrity and fairness.

“Ritsugyo Boeki”
立業貿易

Global Understanding through Business
Expand business, based on an all-encompassing global perspective.

The Mission of the Mitsubishi Estate Group

We contribute to society through urban development.

By building attractive, environmentally sound communities where people can live, work, and relax with contentment, we contribute to the creation of a truly meaningful society.

The Mitsubishi Estate Group Code of Corporate Conduct

In order to carry out the Group's Mission,
we pledge to observe the following Code of Conduct:

1

We will act with integrity.

We will base our conduct on laws and ethics and always reflect with humility upon our behavior, valuing our communication with society and placing priority in our corporate activities on earning trust through fairness and transparency.

2

We will strive to earn
the trust of our clients.

We will approach all objectives from our clients' point of view, providing safe and reliable products and services, and make information available as appropriate.

3

We will strive to create
a vibrant workplace.

While aiming at personal growth, we will respect the human rights and diversity of opinions of others and increase our creativity and professionalism, while displaying our collective strengths as a team.

For details on the Mitsubishi Estate Group Guidelines for Conduct:

<https://www.mec.co.jp/e/company/charter/index.html>

(Formulated December 1, 1997; revised on August 1, 2002, January 1, 2006, and April 1, 2018)

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A Word about Integrated Report 2022

We adopted this integrated report format starting from FY2019, having published annual reports through to FY2018. With this integrated report, we have expanded coverage of non-financial information, centering on environmental, social, and governance (ESG) topics, compared with prior annual reports. In doing so, we aim to increase readers' awareness of our efforts to raise the corporate value of the Mitsubishi Estate Group from a medium- to long-term perspective. We hope that this report promotes a deeper understanding of the Group among all of our stakeholders, including shareholders and investors.

Definition of Term

"FY2022" refers to the Group's fiscal year ended March 31, 2022, and other fiscal years are referred to in a corresponding manner.

Caution Concerning Forward-Looking Statements

This integrated report contains forward-looking statements concerning Mitsubishi Estate Co., Ltd., and its future strategies and earnings outlook, including forecasts, plans, and decisions based on information available at the time of publication. As with any forecast, plan, or decision, forward-looking statements are inherently susceptible to potential risks, uncertainties, and assumptions. The Company's actual results may therefore vary materially from those expressed or implied in its forward-looking statements.

The Development of Marunouchi over More Than 130 Years

The Mitsubishi Estate Group has overseen the development of the Marunouchi area for more than 130 years, evolving it into Japan's preeminent business center. In the process, we have accumulated unique knowledge and expertise in urban development. We are actively promoting our Marunouchi NEXT Stage strategy with the aim of establishing Marunouchi as a "Co-creation platform for innovation through companies, employees, and visitors."

Starting from Scratch

Purchase of Marunouchi land and vision of a major business center

The history of Marunouchi's development began in 1890 when Yanosuke Iwasaki, the first president of Mitsubishi Company, purchased the area at the request of the Meiji government of Japan. At the time, the area was an expanse of flat, grassy fields that became known as Mitsubishigahara, or Mitsubishi Fields. Iwasaki's reasoning behind this acquisition was his belief that for Japan to become a modern nation, the country needed a business center to rival that of New York or London.



First Phase of Development

Dawning of a full-scale business center development

The construction of the area's first modern office building, Mitsubishi Ichigokan, was completed in 1894. Soon after, three-story redbrick office buildings began springing up, resulting in the area becoming known as the "London Block."



Second Phase of Development

An abundance of large-capacity office buildings in a period of rapid economic growth

As Japan entered an era of high economic growth, there was a sharp increase in demand for office space. Through the Marunouchi remodeling plan that began in 1959, the area was rebuilt with large-scale office buildings providing a considerable supply of highly integrated office space.



2020-

1890

1890s-1950s

1960s-1980s

1995-2019

History

Achievements

Marunouchi NEXT Stage

Transforming Marunouchi into an area that continuously creates new value

Positioning urban development from 2020 onward as part of Marunouchi NEXT Stage, we will promote urban development that generates improvements in people's quality of life and spurs the discovery of and solutions to social issues through the emergence of innovation and strengthening of our digital foundations. Based on the theme of "Marunouchi Re-Design," we will aim to establish the "co-creation platform for innovation through companies, employees, and visitors."

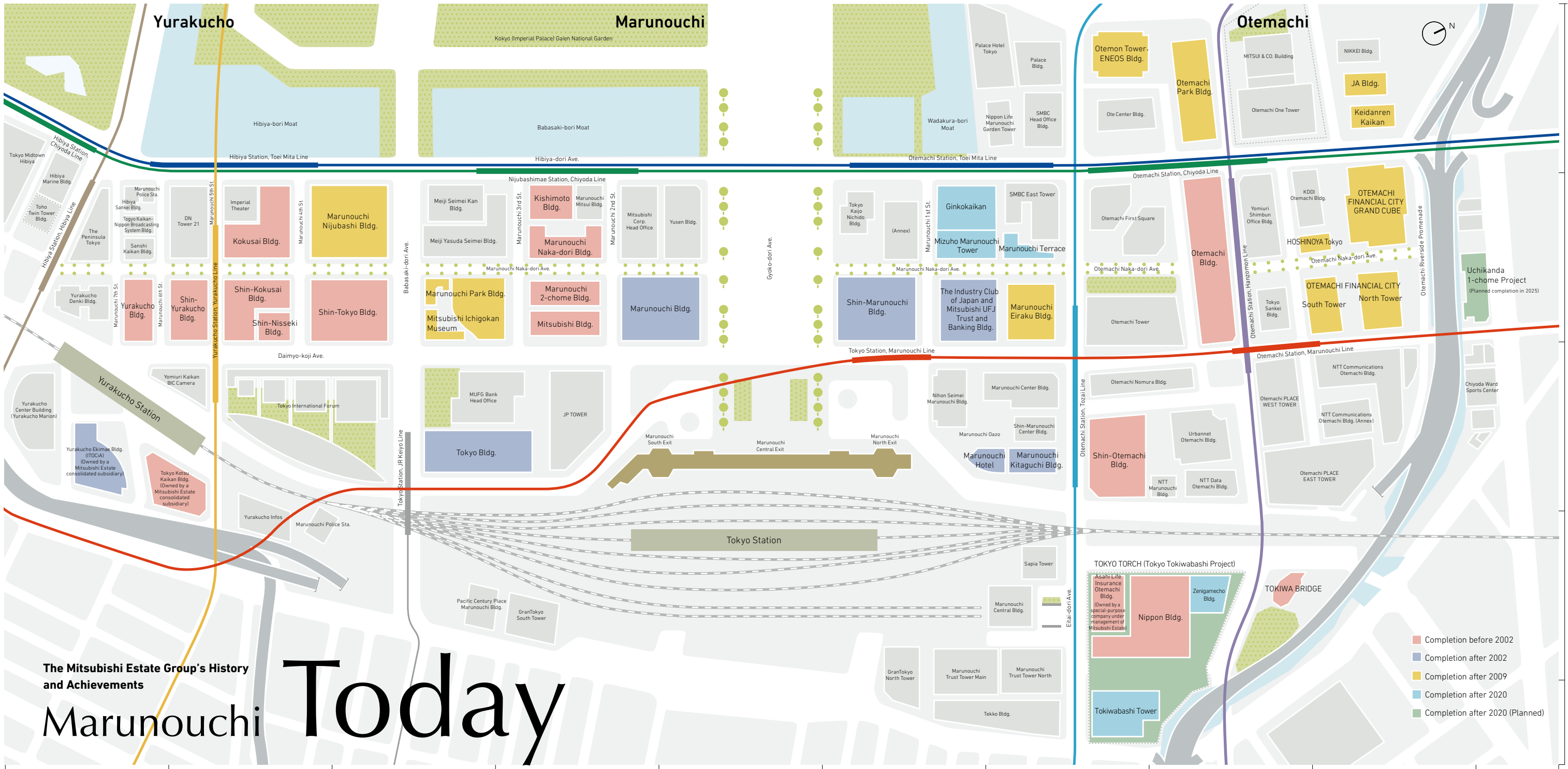


Third Phase of Development

Creating the world's most interaction-inspiring neighborhood

Following the announcement of the reconstruction of the former Marunouchi Building in 1995, the Company transformed the Marunouchi area—which had up until then been purely a business district—into a space with a vibrant and bustling atmosphere, based on the concept of creating the world's most interaction-inspiring neighborhood. Aiming to make redevelopment of the area broader and more comprehensive, we expanded that concept to Otemachi and Yurakucho from 2008. We also strengthened the international competitiveness of Marunouchi by establishing a financial business center and a greater amenity infrastructure. Furthermore, we worked to give the area a fresh appeal based on a new sense of values by adding new functionality, such as the development of cultural and artistic functions, including a museum, and the promotion of environment-friendly initiatives.





The Mitsubishi Estate Group's History and Achievements

Marunouchi

Today

Number of Companies Listed on the First Section of the Tokyo Stock Exchange^{*1}

118^{*3}

Consolidated Net Sales of the 115 Companies in the Marunouchi Area

Equivalent to around 8.85% of GDP of Japan Approx. ¥122 trillion^{*2}

Number of Office Workers

Approx. 280,000^{*2}

Number of Buildings

(Including buildings under construction)

102^{*3} / Approx. 4,300^{*3}

Building Floor Space

(Including floor space of buildings under construction)

Approx. 940 hectares^{*3}

Railway Lines Servicing the Area

28 lines, 13 stations^{*2}

^{*1} Number of listed companies on the First and Second sections of the Tokyo Stock Exchange with head offices in the Otemachi, Marunouchi, and Yurakucho areas

^{*2} Otemachi-Marunouchi-Yurakucho (OMY) District Redevelopment Project Council, "The Council for Area Development and Management of Otemachi, Marunouchi, and Yurakucho 2022"

^{*3} As of March 2022, Source: Mitsubishi Estate Co., Ltd.

Fortune Global Top 500 Companies

(Companies)

Marunouchi 20

New York 16

London 15

Nihonbashi 3

Toranomon

Shinagawa 2

Shibuya

Source: Fortune Global Top 500, 2021, and Mitsubishi Estate Co., Ltd.

Number of Major Corporate Headquarters and Offices in Comparison with Other Main Tokyo City Areas

(Companies)

Marunouchi 118

Marunouchi 13

Nihonbashi 5

Toranomon 1

Shinagawa 2

Shibuya 0

Number of head offices of listed companies

Top 50 company head offices in terms of market capitalization

Overseas financial company offices

As of March 2022, Source: Mitsubishi Estate Co., Ltd.

Comparison of Area Sizes

City of London

292 ha

Hong Kong Central

181 ha

New York Midtown

178 ha

Tokyo Marunouchi

120 ha

Singapore Downtown Core

75 ha

Source: Mitsubishi Estate Co., Ltd.

Domestic

Shibuya 86 ha

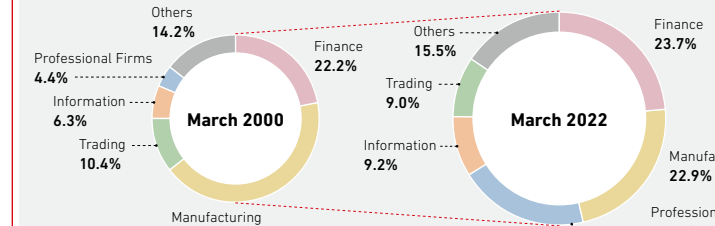
Nihonbashi 76 ha

Toranomon 58 ha

Shinagawa 49 ha

TOPIC

Contracted Area and Tenant Composition in the Marunouchi Area (Mitsubishi Estate Only)



As of the end of March 2022, the contracted area in the Marunouchi area (Mitsubishi Estate only) has increased about 1.8 times compared with the end of March 2000. In terms of tenant composition, the ratio of professional firms has been rising.

Concentration of Professional Firms

As of May 2022, all of the four major law firms in Japan and three of the four leading audit companies have their offices in Marunouchi.

Law firms: Anderson Mori & Tomotsune, Nagashima Ohno & Tsunematsu, Nishimura & Asahi, and Mori Hamada & Matsumoto
Audit companies: KPMG AZSA LLC, Deloitte Tohmatsu LLC, and Pricewaterhouse Coopers Aarata LLC

Promoting Marunouchi NEXT Stage

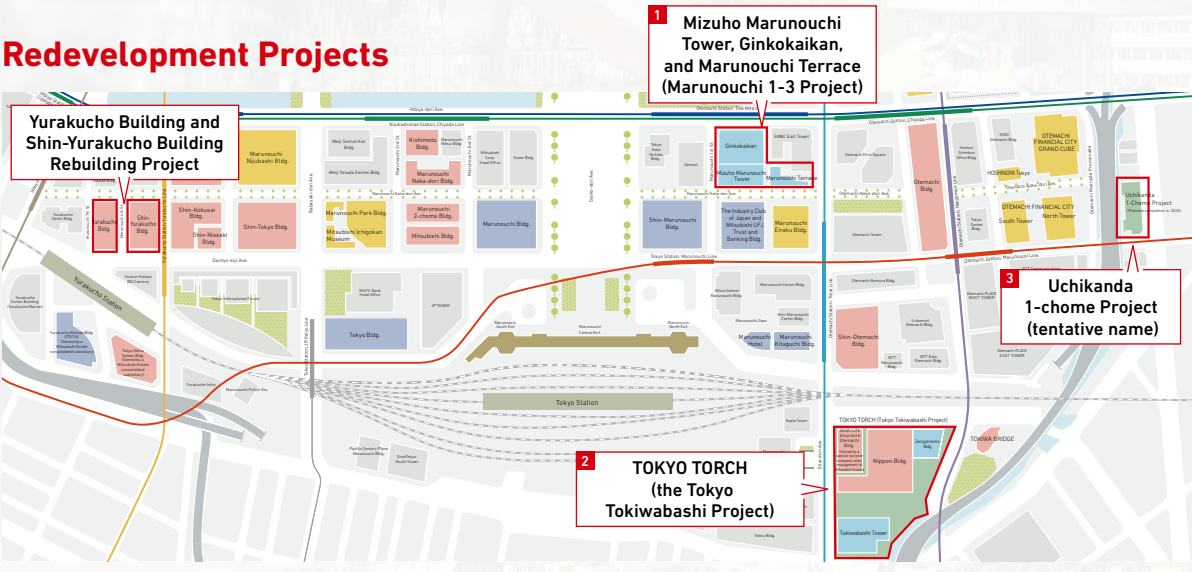
Based on the concept of creating the world's most interaction-inspiring neighborhood, Mitsubishi Estate has redeveloped 18 buildings in the Marunouchi area (Otemachi, Marunouchi, and Yurakucho), beginning with the reconstruction of the Marunouchi Building. Today, positioning urban development from 2020 onward as part of Marunouchi NEXT Stage, we are promoting new urban development with an eye on the post-COVID-19 era by embarking on the redevelopment of the Tokiwabashi and Yurakucho areas, in order to further evolve Marunouchi into an appealing and vibrant area.

Marunouchi NEXT Stage

Theme	Main Redevelopment Areas	Redevelopment Projects*1	Floor Area of Total Redevelopment Projects*2	Company's Total Investment by 2030
"Marunouchi Re-Design"	Tokiwabashi and Yurakucho	Marunouchi 1-3, Tokyo Tokiwabashi, Uchikanda 1-chome, Yurakucho Redevelopment.	1,100-1,300 thousand m ²	¥600-¥700 billion

*1 Some project names are provisional *2 Total floor area on construction confirmation application

Redevelopment Projects



Name	 1 Mizuho Marunouchi Tower, Ginkokaikan, and Marunouchi Terrace (Marunouchi 1-3 Project)	 2 TOKYO TORCH (the Tokyo Tokiwabashi Project)	 3 Uchikanda 1-chome Project (tentative name)
Site Area	11,200 m ²	31,400 m ² (entire block)	5,100 m ²
Total Floor Area	180,900 m ²	* See the following page	85,200 m ²
Plot Ratio	1,300%	1,860% (entire block)	1,400%
Building Size	Mizuho Marunouchi Tower and Ginkokaikan: 29 aboveground floors / 4 belowground floors Marunouchi Terrace: 10 above-ground floors / 4 belowground floors	* See the following page	26 aboveground floors / 3 belowground floors
Launch of Construction	January 2018		July 2022
Completion of Construction	September 2020		November 2025

Urban Development Theme: "Marunouchi Re-Design"

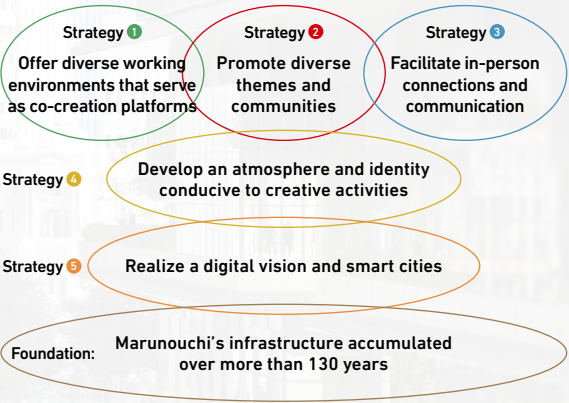
⇒ An Urban Development Concept Taking into Account the Post-COVID-19 Era

In light of the fundamental social changes accelerated by the COVID-19 pandemic, taking into account the post-COVID-19 era, we integrated an urban development concept and five urban development strategies based on the role required of the Marunouchi area.

Concept

"Co-creation platform for innovation through companies, employees, and visitors"
and
"Environment facilitating optimal interactions among one million diverse workers"

Urban Development Strategies



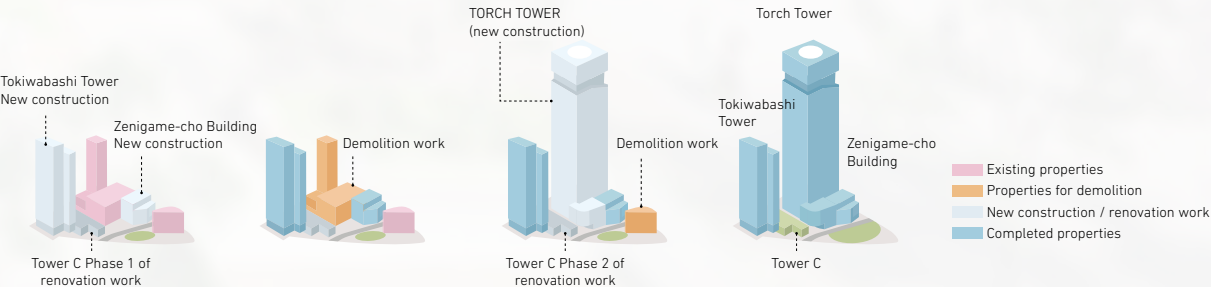
- Offer diverse working environments that serve as co-creation platforms**
Plan and develop workspaces that can be used flexibly (daily rental, hourly rental, membership systems, and conversion of public spaces into workplaces)
- Promote diverse themes and communities**
Spur community interactions that promote coexistence with those in other industries to enable cooperation with likeminded partners tackling the same issues in a challenging era
- Facilitate in-person connections and communication**
Utilize the distinguishing features within Marunouchi's 120-hectare development area to open various facilities and communities that can be communally used by people working in the area
- Develop an atmosphere and identity conducive to creative activities**
Promote urban development that earns the understanding of companies and people engaged in area-wide, creative activities that tackle themes including the achievement of a decarbonized society as well as activities centered on the arts and business and on communities and urban environments
- Realize a digital vision and smart cities**
Provide services and "experiential value" tailored to the needs of individuals by working to achieve digital transformation through area-wide efforts

Project Overview: TOKYO TORCH

⇒ Making Japan a Place That Excites the World

Under a project vision of "bringing light and energy to Japan," Mitsubishi Estate is promoting a business to create a symbol of Japan that will serve as a beacon of hope for the world, combining inspiration and excitement that can only be experienced in a real setting.

	Tokiwabashi Tower	Torch Tower	Tower C	Zenigame-cho Building
Site Area		31,400 m ²		
Total Floor Area	146,000 m ²	544,000 m ²	20,000 m ²	30,000 m ²
Size (Aboveground / Belowground)	38 floors / 5 floors	63 floors / 4 floors	4 belowground floors	9 floors / 3 floors
Height	212 m	390 m	—	53 m
Completion	June 2021	FY2028	FY2028	March 2022



Expanding into Various Domains

Mitsubishi Estate has expanded its business activities into various domains by utilizing its unique expertise and know-how accumulated through the Company's development of Marunouchi. We have also constructed a cycle creating a wide range of value through the achievement of synergies by returning the expertise and know-how obtained in new businesses to urban development efforts in Marunouchi.



Akasaka Park House

Residences

- 1969 Akasaka Park House sold in lots, signifying the start of the condominium business
- 2011 Mitsubishi Estate Residence Co., Ltd., established through the integration of the residential businesses of Mitsubishi Estate Co., Ltd., Mitsubishi Real Estate Services Co., Ltd., and Towa Real Estate Co., Ltd.

Provision of residential properties and services combining the comfort, safety, and other qualities cultivated through our operation and management of office buildings

Condominium Business in Japan Land Bank
Approximately **14,800** units

Redevelopment Projects and Large-Scale Development Projects (Number of Units)
Approximately **23,360** units

Total Number of Rental Apartment Buildings
80 buildings



1271 Avenue of the Americas

International

- 1972 Established Mitsubishi Estate New York Inc.
- 1986 Established MEC UK Limited
- 1990 Initiated capital investment in the Rockefeller Group International, Inc.
- 2008 Established Mitsubishi Estate Asia Pte. Ltd.

Establishment of a robust network through the expertise refined and accumulated in the development of Marunouchi as well as ample financial resources

Utilization of plot ratio transfer and other methods in the redevelopment of Marunouchi

Contracted Area

North America: **443,817** m²

Europe: **62,321** m²

Asia and Oceania: **58,757** m²



Royal Park Hotel

Hotels

- 1989 Opened the Royal Park Hotel
- Acquisition of hotel sites and operation of hotels by leveraging tenant relationships and operation and management expertise we have built up in Marunouchi**

Number of Rooms
Hotel Management Business: **4,334** rooms



Business

Growth

Utilization of expertise and knowledge gained in Marunouchi

Utilization of expertise and knowledge gained through other businesses

Outlet Malls

- 2000 Opened GOTEMBA PREMIUM OUTLETS®
- 2009 Converted Chelsea Japan Co., Ltd., into consolidated subsidiary (renamed Mitsubishi Estate•Simon Co., Ltd., in February 2013)

Development of outlet malls boasting the top customer-drawing power in Japan by leveraging tenant relationships and information networks established through the operation of Marunouchi retail facilities



GOTEMBA PREMIUM OUTLETS®

Number of Outlet Malls
9 malls

Store Area
345,500 m²

Number of Stores
Approximately **1,740** stores

Start-Up Support

- 2007 Established EGG JAPAN, a new business creation support hub, in the Shin-Marunouchi Building
- 2016 Established FINOLAB, a co-working office specializing in fintech start-ups

Establishment of a new Marunouchi brand as a hub for technology start-ups



FINOLAB

Amount of Investment in Start-Ups (Includes Amount Committed Since 2016)
Approximately **¥20.0** billion

Accelerator Program*
Number of Applicant Companies: Approximately 700
Number of Companies Selected: 33
(Cumulative total)

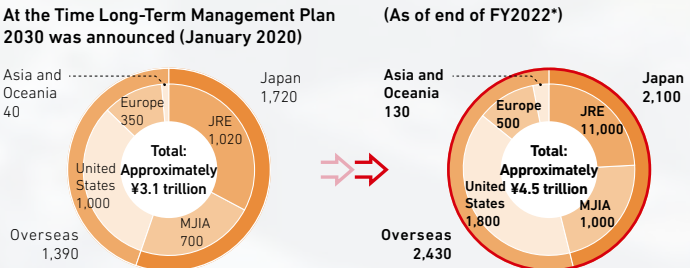
* The Accelerator Program, running since 2017, is a project to create new businesses through open innovation with start-up companies. In 2021, we selected nine start-up companies under the project.

Investment Management

- 2001 Japan Real Estate Investment Corporation became the first JREIT in Japan to be listed on the Tokyo Stock Exchange
- 2015 Acquired the American investment management company TA Realty LLC
- 2017 Mitsubishi Estate Logistics REIT Investment Corporation was listed on the Tokyo Stock Exchange

Accumulation of expertise through a track record of operating abundant real estate assets

Changes in Assets under Management (AuM) in the Investment Management Business (Billions of yen)



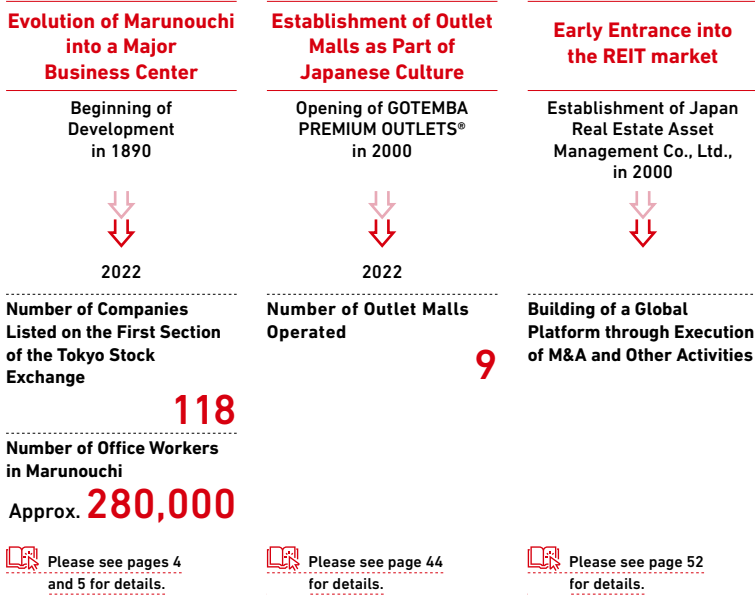
* Domestic: as of March 31, 2022; Overseas: as of December 31, 2021

Note: All figures are correct as of March 31, 2022.

Mitsubishi Estate's Strengths

Our Long-Term View on Urban Development and Forward-Looking DNA

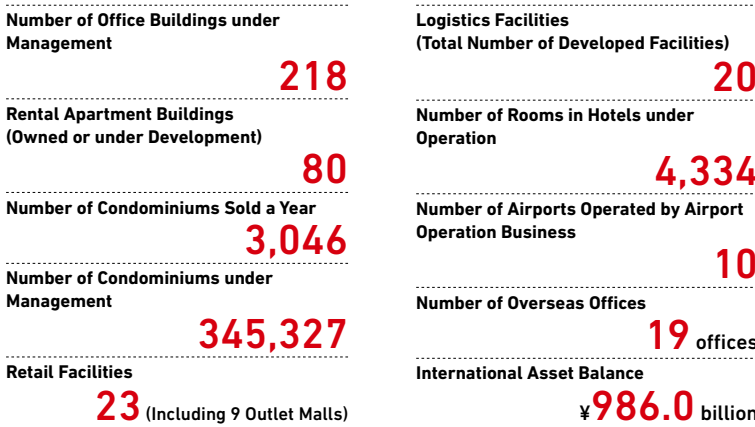
Mitsubishi Estate possesses urban development expertise based on a long-term view—one that evolved Marunouchi into a major business center over a period of 130 years—and a DNA for providing value that is constantly ahead of the times, as more than exemplified by its development of Japan's first outlet shopping mall and its early entry into the real estate investment trust (REIT) market.



Abundant Real Estate Asset Touchpoints

 Please see pages 42 to 55 for details.

Mitsubishi Estate owns about 30 office buildings in the Marunouchi area alone. In addition, we have helped develop a wide spectrum of real estate assets in our office building, residential property, retail facility, hotel, logistics facility, airport operation, and international businesses. Based on the experience we have acquired through these activities, we will uncover latent social issues and create solutions to address them.



Note: All figures are correct as of FY2022 or as of March 31, 2022.



Relationships

 Please see pages 42 to 55 for details.

Among the key strengths of the Company are its abundant customer contact points and relationships of trust that it has accumulated through a host of real estate developments and operations, in addition to its partnerships with subcontractors and business partners. The Mitsubishi Estate Group intends to make new history through the cultivation of various relationships that uncover latent needs and lead to the development of solutions thereto.

Customer Contact Points

Number of Office Workers in Marunouchi
Approx. **280,000**
Number of Patrons of Group-Affiliated Retail Facilities, Hotels, and Airports
Approx. **200** million per year

Number of Members Eligible to Join the Residence Club
Approx. **640,000** households
Number of Tenants (Nationwide, All Purposes)
Approx. **3,350** companies

Human Resources Who Have Adopted Our DNA

 Please see pages 62 to 67 for details.

The power of our human resources—our most important management resource—underpins our ongoing creation of value. The Group possesses an array of outstanding human resources, all of whom are able to create “something” from “nothing” and have adopted its founding DNA. In addition, we are cultivating and strengthening our diverse human resources through the establishment of an environment conducive to stimulating creativity and the taking on of challenges.

Productivity per Employee—A Compact, Elite Group Honed by a Challenging Corporate Culture

FY2022 (Millions of yen)			FY2022 (People)	FY2022 (Millions of yen)		
Operating revenue	Operating profit	Profit attributable to owners of parent	Number of employees (Consolidated)	Operating revenue per employee	Operating profit per employee	Profit attributable to owners of parent per employee
1,349,489	278,977	155,171	10,202	132.3	27.3	15.2

Establishment of a Leading-Edge Corporate Governance System

 Please see pages 73 to 91 for details.

We are working to establish a leading-edge corporate governance system that contributes to improving our overall effectiveness and enhancing corporate value over the long term. We are also responding to social needs through measures that include transitioning to a Company with Nominating Committee, etc., and ensuring outside directors account for approximately one-half of the Board of Directors.

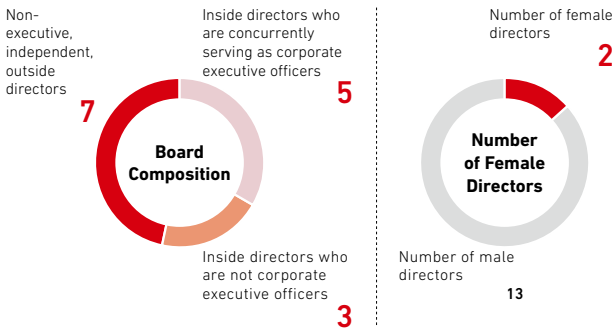
A Total of 15 Directors, of Whom 7 Are Outside Directors

Transition to a Company with Nominating Committee, etc.

An Executive Compensation Plan Aiming to Align Shareholders' and Executives' Interests

Implementation of Third-Party Evaluations in Determining the Effectiveness of the Board of Directors

Disclosure of a Skills Matrix

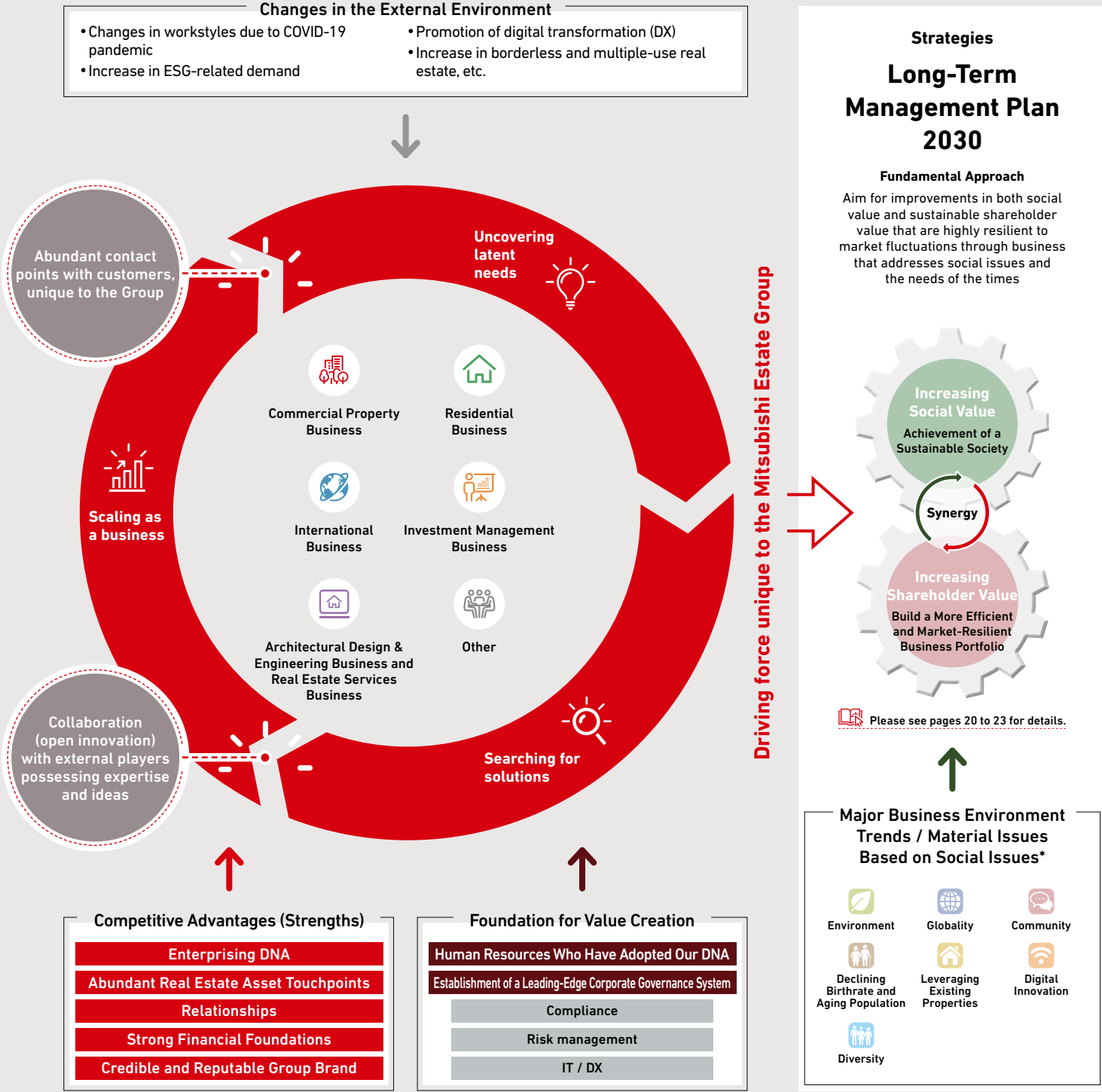


Strengths and Value Creation Cycle

Having grown as a comprehensive developer, Mitsubishi Estate aims to realize ongoing corporate value improvement and achieve a sustainable society through its steadfast commitment to creating attractive urban developments that anticipate changes in the times and to enriching people's lifestyles, while leveraging and enhancing its various strengths.

Mitsubishi Estate's Value Creation Model

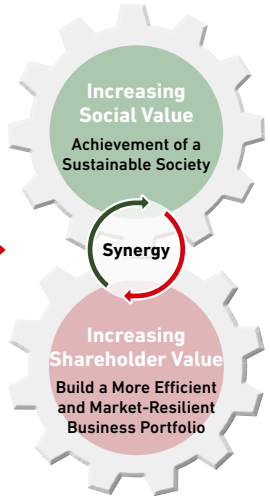
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- Changes in the External Environment**
- Changes in workstyles due to COVID-19 pandemic
 - Increase in ESG-related demand
 - Promotion of digital transformation (DX)
 - Increase in borderless and multiple-use real estate, etc.

Strategies
Long-Term Management Plan 2030

Fundamental Approach
Aim for improvements in both social value and sustainable shareholder value that are highly resilient to market fluctuations through business that addresses social issues and the needs of the times



Please see pages 20 to 23 for details.

- Major Business Environment Trends / Material Issues Based on Social Issues***
- Environment
 - Globality
 - Community
 - Declining Birthrate and Aging Population
 - Leveraging Existing Properties
 - Digital Innovation
 - Diversity

- Competitive Advantages (Strengths)**
- Enterprising DNA
 - Abundant Real Estate Asset Touchpoints
 - Relationships
 - Strong Financial Foundations
 - Credible and Reputable Group Brand

- Foundation for Value Creation**
- Human Resources Who Have Adopted Our DNA
 - Establishment of a Leading-Edge Corporate Governance System
 - Compliance
 - Risk management
 - IT / DX

* Please refer to the Company's website for more information on its process for identifying material issues.
<https://mec.disclosure.site/e/sustainability/goals/material-issues/>

The Mission of the Mitsubishi Estate Group

We contribute to society through urban development.

By building attractive, environmentally sound communities where people can live, work, and relax with contentment, we contribute to the creation of a truly meaningful society.

Value Created through Our Businesses (Outcomes)

Increasing shareholder value	Increasing social value
Transformational improvements to the Group's business portfolio's efficiency and market resilience aimed at achieving the KPIs set out in its Long-Term Management Plan 2030	<ul style="list-style-type: none">▪ Cities that conduct management of climate change, waste, and energy issues▪ Cities conducive to realizing diversity and inclusion▪ Innovative cities acting as wellsprings for open innovation▪ Safe and peaceful cities of a sustainable and resilient nature

To create a truly meaningful society, the Mitsubishi Estate Group offers a broad range of value to all of its stakeholders through attractive urban development, leveraging its comprehensive capabilities and strengths.

Output (Types of Value Offered by Our Businesses)

Domestic Asset Business	International Asset Business	Non-Asset Business
Implement urban development proposing new workstyles and lifestyles through the promotion and commercialization of redevelopment projects, including in Marunouchi	Establish a credible and reputable Group brand in growing overseas markets by leveraging development know-how accumulated in Japan	Offer value appropriate for the coming era in new domains through collaboration with partners

Achievement of a Sustainable Society
• Environment • Diversity & Inclusion • Innovation • Resilience

Viewing "Sustainability" and "Quality of Life" as our value propositions, we will endeavor to achieve a sustainable society through our business activities.

Financial Value	Non-Financial Value
Operating revenue ¥1.3494 trillion	Percentage of CO ₂ emissions reduction (compared with FY2020) 37%
Operating profit ¥278.9 billion	Percentage of electricity from renewable energy sources 31%
ROE 8.1%	Percentage of buildings designated as shelters for stranded commuters 100%

Note: All figures are correct as of FY2022 or as of March 31, 2022.



Junichi Yoshida

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

We aim to contribute to the world and the planet as a corporate group that continues growing sustainably by pursuing meaningful urban development that is embraced and truly required by society.

⇒⇒ Consistent Offering of New Value to Society by Pursuing Urban Development That Earns the Understanding of People

Guided by its commitment to establishing Marunouchi as Japan's flagship business center, the Mitsubishi Estate Group has spent over 130 years evolving the area into a world-leading business center since embarking on the development of what had been unused fields. During this time, the Group has navigated various eras and crises, including wars and earthquakes, Japan's period of rapid economic growth, and the collapse of the country's bubble economy. The area's evolution has truly been a history of creating something new, as if painting a picture on a blank canvas. In the process, the transformation of Marunouchi has driven Japan's economy and society, such as the development of Tokyo Station and the enhancement of the Imperial Palace.

As times change at an unprecedented speed, keeping pace with such change as well as creating new, forward-looking proposals and businesses have become urgent priorities. I hope to establish the Marunouchi area as not only a business center but also a hub of insight and inspiration where people interact with each other and the latest information is on offer. I also aim to further increase the preeminence of the Marunouchi area to communicate the appeal of Japan's regions, connecting Tokyo with other parts of the country while conveying Japan's appeal to the world.

In terms of workstyles, while the COVID-19 pandemic has made ways of working more diverse and flexible, such as teleworking and flextime, I believe there is no single optimal solution for integrating the real and digital aspects of work. As a developer, we will go beyond real estate development to propose the creation of office spaces tailored to the workstyles of tenant companies and offer flexible workplaces in tune with new workstyles.

Meanwhile, turning our eyes to the global stage, the Mitsubishi Estate Group's businesses have expanded into a range of locations overseas. We will utilize the real estate development know-how that we have cultivated in Japan in our urban development efforts worldwide while returning back to our domestic businesses the insight gained through our experience with a range of cultures and the latest real estate development methods overseas. By doing so, we will create a virtuous cycle transcending business and geographical boundaries to promote urban development that draws on our know-how in various countries throughout the world.

Urban development does not end with the completion of a building. It is crucial to consistently change urban environments in step with the times by enlivening them together with the people who live, work, and visit there. One of our key tasks is incorporating appealing elements hand in hand with a diverse array of stakeholders while managing such an environment in accordance with changes. I also believe that consistently offering new value to society by developing a system to leverage in other areas the experience, ideas, and creativity we have cultivated in urban development is the very reason for our existence.

Throughout its history, the Mitsubishi Estate Group has sought to offer comfortable working and living environments through urban development efforts. As we move forward, we will continue responding flexibly to an ever-changing society to pursue urban development that earns the understanding of people and which is oriented toward visitors and ordinary citizens.

⇒⇒ **A New Role for Offices:
Importance of Offering Enhanced Office Spaces to Inspire
Employees to Work at the Office**

While there has long been a trend for visualizing the office spaces of the future, I believe that this trend has further accelerated in the wake of the COVID-19 pandemic. For example, the workstyle of working from home, which had hitherto not been widely adopted due to issues with establishing a suitable networking environment and managing employees remotely, has quickly become widespread and its efficacy for employees performing simple daily tasks and for those needing to concentrate has become clear. However, working from home has also reaffirmed the importance of offices as places to facilitate lively communication, ideas born of incidental conversations, and the building of person-to-person relationships of trust. Going forward, I expect that hybrid workstyles combining working from home with working at the office will become the norm, with no complete return to pre-COVID-19 workstyles. Under such circumstances, I feel that we must transform offices into spaces that facilitate lively internal and external communication and appealing environments that inspire employees to work at the office. To this end, offices need to provide functions they have not offered thus far. For example, the creation of open spaces for use by anyone, the installation of individual booths suitable for remote meetings, and the addition of amenities and services that encourage employees to work at the office. I think we are entering an era that allows people to work more efficiently in accordance with the nature of their work and their respective personal circumstances.

To give an example, we deployed an extensive array of devices to enrich the working lives of employees at Tokiwabashi Tower, which we completed in June 2021 as the first stage of TOKYO TORCH, a large-scale mixed-use redevelopment project. The initiatives under the project include

providing extensive shared spaces, leveraging digital technologies that support efficient workstyles, and utilizing a large plaza for implementing regional revitalization. With regard to shared spaces, we created facilities that include a cafeteria for office workers, meeting rooms, and a lounge. Specifically, in a space equipped with a kitchen in one part of the cafeteria, we operate team-building programs through food. Using a specially designed app, office workers can perform tasks such as ordering at the cafeteria and reserving meeting rooms, with digital technologies enabling more convenient use of office spaces. Furthermore, in addition to joint initiatives with local governments of various regions of Japan, such as the creation of a carp pond, the large plaza of approximately 7,000 m² is a place of recreation and relaxation where people can experience new interactions and gain new insight, including through the regularly held markets.

Amid increasingly diverse workstyles, for me it is essential that employees assemble at their place of work for reasons including nurturing a sense of belonging with their company and recruiting and training new employees. People require environments facilitating workstyles that grant them mental and physical fulfillment. Creating such environments so that they extend to external spaces and the surrounding area as a whole, rather than being confined to offices, is also crucial. I am convinced that we will be called upon in the future to not only create attractive individual offices but also develop areas as attractive urban environments.

⇒⇒ **Sustainability- and ESG-Based Management:
Promoting Businesses from a Long-Term Perspective as a
Responsible Global Citizen**

Environmental, social, and governance (ESG) considerations are fundamental components of management. The earth serves as the foundation of society, including our lifestyles and economies. Thus, our mission as human beings is to safeguard the earth as its inhabitants. I strongly feel that we must increase our "love for the planet" in addition to paying greater heed to "A Love for the People. A Love for the City," our brand slogan. Our belief that we are a company that tackles issues with integrity over the long term while keeping our feet firmly planted on the ground as a responsible global citizen will remain unchanged. At the present time, in particular, as we face multiple challenges on a global scale, such as the COVID-19 pandemic, the Russian invasion of Ukraine, and soaring fuel and material prices, I feel a sense of mission more strongly than ever.

Turning to the environment, we revised our greenhouse gas (GHG) emissions reduction targets in March 2022 to align them with the new Net-Zero Standard of the Science Based Targets (SBT) initiative,* declaring our goal of achieving net-zero carbon emissions by 2050. As part of our efforts to introduce renewable energy at our properties, we will switch the electricity we use at Company-owned office buildings and retail facilities in the Tokyo metropolitan area and in the city of Yokohama to electricity from renewable energy sources during FY2023, having already done so in the Otemachi, Marunouchi, and Yurakucho areas.

While corporate-led initiatives are very significant, I believe it is extremely important that we first endeavor to avoid wasting resources at the individual level. We have become over-accustomed to a world of convenience, a habit that I feel has given rise to social issues such as garbage-related issues and food loss. Setting targets for a waste recycling rate of 100% and a reduction of 20% in our waste disposal volume in Marunouchi, we are implementing environmentally conscious initiatives that can be tackled by individuals in their daily lives, such as the MARUNOUCHI TO GO Project, an activity for taking home leftover food. It is my opinion that such initiatives create opportunities for each person to reflect on social issues, thereby helping eventually achieve our vision of sustainable cities and societies.

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



⇒⇒ **Mitsubishi Estate's Human Resources:
the Group's Greatest Strength—Offering an Environment
Facilitating Their Growth Is Our Corporate Responsibility**

It goes without saying that human capital is vital for companies. The solid experience and know-how accumulated by each and every employee are the Mitsubishi Estate Group's greatest strength.

The globalization and diversification of its businesses, from the traditional development of real estate in Japan, has brought together a wide range of human resources in the Group. Furthermore, in recent years we have focused on recruiting specialized personnel to promote new businesses and digital transformation (DX). I am convinced that facilitating interactions based on an acceptance of diversity and open-mindedness among such human resources—who possess a variety of expertise, skills, and backgrounds—will lead to the development of a diversity of opinions, which will in turn help spur further innovation. This is why it is my mission to promote the creation of workplaces that embrace and further develop people of diverse backgrounds, life stages, and sensibilities.

Mitsubishi Estate requires human resources who can create spaces and operate services that resonate with people, by clearly anticipating various social issues and the expectations of society and cooperating with those with knowledge and experience in areas they do not.

In developing human resources, I think it is important to create conditions that allow people to readily share information regarding the new challenges they are taking on and innovations with those around them. Employees taking on new challenges one after another and drawing attention to their activities inspire other employees and encourage their growth. I am of the opinion that it is vital that those who lead the formulation of systems, including myself, and those who oversee their operation create an environment that enables employees to readily take on challenges.

Currently, Mitsubishi Estate's own offices have completely open-plan floors, with no partitions between departments. Partitioning departments leads to the development of separate worlds in each department, creating conditions not conducive to establishing synergies that realize new value. Simply eliminating partitions between departments to create an open environment enhances employees' understanding of matters in other departments, facilitates the formation of cross-departmental project teams, and increases opportunities for communication with other departments, thereby better enabling the birth of new ideas and innovations. Rather than our change in office layout marking the end of revisions, we have to date made many minor renovations to reflect a variety of opinions from employees. I think that reflecting the opinions of employees has made our offices better places to work. Accordingly, we will continuously promote initiatives to make further improvements in this regard. Moreover, taking the lead as a developer in meeting the challenge of accommodating new workstyles allows us to give thought to how new offices ought to be and reaffirms the importance of working spaces. I aim to give back the insight gained through this process to our customers.

⇒⇒ **Achievement of Steady Growth with Our Stakeholders through
Urban Development**

In January 2020, the Mitsubishi Estate Group unveiled Long-Term Management Plan 2030, which set forth targets for achieving return on assets (ROA) of 5%, return on equity (ROE) of 10%, and earnings per share of ¥200.00. As this management plan is long term in nature, spanning a decade, I am well aware of the importance of steadily demonstrating its achievements.

The Mitsubishi Estate Group will continue growing with its stakeholders by paying greater heed to “A Love for the People. A Love for the City” and increasing its “A Love for the Planet.”



Although we have recently been confronted with a variety of difficult issues, including the COVID-19 pandemic, an extremely unstable global situation, and frequent natural disasters, the Company achieved record highs in FY2022, the year ended March 31, 2022, for operating profit, profit attributable to owners of parent, and cash dividends per share, while ROE remained at around the 8% level. We expect further profit growth in FY2023. These results indicate that the seeds we have planted are gradually beginning to bear fruit. As I sense that a foundation for achieving our targets is now taking shape, management executives and employees will continue to unite as one toward achieving our KPI targets for 2030.

Long-Term Management Plan 2030 seeks to raise our corporate value by implementing management that adopts the improvement of shareholder value and the enhancement of social value as the two prongs of its strategy. Real estate is a long-term business: our development of Marunouchi still continues to evolve after the passage of more than 130 years. Additionally, our business environment is constantly changing and the speed of change is accelerating every year. Amid such circumstances, I believe that it is crucial to grow sustainably by addressing changes in the business environment and further realizing innovations with an eye on the future. Besides seeking to achieve the KPI targets stipulated in Long-Term Management Plan 2030, we will pursue meaningful urban development that is embraced and truly required by society. Achieving this goal is the most important mission I have been given.

I pledge to continue working with our stakeholders to enable Mitsubishi Estate to grow steadily as a company that can contribute to the world and the earth through urban development. I ask for your continued support for our efforts.

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

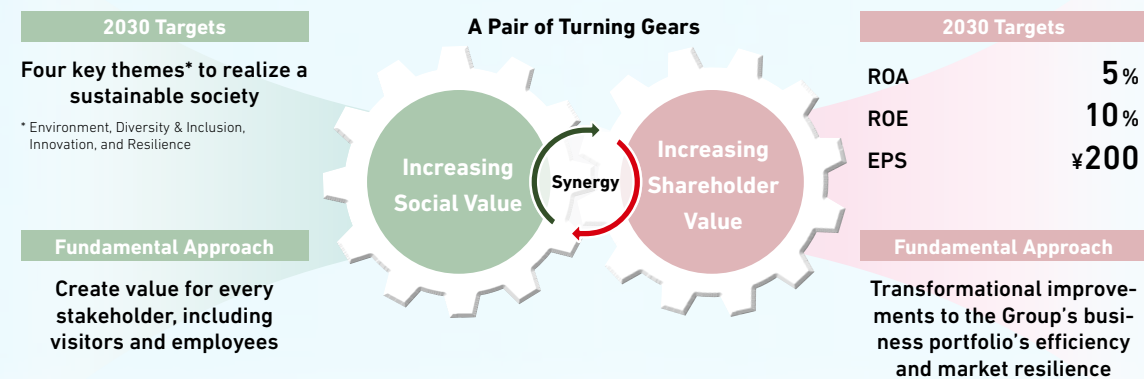
Long-Term Management Plan 2030

Overview of Strategies

In light of the rapidly changing market environment, the Mitsubishi Estate Group has formulated a 10-year plan, Long-Term Management Plan 2030, as it aims to continuously provide value sustainably to its stakeholders over the longer term. To promote urban development, which forms the core of its business, the Company will raise the value of facilities and areas and boldly take on the challenge of achieving growth in new domains, which will involve initiatives to be carried out over the long term, by formulating management plans with more suitable periods.

The Mitsubishi Estate Group's Mission

Creation of a Truly Meaningful Society through Urban Development



Realize Our Mission and Sustainable Growth
by Increasing Both Social Value and Shareholder Value

⇒⇒ Goal

Build a More Efficient and Market-Resilient Business Portfolio

- Improve ROA and ROE by expanding revenue via mainly market-resilient, non-asset and other businesses in combination with flexible capital policies

⇒⇒ Flexible Capital Policies

Enact Flexible Capital Policies in Response to Market Conditions (Value Creation through Balance Sheet Management)

- Optimize mix of investments, asset sales, shareholder returns, and financing in response to market growth projections

⇒⇒ Aspects for Value Provision in Light of Changes in the Social Environment

Sustainability Provision of solutions to current and emerging social issues

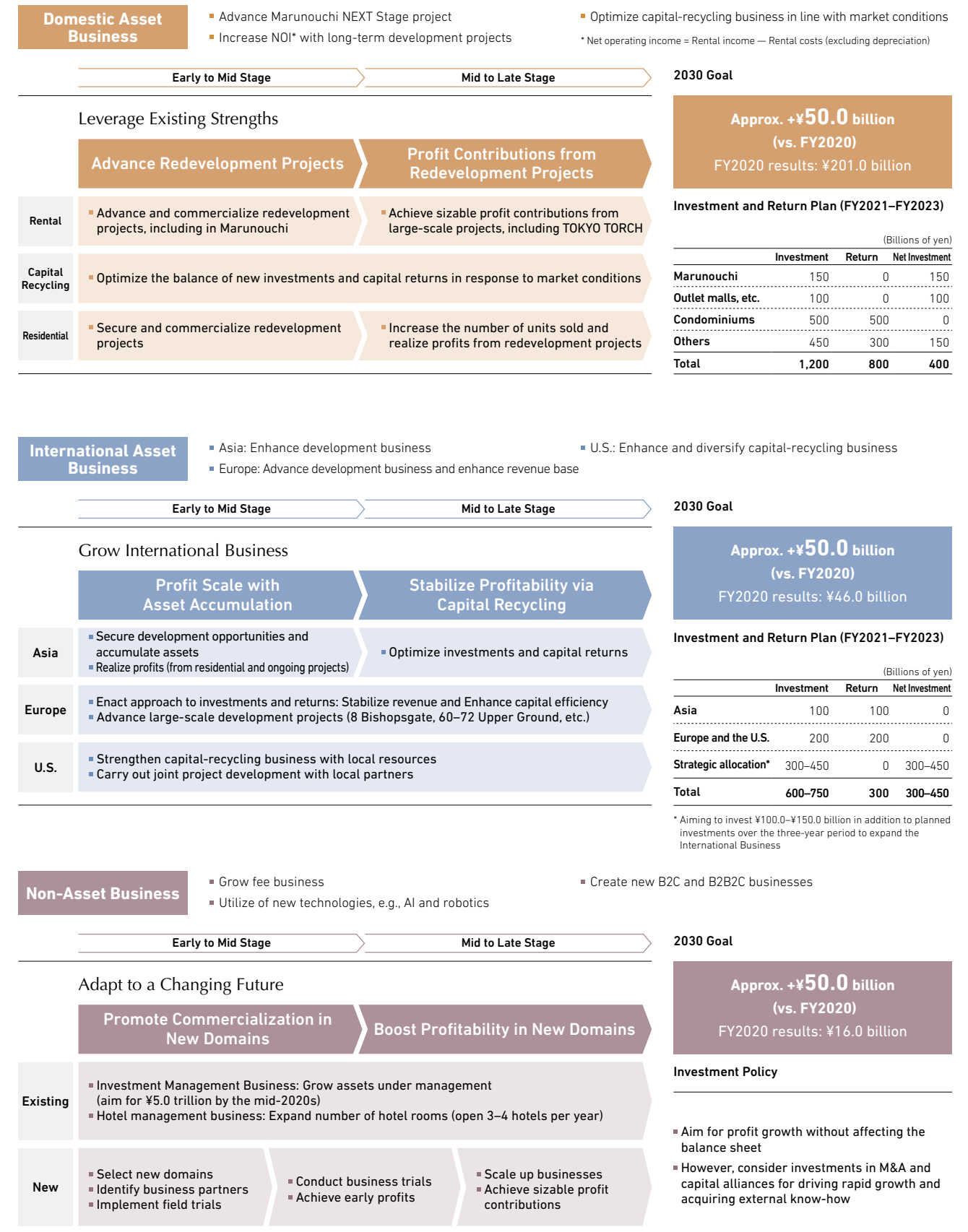
- Sustainable urban development that proactively addresses climate change and other environmental issues
- Urban development that responds to lifestyle and human resource trends and facilitates active participation for all
- Innovative urban development that continuously reinvigorates society
- Dynamic, flexible urban development that builds disaster-resilient communities and prioritizes safety and security

Quality of Life Provision of innovative services and experiences

- Urban development that provides inspiration and happiness to customers, allowing them to experience convenience, fun, well-being, and community involvement

Growth Strategies and Targets

Leveraging our long-term perspective on urban development and forward-looking DNA, in addition to our extensive user reach and abundant real estate asset touchpoints, strengths of the Group, we will seek to realize growth in the three domains of our domestic asset business, international asset business, and non-asset business.



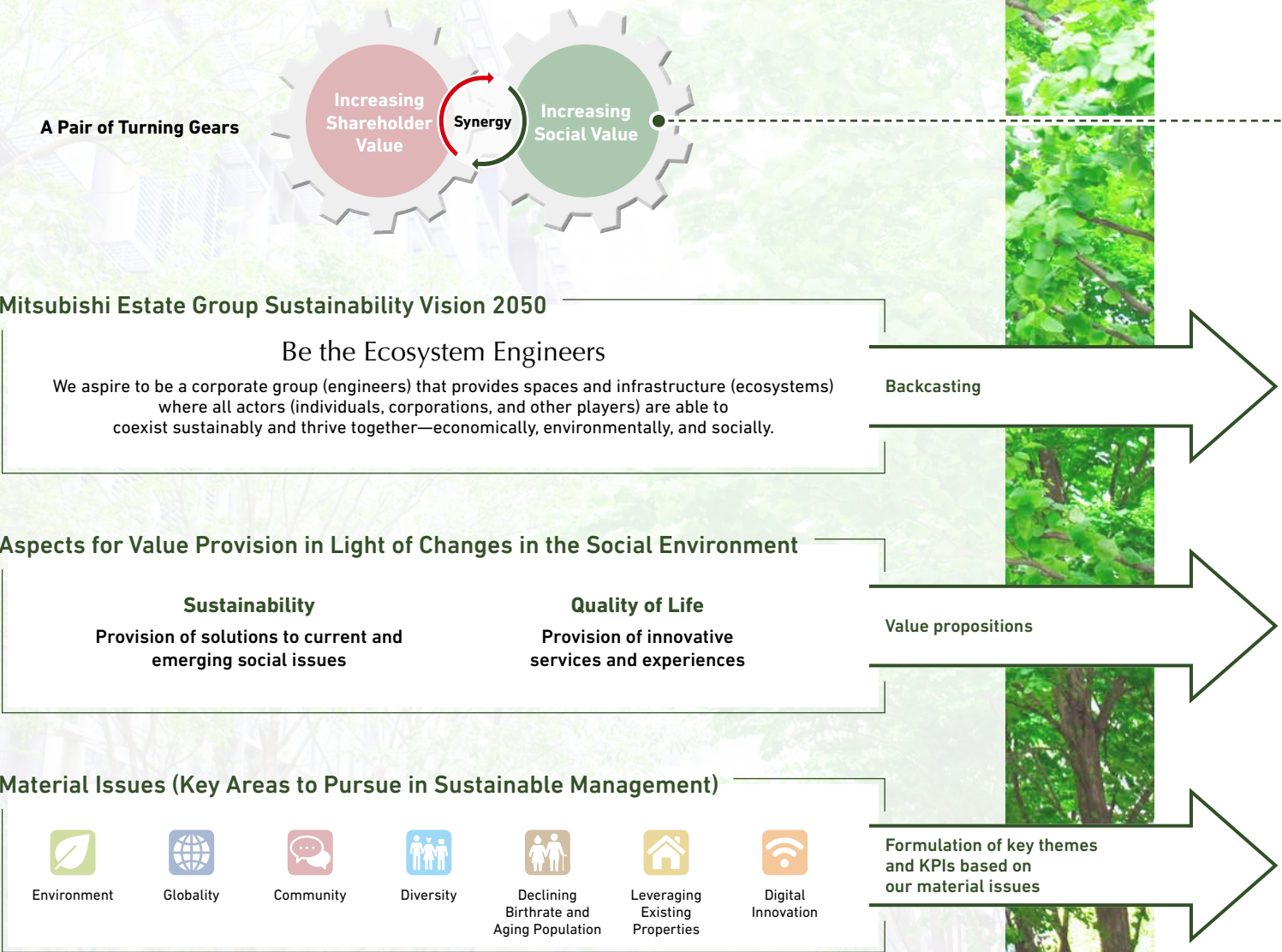
Overview of Sustainability (ESG) Initiatives

With the positioning of “Sustainability” and “Quality of Life” as its value propositions in Long-Term Management Plan 2030, the Mitsubishi Estate Group has declared its aim to solve social issues through its business activities.

In addition, to realize a sustainable society, the Group has established Mitsubishi Estate Group Sustainability Vision 2050 to be achieved in that year.

We have also formed a Groupwide working group that has identified four key themes as material issues from the perspective of achieving the Sustainable Development Goals (SDGs), in order to integrate sustainability into our management and further its promotion.

Mitsubishi Estate Group 2030 Goals for the SDGs establishes goals and key performance indicators (KPIs) for 2030 to achieve our vision for the four key themes determined in light of these material issues. We have positioned these goals and KPIs as milestones for the specific themes and actions to be addressed in Long-Term Management Plan 2030.



Mitsubishi Estate Group 2030 Goals for the SDGs

1 Environment

Sustainable urban development that proactively addresses climate change and other environmental issues

- GHG emissions, such as CO₂: Reduce the total of Scope 1 and Scope 2 emissions by at least 70% and Scope 3 emissions by at least 50% by FY2031 compared with FY2020, and achieve net-zero emissions for Scope 1, Scope 2, and Scope 3 by 2050
- Renewable energy ratio: 100% by FY2026
- Promote waste recycling and reduction of emissions focusing on food and plastic items
- Waste recycling rate: 90%
- Waste disposal: 20% reduction (compared with FY2020, per m²)
- Promote sustainable timber use



Opportunities

- Increasing need for acquiring and leasing real estate with low environmental impact
- Reduction of waste accompanying longer demolition and rebuilding time spans due to effective use of existing properties

Risks

- Rise in vacancy rates and decline in sales closing rates and sales prices in the event of a late response amid an increase in the need to acquire and lease real estate with low environmental impact
- Increasing costs for new real estate development due to stronger environmental regulations and for countermeasures due to tightening of standards for repair work

2 Diversity & Inclusion

Urban development that responds to lifestyle and human resource trends and facilitates active participation for all

- Strengthen hospitality and realize stress-free cities
- Respect different lifestyles, local customs, religions, and sexual orientation
- Establish traceability of timber to be used in business activities by using wood equivalent to that in the Sustainable Sourcing Code



Opportunities

- Increasing demand for facilities and services to meet needs of global customers
- Alleviation of labor shortages through acceptance of non-Japanese workers into Japan
- Rise in demand for facilities and services that respond to diverse lifestyles, workstyles, and consumption styles, such as the acceleration of teleworking and freelance working
- Growth in demand for facilities and services tailored to new needs due to demographic changes
- Increasing demand for facilities and services tailored to the concept of universal design, such as barrier-free layouts

Risks

- Increasing country-specific risks and compliance risks, including supply chain management
- Declining demand for facilities and services with inadequate provision for diversified needs
- Decreasing demand for facilities and services accompanying demographic changes (decline in working population, etc.)
- Decreasing user numbers and rise in vacancy rates in the event of a late response amid an increase in demand for facilities and services tailored to the concept of universal design, such as barrier-free layouts

3 Innovation

Innovative urban development that continuously reinvigorates society

- Innovate business models and maximize performance
- Support the creation of new ideas and businesses from the perspective of urban development and contribute to the growth of cities and industries



Opportunities

- Decreasing cost of environmental countermeasures and investments with the advancement of technological innovation
- Rise in the efficiency and convenience of operating facilities through utilization of IT and robots
- Increasing development opportunities and needs in smart communities, residences, and offices

Risks

- Declining demand for brick-and-mortar stores and services accompanying the advancement of online buying and selling, such as e-commerce
- Decreasing demand for facilities and services due to late response to IT and digital innovation
- Loss of opportunities because of a late response amid an expansion in development opportunities and demand for smart communities, residences, and offices

4 Resilience

Dynamic, flexible urban development that builds disaster-resilient communities and prioritizes safety and security

- Enhance disaster preparedness to minimize functional stagnation during disasters
- Enhance BCP function through hardware measures and strengthen neighborhood communication



Opportunities

- Increasing need to acquire and lease real estate highly resilient to disasters, including urban floods, accompanying climate change
- Growing need to acquire and lease real estate highly resilient to disasters such as earthquakes

Risks

- Decreasing asset value and increasing expenses for maintenance and countermeasures due to intensifying and increasing disasters, such as urban floods, accompanying climate change
- Fall in asset value and rise in expenses for maintenance and countermeasures due to disasters such as earthquakes
- Increasing renovation expenses and disaster countermeasure costs accompanying aging buildings

Message from the Corporate Officer in Charge of Finance & Accounting and Corporate Communications

To achieve Long-Term Management Plan 2030, we will accomplish the plan's key performance indicators (KPIs) and enhance corporate and shareholder value by ensuring further profit growth and flexibly implementing our capital policies.

Naoki Umeda
Senior Executive Officer

high-specification buildings in highly convenient locations. I believe that Mitsubishi Estate's high-quality portfolio will continue to create stable income gains going forward. Given the favorable sales of logistics facilities, rental housing, and other properties in the capital-recycling business in Japan, as well as our steady accumulation of projects comprising a variety of assets, I expect us to be able to achieve capital gains on a continuous basis.

International Asset Business

In addition to stable capital gains through the capital-recycling business, including from logistics facilities in the United States, investments in various regions are contributing steadily to profits. These include sales of an office building developed in Vietnam and a large-scale office building developed in London. With an ever-expanding lineup of projects for the future, the international asset business has put in place a system that continuously posts high profits.

Non-Asset Business

Assets under management in the Investment Management Business have steadily expanded to ¥4.5 trillion (with a target of ¥5.0 trillion by the mid-2020s), and the business has grown to the extent that we can expect it to generate profits of ¥10.0 billion on an annual basis. Conversely, the hotel business was impacted significantly by the COVID-19 pandemic, as I have already mentioned, resulting in the recording of major operating losses in FY2021 and FY2022. However, as the operating environment is gradually showing signs of improvement, I expect the performance of the hotel business to recover steadily in line with this trend.

In terms of new businesses, we have been implementing investments at a certain scale every year, with the aim for said investments to contribute to profits from the mid-2020s onward.

Over the next several years, capital gains will serve as Mitsubishi Estate's largest growth driver as part of efforts to achieve Long-Term Management Plan 2030. The Company's forecasts for FY2023 include large-scale capital gains. With investments in a host of asset types progressing steadily and an extensive lineup of future development projects in Japan and overseas, we have established a structure capable of steadily and continuously delivering capital gains and income gains. Meanwhile, given an expected upswing in inbound tourism in the near future, we are hoping to see a recovery in profits in the retail facility and hotel businesses. Furthermore, the scheduled completion of large-scale development projects, centered on the Marunouchi area, in the latter half of the period covered by Long-Term Management Plan 2030 will also contribute to income gains. We aim to deliver steady profit growth by continuing to capture outstanding business opportunities in Japan and overseas for achieving the goals of Long-Term Management Plan 2030.

Changes in the Operating Environment: Maintenance of KPI Targets and Advancement of Business Strategies Emphasizing Efficiency and Financial Soundness

The operating environment has changed dramatically since the formulation of Long-Term Management Plan 2030, including the recent increase in global interest rates and Russia's invasion of Ukraine. Nevertheless, the goals we set for the plan emphasize efficiency and financial soundness, which are fundamental elements, irrespective of operating environment changes. Accordingly, we will maintain the plan's strategies and goals. At the same time, I believe that changes in the operating environment brought about by COVID-19 will require us to regulate the pace at which we proceed and the course we take, depending on the business field.

In terms of the impact of the global rise in interest rates, the capitalization rate may be the first to be affected. For the time being, however, the impact is limited to core properties, Mitsubishi Estate's primary target. In selecting investment projects for the future, we will carefully choose investments in regions and asset types that are resilient to risk and which can be expected to benefit from stable demand from both users and investors. Meanwhile, fund procurement conditions are allowing us to leverage our strengths, such as our high credit rating and high fixed ratio of consolidated interest-bearing debt (the fixed ratio stood at 86.5% as of March 31, 2022.).

While Russia's invasion of Ukraine will not have a direct bearing on our businesses, given that we have no properties in or near the region, we are beginning to feel the impact of price rises, including for resources and materials. With this in mind, the Company has factored in a certain level of increases in water, heating, and lighting costs in FY2023. Turning to construction costs, although we are implementing cost control measures, including the early placement of orders, we will monitor future trends in a timely manner while aiming to adopt a multi-faceted response that encompasses adjusting construction plans and consulting with our partners.

Meanwhile, as rent prices and the value of real estate will rise in the event of continued inflation, albeit with a time lag, we recognize that minor cost increases can be recouped in long run.

Business Performance Overview: Achievement of Record-High Profit Figures in FY2022

In FY2022, the year ended March 31, 2022, Mitsubishi Estate achieved a year-on-year increase in operating revenue, which amounted to ¥1.3494 trillion, and posted record highs for operating profit, which came to ¥278.9 billion, ordinary profit, and profit attributable to owners of parent, which stood at ¥155.1 billion.

The rise in operating profit was primarily attributable to factors including an increase in capital gains in Japan and overseas, the commencement of the operation of Tokiwabashi Tower, an improvement in the operating environment for hotels and retail facilities, and an expansion in incentive fee income in the Investment Management Business.

Moreover, gains on sales of office buildings and logistics facilities developed in Japan, logistics facilities in the United States, and office buildings in Vietnam contributed to capital gains. These gains demonstrated that the carefully selected projects in which we have been investing for several years have paid off. Consistently being able to record capital gains in Japan and overseas has become a driver of our growth.

Progress Made in Every Business for Long-Term Management Plan 2030: Achievement of Steady Profit Growth and Acquisition of Outstanding Business Opportunities, Even amid COVID-19

Domestic Asset Business

The unforeseen effects caused by the spread of the COVID-19 pandemic shortly after the unveiling of Long-Term Management Plan 2030 resulted in significant negative impacts on our retail facility and hotel businesses in particular. Today, as the lifestyles of people in Japan gradually return to the way they were before COVID-19 and as momentum grows for Japan to fully resume inbound and outbound tourism in the near term, I sense that the retail facility and hotel businesses will recover completely in the not-too-distant future. Looking at offices, the fact that Tokiwabashi Tower—which we completed in 2021—is already at almost full occupancy has confirmed the strong level of demand for

Message from the Corporate Officer in Charge of Finance & Accounting and Corporate Communications

⇒⇒ Capital Policies: Improvement of Corporate and Shareholder Value through an Optimal Combination of Growth Investments, Asset Sales, Shareholder Returns, and Fund Procurement

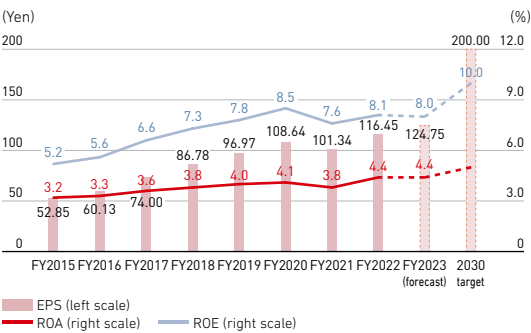
Long-Term Management Plan 2030 established KPIs with a focus on efficiency, such as return on assets (ROA), return on equity (ROE), and earnings per share (EPS), in order to transform Mitsubishi Estate's business portfolio into one that is highly efficient and resilient to changes in market conditions. In FY2022, the Company achieved ROA of 4.4%, ROE of 8.1%, and EPS of ¥116.45, thereby maintaining ROE at the 8.0% level and achieving a record high for EPS. While our journey to 2030 may not be all plain sailing, we are currently making steady progress toward achieving our goals.

Under Long-Term Management Plan 2030, we are promoting flexible capital policies in response to market conditions and aiming to improve our corporate and shareholder value through an optimal combination of growth investments, asset sales, shareholder returns, and fund procurement. To this end, Mitsubishi Estate is promoting its business strategies while giving due consideration at all times to the balance between investments for future growth and shareholder returns. As part of these efforts, we have steadily implemented carefully selected investments contributing to profit growth over the past two years for achieving Long-Term Management Plan 2030. As investment demand remains solid in Japan and overseas for its core office buildings, logistics facilities, and rental housing—where cash flows are stable—the Company will continue to simultaneously pursue profit growth through capital gains and capital recycling.

The basic stance of our shareholder return policy is to achieve a payout ratio of roughly 30.0% and execute share buybacks flexibly. Guided by this policy, we executed share buybacks to the tune of ¥100.0 billion and ¥30.0 billion in FY2020 and FY2022, respectively. Mitsubishi Estate has maintained shareholder returns at approximately 60.0% when calculated as the total shareholder return ratio, representing a high rate of return. We will continue to aggressively advance shareholder returns that include share buybacks to the extent possible while giving due consideration to factors including investment demand, cash flows, financial soundness, and the Company's share price.

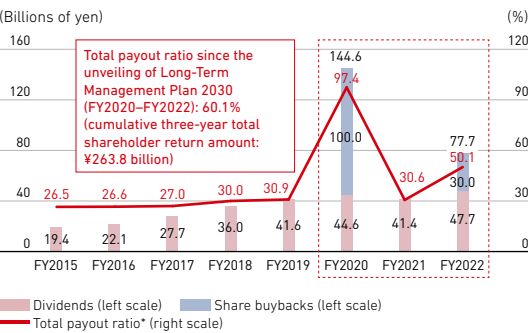
While the share prices of Japan's major real estate companies are currently significantly lower than their respective net asset value, which incorporates unrealized gains on real estate, I believe that this means there is ample room for these companies' share prices to rise over the long term. Mitsubishi Estate will also aim to improve shareholder value and increase its share price by heightening profit growth and efficiency, the KPI targets in Long-Term Management Plan 2030.

Changes in ROA,* ROE, and EPS



* Since FY2020, ROA has been calculated as business profit + total assets (average of the amount at the beginning and end of the fiscal period).

Shareholder Returns



* The payout ratio to operating profit in each fiscal year when calculated by applying the concept of total payout ratio

⇒⇒ Strategy for Increasing Social Value: Continuous Contributions to Society Will Generate Sustainable Profits

Long-Term Management Plan 2030 has adopted the improvement of shareholder value and social value as the two prongs of its strategy. It goes without saying that Mitsubishi Estate recognizes environmental, social, and governance (ESG) considerations—which are directly connected to the improvement of social value—as one of its most important management issues. I believe that we are implementing the most advanced initiatives in the real estate industry in all ESG-related fields. These initiatives are based on the philosophy that the implementation of ongoing ESG initiatives will contribute to the Company's sustainable profit growth, which will in turn improve shareholder value.

One such initiative focuses on utilizing ESG finance. We have proactively taken advantage of sustainability finance ahead of our industry competitors. For example, in 2018 Mitsubishi Estate became the first comprehensive real estate



company in Japan to issue green bonds in the process of procuring project funds in relation to the construction of Tokiwabashi Tower. Then in 2020, we concluded an agreement with The Norinchukin Bank to borrow funds through a sustainability-linked loan, a first for the real estate industry in Japan. In further examples, we concluded a positive impact finance loan agreement in 2021 and became the first company in Japan to issue sustainability-linked bonds based on the Net-Zero Standard of the Science Based Targets initiative in 2022. Given the recent strong demand for ESG finance from investors, I feel that the Company's advanced sustainability initiatives are playing a part in enabling it to procure funds on favorable terms.

Mitsubishi Estate has a long history, during which it has grown by consistently engaging in projects that seek to contribute to society from a long-term perspective in every era. We will continue unflinchingly to advance projects looking ahead to the future. When assessed over the long term, I believe that contributing to society leads to the sustainable generation of profits, as our history proves. I am certain that focusing with conviction on improving social value also improves Mitsubishi Estate's corporate value.

⇒⇒ My Mission as the Corporate Officer in Charge of Finance & Accounting and Corporate Communications: Achievement of Further Profit Growth While Dispassionately Assessing the Operating Environment and Adjusting Course When Required

I believe that Mitsubishi Estate's current endeavors can be grouped into two categories. The first is maintaining and expanding stable income gains in the Marunouchi area. Based on our pride in Marunouchi's status as Japan's flagship office area, we will build a more robust portfolio by reinvesting the cash we generate, even amid low domestic economic growth. The second is creating new growth pillars. Although we have already expanded profits in a variety of business domains outside Marunouchi, including our domestic capital-recycling business, International Business, and Investment Management Business, we will proactively invest in new businesses in tandem with developing assets and investing in real estate in Japan and overseas in order to enable us to achieve further profit growth. Naturally, given the vital importance of determining whether our efforts strike an appropriate risk-return balance, I regard it as my mission, as the corporate officer in charge of finance & accounting and corporate communications, to carefully assess whether we are overreaching or moving in the wrong direction and to adjust course accordingly.

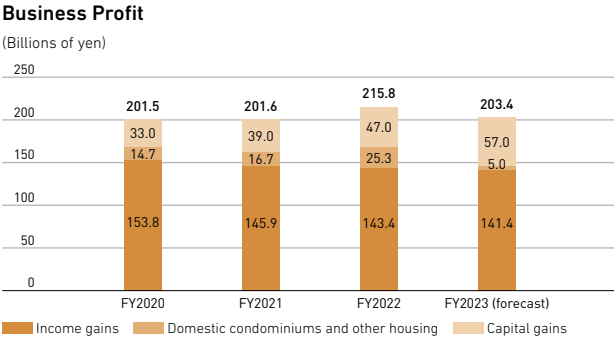
Listening earnestly to what shareholders, investors, and all other stakeholders have to say and pursuing resilient businesses that earn the endorsement thereof will generate profits over the long term, which in turn will satisfy shareholders and investors. I will thus continue to fulfill my mission in my position to maintain such a positive cycle. Accordingly, we ask for your continued support in our endeavors.

Progress of Long-Term Management Plan 2030

Domestic Asset Business

Businesses
Domestic offices, retail facilities, outlet malls, logistics facilities, airport operations, Residential (condominiums, rental apartments, etc.), and others

Outline of Profit Growth
Income gains in the domestic asset business were impacted by the COVID-19 pandemic, centered on retail facilities, and profits decreased due to the closure of buildings scheduled for redevelopment. At the same time, capital gains on every asset type exceeded expectations.



Income Gains

Despite being affected by the COVID-19 pandemic, retail facilities and outlet malls are recovering steadily. With the unveiling of several large-scale redevelopment projects, preparations are in place to achieve profit growth in the latter half of Long-Term Management Plan 2030.

Capital Gains

Returns on assets exceeded expectations. We also steadily sold underperforming assets to improve our efficiency indicator.

- **Capital gain results: The domestic asset business recorded ongoing capital gains centered on offices, logistics facilities, and rental housing.**

FY2021 ¥39.0 billion	Office: Logistics: Residential:	¥24.0 bn ¥8.0 bn ¥7.0 bn
• Link Square Shinjuku (partial ownership) • LOGIPORT KAWASAKI BAY • Residential Business: Sold 6 properties		
FY2022 ¥47.0 billion	Office: Logistics: Residential:	¥35.0 bn ¥7.0 bn ¥5.0 bn
• Toyosu Front (partial ownership) • Residential Business: Sold 4 properties		



Sale of underperforming assets

FY2020: Otemachi Park Building (partial ownership) and Atagawa Villa Project
FY2021: Corowa Koshien; FY2022: Grand Front Osaka (partial equity interest)

Project Lineup

- **Despite a difficult operating environment for acquiring projects, the domestic asset business fully mobilized the Mitsubishi Estate Group's sourcing capabilities to accumulate projects with a focus on offices and logistics facilities that will serve as a source of future profits. These efforts have resulted in the steady expansion of the domestic asset balance of the asset-recycling business.**

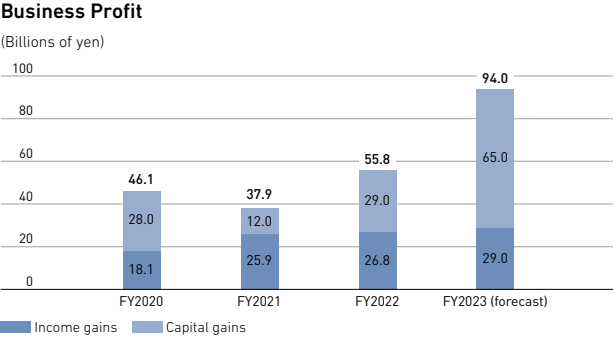
	Property Name (Including Tentative Name)*1	Total Floor Area**	FY2022	FY2023	FY2024	FY2025	FY2026	—	2030	Estimated NOI (Stable Operation)	Estimated Investment
Marunouchi	Tokiwabashi Tower (Building A)	146,000 m ²	Completion								
	Uchikanda 1-chome Project	85,200 m ²		Start construction			Completion				
	Yurakucho Building and Shin-Yurakucho Building Reconstruction Project	**107,000 m ²					Under consideration				
	Torch Tower (Building B)	544,000 m ²			Start construction			Completion			
Japan	Minami-Aoyama 3-chome Project	14,700 m ²	Start construction	Completion							
	Osaka Mitsubishi Building Reconstruction Project	67,000 m ²	Start construction		Completion						
	Toyosu 4-2 Development Project	134,500 m ²	Start construction			Completion					
	IMS Reconstruction Project	**14,600 m ²		Start construction			Under consideration				
	Umekita Second Zone Development Project (Rental Property)	378,450 m ²					Gradual completion and opening				
	Former Hotel Grand Palace Site Redevelopment Project	**16,600 m ²					Under consideration				
Mixed-use offices	Akasaka 2-6-chome Development Project	210,000 m ²				Start construction			Completion		
	FUKAYA HANAZONO PREMIUM OUTLETS*	34,500 m ²	Start construction	Completion							
	KYOTO JOYO PREMIUM OUTLETS*	**245,000 m ²					Under consideration				
Outlet malls	Tokyo Ryutsu Center Distribution A Building	205,000 m ²		Start construction	Completion						
	Logicross Zama	178,700 m ²		Start construction	Completion						
	Sagamihara-shi Chuo-ku Fuchinobe Project	173,000 m ²		Start construction	Completion						
	Misato-shi Hikoito Project	**154,000 m ²					Under consideration				
Large-scale logistics facilities (100,000 m ² +)	Kyoto Joyo Next-Generation Core Logistics Facility Project	277,000 m ²				Start construction		Completion			

*1 Includes properties expected to be sold by 2030
*2 Total floor area unless otherwise noted
*3 Site area

International Asset Business

Business
International Business (including residential business operations overseas)

Outline of Profit Growth
The international asset business is putting in place a system to steadily achieve income gain growth and increase capital gains in every region. We aim to evolve the portfolio of the international asset business into one that is resilient to market conditions through diversified investments in many regions.



Income Gains / Regional Conditions

- **Achievement of Growth Exceeding ¥10.0 Billion Compared with FY2020 through Income Gains in Every Region**

United States: The increases in both profits resulting from the renovation of our flagship building in Manhattan, 1271 Avenue of the Americas, and profits in conjunction with hybrid-model investments, a collaboration with the Investment Management Business, contributed to income gain growth.

Europe: Although income gains due to the sale of properties and the closure of buildings for renovation have declined temporarily, an abundance of new projects, including large-scale projects, are scheduled to steadily contribute to profits.

Asia: The international asset business is expanding the scope of its business activities into new countries (including Indonesia, Vietnam, Thailand, and Australia), beginning with condominiums. Meanwhile, development projects in a variety of regions are progressing.

Capital Gains

- **Leveraging the contribution of its capital-recycling business in the United States (¥10.0 billion–¥20.0 billion annually), the international asset business seeks to stabilize and further expand capital gains through the ongoing contribution of its capital-recycling business in Europe and the expansion of its portfolio in Asia.**
- **Major sales of properties and returns from FY2021 to FY2023: Supported by a favorable market for property transactions, the international asset business has secured high returns, with a focus on logistics facilities in the United States, a forte of the Company.**

Harvill Location: California Use : Logistics Building Scale: Approx. 31,000 m ² EIRR: Over 100%		Capital Place Locations: Hanoi, Vietnam Use: Office Building Scale: Approx. 151,600 m ² EIRR: Over 30%		Central St. Giles Location: London Use: Office Building Scale: Approx. 66,000 m ² EIRR: Over 10%	
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Project Lineup

- **United States:** Expansion of investments in logistics facilities and rental housing, two of the Rockefeller Group's strengths
- **Europe:** Expansion of the portfolio into continental Europe, centered on a large-scale project in London
- **Asia:** Progression of development projects in a variety of regions

	Property Name (Country)*1	Type	Total Floor Area**	FY2022	FY2023	FY2024	FY2025	FY2026	—	2030	Estimated NOI (Stable Operation)	Estimated Investment
Asia	Trinity Tower (Indonesia)	Office, Commercial	143,200 m ²	Completion								
	ALPHA PARK (China)	Office	233,600 m ²	Completion								
	Capita Spring (Singapore)	Mixed Use	93,400 m ²	Completion								
	Suzhou New District Business Park (China)	Office	220,400 m ²		Start construction		Completion					
	Yoma Central (Myanmar)	Mixed Use	212,700 m ²					Under consideration				
	180 George Street (Australia)	Office, Commercial	**155,000 m ²		Completion							
Europe	One City Centre (Thailand)	Office, Commercial	116,000 m ²	Start construction	Completion							
	Parkline Place (Australia)	Office, Commercial	65,900 m ²	Start construction		Completion						
	Oasis Central Sudirman (Indonesia)	Mixed Use	307,000 m ²		Start construction			Completion				
	Warwick Court (London)	Renovation	29,000 m ²		Completion							
	8 Bishopsgate (London)	Office, Commercial	85,000 m ²		Completion							
	dMourai (Spain)	Office	**11,000 m ²		Completion							
U.S.	Fyrkanten 11 (Sweden)	Renovation	**7,800 m ²		Start construction	Completion						
	60-72 Upper Ground (London)	Office, Commercial	**10,400 m ²					Completion				
	Stateline 77 Building 1 and 2 (South Carolina)	Logistics	**193,600 m ²		Completion						Approx. ¥30.0 billion	Approx. ¥400.0 billion
	Hanover (Pennsylvania)	Logistics	**142,200 m ²		Completion							
	55 Paradise (New York)	Logistics	**16,700 m ²		Start construction	Completion						
	Virginia Data Center Building (Building 1)	Data Center	**51,000 m ²		Start construction		Completion					
U.S.	Virginia Data Center Building (Building 2)	Data Center	**51,000 m ²			Start construction		Completion				
	Liv Crossroads (Arizona)	Rental Apartment	356 Units	Start construction								
	Liv Laveen (Arizona)	Rental Apartment	360 Units	Start construction				Completion				
	1158 Delaware (Colorado)	Rental Apartment	250 Units		Start construction			Completion				
	1072 West Peachtree (Georgia)	Mixed Use	**149,300 m ²		Start construction			Completion				
	600 Fifth Street NW (Washington, D.C.)	Office	**37,000 m ²		Start construction			Completion				

*1 Project announced after Long-Term Management Plan 2030
*2 Includes properties expected to be sold by 2030
*3 Total floor area unless otherwise noted
*4 Leasable area
*5 Site area
*6 Total of two buildings

Progress of Long-Term Management Plan 2030

Non-Asset (Fee-Based) Business

Businesses

Hotel management (including Royal Park Hotels and Resorts), investment management, architectural design & engineering, brokerage, and others

Outline of Profit Growth

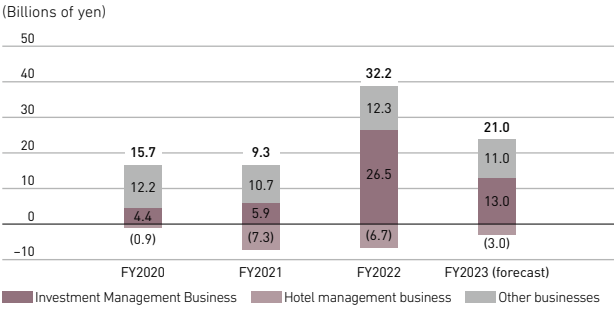
Although the hotel management business was significantly affected by COVID-19, the non-asset business realized an increase in profits by expanding assets under management (AuM) and posting incentive fees in the Investment Management Business.

Hotel Management Business

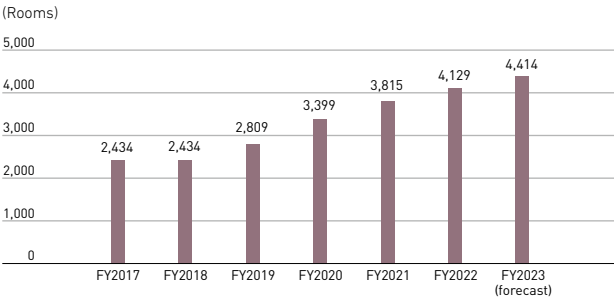
While the effect of COVID-19 has been substantial, we expect the performance of the hotel management business to recover in step with the projected normalization of demand for travel in Japan and the recovery in inbound demand as well as the effects of management reforms, such as the restructuring of our hotel operating companies.



Business Profit



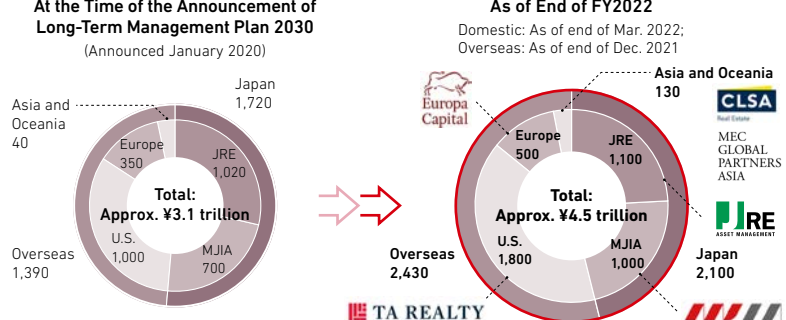
Number of Rooms at Royal Park Hotels (published projects)



Investment Management Business

The Investment Management Business saw a significant increase in profits in FY2022, partly as a result of posting substantial incentive fees associated with a rise in the market valuation of its United States fund. Fee income, which provides the foundation for the business, has grown to a level enabling the consistent recording of business profit of ¥10.0 billion thanks to the expansion of assets under management (AuM).

Changes in AuM (Billions of yen)



Creation of New Businesses

As part of our efforts to create new businesses, we have established seven focus areas: 1) agriculture; 2) renewable energy; 3) infrastructure, public and private partnerships (PPPs), and private finance initiatives (PFIs); 4) real estate-related services; 5) content, entertainment, and sports; 6) tourism, inbound-related businesses, and regional revitalization; and 7) healthcare and food, with the aim of creating new sources of earnings.

Status of Initiatives for New Businesses

Focus Areas	Investment Targets	Mitsubishi Estate's New Businesses
Agriculture	SARA, SMTC	MECアグリ
Renewable energy	clean planet	Biomass power generation business
Infrastructure, public and private partnerships (PPPs), and private finance initiatives (PFIs)	Hokkaido Airports*	高松空港, 新大阪空港, 新千歳空港ターミナル
Real estate-related services	Spacee, Linough, 8 beta, SEOSENSE	spaceemotion, MEC Industry, NINJA SPACE, hmlt
Content, entertainment, and sports	JCC, ぴあ	ITICKET, FITNESS, GYM, ぴあ
Tourism, inbound-related businesses, and regional revitalization	上川大雪雪道	上川大雪雪道
Healthcare and food	FINC, 羽田市場, Mellow	Medicha, WELL ROOM

Sustainability

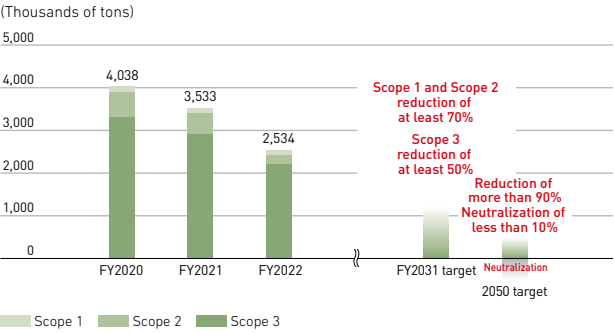
In FY2022, Mitsubishi Estate significantly revised its targets regarding CO₂ and other greenhouse gas (GHG) emissions, the percentage of electricity it sources from renewable energy, and its percentage of female managers.

Note: Please refer to the table on pages 104 and 105 for information on other major KPIs.

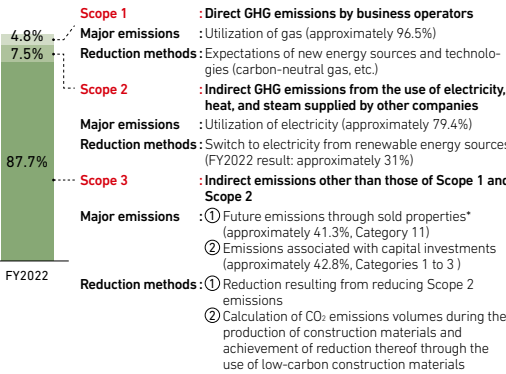
CO₂ and Other GHG Emissions

		Previous Targets	Net-zero declaration More stringent scenarios	Revised Targets	
				Scope 1 and Scope 2 Reduction of at least 70% (all within the Group's value chains*)	Scope 3 Reduction of at least 50% (all within the Group's value chains*)
Reduction of CO ₂ and other GHG emissions	FY2031 targets	35% reduction (compared with FY2018)	⇒	Net-zero emissions Reduction within the Group's value chains*1: More than 90% Neutralization*2: less than 10% 1.5 °C scenario (New Net-Zero Standard)	
	2050 targets	87% reduction (compared with FY2018)			
	SBTi's scenarios	Less than 2 °C scenario			

*1 Reduction within the Group's value chains *2 Neutralization of residual emissions that cannot be fully reduced by using forest absorption, carbon-removal technology, and other methods

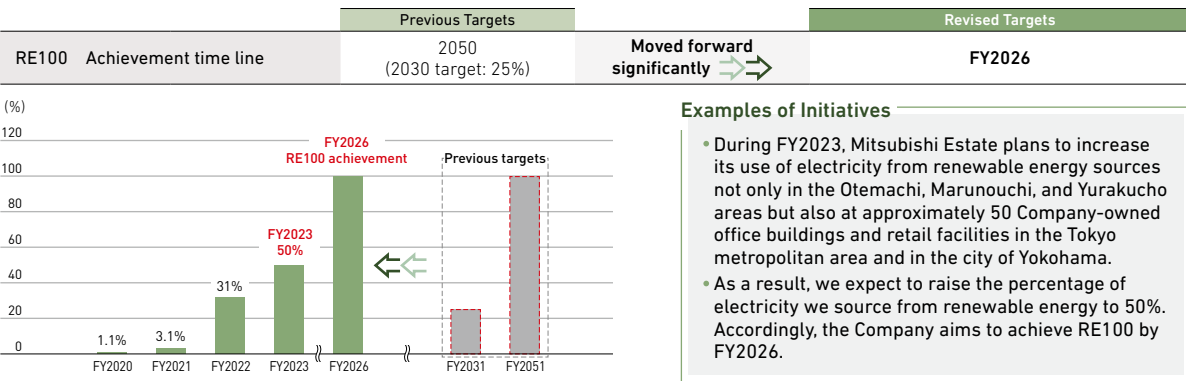


Breakdown of CO₂ Emissions and Major Reduction Strategies (FY2022 Results)

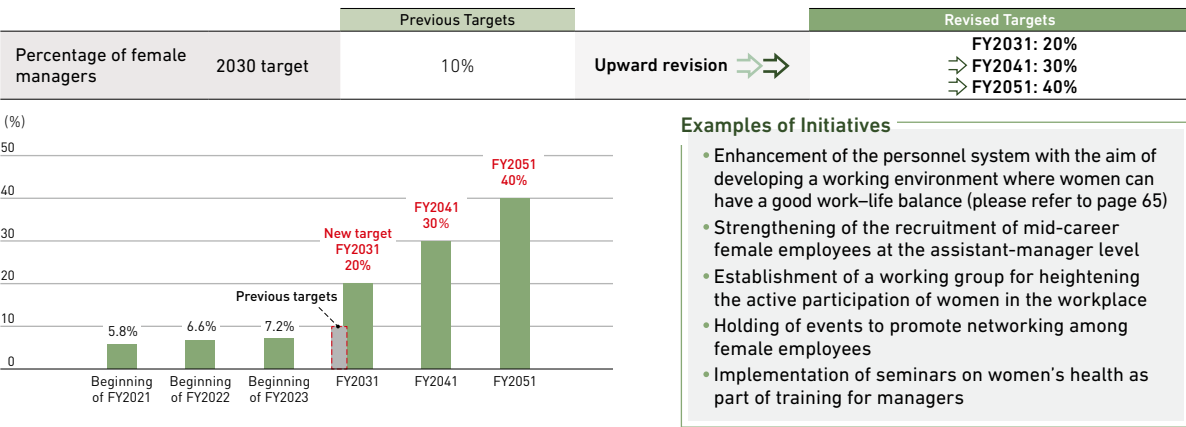


* Calculation method: Floor area sold × Intensity (t-CO₂/m²/year, Scope 1 and Scope 2) for the previous fiscal year × 50 years

Percentage of Electricity from Renewable Energy Sources



Percentage of Female Managers



Completion of Tokiwabashi Tower

Enriching working lives by offering enhanced communal spaces, innovations that promote networking, and the latest digital technologies

⇒ Proposing New Workstyles

Enhanced Communal Areas

MY Shokudo

On the third floor of Tokiwabashi Tower, we have created MY Shokudo, a communal cafeteria lounge for tower workers. The cafeteria lounge has four zones, each with different concepts and menus, which support the well-being of workers while increasing their choice of places to work and eat. In addition, MY Shokudo offers a variety of programs and services facilitating communication among workers.



Cafe zone



Dining zone

Implementing Digital Technologies

Exclusive TOKYO TORCH App for Tokiwabashi Tower Workers

Mitsubishi Estate introduced an app exclusive to tower workers that supports comfortable office lifestyles, a first for the Company. Using the TOKYO TORCH App for Tokiwabashi Tower, workers can perform a variety of functions, such as making orders and payments at the cafeteria and reserving conference rooms. The app also supports the working lives of tower workers in a number of ways, such as through identity authentication when entering the building and for receiving daily event information.



TOKYO TORCH App for Tokiwabashi Tower



Smartphone authentication

Facilitating Interactions and Networking in Communal Spaces

Team-Building and Mind-Enriching Programs

Tokiwabashi Tower offers team-building programs that enhance team unity and which allow team members to cook and eat together, as well as wellness and beauty-related services for tower workers, such as yoga and nail care. Creating opportunities for new interactions and offering services that utilize office space allow us to boost people's motivation for coming to Tokiwabashi Tower and enhance its appeal as a place to work.



Team-building program



Mind-enriching program

COMMENT

Aiming to Make TOKYO TORCH a District That "Brings Light and Energy to Japan"

TOKYO TORCH offers experiences previously unavailable at workplaces. We will continue deploying a diverse array of plans and events that allow those working in the district to experience exciting added value, so that they enjoy coming to their office in TOKYO TORCH, rather than viewing it simply as a place to work.

In addition to providing infrastructure, Mitsubishi Estate has partnered with Orizuru Tower (Hiroshima City), organized events at which centers of arts and crafts from across Japan assemble, and held TOKYO TORCH Market. Acting as a hub and working closely with partners in mutually beneficial ways have helped us comprehend the potential impact of our activities. Going forward, we hope to enhance the appeal of other properties by applying the know-how and relationships we have developed here.

At TOKYO TORCH, we have also interacted frequently with next-generation students, from elementary school children to college students, through activities including social studies field trips and lecture visits. In the summer of 2022, the district will see the opening of a store called Another Japan—stores specializing in regional products that employ college students from Japan's regions as managers—in a joint project with Nakagawa Masashichi Shoten (Nara City), a traditional crafts store with a 300-year history.

The completion of Torch Tower in FY2028 will also complete the transformation of TOKYO TORCH into a single district that will attract greater numbers of visitors with attractions including an outdoor observation deck and a large-scale entertainment hall. We aim to continue efforts to ensure TOKYO TORCH communicates the appeal of various regions and thereby indeed becomes a torch "bringing light and energy to Japan."



Planning Unit
TOKYO TORCH Department
Mitsubishi Estate Co., Ltd.

Manager
Koji Tanaka
(left)

Chisato Suzuki
(right)



⇒ The First Stage of TOKYO TORCH (the Tokyo Tokiwabashi Project)

Mitsubishi Estate completed the construction of Tokiwabashi Tower in June 2021. The tower is the first of the Company's district projects within TOKYO TORCH, which it is developing in front of the Nihonbashi Gate of Tokyo Station. TOKYO TORCH is a large-scale redevelopment project entailing the construction of three buildings and the creation of TOKYO TORCH Park, a large plaza approximately 7,000 m² in size, without interrupting the functions of the district's existing infrastructure, including its sewage pumping station and electricity substation. Another project that will be located within the TOKYO TORCH district is Torch Tower, which is slated for completion in FY2028. Torch Tower will have an outdoor observation deck, a world-class hotel, and a large-scale entertainment hall. Promoting TOKYO TORCH under a project vision of "bringing light and energy to Japan," we have positioned Tokiwabashi Tower as a symbol that will enrich working lives into the future. In terms of what Tokiwabashi Tower features, we have prepared a host of innovations to realize enriched workstyles, such as the creation of enhanced communal spaces for those working at the tower, implementation of the latest digital technologies, and provision of programs to promote networking, including team building.

We are also rolling out initiatives communicating the appeal of Japan's regions by utilizing Tokiwabashi Tower's location in front of the Nihonbashi Gate of Tokyo Station, which offers excellent access to bullet trains. At TOKYO TORCH Park, we are devoting efforts to conveying the cultures and appealing aspects of various regions in collaboration with local government organizations across Japan. Examples of these efforts include creating a pond with koi from Ojiya City in Niigata Prefecture and using natural grass from Tsukuba City in Ibaraki Prefecture.



Harvill



Middlesex



Val Verde

The Mitsubishi Estate Group's Strategies: International Asset Business

Development of Logistics Facilities in the United States



Lehigh Valley



Edison

Proactively Promoting the Development of Logistics Facilities to Meet Growing E-Commerce Demand

Since its establishment in 1928, Rockefeller Group International, Inc. (RGII), has undertaken numerous development projects in the United States, such as the Rockefeller Center in Manhattan, New York. Mitsubishi Estate acquired a stake in RGII in 1990 and converted it into a wholly owned subsidiary in 1997. Today, as the cornerstone of the Mitsubishi Estate Group's International Business development efforts, RGII develops a variety of assets such as office buildings, residential housing, logistics and mixed-use facilities, and other properties in the United States, which is and will be a high growth market going forward.

Specifically, the logistics facility market in the United States is in a growth phase, having developed in step with the expansion of the e-commerce market. As a result, we are seeing an increase in the need for logistics facilities with advanced equipment in favorable locations with large working populations and excellent transportation access. Moreover, a tightening of the balance between supply and demand for new logistics facilities caused by the sudden expansion of e-commerce and third-party logistics* due to the impact of the COVID-19 pandemic has made the further development of such facilities an urgent priority. Blessed with local employees in various bases who have extensive development experience, RGII has a structure in place to steadily acquire new projects and drive forward businesses by leveraging its abundant know-how and networks. Deploying these strengths, RGII is proactively working to develop logistics facilities to meet growing demand. Most recently, in the spring of 2022, RGII acquired a site for a logistics facility in North Las Vegas, Nevada, which is a promising market with geographical characteristics enabling same-day travel between the facility and major cities on the West Coast of the United States and Mexico. Going forward, RGII will build an even stronger portfolio by promoting the acquisition of projects in such new markets.

* Third-party logistics: Third-party logistics providers endeavor to carry out some or all of a shipper's logistics services on its behalf.

⇒⇒ RGII's Logistics Facility Development Capabilities and Promotion of Cutting-Edge Initiatives

With a track record of undertaking roughly 40 projects covering approximately two million m² in the United States to date, RGII has established a leading position as a developer thanks to the strong sourcing and development capabilities it has cultivated through successful development projects, particularly in the major logistics markets of New Jersey and California (Inland Empire).

Furthermore, RGII has in recent years carried out facility design and construction planning in accordance with regulations pertaining to environmental conservation, such as by utilizing reusable building materials, introducing highly energy-efficient equipment, and implementing process control to minimize waste volumes. Moreover, in response to labor shortages in facilities in the post-COVID-19 era, RGII aims to design facilities with ceilings of sufficient height to facilitate the introduction of logistics robots. To address the shortage of delivery drivers, RGII is implementing efficient parking trailer layouts in facility designs in order to reduce waiting times and improve overall transportation capacity. In these ways, RGII is promoting facilities that address social needs, including on-site issues and environmental, social, and governance (ESG) matters.

⇒⇒ RGII's Track Record of Developing Logistics Facilities in Recent Years

List of Logistics Facilities

Facility Name	Location (State)	Gross Floor Area (m ²)	Year of Completion
Edison	New Jersey	84,000	2020
Centerpointe Commerce Center (Moreno Valley)	California	19,000	2020
Lehigh Valley (Allen)	Pennsylvania	120,000	2020
Fontana (Santa Ana)	California	27,000	2020
Otay Mesa	California	11,000	2021
Braselton Broadway	Georgia	21,000	2021
Middlesex	New Jersey	37,000	2021
Harvill	California	31,000	2021
Val Verde	California	27,000	2022
Stateline77 (Eubanks)	South Carolina	94,000	2022
Lehigh Valley (Hanover)	Pennsylvania	42,000	2022
55 Paradise Lane	New York	16,000	2022
Eastampton	New Jersey	32,000	2022
Jesse Cronin	Georgia	39,000	2023
Woodbury	New York	14,000	2024
Spotswood	New Jersey	61,000	2024
Frontage Rd	South Carolina	77,000	2023–2025

COMMENT

Driving the Growth of the International Business by Utilizing My Experience in Logistics Facilities in the United States

RGII plays a core role in the growth of the International Business for the Mitsubishi Estate Group. Based on the income gains from our two flagship office buildings in Manhattan, we have achieved stable business promotion and management—even amid uncertain political and economic trends—by generating capital gains from our short-term development projects. Of the Japanese developers to have made inroads into the United States market, only the Mitsubishi Estate Group has incorporated a local American company. The Group is working proactively to pioneer markets and promote development through local employees with a wealth of experience, expertise, and networks in various real estate markets in the United States.

In addition to the East Coast (New Jersey) and the West Coast (California) where we have accumulated track records, we are rapidly advancing into new markets, such as the Southeast of the country (Atlanta), where we have a base, and the aforementioned North Las Vegas area, under a policy of expanding revenues by drawing on the development know-how we have cultivated thus far.

The real estate market in the United States is seeing brisk activity, reflecting both population increases in certain markets on the back of changes in industrial distribution and robust private investment and consumer sentiment. Given these circumstances, I feel there is still ample room for growth. I am attracted to the idea of utilizing the operational experience I have gained in such a dynamic and vibrant market in real estate businesses at other based in the world. Also, I want to contribute to businesses in which I can integrate my experience with that of the Group's in global real estate development for developing new asset types as well as to businesses that create new services and spin off new businesses. Going forward, I aim to utilize the experience I have acquired at RGII to contribute to the development of the Group's real estate business as a whole and to create business solutions.



Senior Director
Rockefeller Group International, Inc.

Ayumi Asami

Special Feature 3

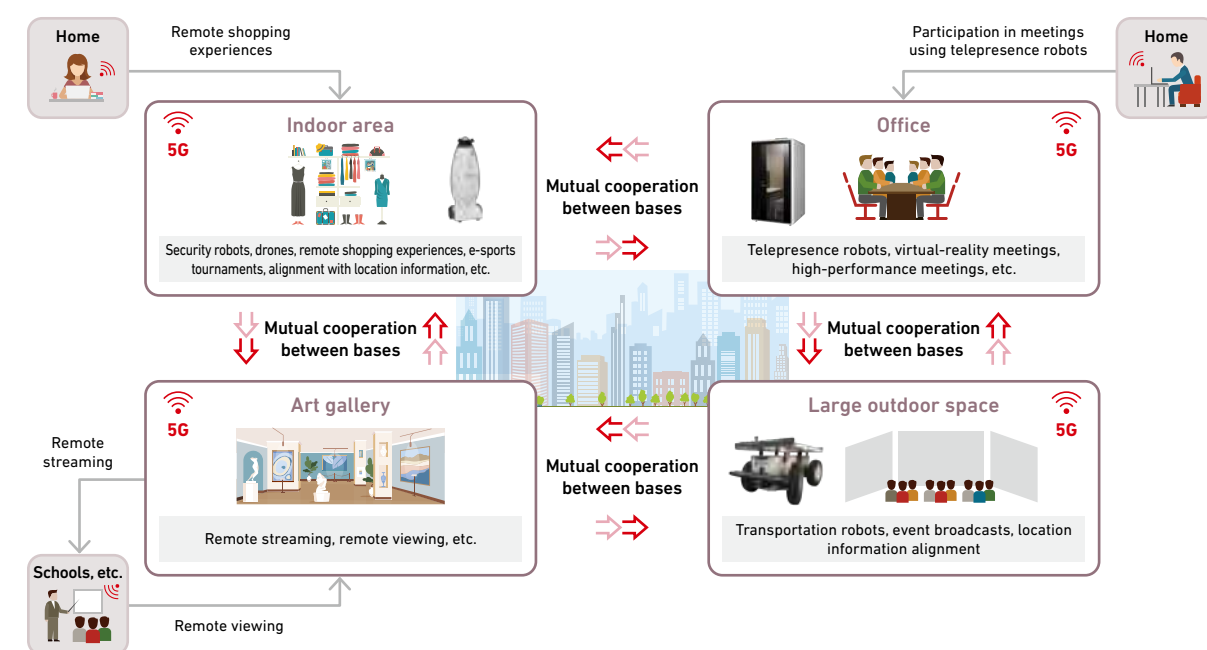
The Mitsubishi Estate Group's Strategies: Non-Asset Business

Entry into the 5G Infrastructure-Sharing Business

Facilitating the Adoption of 5G Infrastructure in Cooperation with National and Local Governments and Real Estate Owners

Mitsubishi Estate has positioned fifth-generation (5G) telecommunications systems as social infrastructure that will be integral to urban development going forward. Based on this approach, the Company entered into a 5G infrastructure-sharing business in January 2022 to build such infrastructure and offer it to several mobile network operators.

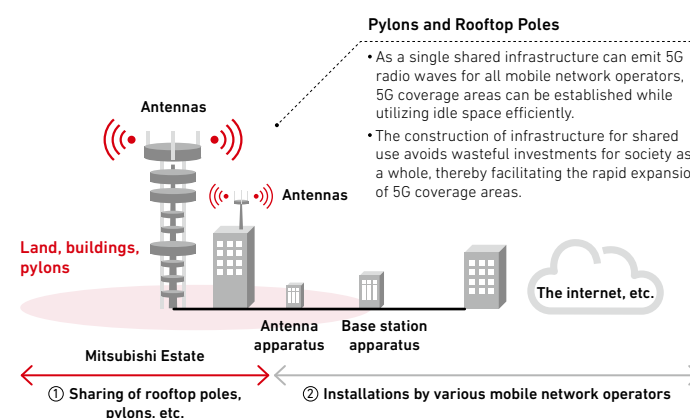
Viewing the business as key to realizing the Mitsubishi Estate Digital Vision, we will strive to build 5G infrastructure that will become the foundation of next-generation urban development. This will be achieved by utilizing our area management and building operation and management know-how and leveraging the bargaining power of administrative bodies while cooperating with the national government, local governments throughout Japan, and real estate owners.



⇒⇒ Drawing on the Mitsubishi Estate Group's Know-How and Strengths to Realize 5G Infrastructure Build-Outs

5G telecommunications systems offer higher speeds, higher capacities, lower latencies, and more simultaneous multiple connections than fourth-generation (4G) communications systems. On the other hand, their use of high frequencies necessitates the installation of a greater number of base stations and antenna facilities, while physical and landscape restrictions on installation spaces make it difficult to install such stations and facilities quickly. In addition, communications operators have faced issues including increasing fixed asset investments when advancing installations separately.

To address such issues, the Mitsubishi Estate Group is drawing on its real estate business as well as its area management and building operation and management know-how to offer 5G coverage for entire urban areas efficiently and at minimal investment. Furthermore, as these efforts utilize idle space on real estate, we are offering financial benefits to real estate owners in the form of usage fees while helping raise the value of urban areas by providing radio wave environments that encompass surrounding areas rather than just individual facilities. Going forward, we will realize new lifestyles and urban development by building social infrastructure to operate a suite of services and applications using 5G.



⇒⇒ The Future We Will Create through 5G Infrastructure Buildouts

As building out 5G infrastructure environments enables the verification and realization of a variety of services, all services with digital elements will benefit from the infrastructure. Mitsubishi Estate aims to realize a new form of urban development complete with environments allowing for people and companies to assemble, meet, and interact online and offline, including through new office services and visitor services, infrastructure for use during disasters, and the efficient management of buildings.

Further Promotion of Hybrid Work

High-definition images and virtual-reality technology thanks to 5G will enable the sharing of physical spaces and of the senses with remote locations, further increasing the sophistication of teleworking to facilitate the provision of new workstyles and lifestyles.

Provision of Shopping and Viewing Experiences from Remote Locations

5G infrastructure will enable immersive viewing and event participation from remote locations. It will also facilitate remote shopping through high-definition video and two-way communication with store clerks.

Utilization of Robots

The provision of 5G infrastructure will allow the remote control and operation of multipurpose robots, such as transportation and telepresence robots. Such infrastructure will advance efforts to examine alternatives to the performance of high-precision tasks by humans through the remote operation of machinery and tools.

Development of Safe and Secure Disaster Preparedness

5G infrastructure will facilitate the real-time monitoring of conditions at evacuation centers during disasters, enabling rapid and smooth decision-making and responses in emergencies. For example, the infrastructure will help with efforts to direct people to suitable evacuation centers in accordance with crowding levels, to deploy rescue workers appropriately, and to choose the required amount and type of emergency supplies.



COMMENT

Creating a New Business to Realize Japan's World-Leading Urban Development

Guided by its mission to contribute to society through urban development, Mitsubishi Estate engages in a range of businesses, one of which is the 5G infrastructure-sharing business. Through this business, we improve telecommunications infrastructure environments in cities with our partners. I believe that we are unique among developers to have engaged in the telecommunications field to such an extent. I am sure it is because we have consistently sought to enhance the value of urban areas that we were able to promptly enter the 5G infrastructure-sharing business. For me, our mission is to further promote this business so we can maintain our presence as a pioneering company in urban development that boldly tackles business expansion into such new domains.

This business benefits mobile network telecommunications operators by minimizing their investments through infrastructure sharing while also offering advantages to building owners, such as allowing them to utilize idle space effectively and improving the asset value of their buildings. Regarding visitors to urban areas, meanwhile, 5G infrastructure sharing brings the advantage of allowing the users of any cell phone carrier to easily enjoy the convenience of a 5G service. For Mitsubishi Estate, this endeavor is significant in that it has led to the establishment of a new revenue-generating business. Accordingly, I am convinced the 5G infrastructure-sharing business delivers a high level of social value and creates a win-win model for all parties. The possibilities for the types of services and contents that 5G will create are endless, while the infrastructure built through the business will also contribute to the achievement of our mission to accumulate data from physical environments and solve customer issues based on such data, as set forth in the Group's Digital Vision. I aim to continuously improve our urban development by building on said efforts.



Manager, DX Promotion Department
5G Infrastructure-Sharing Business
Mitsubishi Estate Co., Ltd.

Yosuke Muramatsu
(left)

Manager, DX Promotion Department
5G Infrastructure-Sharing Business
Mitsubishi Estate Co., Ltd.

Akinori Ogasawara
(right)

The Mitsubishi Estate Group's Strategies: Sustainability

Toward the Achievement of a Decarbonized Society

Establishment of MEC Industry Co., Ltd.

⇒⇒ Building a Seamless Business Model from Manufacturing to Sales for Achieving a Decarbonized Society through the Use of Timber

Aiming to realize a society that utilizes timber, MEC Industry Co., Ltd., was established in January 2020 with investment from seven companies: Mitsubishi Estate Co., Ltd., TAKENAKA CORPORATION, DAIHO CORPORATION, MATSUO CONSTRUCTION CO., LTD., NANGOKU CORPORATION, KENTEC CORPORATION, and Yamasa Mokuzai Co., Ltd. Spurred by soaring construction costs that had continued since approximately 2010, Mitsubishi Estate began testing the viability of wooden construction in order to capture new business opportunities and establish a competitive advantage. The Company commercialized MEC Industry following the selection of the business through the in-house New Business Proposal System in 2016. Integrating a previously fragmented business model, from manufacturing through to sales, by combining the strengths of the seven companies and establishing MEC Industry's own plant have enabled the provision of high-quality products at low cost.

The entire forestry industry in Japan is facing many issues, such as the harvesting and utilization of domestic timber that has reached maturation and industry-wide labor shortages. Through the utilization of domestic timber, MEC Industry will solve these issues while developing businesses with the aim of achieving a decarbonized and sustainable society.

⇒⇒ Overview of Businesses

① New Construction Materials Business

The new construction materials business develops and supplies new construction materials to promote the increasing use of wood for the interiors of high- and medium-rise buildings. To this end, the business offers wood, which boasts outstanding design characteristics, for use in reinforced concrete and steel buildings while minimizing the impact of construction work and reducing construction periods.



② MOKUWELL Business

"MOKUWELL" is a portmanteau of the Japanese word for "wood" (*moku*) and the English word "wellness." The MOKUWELL business offers MOKUWELL houses—standardized detached houses—built using the prefabrication method of construction, in which standardized units manufactured at a factory are assembled on-site. This simple construction method reduces the workload at construction sites and construction periods, thereby significantly boosting productivity.



③ Timber Utilization Business

The timber utilization business sells construction materials, such as cross laminated timber (CLT)*1 and two-inch by four-inch timber used in the aforementioned standardized units, and by-products such as bark*2 and sawdust.



*1 Large panels formed by laminating and gluing together layers of wood at right angles to each other
*2 The outer layer of a tree trunk

⇒⇒ Business Model Features

① Utilizing Domestic Timber Effectively

MEC Industry can reduce CO₂ emissions through carbon fixation in urban areas by expanding the effective utilization of domestic timber. In addition, logging timber from forests and carrying out reforestation activities also promise to reduce CO₂ emissions through further carbon fixation, thereby constituting global warming countermeasures. Facilitating a virtuous cycle in domestic forests through reforestation can be expected to realize the functions of green infrastructure, such as water source protection and landslide prevention, while also maintaining and enhancing biodiversity and natural capital. Furthermore, minimizing the use of steel and concrete by using timber as a construction material, more specifically, as a primary structural material, can reduce greenhouse gas emissions during construction work and contribute to the recycling of materials when buildings constructed using timber are demolished. At its plant, MEC Industry is also working to reduce waste volumes, such as by using the wood shavings produced during the manufacturing process as a heat source for its boiler.



Contributing to the Achievement of the Mitsubishi Estate Group's Sustainable Development Goals 2030

MEC Industry's business activities contribute to the achievement of targets under the key theme of "Environment" in Sustainable Development Goals 2030, which the Mitsubishi Estate Group is promoting. This is achieved through the reduction of CO₂ emissions via carbon fixation due to the effective utilization of domestic timber.

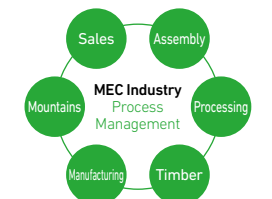
Note: For details on the goals, please refer to pages 104 and 105.



② Building an Integrated and Optimized Business Model

The subdivision of the roles (functions) of companies within the forestry and timber industries leads to costs specific to each business domain, driving up the price at which timber is offered to end users. In addition, the segmentalization of each process makes it difficult to understand market needs. As MEC Industry carries out all processes seamlessly, from the procurement of raw timber to processing, manufacturing, and sales, it can offer the high-quality products sought by end users at a reasonable price.

Integrated and optimized business model



③ Reducing Workloads

Since the MOKUWELL business utilizes pre-manufactured, standardized units, many of the processes previously carried out on-site can be completed at its factory, reducing the amount of construction work performed on-site. In addition, conducting manufacturing at MEC Industry's plant makes it easier to secure personnel and track progress. Although labor shortages have been cited as an issue for the construction industry, promoting efficient operations will help alleviate such shortages into the future.



COMMENT

Growing as a Company That Communities Can Be Proud of by Helping Resolve Various Social Issues

Comprehensive forestry, the business in which MEC Industry engages, is based on resources that have been rooted in communities over a period of several decades, namely, the growing of trees planted on and near mountains. As a result, establishing a rapport with communities is absolutely essential. This aspect of the business has been a new challenge for us, given that our previous business experience was primarily in urban areas. We have provided repeated explanations to communities to give them a clear picture of our approach and initiatives while aligning said initiatives with the wishes and approaches of local government organizations, business operators, mountain and forest owners, and neighboring residents. We believe that becoming a company that communities can be proud of is a prerequisite to making a success of this business. Accordingly, going forward we will establish a new plant and operate it over the long term.

"Creating the Future Together," MEC Industry's corporate philosophy, means continuously creating new value by standing shoulder to shoulder with partners as we move into an ever-changing future. We aim to contribute to the resolution of social issues through the effective utilization of domestic timber via an integrated and optimized business model. We will also examine the possibility of obtaining Forest Stewardship Council certification to further expand the use of timber in urban buildings. Connecting rural areas with urban areas and cities with mountains and forests, we hope to continue fulfilling our role in achieving a prosperous and sustainable society.



Detached Housing Team,
Manufacturing Section,
Manufacturing Department,
MEC Industry Co., Ltd.

Tomomi Haraguchi
(left)

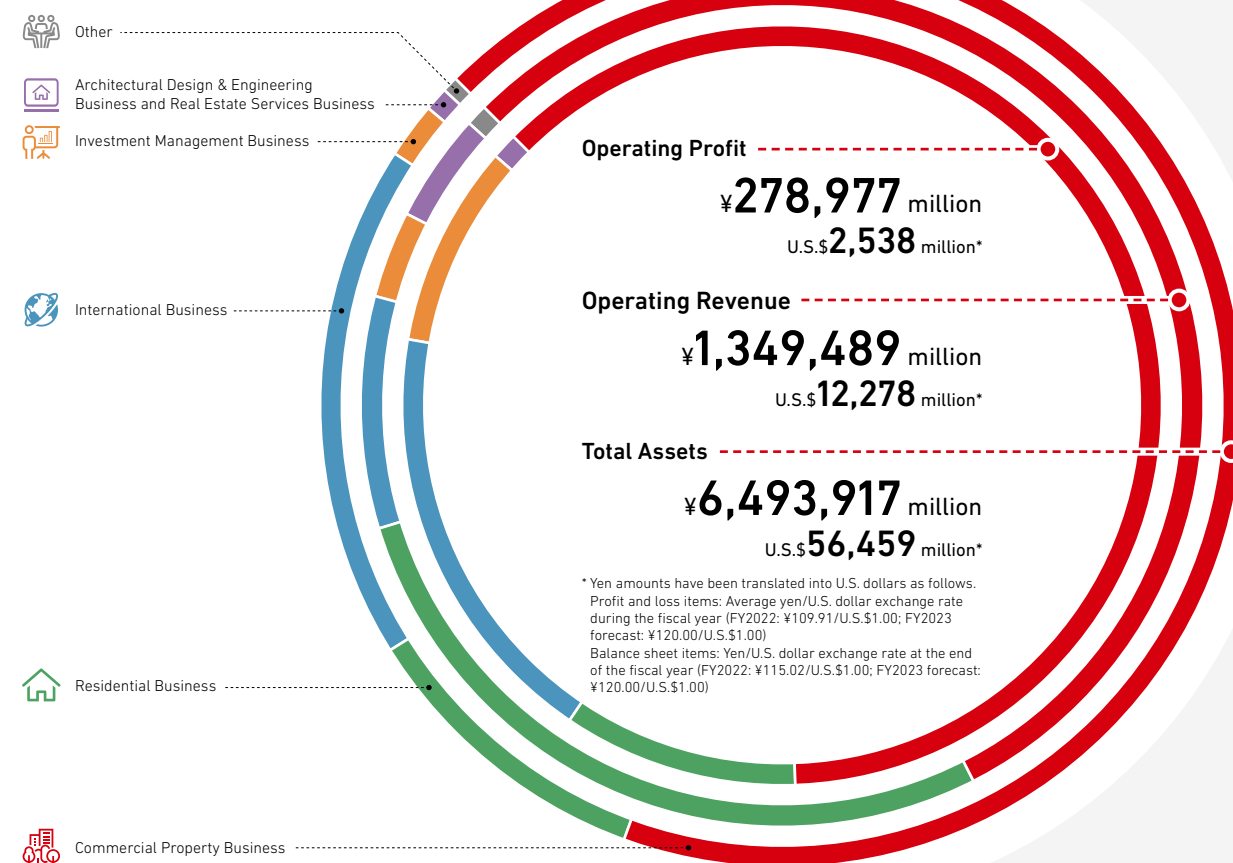
General Manager,
Planning Department
MEC Industry Co., Ltd.

Takuya Yanase
(right)

Business Review

The Mitsubishi Estate Group operates the office building business and various other businesses in Japan and overseas.

Under Long-Term Management Plan 2030, we will enhance our earnings power in each segment through business strategies that leverage our competitive advantages, as well as actively working to establish new businesses that pursue synergies with our established businesses.



Fiscal year ended March 31, 2022 (consolidated)		Millions of yen		
		Operating Revenue	Operating Profit (Loss)	Total Assets
Commercial Property Business		760,658	189,909	4,273,287
Residential Business		380,959	30,173	666,928
International Business		121,234	55,816	1,130,973
Investment Management Business		46,702	26,537	108,984
Architectural Design & Engineering Business and Real Estate Services Business		57,780	2,802	57,759
Other		10,134	(1,683)	25,352
Eliminations or Corporate		(27,979)	(24,578)	230,630
Total		1,349,489	278,977	6,493,917

Business Segments



Commercial Property Business Group



Office Building Business

This is Mitsubishi Estate's core business, which engages in the development, leasing, and property management of office buildings, mainly in Tokyo and other major Japanese cities. We promote urban development that contributes to the increased appeal of cities while maintaining a balance between properties for lease and properties for sale in our asset portfolio.



Logistics Facility Business

Under the Logicross brand, Mitsubishi Estate is pursuing logistics facility business opportunities nationwide. To take advantage of the rapid growth in the domestic logistics market on the back of the expansion of e-commerce and other factors, we are promoting development projects at locations suited to logistics nearby major terminals, such as metropolitan areas, main roads, ports, and airports.



Retail Facility Business

Promoting the development of various types of retail facilities tailored to the characteristics of locations across Japan, the Mitsubishi Estate Group operates this business using a comprehensive system whereby it remains continuously involved from facility planning, development, and tenant leasing through to operation after opening.



Hotel Business

Working together with hotel operators in Japan and overseas, we conduct a hotel development business across a wide range of categories matching location characteristics as well as practicing nationwide hotel business operations under the Royal Park Hotels brand and the Marunouchi Hotel.



Please see pages 42 to 47 for details.



Outlet Mall Business

We conduct the nationwide development and operation of our PREMIUM OUTLETS®, which boast the top customer-drawing power in Japan.



Airport Operation Business

The airport operation business promotes the invigoration of airports and their localities through its involvement in the operation of 10 airports. The airports contribute to regional development by acting in unison with their local communities to increase the non-resident population and improve regional value.



Residential Business



Please see pages 48 and 49 for details.

We offer services to meet a variety of needs for condominiums, rental apartments, custom-built housing, purchase and sales, leasing, brokerage areas, renovations, and management. As the circulation of existing homes expands and people's lifestyles grow increasingly diverse, we are strengthening our reform and renovation business to seize upon such changes.



Investment Management Business



Please see page 52 for details.

For investors seeking real estate asset management, we provide a wide range of services based on our specialized expertise, utilizing collaboration among our operating bases in Japan, the United States, Europe, and Asia excluding Japan. These services include real estate investment trusts (REITs) to meet management needs for long-term stability as well as private placement funds to meet the specific management needs of institutional investors.



International Business



Please see pages 50 and 51 for details.

The Mitsubishi Estate Group has pursued business overseas since the 1970s, undertaking real estate leasing and development businesses in the United States and the United Kingdom. In recent years, we have also been actively developing our office building, residential, commercial facility, and other real estate businesses in rapidly expanding Asian markets and advancing into continental Europe.



Architectural Design & Engineering Business and Real Estate Services Business



Please see page 53 for details.

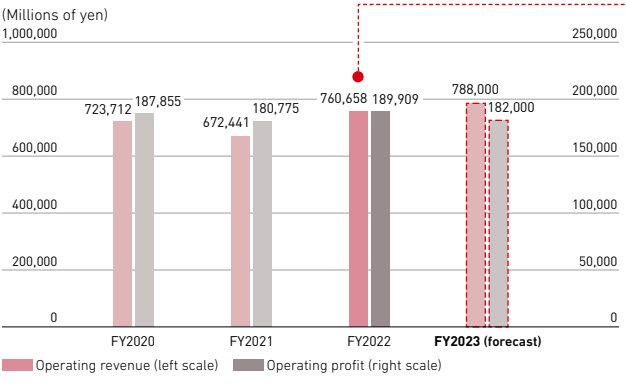
This full-service architectural design and engineering business meets social needs through construction, civil engineering, urban and regional development planning, and consulting. Meanwhile, the Real Estate Services Business provides one-stop, real estate problem-solving solutions, including real estate brokerage and condominium and office building leasing management support.



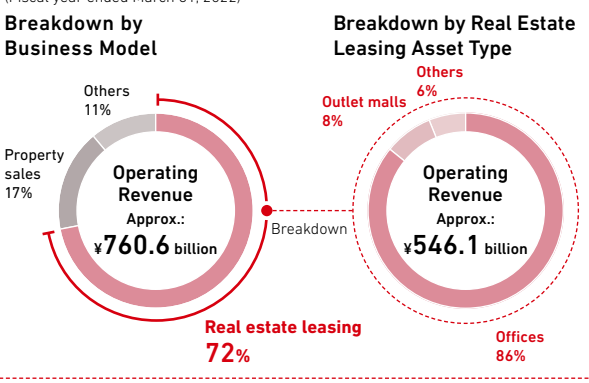
Asset Types



Operating Revenue / Operating Profit (Results and Forecasts)



Commercial Property Business Group Breakdown (Fiscal year ended March 31, 2022)



Non-Asset Businesses and Others

- We intend to expand and strengthen non-asset businesses, including property management and master leases, and businesses that utilize existing stock, such as through the renovation of aged buildings.

Competitive Advantages for Realizing Our Strategies

- Ownership of about 30 office buildings in the Marunouchi area, a leading business area in Japan with one of the world's greatest concentrations of companies.
- Redevelopment in Marunouchi not requiring new land acquisition largely unaffected by fluctuations in the real estate investment market, thus enabling stable and continuous redevelopment.
- Development know-how and a track record cultivated through continuous urban development in the Marunouchi area for more than 130 years.
- Tenant relationships and information networks built through the Group's wide-ranging businesses, including development in the Marunouchi area
- Relationships with the central and local governments built through public and private sector cooperation in urban development.
- Urban development and area management with advanced disaster-management functions centering on the Marunouchi area.



Office Building Business

Overview

The office building business, Mitsubishi Estate's core business, engages in the development, leasing, and property management of office buildings with state-of-the-art functions, mainly in major Japanese cities centering on the Marunouchi area. Our businesses involve three types of earnings models: our property development and leasing business, in which we ourselves develop office buildings and receive rental revenue from them; our capital-recycling business, in which we generate capital gains on the sale of properties we have developed; and our non-asset businesses, which center on office building operations and management. Through building development and operations, we are promoting urban development to increase the attractiveness of the entire surrounding area.

Business Concept	Office Buildings		Main Non-Asset Type Businesses	
	Marunouchi area (mainly the property development and leasing business)	Major business areas in Japan (mainly the capital-recycling business)	Property management	Master leases

Business Strategies

Marunouchi Area

- Generally, redevelopment enables rental revenue to be increased by expanding building floor space and raising rents per square meter. In the Marunouchi area, we will promote continuous redevelopment that not only capitalizes on the advantages provided by realizing synergies across the whole area but also raises the value of individual development projects.
- Positioning urban development from 2020 onward as part of Marunouchi NEXT Stage, we will establish a "co-creation platform for innovation through companies, employees, and visitors."

Main Office Areas in Japan

- We aim to strengthen our development pipeline by using the know-how we have accumulated through redevelopment in the Marunouchi and other areas.

Progress on Long-Term Management Plan 2030

Completion of the Large-Scale Renovation of the Otemachi Building

In May 2022, Mitsubishi Estate completed the large-scale renovation of the Otemachi Building, an office building originally completed in 1958. In addition to developing a workspace with abundant greenery and an area for farming on the rooftop of approximately 4,000 m², we created a communal lounge and terrace on the seventh floor for those working in the building and in the surrounding area. The Company will strive to ensure the Otemachi Building has a life span of 100 years by establishing new places where people and companies can gather and interact, such as the LAB zone created on the east side of the building, which is home to start-ups and other companies.



Previous exterior of the Otemachi Building



Exterior following renovation

Sustainability Initiative

Acquisition of WELL Core Precertification under WELL v2 for the Chiyoda 1-Bancho Project (Tentative Name) — Supporting Workstyles That Emphasize Well-Being

Mitsubishi Estate has become the first company in Japan to receive precertification for WELL Core—which can be acquired by buildings occupied by tenants—under WELL v2, the latest version of the WELL Building Standard (WELL Certification),* an international ratings system for buildings that emphasizes the health and well-being of people. The Company received the precertification for the Chiyoda 1-Bancho Project (tentative name), which it is advancing in Chiyoda Ward, Tokyo, for reasons including the high evaluation of the project's promotion of urban development in line with WELL development concepts, the introduction of a panel heating and cooling system, the facilitation of fitness for workers, and the provision of operable windows that offer ample natural light. Following completion of the project, we aim to obtain platinum certification, the standard's highest certification level.

Recent years have seen an increasing number of companies acquiring WELL Certification for areas of buildings reserved for office space. However, meeting the WELL Core certification standards for the actual building has the advantage of enabling tenant companies to more easily pursue WELL Certification for their office spaces by, for example, exempting them from screening for certain evaluation items. With the preliminary certification as a forerunner to further efforts, we will continue proactively supporting workstyles that emphasize well-being and enhancing office value from the perspective of concern for the environment.



Chiyoda 1-Bancho Project at the time of the precertification announcement; view of building exterior

* A certification system operated by the U.S. Green Building Council that focuses on the impact of building environments on the health and wellness of users. The system primarily rates interior environments, facilities, and services that contribute to health.



Commercial Property Business



Retail Facility Business / Outlet Mall Business

Overview

The retail facility and outlet mall businesses promote the development of various types of retail facilities tailored to the characteristics of locations across Japan. The Mitsubishi Estate Group operates these businesses using a comprehensive system whereby it remains continuously involved from facility planning, development, and tenant leasing through to operation after opening. These businesses are operated through three business formats: urban mixed-use facilities, stand-alone shopping centers, and PREMIUM OUTLETS®.

Business Strategies

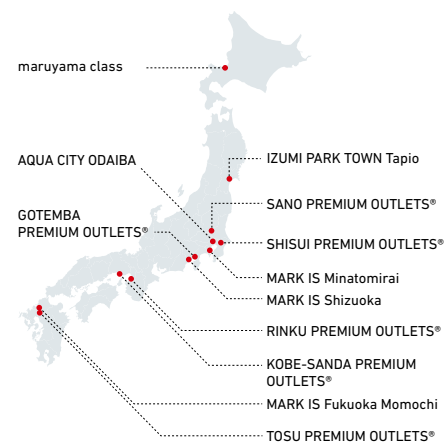
- With urban mixed-use facilities, we are aiming to deliver wide-ranging eating and drinking options and shops as well as various service providers to offer better amenities and convenience for office workers while also drawing in people for shopping and tourism.
- Regarding stand-alone shopping centers, we are developing distinctive facilities tailored to diverse demand based on detailed analyses of the location, local demand characteristics, tourism potential, and discussions with tenants.
- With outlet malls, we will continue to expand and refurbish existing facilities and develop new ones to offer visitors unique spaces and meet their needs for a fun, one-of-a-kind experience.



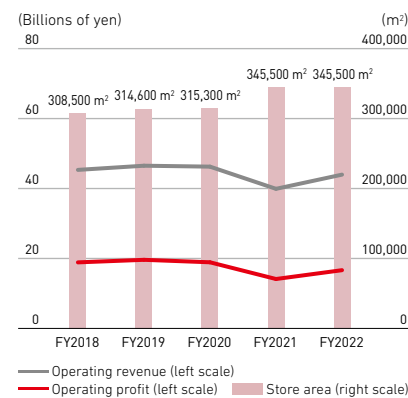
Competitive Advantages for Realizing Our Strategies

- The top customer-drawing power in Japan of PREMIUM OUTLETS®.
- Information networks and tenant relationships built through wide-ranging Group businesses, including developments in the Marunouchi area.
- Extensive development and management know-how gained through a portfolio consisting of three different business formats, business coverage in Japan stretching beyond Tokyo, all the way from Hokkaido to Kyushu, and an extensive tenant network.

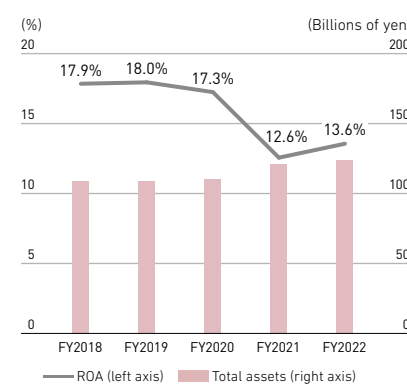
Area Map of Main Retail Facilities



Changes in Store Area, Operating Revenue, and Operating Profit of the Outlet Mall Business



Changes in ROA and Total Assets of the Outlet Mall Business



➡ Although the impact of COVID-19 prompted a temporary decline in both operating revenue and operating profit, profits remained high and outlet malls maintained a high level of ROA for a leasing business.

➡ Sustainability Initiative

Commencement of a Food Recycling Initiative Using Food Residue from Restaurants as Recycled Compost for Mall-Greening Efforts

In September 2021, GOTEMBA PREMIUM OUTLETS® began a food recycling initiative contributing to the formation of a recycling-oriented society. Producing recycled compost from food residue generated within the mall reduces waste and enables such residue to be used as recycled food resources on the premises. Thus far, we have created three compost heaps within the mall from food residue generated by eight participating restaurants. This food residue is collected, biodegraded by microorganisms, and composted at a recycling center. The Company uses the recycled compost as a planting compost for mall-greening efforts, including at the Flower Terrace in GOTEMBA PREMIUM OUTLETS®.



GOTEMBA PREMIUM OUTLETS®



Logistics Facility Business

Overview

The functions required of logistics facilities are changing as the domestic logistics market grows rapidly on the back of the expansion of e-commerce and other factors. In recent years, we have been planning development projects centered on locations that are easily accessible by public transportation and advantageous for recruitment, in addition to being ideally situated for logistics, and on locations in proximity to metropolitan areas and nearby major terminals, such as expressways, main roads, ports, and airports. The Mitsubishi Estate Group will continue to conduct proactive investment, development, operational management, and asset management centered on the Tokyo metropolitan, Kansai, and Chukyo areas.

Business Strategies

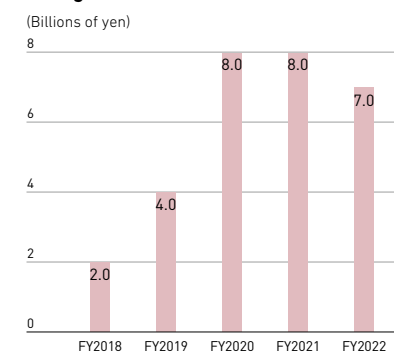
- We intend to make acquisitions of land and undertake leasing operations by making use of our multiple information networks and tenant relationships.
- We aim to generate stable capital gains by leveraging our logistics facility business platform to sell developed properties to Mitsubishi Estate Logistics REIT Investment Corporation, which is managed by Mitsubishi Jisho Investment Advisors, Inc., and other parties.
- We intend to generate synergies Groupwide by sharing the information networks and management know-how acquired by Tokyo Ryutsu Center Inc. (TRC), which has been involved in logistics facility business operations for over 50 years.



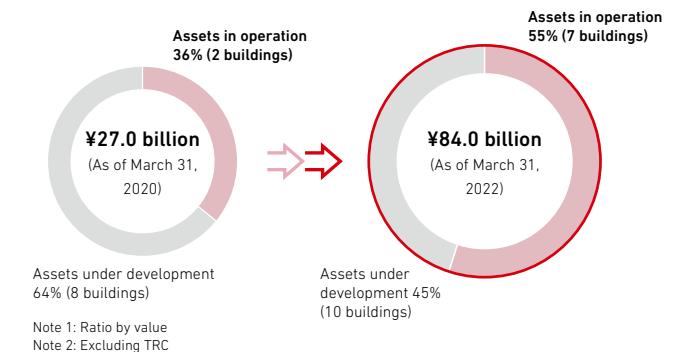
Competitive Advantages for Realizing Our Strategies

- A business platform with a broad range of functions related to logistics facilities, from land acquisition and development to building operations, ownership, and asset management.
- Tenant relationships and information networks through wide-ranging Group businesses, including developments in the Marunouchi area.
- Management know-how and experience gained through TRC and its competitiveness underpinned by being based in Heiwajima, a location providing excellent access to central Tokyo and Haneda Airport.

Changes in Gains on Sales



Total Assets



➡ Sustainability Initiative

Development of Mitsubishi Estate's First Logistics Facility to Meet ZEB Standards

Logicross Zama Komatsubara, a logistics facility completed in March 2022, became Mitsubishi Estate's first facility to receive Zero Energy Building (ZEB)*1 certification. Also, we have installed solar power generation equipment on the facility's rooftop and are running a range of initiatives, such as utilizing a power purchase agreement (PPA)*2 model in-house consumption scheme using the power generated at the facility.

*1 Buildings with annual primary energy consumption of net zero or less.

*2 The second initiative for the Logicross series of facilities carried out together with SymEnergy Inc., a PPA operator.



Logicross Zama Komatsubara



Commercial Property Business



Hotel Business

Overview

The hotel management business operates 18 hotels nationwide* under the Royal Park Hotels brand and the Marunouchi Hotel in the Marunouchi area, aiming to improve brand value through the implementation of management focused on customer satisfaction. Mitsubishi Estate aims to address diversifying customer needs by continuing to increase new hotel openings.

In addition, to meet recent, diverse accommodation needs, the hotel development business engages in hotel development across a wide range of categories tailored to location characteristics in cooperation with hotel operators in Japan and overseas, including Royal Park Hotels and Resorts Co., Ltd., of the Mitsubishi Estate Group.

* As of August 2022

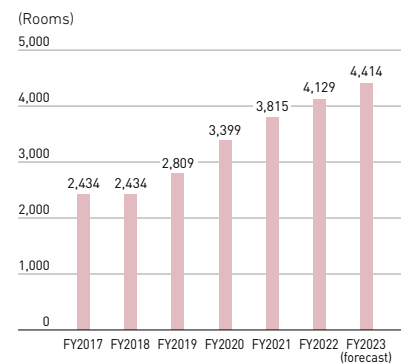
Business Strategies

- We focus on the development of hotels under the Royal Park Hotels brand on sites we have acquired ourselves while actively looking to lease properties to other operators and generate capital gains through the sale of properties after holding them for a certain period of time.
- With the Royal Park Hotels brand, we aim to steadily increase operating profit by improving the operating profit ratio at existing hotels while opening three to four new hotels on a yearly basis through the leasing of properties developed by other companies and the utilization of various schemes, including management contracts and franchise contracts.

Competitive Advantages for Realizing Our Strategies

- Leveraging our development expertise and the tenant relationships we have built by handling diverse real estate assets as a comprehensive developer in order to acquire sites for hotels and promote hotel development.
- Applying more than 30 years of hotel management experience with the Royal Park Hotels brand, to expand our networks of full-service hotels and accommodation-oriented, limited-service hotels.

Number of Rooms at Royal Park Hotels (Published Projects)



⇒ Despite being significantly impacted by COVID-19 in FY2021 and FY2022, with the operating environment improving steadily, we have embarked on management reforms, such as organizational restructuring, and aim to achieve a recovery in revenues and profits.

Royal Park Hotels

Location	Name	Number of Rooms
Hokkaido	The Royal Park Canvas Sapporo Odori Park	134
Miyagi	Sendai Royal Park Hotel	110
	Royal Park Hotel	419
Tokyo	The Royal Park Canvas Ginza 8	121
	The Royal Park Hotel Iconic Tokyo Shiodome	490
	The Royal Park Hotel Tokyo Haneda	313
	The Royal Park Hotel Canvas Ginza Corridor (scheduled for completion in autumn 2022)	160
Kanagawa	Yokohama Royal Park Hotel	603
Aichi	The Royal Park Canvas Nagoya	153
Osaka	The Royal Park Canvas Osaka Kitahama	238
	The Royal Park Hotel Iconic Osaka Midotsuji	352
	The Royal Park Hotel Kyoto Sanjo	172
	The Royal Park Hotel Kyoto Shijo	127
	The Royal Park Hotel Kyoto Umechoji	246
	The Royal Park Canvas Kyoto Nijo	180
	The Royal Park Hotel Iconic Kyoto	125
Hyogo	The Royal Park Canvas Kobe Sannomiya	170
Hiroshima	The Royal Park Hotel Hiroshima Riverside	127
Fukuoka	The Royal Park Hotel Fukuoka	174



Airport Operation Business

Overview

The Mitsubishi Estate Group is involved in the operation of Takamatsu Airport, Miyako Shimojishima Airport Terminal, Mt. Fuji Shizuoka Airport, and seven airports in Hokkaido. Each airport will contribute to regional development by acting in unison with their local communities to increase the non-resident population and improve regional value while leveraging the distinctive characteristics of their respective regions.

Operation of Airports

④ Seven Airports in Hokkaido

Launch of airport building facility business for the seven Hokkaido airports in January 2020
Commencement of business operations at New Chitose Airport in June 2020
Beginning of business operations at Asahikawa Airport in October 2020
Launch of business operations at Wakkanai, Kushiro, Hakodate, Obihiro, and Memanbetsu airports in March 2021

New Chitose Airport



③ Mt. Fuji Shizuoka Airport

Operating since April 2019



② Miyako Shimojishima Airport Terminal

Opening of passenger terminal facilities and commencement of terminal operations at the end of March 2019



① Takamatsu Airport

Operating since April 2018



Business Strategies

- We ensure stable operation at each airport while aiming to achieve operational efficiency and sophistication through inter-airport cooperation.
- We will work to invigorate regions by leveraging our urban development expertise and to increase revenues for passenger terminal buildings by harnessing our expertise in the development and operation of retail facilities.

Competitive Advantage for Realizing Our Strategies

- Operation of airports by Mitsubishi Estate leveraging its track record of operating several airports, the expertise gained in businesses related to inbound tourism through outlet malls and hotels, and its cooperation with other businesses in the Mitsubishi Estate Group.

⇒ Sustainability Initiative

Serving of Soup Made with Sustainable Vegetables

Royal Park Hotels and Resorts Co., Ltd., and Mitsubishi Estate have made a soup containing sustainable vegetables grown through a resource-recycling system connecting Japan's urban and rural areas. This soup was served to guests at certain hotels operated under the Royal Park Hotels brand.

Furthermore, the Food and Agriculture and Resource-Recycling Lab (formerly the Giving Back to the Land Project), which the Mitsubishi Estate Group has been running since 2019, composts a waterweed (*Trapa japonica*) harvested from the outer garden of the Imperial Palace and utilizes it to grow vegetables in Yamanashi Prefecture. Meanwhile, in August 2021 Royal Park Hotels and Resorts switched the straws used at the restaurants and other facilities at some of its hotels to BioPBS™ products, a biodegradable resin developed by Mitsubishi Chemical Corporation, as part of its participation in a biodegradable resin composting project implemented in the Yatsugatake area by Mitsubishi Chemical. The Mitsubishi Estate Group purchases the vegetables grown through both of these projects and uses them as food ingredients in the cafeteria at the Mitsubishi Estate Head Office and at Royal Park Hotels, where they are served to employees and guests, thereby creating new resource recycling.



⇒ Progress on Long-Term Management Plan 2030

Opening of a Premium Outlet Satellite at Takamatsu Airport

Mitsubishi Estate, Takamatsu Airport, and Mitsubishi Estate · Simon Co., Ltd., have opened a premium outlet satellite, a showroom-style store within Takamatsu Airport for a limited period integrating the features of online and brick-and-mortar stores. Leveraging synergies created within the Mitsubishi Estate Group, the store represents a unique approach to utilizing airports that can only be achieved at a privately owned airport. We are also implementing a similar initiative at Mt. Fuji Shizuoka Airport, offering a new shopping experience as part of efforts aimed at revitalizing tourism demand.



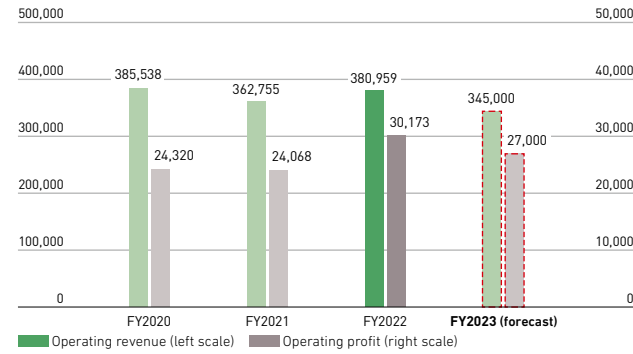
Premium outlet satellite



Residential Business

Operating Revenue / Operating Profit (Results and Forecasts)

(Millions of yen)

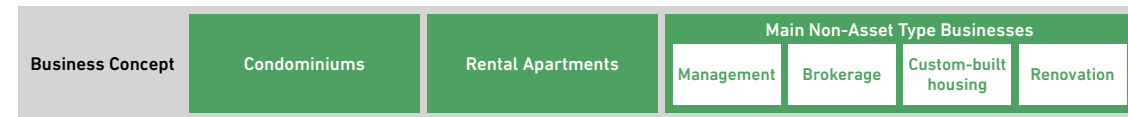


In the domestic condominium business in FY2022, operating revenue and operating profit were up as the number of units sold exceeded 3,000 for the second consecutive fiscal year while the sales price per unit increased. Operating revenue rose in the custom-built housing business thanks to factors including increases in the number of houses sold and the average unit price. As a result, the Residential Business as a whole posted increases in operating revenue and operating profit.

Although we forecast the number of units sold in the domestic condominium business to decrease over a period of several years from FY2023, we expect to expand sales of capital-recycling assets, such as rental apartments.

Overview

The Mitsubishi Estate Group has approximately 50 years of experience in the condominium business. We have established a value chain to meet housing-related needs spanning from new development in Japan and overseas and rebuilding and redevelopment projects to purchasing and sales, brokerage, and management. We are also developing a wide range of businesses to meet diversifying lifestyle needs. Such businesses include rental housing, renovation, and investment-purposed real estate.



Business Strategies

Domestic Condominiums

- We aim to expand our customer base by strengthening our brand power through the enhancement of product appeal, reliability, and services and by leveraging said brand power to acquire loyal “fans.”
- We intend to optimize material costs and construction costs by utilizing our leading business scale in residential condominium development in Japan.
- We are promoting redevelopment projects that make full use of our abundant know-how related to real estate development and of the comprehensive capabilities of the Mitsubishi Estate Group.

Rental Apartments

- We are aiming to stabilize segment profits through capital gains from rental apartments and other investment-purposed properties in the Residential Business.

Non-Asset Type Businesses

- We aim to strengthen non-asset type businesses involving existing properties in such areas as residence management, brokerage, custom-built housing, and renovation.

Residential Business Value Chain

- We are providing one-stop services as a corporate group making full use of all of the phases of the value chain, from land acquisition, development, sales, and management through to brokerage.



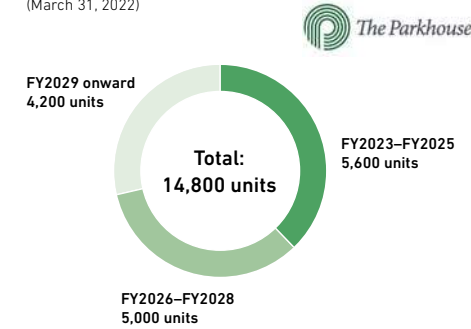
Competitive Advantages for Realizing Our Strategies

- The power of The Parkhouse condominium and The Parkhabio rental apartment brands backed by outstanding technologies, uncompromising product quality control, and a long and extensive track record.
- Quality control of The Parkhouse brand at all stages of the development process—from design and construction to completion—with “Check Eyes,” our quality management and performance indication system, which reflects our dedication to all aspects of the properties we offer.
- Product-planning capabilities that ensure our buildings keep people safe through resilience in natural disasters and offer both comfort and cost performance and which respect the environment and local regions by paying careful attention to preserving biodiversity and helping realize a low-carbon society.
- The ability to provide services to meet all housing-related needs.

Condominium Business

Land Bank Breakdown in Reporting Term

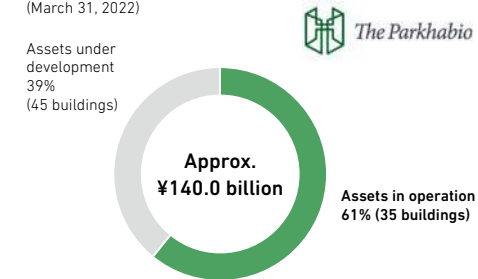
(March 31, 2022)



Rental Apartment Business

Total Assets

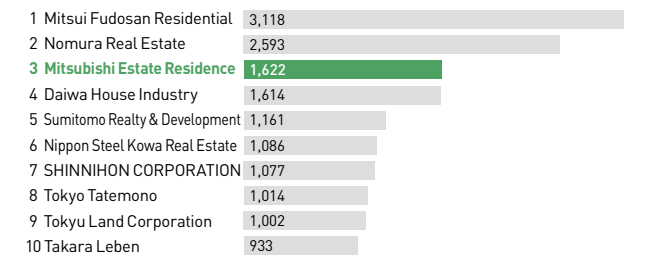
(March 31, 2022)



Note: Ratio by value

Ranking by Condominium Seller and Owner Based on Number of Units Supplied (Tokyo Metropolitan Area)

(2021)



Note 1: Source: “National condominium market trends, 2021” Real Estate Economic Institute Co., Ltd.

Note 2: Family-type condominiums in the Tokyo metropolitan area are included in the survey.

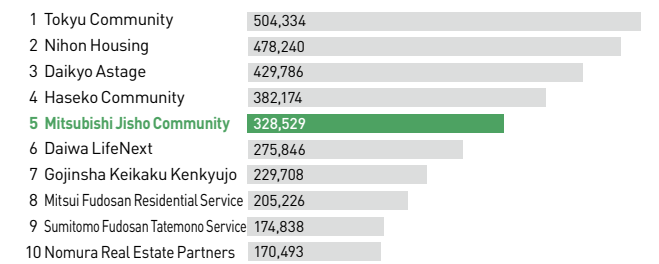
Condominiums for investment purposes are not included.

Note 3: Fixed-term leasehold condominiums are not included in the survey.

Non-Asset Business

Ranking of Condominium Management Companies Based on Number of Units under Management

(2022)



Note: Source: “Ranking of condominium management companies based on number of units under management (2022).” Mansion Kanri Shimbum

Progress on Long-Term Management Plan 2030

Development of the HOMETACT Comprehensive Smart Home Service

Mitsubishi Estate has developed HOMETACT, a comprehensive smart home service that allows its users to centrally operate and manage Internet of Things (IoT) devices, such as housing equipment and home appliances, using an original app. In addition to enabling residents to remotely open the entrance of multifamily buildings, unlock the front doors of condominium units, and control their unit's lighting, air-conditioning, and robot vacuum cleaner, the app facilitates voice control using a smart speaker. Creating a system that centrally controls the IoT devices of several manufacturers will accelerate the adoption of IoT devices in living spaces, which has been slow to spread in Japan, while creating unprecedented customer experiential value.

HOMETACT

Sustainability Initiative

Development of a ZEH Apartment Building Generating Virtually Zero CO₂ Emissions from Electricity Consumption, a First for the Real Estate Industry

Mitsubishi Estate Residence Co., Ltd., has developed a rental apartment building—The Parkhabio Bunkyo Edogawabashi—that meets net-zero energy house (ZEH) standards and which generates virtually zero CO₂ emissions from electricity consumption, the first in the real estate industry. The property is the first in The Parkhabio series, our rental apartment brand, to adopt the ZEH-M Oriented standards, which are recommended for high-rise apartment buildings of six or more floors. Improving heat insulation and reducing consumption of primary energy, in addition to installing solar panels and utilizing non-fossil certificates* from renewable energy sources, enable the building to be powered by renewable energy, with the building as a whole generating virtually zero CO₂ emissions through electricity consumption. These efforts have reduced the building's total annual CO₂ emissions by 63% compared with previous levels (source: Mitsubishi Estate Residence Co., Ltd.). In principle, we plan to introduce the “soleco+” electricity supply system—which combines solar power generation and non-fossil certificates—as standard for The Parkhabio series going forward.

* Non-fossil certificates separate the non-fossil value of electricity generated from non-fossil power sources, such as solar and wind power, and certify it in writing, thereby enabling it to be traded.



View of The Parkhabio Bunkyo Edogawabashi

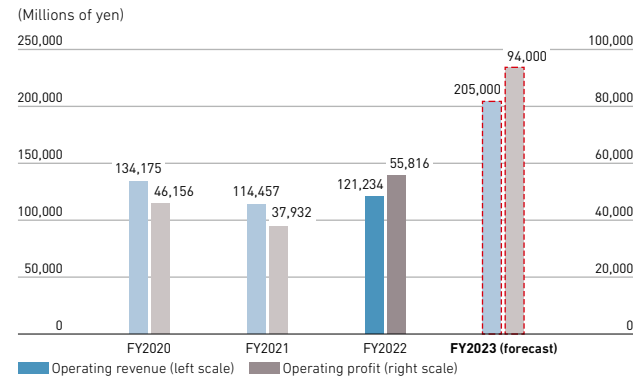


International Business



International Business

Operating Revenue / Operating Profit (Results and Forecasts)



While a transitional period for asset replacement led to a decrease in operating income in Europe in FY2022, operating revenue increased both in the United States and Asia, reflecting higher occupancy rates at our flagship building in the United States, 1271 Avenue of the Americas, where renovation work was completed, and a rise in revenue from property sales both in the United States and Asia. As a result, operating revenue and operating profit increased in the International Business as a whole. In FY2023, we expect a further rise in operating profit, with gains on sales, primarily sales of large-scale properties in Europe, forecast to drive profit growth.

Overview

The Mitsubishi Estate Group's International Business began with the establishment of a company in the United States in the early 1970s. Its geographical coverage has since expanded to include the United Kingdom, mainland Europe, and Asia and Oceania. We have been strengthening our portfolio with both management properties predicated on returns from rental fees in our property development and leasing business and properties for sale premised on raising their value under a capital-recycling business model. We are promoting business expansion with respect to the real estate trading rules and business customs of each country. Furthermore, we seek to apply optimal business models for each market based on macroeconomic data and analysis of capital and real estate markets to identify the right time to enter.



* Group companies under the Investment Management Business segment

United States

Business Strategies

- Reinforcement of capital-recycling business leveraging know-how of Rockefeller Group International, Inc. (RGII)
- Promotion of joint ventures with local partners
- Expected return from investment IRR: 8%–10%

Competitive Advantages

- RGII's development know-how and name recognition
 - In addition to large-scale and mixed-use developments, as exemplified by the Rockefeller Center, RGII has established an abundant development track record throughout its approximately 90-year history, managing a variety of real estate, including logistics facilities and residences (for selling and leasing).
- TA Realty's sourcing power
 - With a focus on logistics facilities and rental housing, TA Realty has invested and managed in a wide range of markets across the United States, thereby also contributing to the Group's sourcing power in the country. In particular, TA Realty ranks eighth* in the United States in terms of transaction amount for logistics facilities.

* Source: Mitsubishi Estate Co., Ltd. (based on data from July 2011 to September 2021)

Most Recent Initiatives

- Rose Hill**
RGII's first condominium business
- Use: Condominiums
 - Scale: 45 aboveground floors / 2 belowground floors (123 units in total)
 - Completion: 2022



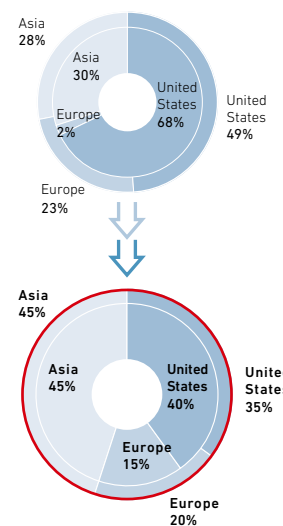
Data Center Development Business

First time to participate in a data center development business in the United States

- Site Area: Approximately 587,000 m²
- Building Area: Approximately 140,000 m² (total for 7 buildings)
- Completion: Building 1 in 2024
Building 2 in 2025



(FY2022)
Business profit (inside chart)
¥55.8 billion
Total assets (outside chart)
¥1.1309 trillion



(Targets for 2030)
Business profit (inside chart)
¥90.0 billion
Total assets (outside chart)
Approximately ¥1.5 trillion

Europe

Business Strategies

- Implementation of investments and returns with a focus on balancing profit stability and capital efficiency
- Promotion of business development centered on large-scale projects that have already been decided
- Expected return from investment IRR: 8%–10%

Competitive Advantages

- Know-how and broad network based on a business track record of approximately 40 years
 - Our business in Europe has a track record in many Group-led developments for highly individualized and difficult projects requiring consultations with government bodies and applications for approval, as well as know-how cultivated through such activities.
- Europa Capital's extensive network
 - Since 1995, Europa Capital has put together and managed 13 funds, investing a total of more than €13.3 billion in 21 countries in Europe. During this time, it has built relationships with over 120 institutional investors, primarily in North America and Europe.

Most Recent Initiatives

Warwick Court (City of London, United Kingdom)

- Mitsubishi Estate's first large-scale office renovation project in London
- Use: Offices and stores
 - Size: 8 aboveground floors / 2 belowground floors
 - Total Floor Area: Approximately 29,000 m²
 - Completion: July 2022



8 Bishopsgate (City of London, United Kingdom)

- A 52-floor, high-rise office building in the center of London
- Use: Offices, stores, and an observation gallery
 - Size: 52 aboveground floors / 3 belowground floors
 - Total Floor Area: Approximately 85,000 m²
 - Completion: During FY2023 (tentative plan)



Asia and Oceania

Business Strategies

- Increase in investment balance and establishment of a capital-recycling portfolio
- Business promotion based on the two approaches of business development in which we have a major share and of joint business with local partners
- Expected return from investment:
IRR (developed countries): 8%–10%;
IRR (emerging countries): Over 10%

Competitive Advantages

- Promotion of businesses in 10 countries and regions in Asia and Oceania
 - We develop businesses in a wide range of countries, including Singapore, Vietnam, Thailand, and China. Most recently, we opened a branch office in Australia in May 2021, where we are also expanding the scope of our businesses.
- The network of MEC Global Partners Asia, a joint venture we established with CLSA
 - MEC Global Partners Asia puts together and operates core-plus funds targeting investments in a diverse array of real estate, such as offices, retail facilities, logistics facilities, and residences.

Most Recent Initiatives

Parkline Place (Sydney, Australia)

- Project developing premium offices with an emphasis on well-being
- Use: Offices, retail facilities, and parking lots
 - Size: 39 aboveground floors / 5 belowground floors
 - Total Floor Area: Approximately 65,900 m²
 - Completion: January 2024 (tentative plan)



ALPHA PARK (Hangzhou, China)

- The first stage of a large-scale office development project in China
- Use: Offices and retail facilities
 - Size: 18–23 aboveground floors / 1 belowground floor (4 high-rise buildings)
 - Total Floor Area: Approximately 233,600 m²
 - Completion: September 30, 2021



Sustainability Initiative

Completion of CapitaSpring, a Large-Scale, Mixed-Use Development Project in Singapore

November 2021 saw the completion of CapitaSpring, a mixed-use facility in the center of Singapore that Mitsubishi Estate had developed jointly since 2017 with CapitaLand Group, one of Asia's largest real estate companies.

Consisting primarily of offices, CapitaSpring is a high-rise, large-scale, mixed-use facility with 51 aboveground floors and a total floor area of more than 93,000 m² and features serviced apartments, retail facilities, and other amenities. With its outstanding environmental performance—highlighted by its exterior design evoking nature, efficient use of water and energy, a green area for strolls, and an extensive green area provided by the rooftop garden—CapitaSpring has received Green Mark Platinum, the highest award for the Building and Construction Authority (BCA) Green Mark, Singapore's most recognized environmental performance indicator. Through this facility, we propose new styles of working and living to a wide range of people near Raffles Place station, Singapore's foremost office area.



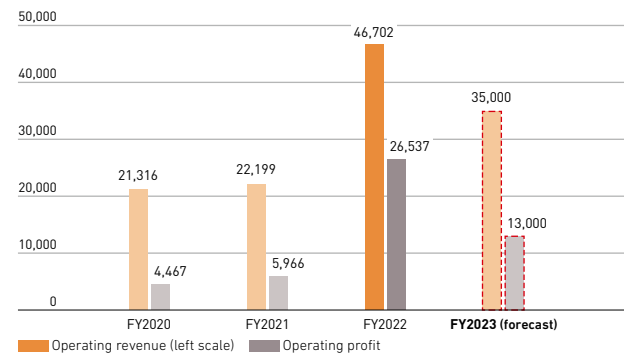
CapitaSpring



Investment Management Business

Operating Revenue / Operating Profit (Results and Forecasts)

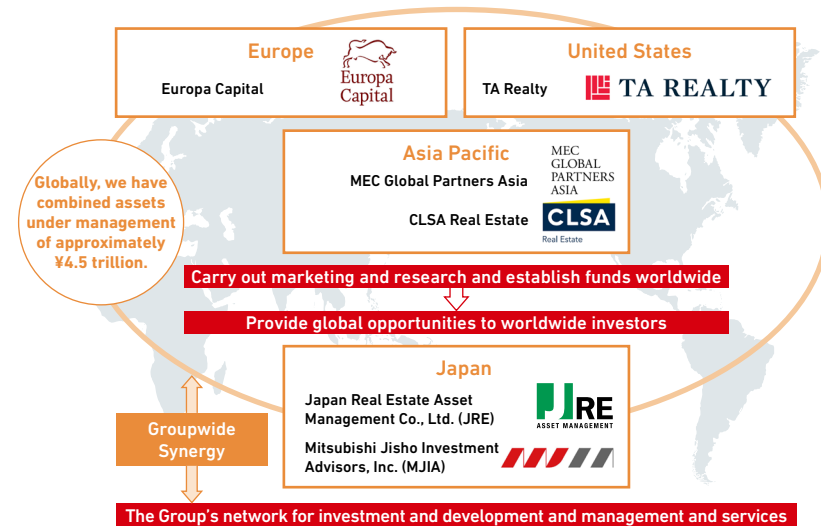
(Millions of yen)



In FY2022, both operating revenue and operating profit in the Investment Management Business grew significantly atop the recording of substantial incentive fees associated with a rise in the market valuation of assets held by a fund in the United States for which the Group conducts asset management. Meanwhile, although operating revenue is anticipated to decline in FY2023, owing to a fallback from the large-scale incentive fees seen in FY2022, we expect the Investment Management Business to post operating profit in excess of ¥10.0 billion, reflecting the gradual expansion of assets under management.

Overview

- Through the execution of M&A deals and other activities overseas, we have established a strategic global investment management platform. This enables us to provide global asset management services to clients by leveraging our expertise and achievements fostered in Japan, the United States, Europe, and Asia excluding Japan.
- In Japan, the Investment Management Business offers specialist services. Mitsubishi Jisho Investment Advisors, Inc., provides asset management services across a wide range of investment products, including the country's largest private real estate investment trust (REIT) and a listed logistics REIT, while Japan Real Estate Asset Management Co., Ltd., manages Japan's first publicly listed office REIT.



Business Strategies

- By utilizing our hybrid investment model strategy, through which we co-invest our principal investment capital alongside our clients' in funds that our Group companies manage, we seek to capture demand for cross-border property investments. Through this approach, we are simultaneously pursuing the expansion of our overseas portfolio while benefiting from enhanced investment diversification as well as expanding and strengthening our investment management businesses.
- In Japan, we meet the needs of domestic and overseas investors by providing a diverse lineup of products, including listed REITs, private REITs, and private funds, as well as dependable asset management services.

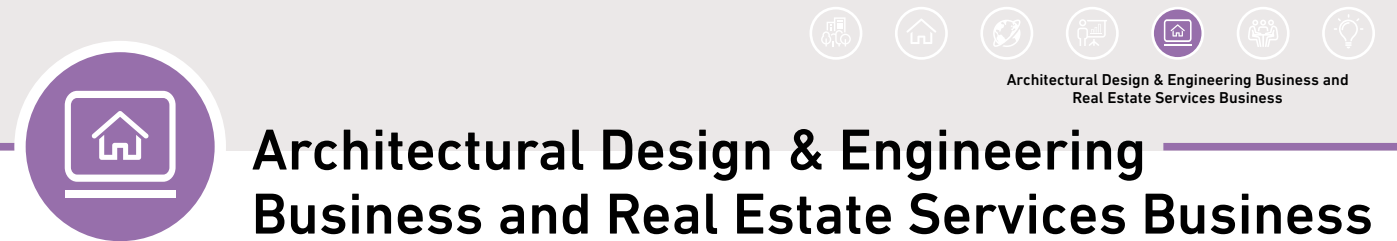
⇒ Sustainability Initiative

Formulation of a New Target to Reduce CO₂ Emissions by 80% by FY2031 (Compared with FY2020)

In anticipation of the early achievement of the CO₂ emissions reduction target it unveiled in 2020, Japan Real Estate Investment Corporation (JRE) is seeking to reduce its CO₂ emissions by 80% by FY2031 compared with FY2020 and to achieve virtually zero emissions by FY2051 as new targets raising the rate of its CO₂ emissions reductions. The new targets have been certified by the Science Based Targets (SBT) initiative.*¹ In conjunction with its application to the SBT initiative, JRE has made several changes to align with global standards, such as switching to a total emissions reduction target from its previous per-unit target, revising the base year from FY2014 to FY2020, and managing emissions reduction targets for Scope 1, Scope 2, and Scope 3.*² In addition, JRE joined RE100, an international initiative encouraging companies to source 100% of the electricity they use in their business activities from renewable energy. Moreover, JRE will work to realize a decarbonized society by sourcing 90% of the electricity it uses at buildings under its ownership from renewable energy by FY2031 and 100% by FY2051.

*¹ An international initiative aiming to limit the average global temperature rise resulting from climate change to below 2 °C above pre-industrial levels

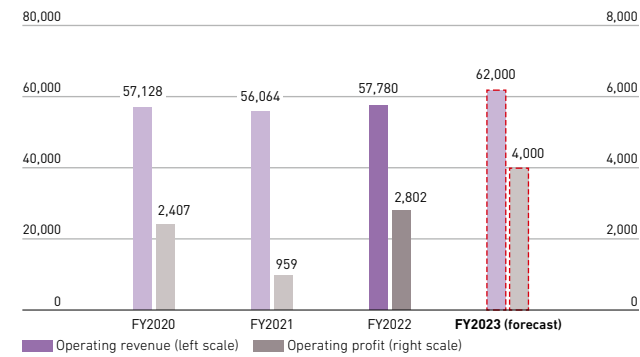
*² Scope breakdown: Scope 1: Emissions caused directly by combustion of fuel (gas, fuel oil); Scope 2: Emissions caused indirectly by combustion derived from the use of electricity and local heating and cooling; and Scope 3: Emissions caused indirectly by combustion resulting from the use of fuel and electricity in relation to tenant areas, etc.



Architectural Design & Engineering Business and Real Estate Services Business

Operating Revenue / Operating Profit (Results and Forecasts)

(Millions of yen)



In FY2022, the Architectural Design & Engineering Business and Real Estate Services Business achieved increases in operating revenue and operating profit. These increases resulted from an expansion in both the number of project sales and the monetary amounts of orders received in the Architectural Design & Engineering Business, as well as from a surge in growth in the real estate brokerage and parking businesses relative to the previous fiscal year, which saw the suspension of operations and other restrictions during the states of emergency triggered by the spread of the COVID-19 pandemic. We anticipate further increases in operating revenue and operating profit in FY2023 on the back of an improvement in the operating environment.

Overview

Architectural Design & Engineering Business

- The Architectural Design & Engineering Business has extensive experience and expertise in urban planning and development, from the design and management of buildings for various applications—including large-scale, mixed-use developments in the Marunouchi area—and proposal-based consulting to the planning and design of underground networks, transport hubs, and infrastructure facilities.
- We undertake design and management with an in-depth understanding of operation, maintenance, and management from the perspectives of business operators and clients based on experience cultivated as a comprehensive developer's in-house design office.
- We have access to a wealth of information on China and Southeast Asian countries through a network centered on local subsidiaries established in Shanghai and Singapore.

Real Estate Services Business

- The Real Estate Services Business boasts one-stop real estate solution provision capabilities leveraging a wide-ranging service menu (including support utilizing CRE* information and real estate brokerage) and the Mitsubishi Estate Group's comprehensive strengths.
- We provide solutions throughout Japan using our nationwide branch network backed by specialist expertise and knowledge.

* Corporate real estate (CRE): Real estate held or used by a business enterprise or organization for its own operational purposes. In recent years, there has been growing interest in using CRE strategically to contribute to increasing corporate value.

Business Strategies

Architectural Design & Engineering Business

- In addition to handling design project orders from within the Group and from long-established clients, the Architectural Design & Engineering Business is working closely with the Business Development, Client Relations & Solutions Group to win new orders.
- We are expanding our earnings base by focusing on growth fields, such as construction management work involving the comprehensive management of projects—including schedule, budgetary, and quality control—renovations, use of wooden materials, achievement of carbon neutrality for existing buildings, and smart-city projects.
- We provide technological support to Group companies and seek to generate synergies therewith.

Real Estate Services Business

- We are aiming to be the leading company in CRE strategy support, real estate consulting, and recreational land and recreational facility management by providing services to enterprises and high-net-worth individuals as our core customers.
- We are strengthening our value chain, which combines a variety of service menus of the Business Development, Client Relations & Solutions Group and of each of the Group's businesses, while expanding the range of services we provide to existing customers.

⇒ Progress on Long-Term Management Plan 2030

Launch of Direct Matching Service Website TAQSIIE

Using a proprietary system, Mitsubishi Estate has launched TAQSIIE, a service that directly matches agents with the needs of people considering selling residential real estate. In real estate transactions, which are highly individualized, mismatches between customers and agents have long been an issue. However, through TAQSIIE we are enabling customers to entrust their valuable real estate assets to an agent with peace of mind by building a mechanism that refers them to agents who are best suited to addressing their needs. With plans to expand TAQSIIE's coverage area and its services and other features for buyers going forward, we aim to contribute to improving the transparency of real estate transactions, stimulating sales, and raising the value of real estate.

TAQSIIE

Service coverage area:
Tokyo's 23 wards and surrounding areas as well as major cities in Saitama and Chiba prefectures (as of July 2022)

Business Development, Client Relations & Solutions Group

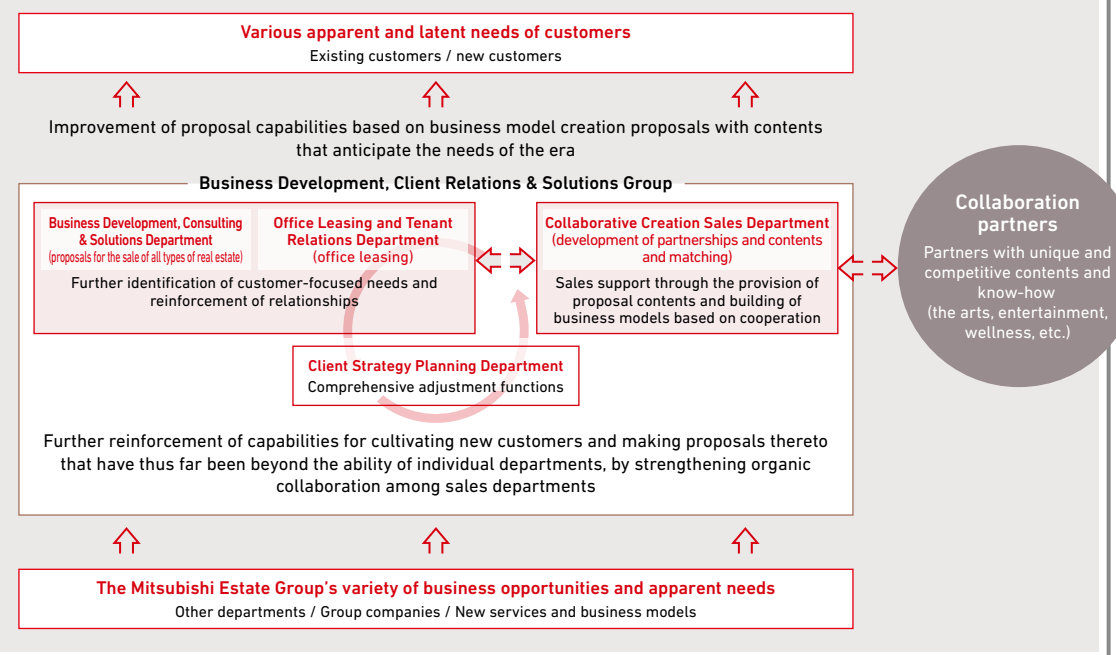
Overview

- The Business Development, Client Relations & Solutions Group will deliver the most effective proposals to customers by centrally managing customer contact point information with the aim of maximizing the acquisition of business opportunities for the Group.
- Acting as a Companywide, general contact point for the Group, the Business Development, Consulting & Solutions Department will propose solutions maximizing the Company's resources in response to all manner of customer real estate utilization needs.
- The Office Leasing and Tenant Relations Department will carry out extensive office leasing activities by leveraging the Group's diverse building assets and customer relationships.
- In addition to functions for identifying contents and cultivating new customers, the Collaborative Creation Sales Department will conduct sales activities based on unique contents and partnerships in anticipation of the needs of the era.

Competitive Advantages for Realizing Our Strategies

In April 2022, the Mitsubishi Estate Group strengthened the following functions of the Business Development, Consulting & Solutions Department by revising the department's organizational structure.

- Function for making strategic approaches to customers
- Function for cultivating new customers
- Planning and proposal functions in relation to identifying contents that meet new needs and collaborating with customers



⇒⇒ Progress on Long-Term Management Plan 2030

Promotion of the Art Media Consulting Business

In March 2021, Mitsubishi Estate established MAGUS Co., a joint venture with Warehouse TERRADA, TSI HOLDINGS CO., LTD., and Tokyu Corporation. MAGUS has developed a business offering various services in relation to art (including services for schools, event planning, and advisory services) and consulting services to corporations, with the operation of ARTnewsJAPAN—an art-related information media connecting artists, ordinary citizens, corporations, and the world—as its starting point. ARTnewsJAPAN is a Japanese online media version of the United States' ARTnews, which is deemed required reading in the global art world. In 2021, MAGUS successfully held exhibitions to attract customers using art, such as CADAN ROPPONGI presented by Audi. Going forward, we will continue to build an enriched society by incorporating art into our creation of urban environments and other development efforts as well as into our relationships with customers.

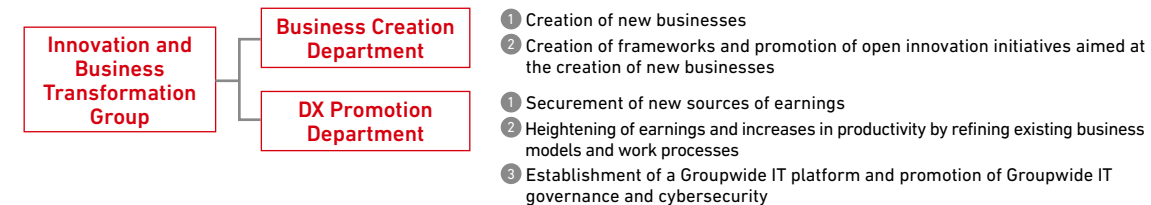


The CADAN ROPPONGI presented by Audi exhibition

Innovation and Business Transformation Group

Overview

- The Innovation and Business Transformation Group aims to promote the creation of new value in the business model innovation domain.
- Missions of each department



Business Strategies

- In response to latent social needs, we will seek new earnings opportunities by accumulating and analyzing available data.
- Leveraging our knowledge cultivated in the real estate business, we will expand our business domains* by proactively cooperating with external partners. As a field for verifying the business structures born of such cooperation, the Group will utilize diverse real estate stock that it owns and manages.

* Including agricultural facilities, meditation studios, the biomass power generation business, and the 5G infrastructure-sharing business

- We will drive automation and laborsaving processes by using IT and digital tools to increase productivity cross-organizationally and across the entire Group.
- We will promote the increased efficiency and sophistication of real estate-related processes by leveraging technologies while creating new value and functions for real estate.
- We will proactively conduct investments and accelerators to promote open innovation while leveraging our New Business Proposal System to uncover new business seeds from within the Company, thereby driving new business creation both internally and externally.

Competitive Advantages for Realizing Our Strategies

- Our wide-ranging business portfolio in the real estate domain as a comprehensive developer.
- Our B2C contact points with workers and visitors in area development districts such as Otemachi, Marunouchi, and Yurakucho, with visitors to retail facilities and airports, and with residents and other parties based on our position among the leading companies in Japan in terms of number of condominiums supplied and assets under management.
- Relationships established with diverse tenants and corporate business partners, from leading major companies from various industries to start-up companies that have become tenants at our innovation hubs, including Inspired. Lab., FINOLAB, and EGG JAPAN.

Message from the Executive Officer in Charge of the Business Creation and DX Promotion Departments

The Innovation and Business Transformation Group plays a major role in increasing revenue and profits in the non-asset business domain and service content provision domain under Long-Term Management Plan 2030. Furthermore, we are accelerating the development of new businesses and the transformation of existing businesses by proactively promoting open innovation with a variety of external stakeholders, including real estate technology companies and entities from other industries. Against this backdrop, in June 2021 Mitsubishi Estate unveiled the Mitsubishi Estate Digital Vision, defining the future direction of the Company's lifestyle and urban development efforts beyond digital transformation (DX). Accurately identifying customer needs by analyzing the information that we acquire and accumulate from diverse customer contact points in a cross-sectional manner, we will solve issues and uncover new business opportunities in existing business domains while realizing a user experience loop that delivers optimized experiences to each and every user by further enhancing user experiences for customers. Meanwhile, in April 2022 the Company established the Mitsubishi Estate Computer Security Incident Response Team, an organization to promote security within the DX Promotion Department. As chief information security officer, I will strengthen the promotion of cybersecurity for the entire Group.



Senior Executive Officer

Ikuro Ono

⇒⇒ Sustainability Initiative

Launch of WELL ROOM Healthcare Service Available in Multiple Languages

Mitsubishi Estate founded WELL ROOM Co., Ltd., and began the WELL ROOM healthcare service, available in multiple languages, in November 2021. Primarily targeting small and medium-sized enterprises and start-up companies, WELL ROOM provides not only referrals to medical institutions offering health checkups but also mental health and industrial physician consulting services to people who speak different languages and who are from various cultures, in order to realize comprehensive healthcare management for employees regardless of their nationality. Through this service, we will alleviate the fears and anxieties often felt by non-Japanese people working in Japan regarding medical treatment and healthcare while helping mitigate the risk of non-Japanese people taking a leave of absence or resigning from their positions by reinforcing our efforts in relation to mental healthcare, which has been in the spotlight as a result of the COVID-19 pandemic.



WELL ROOM website pages

Sustainability (ESG) section

Sustainability (ESG) Section

The basic mission of the Mitsubishi Estate Group is “to contribute to society through urban development.” Adopting a long-term view, the Group believes that it is of great importance to pursue business activities in harmony with society.

In light of the growing momentum in Japan and overseas behind environmental, social, and governance (ESG) investment, as well as initiatives for achieving the Sustainable Development Goals (SDGs), we will aim to realize the ongoing improvement of corporate value and achieve a sustainable society by conducting corporate governance more rigorously than ever before while pursuing initiatives that pay close attention to society and the environment.

Sustainability-Related Policies and KPIs

Please refer to pages 22 and 23 for an overview of the Mitsubishi Estate Group’s sustainability initiatives and to pages 104 and 105 for information on sustainability-related KPIs and progress toward the accomplishment of the associated targets.

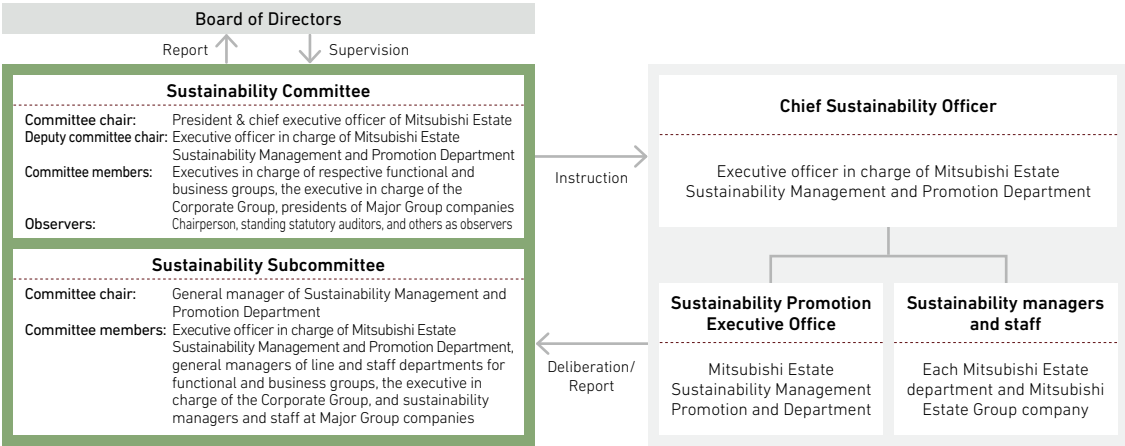
Sustainability Frameworks

Mitsubishi Estate takes a Groupwide approach to sustainability. Chaired by the president & chief executive officer of Mitsubishi Estate and with the director responsible for sustainability (the executive officer in charge of the Sustainability Management and Promotion Department at Mitsubishi Estate) as the deputy chair, the Group’s Sustainability Committee comprises executives in charge of respective functional and business groups and the executive in charge of the Corporate Group, as well as presidents of major Group companies, and it ensures effective Groupwide promotion of sustainability. The Sustainability Subcommittee serves as a forum for detailed discussions to prepare for Sustainability Committee meetings.

The Sustainability Committee typically meets twice a year to deliberate on important matters and report on topics related to sustainability. Prior to the meetings of the Sustainability Committee, the Sustainability Subcommittee conducts preliminary discussions and topic reporting while compiling information on efforts to promote sustainability made by business groups.

Reports on important matters discussed or reported at meetings of the Sustainability Committee are reported at the following meeting of the Board of Directors by the individual responsible for overseeing sustainability initiatives. This arrangement allows for oversight by the Board of Directors.

In implementing sustainability-related measures, the director responsible for sustainability oversees the process, while the sustainability managers and staff of each department at Mitsubishi Estate and each Mitsubishi Estate Group company and of the Sustainability Promotion Executive Office (Sustainability Management and Promotion Department at Mitsubishi Estate) together head the execution of specific activities and studies.



Monitoring Frameworks

The Mitsubishi Estate Group monitors progress toward the accomplishment of its targets for the key themes and key performance indicators (KPIs) described in Mitsubishi Estate Group 2030 Goals for the SDGs (see pages 104 and 105). Single-year targets and initiatives will be defined in the annual plans for business groups and functional groups, and these targets and initiatives will be monitored. Information on the status of target accomplishment and details of initiatives are compiled by the Mitsubishi Estate Sustainability Management and Promotion Department, which functions as the secretariat for sustainability initiatives. This information is then reported to the Sustainability Committee and the Sustainability Subcommittee. After meetings of the Sustainability Committee, the executive officer in charge of the Mitsubishi Estate Sustainability Management and Promotion Department, who is responsible for overseeing sustainability initiatives, reports on the deliberations of the meeting in question at the following meeting of the Board of Directors.

Moreover, the accomplishment of annual plan targets is used as one of the qualitative evaluation items for determining the remuneration paid to officers.

History of Sustainability Committee Meetings (Over past three fiscal years)

	Date	Major topics
FY2022	February 25, 2022	<ul style="list-style-type: none">Revisions to energy-related targets (SBT, RE)Revisions to CSR procurement guidelines and status of supply chain management-related initiativesRaising of the target for percentage of female managersReport on activities for OMY SDGs ACT5 projectStatus of initiatives toward achieving Mitsubishi Estate Group 2030 Goals for the SDGs
	July 7, 2021	<ul style="list-style-type: none">Review of energy-related targets (SBT, RE)Report on Energy and Urban Development Action 2050Information on activities for OMY SDGs ACT5 2021 and status of their implementationStatus of initiatives toward achieving Mitsubishi Estate Group 2030 Goals for the SDGs
FY2021	February 8, 2021	<ul style="list-style-type: none">Introduction of renewable energy in Daimaruyu areaInitiatives for achieving traceability for concrete form panels at Mitsubishi Estate Residence Co., Ltd.Report on OMY SDGs ACT5 projectInternal communication measures related to sustainability, etc.
	July 30, 2020	<ul style="list-style-type: none">Road map for accomplishing Mitsubishi Estate Group 2030 Goals for the SDGs and issue analysisConclusion of sustainability-linked loans, etc.
FY2020	February 10, 2020	<ul style="list-style-type: none">Discussions on an implementation plan and checking system aimed at advancing action plans in the Mitsubishi Estate Group 2030 Goals for the SDGs and a specific action plan for human rightsReport on joining RE100 and endorsement of recommendations of Task Force on Climate-related Financial Disclosures, etc.
	December 11, 2019	<ul style="list-style-type: none">Establishment of the long-term vision and the medium-term goals in relation to sustainability managementStatus of response to ESG investment and various benchmarks (selection, issues, etc.), etc.

External Evaluations of ESG Performance (as of June 2022)

Mitsubishi Estate has been selected for inclusion in the following ESG indices for socially responsible investment.

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Dow Jones Sustainability Asia Pacific Index, 2nd consecutive year

Sustainability Yearbook
Member 2022
S&P Global

S&P Global Sustainability Yearbook Member 2022

FTSE4Good

FTSE4Good Global Index, 21st consecutive year

FTSE Blossom Japan

FTSE Blossom Japan Index, 6th consecutive year

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

MSCI Japan ESG Select Leaders Index,* 6th consecutive year

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering Women Select Index,* 5th consecutive year

S&P/JPX Carbon Efficient Index

S&P/JPX Carbon Efficient Index, 5th consecutive year

2022 Sompo Sustainability Index

SOMPO Sustainability Index, 11th consecutive year

G R E S B® Public Disclosure 2021

GRESB Public Disclosure, 5th consecutive year

5-Star Rating, the highest rank, in GRESB Standing Investments Benchmark,* 2nd consecutive year

5-Star Rating, the highest rank, in GRESB Development Benchmark*2; selected as a Sector Leader for offices in the Asian region

CDP 2021 Supplier Engagement Leader

**CDP Climate Change 2021 Questionnaire, "A-"
CDP Water Security Questionnaire 2021, "A-"**

Certified in 2022 as Outstanding Health and Productivity Management Organization

*1 Please refer to the following disclaimer for details on MSCI. <http://info.msci.com/1/36252/2017-06-27/kj5n9b>

*2 Assessment of the performance of existing portfolios

*3 Assessment of new development and large-scale renovation portfolios



Target and Initiative Policies

Sustainability is included as part of the Mitsubishi Estate Group Guidelines for Conduct based on the recognition that the global environment is an important issue needing to be considered in business activities alongside customers, shareholders, and other stakeholders. As a specific provision, these guidelines state that we actively work to address climate change and other global environmental issues. The Group develops, holds, and operates a diverse portfolio of assets, and we realize that eliminating carbon emissions from real estate assets and managing waste production from facilities are important tasks to be addressed. Based on these policies and issues as well as on the opportunities and risks described on page 23, we have established the following KPIs and are acting based thereon.

Please refer to the Mitsubishi Estate Group's sustainability website for information on other KPIs and data.
<https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/>

KPIs

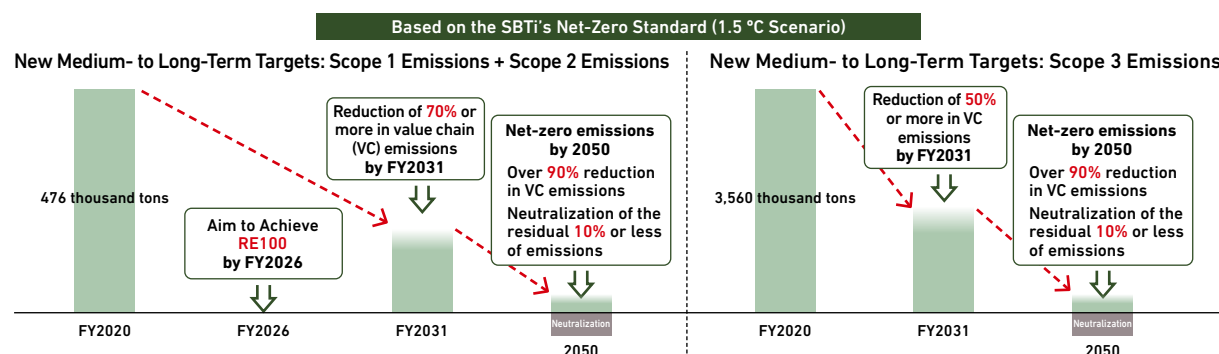
	Targets
CO ₂ emissions	Reduce Scope 1 and Scope 2 emissions by 70% or more and Scope 3 emissions by 50% or more by FY2031 compared with FY2020 emissions Achieve net-zero emissions in Scope 1, Scope 2, and Scope 3 by 2050
Renewable energy (%)	100% by FY2026
Waste disposal (kg/m ²)	20% reduction per m ² by 2030, compared with FY2020
Waste recycling rate (%)	90% by 2030

Establishment of New Mitsubishi Estate Group Greenhouse Gas Emissions Reduction Targets with a View to Realizing a Decarbonized Society

After conducting a major review of its greenhouse gas (GHG) emissions reduction targets, which were announced in 2019, the Mitsubishi Estate Group established the following new targets, which aim for an even higher percentage of such reductions. Mitsubishi Estate acquired certification for the targets from the Science Based Targets initiative (SBTi)*1 in June 2022. These new targets are based on the 1.5 °C scenario (scenario for reducing GHG emissions in order to limit the average global temperature rise during this century to well below 1.5 °C versus pre-industrial levels) of the SBTi and are also in line with the Net-Zero Standard published by the SBTi in October 2021.

Reduce Total Mitsubishi Estate Group GHG Emissions in the Value Chain as Follows Compared with the Base Year of FY2020 (Base Year)	
By FY2031	Reduce Scope 1 and Scope 2 emissions by 70% or more and Scope 3 emissions by 50% or more
By 2050	Achieve net-zero emissions (reduce Scope 1, Scope 2, and Scope 3 emissions by 90% or more and neutralize residual emissions*)

Overview of the Mitsubishi Estate Group's Decarbonization Pathway toward FY2050*3



*1 An international initiative aiming to limit the average global temperature rise resulting from climate change to below 2 °C above pre-industrial levels.
 *2 Emissions that remain unabated within the value chain in the target fiscal year are termed "residual emissions." The SBTi standard requires neutralizing any residual emissions outside the value chain using forest-absorption and carbon-removal technologies to counterbalance the impact of these unabated emissions and to achieve net-zero emissions.
 *3 Total emissions for Scope 1, Scope 2, and Scope 3 in FY2020 differ from the figures disclosed on the Group's corporate website, etc., due to the transfer of tenant emissions in leased real estate from Scope 2 to Scope 3.

The primary sources of the Group's CO₂ emissions in each scope and the initiatives to reduce and neutralize these emissions are as follows.

● Scope 1: Direct burning of fuel (gas and heavy oil) from the heating supply business and the operation of emergency power generators

Of the emissions for FY2020 (base year), nearly all of the Scope 1 emissions resulted from the use of city gas in the heating supply business. Although these emissions reductions are currently unable to be calculated as part of reduction amounts under the SBTi, we will introduce carbon-neutral city gas using credits gained from forest absorption to help neutralize emissions outside the value chain.

As of November 2021, Marunouchi Heat Supply Co., Ltd., has replaced all of the city gas it uses at its district heating and cooling plants with carbon-neutral city gas.

● Scope 2: Direct burning of fuel due to use of purchased electricity, steam, cold and hot water, etc.

Of the emissions for FY2020 (base year), the majority of Scope 2 emissions resulted from electricity consumption.

In addition to further introducing renewable energy at our owned properties, we will aim to achieve a high level of environmental performance and energy efficiency at our properties under development. We will also actively pursue the acquisition of Zero Energy Building (ZEB) and Zero Energy House (ZEH) certifications, among others.

● Scope 3: Emissions from other business activities (building construction, use of sold real estate, etc.)

Of the emissions for FY2020 (base year), Scope 3 emissions mainly resulted from the use of construction materials in building construction and the use of sold products.

In September 2021, we opened the Royal Park Canvas Sapporo Odori Park, Japan's first high-rise, hybrid-wooden hotel, which utilizes timber produced in Hokkaido. The amount of lumber used in the structural frames of the Royal Park Canvas Sapporo Odori Park is the largest in Japan, enabling the hotel to curtail approximately 1,380 tons of CO₂ emissions compared with a building made entirely out of reinforced concrete. In this way, the Royal Park Canvas Sapporo Odori Park helps in the fight against global warming.

Emissions derived from construction materials are an issue that we need to address throughout the entire supply chain of development and construction. Accordingly, we will deepen our collaboration with architectural design companies, construction companies, construction material manufacturers, and other stakeholders in an effort to reduce these emissions.

Furthermore, for future emissions from the use of real estate purchased by customers, we are working to introduce renewable energy in such real estate in the same manner as we are doing via our Scope 1 and Scope 2 initiatives at Company-owned properties. We are also taking steps to reduce per-unit emissions via the introduction of energy-efficient equipment. In these ways, we are working to reduce overall emission amounts. Please see page 60 for details on the CO₂ emissions reduction targets of Mitsubishi Estate Residence Co., Ltd., which handles condominium sales.



Royal Park Canvas Sapporo Odori Park
Cabin floor of a superior twin room with a park view

Transition to Renewable Energy Sources for 100% of Electricity Used at All Company-Owned Buildings and Commercial Facilities in Tokyo and Other Major Urban Areas

As a new target for achieving RE100,*1 the Mitsubishi Estate Group aims to achieve a renewable energy rate of 100% by FY2026. To that end, we have realized a renewable energy rate of 30% in FY2022 and aim to increase this rate to 50% in FY2023 by transitioning to electricity derived from renewable energy at Company-owned buildings*2 in the Marunouchi area and other major urban areas. We adopted the aforementioned new target based on the forecast that we will have achieved around a 50% renewable energy rate by FY2023. The renewable electricity introduced by the Group complies with RE100, combining green electricity and FIT non-fossil-fuel energy certificates with tracking information. Since the buildings will be powered entirely by renewable electricity,*3 the tenants of said buildings will effectively be deemed to be using renewable electricity.

*1 RE100 is a collaborative initiative bringing together corporations committed to 100% renewable power. Joining forces, these corporations send a powerful signal to investors and governments aiming to accelerate the shift to renewable electricity. In Japan, the Japan Climate Leaders' Partnership (JCLP) supports membership and activities by Japanese corporations as a regional RE100 partner.

*2 "Company-owned buildings" 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. Regarding buildings and commercial facilities of which the Company owns less than a 50% equity stake, the Company intends to introduce renewable energy-based electricity at certain properties in collaboration with building operators and other parties.

*3 Electricity supplied by gas cogeneration systems, etc., is generated using carbon-neutral city gas.



Tokiwabashi Tower



Toyouso Foresia



MARK IS minatomirai

Acquisition of SITES® Gold Certification for Tokiwabashi Tower and TOKYO TORCH Park, Thereby Becoming the First Urban Mixed-Use Development Project in Japan to Acquire Such Certification

TOKYO TORCH Tokiwabashi Tower and TOKYO TORCH Park have acquired SITES® Gold Certification, an environmental certification that evaluates primarily the sustainability of landscapes, becoming the first urban mixed-use development project to receive such a certification in Japan.

Furthermore, these sites have been newly registered under Edo-Midori Green Area, a system by the Tokyo Metropolitan Government for registering and publicly announcing green spaces where native plant species are actively planted and where biodiversity is conserved. With this registration, TOKYO TORCH Tokiwabashi Tower and TOKYO TORCH Park have now acquired five environmental certifications—the others being DBJ (Development Bank of Japan) Green Building Certification, Social and Environmental Green Evaluation System (SEGES) certification, and Association for Business Innovation in Harmony with Nature and Community (ABINC) certification—bringing them to a globally leading level in terms of environmental awareness. Going forward, we will continue to promote urban development with an even greater awareness of the environment, with the goal of opening all sites of the TOKYO TORCH project by FY2028.



TOKYO TORCH Park



Mitsubishi Estate Residence Co., Ltd., Aims for a 50% Reduction in CO₂ Emissions by 2030 (compared with FY2020)

In January 2022, Mitsubishi Estate Residence Co., Ltd., announced its target to reduce CO₂ emissions by 50% by 2030 compared with 2019. To accomplish this target, the company is formulating CO₂ emissions reduction strategies and accelerating the following initiatives in accordance with such strategies.

① Visualizing CO₂ Emissions during Construction and After Tenant Move-In

With the aim of mapping out a specific path for reducing CO₂ emissions, Mitsubishi Estate Residence led the way in the industry by establishing an original method for calculating CO₂ emissions during the construction of new condominiums and after such a condominium has been delivered to a tenant. The CO₂ emissions from the supply chain calculated using this original method were recognized as part of the Mitsubishi Estate Group's total emissions, which have been certified by the SBTi. Furthermore, this calculation method has enabled Mitsubishi Estate Residence to visualize CO₂ emissions throughout the supply chain, including energy use volume from the time of construction to 50 years after tenant move-in. Through this visualization, Mitsubishi Estate Residence came to understand that CO₂ emissions from the use of concrete and other activities during construction and emissions from tenant lifestyles after move-in account for a significant percentage of the Group's total emissions. Accordingly, the company has commenced the specific initiatives listed below.



The Parkhouse Shinurayasu Marine Villa

② Transitioning to Non-Fossil Fuels for All Electricity Used at Condominiums (Carbon Offsets via Electricity with Non-Fossil-Fuel Energy Certificates)

At its The Parkhouse brand condominiums, Mitsubishi Estate Residence has ensured that energy purchased via high-voltage collective power systems comes with a non-fossil-fuel energy certificate attached. At its The Parkhabio brand rental apartments, the company has enabled residents to enter into electricity contracts with non-fossil-fuel energy certificates after they move in. By doing so, Mitsubishi Estate Residence will realize the supply of electricity with non-fossil-fuel energy certificates and without CO₂ emissions at all of its new condominiums and new rental apartments by 2030. Electricity accounts for roughly 60% of the energy used by customers in their residences.* By transitioning to electricity generated without the use of fossil fuels, customers are able to help reduce CO₂ emissions in their daily lives.

* Based on the findings of Mitsubishi Estate Residence Co., Ltd.

③ Ensuring That All Condominiums Meet the ZEH-M Oriented Standard (All Properties to Be Sold or Available for Lease Starting from FY2026)

As a general rule, the standard specifications of Mitsubishi Estate Residence's new condominiums and new rental apartments will meet or exceed the ZEH-M Oriented Standard.* Since 2020, Mitsubishi Estate Residence has been making efforts to have its properties comply with ZEH (zero-energy house) standards. The company will continue to gradually move forward with making applicable properties compliant with ZEH standards, in order to have all of its properties for sale or for lease meet or exceed the ZEH-M Oriented Standard by FY2026. This effort to meet or exceed the ZEH-M Oriented Standard will make it possible for customers to reduce the energy they use by around 20%, thereby contributing significantly to CO₂ emissions reductions.

* Excluding joint project development and certain other properties

④ Expanding the Installation of Solar Panels on Condominiums

Since 2010, Mitsubishi Estate Residence has been working to utilize renewable energy by making it a general rule to introduce "soleco," an energy system that combines high-voltage collective power systems with solar power systems, at new condominiums with 40 units or more. The company has also introduced "soleco+"" at its rental apartments. In addition, Mitsubishi Estate Residence will proceed with a policy of installing solar panels on new condominiums with less than 40 units where "soleco" is not slated for introduction.

* A system that makes electricity renewable via the utilization of electricity generated through solar power and electricity with non-fossil-fuel energy certificates



Solar panels installed on the roof of a condominium



⑤ Reducing CO₂ Emissions during Construction

As part of its efforts to reduce CO₂ emissions during construction, Mitsubishi Estate Residence will gradually transition to using concrete mixed with blast furnace cement, which emits fewer CO₂ emissions, as a general rule for on-site piling in all new condominiums for sale or rent that it develops going forward. The company has already introduced such concrete at eight properties, including Atsugi First Avenue, Chuo Nihonbashi Hisamatsucho, and The Parkhabio Bunkyo Edogawabashi.

⑥ Displaying the CO₂ Emissions of Customers (after Move-In)

In 2013, Mitsubishi Estate Residence became the first company in the condominium industry to attempt to visualize the energy use of customers in their daily lives after move-in by distributing Condominium Household Account Books. Since then, the company has been disclosing air-conditioning costs, which are impacted by insulation, per residence and communicating to customers the cost of water and other utilities when using facilitates at newly constructed The Parkhouse brand condominiums. Mitsubishi Estate Residence has also been introducing ways for residents to be more conscious of the environment in their daily lives. Furthermore, since October 2021 Mitsubishi Estate Residence has been disclosing the CO₂ emissions of each unit, thereby raising residents' level of environmental awareness and encouraging them to reduce their individual CO₂ emissions. In 2022, Mitsubishi Estate Residence also began working on a version of Condominium Household Account Books for renovated condominiums in its business buying back and reselling individual units.

In recognition of its Condominium Household Account Books, Mitsubishi Estate Residence was selected in 2020 as a participating company in the "CO₂ reduction action (zero emissions) movement—a sustainable society created by consumers and businesses," an initiative of the Tokyo Metropolitan Government.

Regarding the TCFD's Recommendations

In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we formulated two future scenarios, including the below 2 °C scenario, and analyzed the future impact of climate change on the Mitsubishi Estate Group's primary businesses (offices, retail facilities, and housing). As follows, we have disclosed an overview of the four themes of corporate governance, strategy, risk management, and metrics and targets set out under said recommendations, taking into consideration the analysis results. See below for details.



Please refer to the Mitsubishi Estate Group website for information on the TCFD. Information Disclosure Based on TCFD Recommendations:
[https://mec.disclosure.site/e/sustainability/activities/environment/tcfd/](https://mec.disclosure.site/e/sustainability/activities/environment/tcf/)

Corporate Governance

Important matters pertaining to sustainability, including climate change, are deliberated and reported on at meetings of the Sustainability Committee, chaired by the president & chief executive officer of Mitsubishi Estate, with the chief sustainability officer (the executive officer in charge of the Sustainability Management and Promotion Department at Mitsubishi Estate) as the deputy chair. Important matters discussed or reported at Sustainability Committee meetings are also reported to and supervised by the Board of Directors.

Strategy

In regard to climate change-related strategy, we have formulated two scenarios in accordance with the extent of the following global response to climate change. We have established a strategy in light of analysis of the impact on our businesses and identified major risks and opportunities in each scenario.

Overview of Scenario Analysis Result / Major Impact / Approach and Strategy Going Forward

① 1.5 °C–2 °C Scenario (scenario in which the response to climate change makes progress due to the strengthening of government regulations and other policies)

[Scenario overview] • Climate change measures make progress as government environmental regulations are strengthened.

[Major impacts] • There is a likelihood of a rise in the cost of construction materials, which are carbon intensive, associated with the introduction of a carbon tax.
 • There is a likelihood of a decline in rents as vacancy rates rise for buildings without advanced environmental performance and leasing periods are extended.
 On the other hand, it is assumed that there would be an opportunity to maintain and increase competitiveness in the market by introducing electricity sourced from renewable energy and implementing other environmental initiatives.

② 4 °C Scenario (scenario in which the response to climate change makes insufficient progress, global warming worsens, and natural disasters intensify and increase)

[Scenario overview] • Natural disasters intensify and increase as the response to climate change makes insufficient progress.

[Major impact] • Although there is a likelihood that costs due to temporary flood damage and other disasters would increase, the damage is not expected to be serious given the prior implementation of industry-leading measures at Company properties.

[Approach and strategy going forward]

In addition to switching existing electricity contracts, we are examining a variety of methods for procuring all kinds of renewable energy, including corporate power purchase agreements (PPAs) and green power certificates (including overseas power certificates). Moreover, we are looking to leverage new technologies as we aim for further reductions in CO₂ emissions.

Risk Management

To achieve the targets set out in Mitsubishi Estate Group 2030 Goals for the SDGs, in managing climate change risks, we incorporate action plans into annual plans for each business group and functional group and have commenced monitoring and management of the status of their progress since FY2021 at meetings of the Sustainability Committee and at subsequent meetings of the Board of Directors on a biannual basis.

Metrics and Targets

CO₂ Emissions (Mitsubishi Estate Group; Scope 1, Scope 2, and Scope 3)

[Targets] Reduce Scope 1 and Scope 2 emissions by 70% or more and Scope 3 emissions by 50% or more by FY2031 compared with FY2020 emissions
 Achieve net-zero emissions in Scope 1, Scope 2, and Scope 3 by 2050

FY2022 result: 2,534 thousand t-CO₂

Renewable Energy Rate (Mitsubishi Estate Group)

[Target] FY2026: 100%

FY2022 result: 31%

Target and Initiative Policies

The Mitsubishi Estate Group recognizes that respect for human rights and accommodation of diverse human resources and workstyles are crucial to management and business activities. Accordingly, the Mitsubishi Estate Group Guidelines for Conduct include provisions related to respect for human rights and diversity and empowerment of individuals, and the Mitsubishi Estate Group Human Rights Policy has been established to direct steadfast efforts based on these guidelines. Based on this human rights policy, and for the purpose of empowering female employees, the Company has formulated an action plan in accordance with Japan's Act on the Promotion of Female Participation and Career Advancement in the Workplace and with other plans for specific human rights themes. We have established the following KPIs and are acting based thereon in line with these plans and the opportunities and risks described on page 23.

Action plan based on Japan's Act on the Promotion of Female Participation and Career Advancement in the Workplace
https://mec.disclosure.site/e/sustainability/activities/social/diversity/pdf/Empowerment_of_Women_EN.pdf



Mitsubishi Estate Group Human Rights Policy
https://mec.disclosure.site/e/sustainability/activities/social/human-rights/pdf/human_rights_policy_20180401.pdf

KPIs

	Targets
Ratio of female managers	Higher than 20% by FY2031, 30% by FY2041, and 40% by FY2051
Ratio of male employees taking childcare leave of absence	Over 75% by FY2026 and 100% by FY2031
Ratio of female employees taking childcare leave of absence	100% each year until FY2031
Use rate of lumber that complies with the Sustainable Sourcing Code*1 or an equivalent in office buildings and housing constructed using concrete form panels*2	100% by FY2031

*1 Defines standards and operational procedures for ensuring procurement with consideration for sustainability with respect to international agreements and codes of conduct in fields relevant to sustainability

*2 Framework composite boards made by putting ready-mixed concrete into frameworks and used in construction of concrete buildings

Please refer to pages 104 and 105 for information on the accomplishment of KPI targets and an overview of related initiatives.



Please refer to the following website for information on other KPIs and data.
<https://mec.disclosure.site/e/sustainability/activities/esg-data/>

Message from the Director in Charge of Human Resources



Hitoshi Kubo

Director

Topic

The Mitsubishi Estate Group believes that human resources are an important asset that play a central role in executing Long-Term Management Plan 2030 and creating value for society. Please tell us about the kind of human resources Mitsubishi Estate will require going forward, as well as its human resource development policies and strategies.

The Mitsubishi Estate Group has defined the human resources it requires as people who possess the following five traits: visionary, professional, with integrity, team-building skills, and a passion for challenges and innovation. In a business environment changing at an unimaginable pace, the Mitsubishi Estate Group feels that human resources with a passion for taking on challenges and innovation will be even more important in the future. Beyond possessing the spirit to take on challenges without being bound by convention, we expect all Group employees to leverage internal and external networks to identify issues from fresh perspectives as well as to augment each other's strengths through collaboration. To this end, the Mitsubishi Estate Group has instituted various in-house programs and initiatives, such as the Borderless! x Socializing! Initiative,*1 the New Business Proposal System, the Secondary Job Program, and the 10% Rule System, which is geared toward business model reform. We believe that, as a result of these programs and initiatives, the atmosphere at the Company has been enlivened and that a corporate culture in which employees can freely take on challenges is steadily being fostered.

People with Vision	Definition	People who can visualize what they want to achieve and have the determination and dynamism to do so
	Desired strengths	The ability to create and promote their vision with determination and courage
Professional People	Definition	People who develop their skills and knowledge as a professional in both their field of specialization and the real estate industry and who have the ability to drive business forward
	Desired strengths	The ability to make sound judgments, be customer-oriented, and drive business forward while also being productive and possessing risk management skills as well as professional-level skills and knowledge
People with Integrity*	Definition	People with high ethical standards, who act with integrity and fairness, and who build good relationships with those around them * In the spirit of "Shoji Komei," one of the Three Principles of the Mitsubishi Spirit, which form the Mitsubishi Estate Group's guidelines for corporate activities
	Desired strengths	Open-mindedness and high ethical standards
People with Team-Building Skills	Definition	People capable of carrying out human resource development and management in order to increase the competitiveness of the organization
	Desired strengths	The ability to nurture talent, work as part of a team, and deploy management skills
People with a Passion for Taking On Challenges and Innovation	Definition	People who are not bound by precedent or convention and who have the spirit to take on challenges and act without fear of failure
	Desired strengths	Challenge-oriented and innovative

Provisions for respect for human rights and diversity and the empowerment of individuals are included within the Mitsubishi Estate Group Guidelines for Conduct. Based on these guidelines, we are actively promoting the development of various systems that serve as the foundation for all employees to take on challenges and create innovation.

Regarding efforts concerning respect for human rights and diversity of our human resources, in FY2022 we upwardly revised our targets for the percentage of female managers.

The Mitsubishi Estate Group has been endeavoring to create an environment in which female employees can continue working and play an active role without feeling the need to resign due to life events. Accordingly, we set a target of increasing the percentage of female managers to 10% by 2030. However, taking into consideration its vision for the future, the Group subsequently decided to double the percentage of female managers to higher than 20% by FY2031, while setting long-term targets of 30% by FY2041 and 40% by FY2051 in this regard. To achieve these targets, alongside enhancing our recruitment activities, we will expand our personnel systems to enable flexible workstyles, hold in-house roundtable discussions on balancing work and childcare commitments, which are open to all employees, and provide information to employees regarding external seminars, among other initiatives.

In order to encourage the empowerment of individuals, meanwhile, the Mitsubishi Estate Group is committed to both creating an environment where employees can focus on their work with peace of mind and fostering a corporate culture in which employees feel more inclined to take on challenges—in other words, realizing a vibrant workplace. We are making efforts to expand personnel systems that consider the comfortableness of working environments, the well-being of employees, and work-life integration*2 at various stages of employees' lives. In addition, the Group places particular importance on creating an environment in which all employees can participate in in-house discussions regardless of gender, job title, employment type, or age and can freely express ideas and exchange opinions by engaging in dialogue, thereby achieving a diversity of views.

Moving forward, we will continue to reflect the views of our employees in our initiatives as we strive to create an even more vibrant workplace where diverse human resources can play an active role in a variety of workstyles to spur innovation, which in turn contributes to the sustainable growth of the Mitsubishi Estate Group.

*1 Activities aimed at facilitating Companywide workstyle reforms and improving work efficiency

*2 Achieving overall fulfillment by viewing work and life as one, without creating barriers between them



Examples of Mitsubishi Estate's Initiatives

⇒⇒ New Business Proposal System—Mitsubishi Estate Group Innovation Challenge (MEIC)

Through the New Business Proposal System, launched in 2009, we have extensively sought business proposals and ideas from employees. With more than 130 applications received to date, the system has realized new initiatives that have helped diversify the Group's sources of earnings and strengthen its core business, such as GYMM, a pay-as-you-go gym, and Ecorfurni, a business reselling used office furniture.



In 2021, in light of a rapidly changing business environment, we expanded the scope of this system to encompass Group companies and launched a new program, the Mitsubishi Estate Group Innovation Challenge (MEIC), in order to further promote this system. We will continue striving to strengthen systems for encouraging employees to take on challenges with the aim of spurring Groupwide innovation.

⇒⇒ Regarding the Borderless! x Socializing! Initiative

On April 1, 2017, we established the Work Style Reform Promotion Committee, chaired by the president & chief executive officer, with the aim of strongly promoting the top-down reform of our corporate culture, the streamlining of business processes, and the creation of new value through increased productivity. From August 2018, the committee was renamed the BxS (Borderless and Socializing) Committee. The BxS Committee's promotion secretariat plays a central role in developing a variety of activities aimed at Companywide workstyle reforms and improving operational efficiency.

Every year, the secretariat conducts a survey on the status of the Mitsubishi Estate's operational efficiency, workstyles, and corporate culture and reports the results of the survey Companywide. Any issues that become apparent from the results of the survey become a theme for discussions centered on the secretariat from the following year onward.

⇒⇒ The Secondary Job Program

The Secondary Job Program,* which is based on a permit system, was established in FY2020.

* Excludes businesses that have a conflict of interest with Mitsubishi Estate, such as competitors. Allows for up to 50 hours of work in a single month

Currently, around 50 Mitsubishi Estate employees hold secondary jobs. The main types of secondary jobs held include sports instruction as an extension of one's hobby, work that utilizes existing certifications and expertise, document creation and analysis-related work for the purpose of improving one's skills, consulting for regional corporations, and assisting with family businesses.

In addition to encouraging employees to accept various challenges that lead to their growth and career advancement, the Company is making efforts to not only enable employees to return the knowledge and connections they have obtained through their secondary jobs to our core businesses but also create an environment for employees to work with more satisfaction through self-actualization.

⇒⇒ Regarding the 10% Rule System

The newly established 10% Rule System seeks to have employees dedicate 10% of business hours to performing activities outside of their regular duties with the aim of promoting business model reform.

The rule includes initiatives that both directly and indirectly lead to business model reform, such as initiatives related to improvements in operational efficiency and corporate culture reform.

Specific examples include preparing applications for the New Business Proposal System, gathering information and building networks with external parties, and holding internal events. Employees are free to choose how they use their time and are currently making efforts under a wide range of themes. Many employees have reported increased job satisfaction as a result of being given opportunities to take on new challenges outside of their regular duties.

⇒⇒ Holding of Events Related to Gender Diversity

In March 2022, Mitsubishi Estate held an event at its Head Office on International Women's Day with the aim of deepening employees' understanding of gender diversity. We invited an external lecturer to conduct the internal event, which was centered on the theme of "leveraging diverse strengths." Furthermore, the Company's employee cafeteria SPARKLE was decorated with mimosa flowers—the symbol of International Women's Day—and featured a menu inspired by the event.



Decorating the employee cafeteria with mimosa; the flowers were given away to employees

⇒⇒ Establishment of Various Systems for Promoting Work-Life Integration

At Mitsubishi Estate, we believe in the importance of promoting work-life integration, which involves comprehensively enhancing work and everyday life to a point where they become a single entity, without creating barriers between the two. In order to effectively realize such a balance, we have established various systems that allow employees to choose from a diverse range of workstyles.

Below is a list of Mitsubishi Estate's various programs, benefits, and initiatives related to the promotion of employees' health and work-life integration.

Name of Program	Overview of Program
Flextime program	Working hours are as follows. <ul style="list-style-type: none"> Core working hours (period when eligible employees are required to attend work) ⇒⇒ 10:00–15:00 Flexible time (period when eligible employees can work according to their choice) ⇒⇒ Period for starting work: 06:00–10:00; period for finishing work: 15:00–20:00 <small>Note: As a provisional measure to prevent the spread of COVID-19 infections, currently (as of the publication of this integrated report in September 2022), core working hours are not compulsory.</small>
Childcare leave of absence	Can be used until the end of the fiscal year in which a child turns three years old (14 days of paid leave from the day on which childcare leave starts) <small>Note: The legally stipulated period in Japan is until a child's first birthday as a general rule (or until a child turns two years old as a maximum in special circumstances).</small>
Nursing care leave of absence	Can be used for a maximum of three years (can be divided into shorter durations up to three times)
Nursing care leave of absence for children	Can be used until the end of March after a child begins third grade of elementary school Can be used as a special paid leave of absence until a child enters elementary school
Nursing care leave of absence for family members	Can be used as a special paid leave of absence
Shortened working hours for childcare	Can be used until the end of March after a child begins third grade of elementary school Possible to shorten daily working hours by up to 2.5 hours in increments of 15 minutes
Shortened working hours for nursing care	Can be used within three years of the start of use for each eligible person in a family Possible to shorten daily working hours by up to 2.5 hours in increments of 15 minutes
Flextime program for pregnant women, those caring for children, and those nursing family members	Can be used during pregnancy Can be used until the end of March after a child begins third grade of elementary school Can be used within three years of the start of use for each eligible person in a family (Possible to shorten daily working hours by up to 2.5 hours in increments of 15 minutes)
"Refresh" vacations	Special paid vacations given every five years after five consecutive years of employment Travel costs paid by the Company after either 25 or 30 years of consecutive employment (upper limit imposed)
Accumulated vacation	Possible for employees to accumulate up to 90 days of unused paid vacation, which can be used for the recovery of illness of an employee or illness of a family member thereof, a spouse's or partner's childbirth, participation in volunteer activities, childcare or nursing care for family members, among other reasons
Reemployment program for former employees	Can be used following a specific interview when an employee resigns due to childcare reasons, nursing care for family members, changing jobs, or starting a business
Leave system for the transfer of a spouse or partner	Possible to take up to three years' leave for accompanying a spouse or partner on a relatively short transfer (overseas traineeship / study of approximately one to two years)
Transfer system in conjunction with the transfer of a spouse or partner	Possible for an employee in a position not normally subject to transfers to transfer jobs within the Group when wishing to relocate due to the transfer* of a spouse or partner, only when it is organizationally feasible <small>* Limited to Japan</small>
Hourly paid leave program	Paid leave available in one-hour units (using eight hours is equivalent to using one day of paid leave)
Teleworking program	Possible to work at a location other than a Company site, such as a satellite office affiliated with the Company or at home
Expense subsidy program based on cafeteria plan	Provision of subsidies by the program for expenses incurred by employees through health promotion activities (sports activities and checkups not covered by insurance, etc.)
Consultations with occupational health physician	Initiative providing consultations with an occupational health physician for employees, including managers, who have exceeded the 80 hours of statutory monthly overtime work
"Positive Off" Movement	Initiative for setting targets for the number of days of paid leave taken and encouraging employees to take paid leave



Policy on Human Rights

As a member of society, the Mitsubishi Estate Group reaffirms its acknowledgment of the importance of respect for human rights. Based on this acknowledgment, we established the Mitsubishi Estate Group Human Rights Policy on April 1, 2018, with the aim of fulfilling our responsibility to respect the basic human rights of all Group employees as well as all stakeholders. The Company has extensively informed parties inside and outside the Group of the policy, which was formulated and published under the name of the president & chief executive officer (CEO) of Mitsubishi Estate Co., Ltd., following deliberation and approval by the Executive Committee and the Board of Directors.

 **Mitsubishi Estate Group Human Rights Policy**
https://mec.disclosure.site/e/sustainability/activities/social/human-rights/pdf/human_rights_policy_20180401.pdf

Launching and Holding the Construction and Real Estate Human Rights Due Diligence Study Group

Acting as the organizer, Mitsubishi Estate launched the Construction and Real Estate Human Rights Due Diligence Study Group in September 2018 with the participation of eight real estate and construction companies.

The United Nations Guiding Principles on Human Rights call on companies to avoid causing and exacerbating direct negative impacts on human rights as well as to endeavor to avoid and mitigate any adverse impacts on human rights with which they are indirectly involved in all facets of their business, including in their value chains. In light of this call, Mitsubishi Estate established the study group in collaboration with other companies in the real estate industry and with construction companies, with the aim of developing mechanisms to ensure human rights due diligence that also encompasses the supply chain.

The study group identifies impacts on human rights arising from business activities and investigates and researches methods for addressing such impacts in order to fulfill the responsibilities called for by the United Nations Guiding Principles on Human Rights. Specifically, these responsibilities are to avoid infringing on the human rights of others and to devise measures to prevent, mitigate, and correct human rights violations with which study group participant companies are involved.



Respecting the Human Rights of Non-Japanese Technical Interns

Based on the findings from its interviews with non-Japanese technical interns, Mitsubishi Estate requests its suppliers—where it is assumed that many technical interns work—to instruct and make known to their associates matters in the activities of technical interns that often go unnoticed, such as issues related to pay and daily life. More specifically, Mitsubishi Estate has included these requirements in quotation specifications distributed from April 2020 onward to keep construction companies informed.



Using Sustainably Sourced Timber for Concrete Form Panels

Many of the concrete form panels*¹ used when constructing office buildings, housing, and other structures are made from timber from Southeast Asian countries such as Malaysia and Indonesia. Nongovernmental organizations and other bodies have pointed out that the procurement of logged timber may be done via illegal means, such as through the seizure of indigenous peoples' land and the destruction of the environment.

Taking into consideration human rights and environmental preservation, the Mitsubishi Estate Group uses timber equivalent to that specified in the Sustainable Sourcing Code*² (Certified Wood and Domestically Produced Wood), aiming to achieve a use rate of 100% by FY2031.

Mitsubishi Estate calls on construction companies to adhere to the code, including by incorporating information on the code in the quotation guidelines it has distributed since April 2020. After obtaining independent certification from the Japan Gas Appliances Inspection Association for the use of materials certified under the Programme for the Endorsement of Forest Certification at The Parkhouse Komazawa Residence, Mitsubishi Estate Residence obtained project certification based on Forest Stewardship Council standards at The Parkhouse Takanawa Matsugaoka, a world first, and has decided to introduce such materials in seven projects thus far. Mitsubishi Estate Residence will ensure the traceability of timber formwork at all of its properties by 2030.

*¹ Plywood for the concrete formwork employed in the construction of buildings. Plywood is used to assemble the formwork, into which concrete is poured to construct concrete buildings.

*² The code defines standards and operational procedures for ensuring procurement that takes sustainability into account with respect to international agreements and codes of conduct in fields relevant to sustainability.



Formwork concrete panel use

Initiatives in Our International Business

When examining potential business activities in Asia, which generally sees many cases of human rights violations, the Mitsubishi Estate Group carries out human rights due diligence using a checklist to confirm the absence of matters of concern, such as forced evictions, in the relevant development area. We use the checklist results as the basis for our decision-making on whether to engage in a given business activity. Specifically, we check a range of matters based on the concept of free, prior, and informed consent. Confirmation is sought on matters including whether opportunities have been granted for discussions in a free and safe setting, whether dialogue is not one-sided, whether language and conduct could not be defined as intimidatory, whether forced or violent exclusions have not taken place, and whether relocation to an alternative location with an appropriate standard of living has been guaranteed. In addition, the Group pays particular attention to verifying the circumstances of women, children, senior citizens, indigenous peoples, immigrants, racial and ethnic minorities, and other vulnerable individuals and groups in society, as they are more likely to be affected by human rights violations.

Supply Chain Management Initiatives

■ Establishing Our Supplier Code of Conduct

Mitsubishi Estate revised the Mitsubishi Estate Group CSR Procurement Guidelines, which were established in April 2016, in order to enact the Mitsubishi Estate Group Supplier Code of Conduct (hereinafter, "the Supplier Code of Conduct") on April 1, 2022. The goal of the revision was to promote sustainability and environmental, social, and governance (ESG)-related initiatives in the entire supply chain of the Group. As human rights and labor issues as well as climate change and other issues grow more serious, the Supplier Code of Conduct stipulates items that must be observed in the business activities of the Group to achieve its goal of creating a sustainable and truly meaningful society.

 **Mitsubishi Estate Group Supplier Code of Conduct**
https://mec.disclosure.site/e/sustainability/activities/social/supply-chain/pdf/mec202204_Supplier_Code_of_Conduct_e.pdf

⇒⇒ Major Items in the Supplier Code of Conduct

- Compliance with laws and regulations
- Respect for human rights
- Local communities, indigenous peoples' rights, and cultural heritage
- Occupational health and safety
- Establishment of corporate ethics
- Environmental conservation and reduction of environmental impact
- Ensuring of information security
- Establishment of a risk management system

■ Carrying Out a Survey Using a Questionnaire

To confirm the level of compliance with the Supplier Code of Conduct, the Mitsubishi Estate Group carries out a survey using a questionnaire. The Group currently surveys contractors and cleaning companies, which have a marked tendency toward causing high sustainability risks* in the supply chain, and plans to expand coverage to other business partners going forward. The Group will survey not only tier-one suppliers (direct business partners) but also tier-two suppliers and below (contractors used by business partners). Through in-depth surveys of entities in its supply chain, the Group will identify latent risks and request that suppliers deemed to face such risks implement improvement initiatives based on the survey results. Moreover, in conjunction with the surveys, we will conduct on-site inspections in an effort to promote our sustainability and ESG-related initiatives.

* Criteria for identifying suppliers with a marked tendency toward causing high sustainability risks

- ① The supplier is likely to employ workers who tend to be in a vulnerable position, such as foreign workers or foreign technical interns
- ② The supplier's business has a major impact on the environment
- ③ The supplier has a multi-level contracting structure, making it difficult to understand and identify risks in certain cases

Carrying Out In-House Initiatives for Spreading Awareness of Human Rights

Mitsubishi Estate implements a range of awareness-raising initiatives to strengthen understanding of human rights. On an annual basis, Mitsubishi Estate invites an outside speaker to give a lecture on human rights to key management personnel (officers, general managers, and presidents of Group companies) and conduct training on human rights for new employees and those promoted to management positions. We also devote efforts to fostering awareness of respect for human rights through initiatives that include soliciting suggestions for human rights slogans.



Training for new employees

Target and Initiative Policies

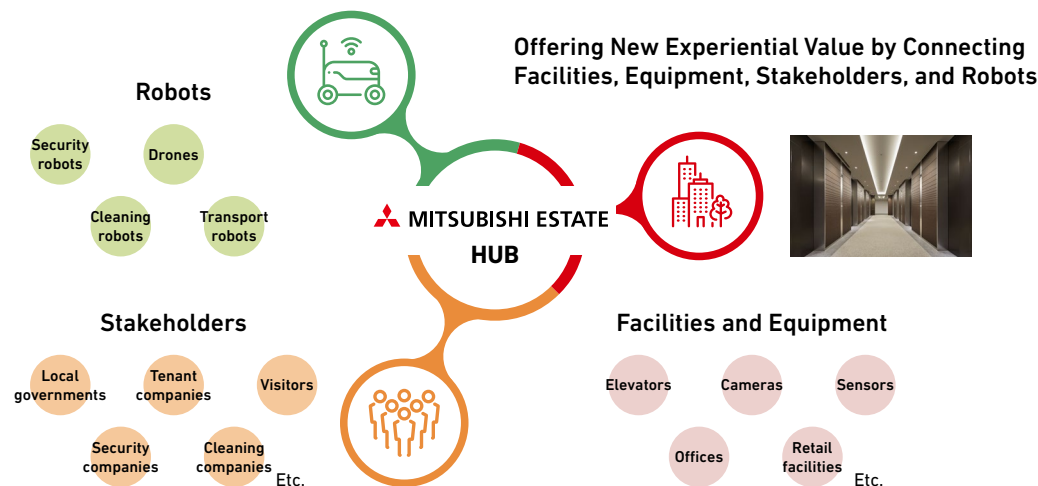
Under Long-Term Management Plan 2030, the Mitsubishi Estate Group positions new businesses, such as those utilizing artificial intelligence, robotics, and other new technologies, as new fields for non-asset businesses. Going forward, we will work to create new business models and opportunities in these fields while coordinating with outside partners. Such coordination with outside partners boasting new and advanced technologies will be imperative to the realization of a sustainable society. For this reason, we plan to pursue initiatives that go beyond the boundaries of companies.

Promoting Next-Generation Services Utilizing Robots

Along with its promotion of smart cities, Mitsubishi Estate has formulated the Mitsubishi Estate Digital Vision and is advancing urban development that allows people to experience convenient living environments through digital transformation (DX). As part of these efforts, the Company will offer new services featuring the deployment of robots at facilities and in various urban environments. This will be achieved by promoting the creation of robot-friendly environments facilitating the introduction of robots that can be accessed both online and offline.

As well as alleviating labor shortages, making use of robots also helps increase efficiency in maintaining and managing facilities. As the COVID-19 pandemic has prompted an increase in the need for non-face-to-face and non-contact services, the range of tasks that robots are uniquely placed to perform has expanded. At the same time, robots' communication and coordination with elevators and security doors are indispensable for their smooth operation. To this end, Mitsubishi Estate will take on the responsibility of acting as a hub for cooperation between all stakeholders—including local governments, tenant companies, robot manufacturers, and security and cleaning companies—to promote next-generation urban development.

Outline of Initiatives for Creating Robot-Friendly Environments

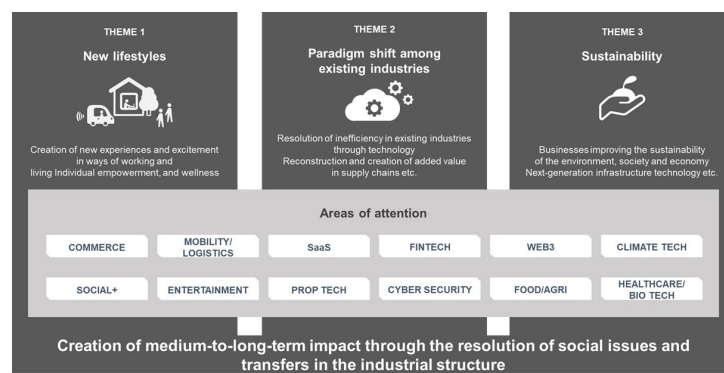


Launching BRICKS FUND TOKYO by Mitsubishi Estate

In 2022, the Company launched BRICKS FUND TOKYO by Mitsubishi Estate, a fund for investing in start-ups that take on the challenge of realizing social contributions over the medium to long term, such as resolving social issues and transforming the industrial structure.

With a mission to lay the foundations for a new era by implementing the vision of entrepreneurs in society, the fund has established three investment themes and 12 focus areas. The fund aims to help improve corporate value over the medium to long term and co-create growth industries by supporting investee companies with the implementation of their vision in society, such as through the provision of sales support drawing on the Mitsubishi Estate Group's management infrastructure, the implementation of field trials in Otemachi, Marunouchi, Yurakucho, and other areas, and the promotion of business co-creation and collaboration.

Mitsubishi Estate has proactively engaged in co-creation with start-up companies over the years, such as through the implementation of the Mitsubishi Estate Accelerator Program. Going forward, the establishment of this fund will enable us to further accelerate innovation and transform business models unbound by the frameworks of existing businesses while contributing to the development of an ecosystem for start-up companies in Japan.



Major investment themes and focus areas

Target and Initiative Policies

Improving the natural disaster resilience of real estate properties is crucial to ensuring the safety of visitors and workers as well as for guaranteeing the safety of the surrounding areas and the business continuity of tenants. In addition to earthquakes, we must prepare for potential increases in the frequency and intensity of urban flooding as a result of climate change. The resilience of buildings will thus become even more important going forward. Accordingly, Mitsubishi Estate is implementing earthquake and water damage countermeasures and developing systems for stable power supply on an individual-building basis. We are also instituting non-infrastructure measures for providing environments that facilitate business continuity even during times of disaster and for establishing schemes for temporarily housing people who cannot return home because of a disaster. Furthermore, the Company is enhancing systems for the comprehensive operation of multiple buildings and for intra-area coordination. In this manner, we aim to contribute to safer and more secure cities.

Carrying Out Verification Tests of Disaster Dashboard Beta

Mitsubishi Estate continuously takes steps in preparation for a potential disaster in the Otemachi, Marunouchi, and Yurakucho areas. In the event of an inland earthquake in Tokyo on a weekday during the daytime, the Otemachi, Marunouchi, and Yurakucho areas would face several issues, including large numbers of stranded commuters and the lack of a disaster hub hospital within the areas. In light of these issues, Mitsubishi Estate carried out verification tests over a four-month period from November 2021 of Disaster Dashboard Beta, a platform for sharing information among disaster response agencies and providing information to stranded commuters.

The verification tests provided information on the availability of temporary accommodation facilities by automatically linking the platform to Chiyoda Ward's Twitter account. In addition, the tests encompassed such activities as verifying ways to summon emergency transit buses during disasters to transport the wounded and other individuals, having on-board information screens display bus location information, and implementing the trial use of a device for operating Marunouchi Vision (digital signage) by remote control.

In conjunction with Chiyoda Ward, Mitsubishi Estate is refining Digital Dashboard Beta with the aim of implementing it during FY2023 as a function of next-generation disaster preparedness centers (disaster response centers) and to serve as one of the functions of a smart city in response to an inland earthquake and other disasters in Tokyo. Going forward, the Company will further promote verification tests in relation to disaster countermeasure needs and solutions in partnership with various entities, such as railway and building operators.



Disaster Dashboard Beta (digital signage version)



Emergency transit bus for use during disasters (Marunouchi Shuttle)



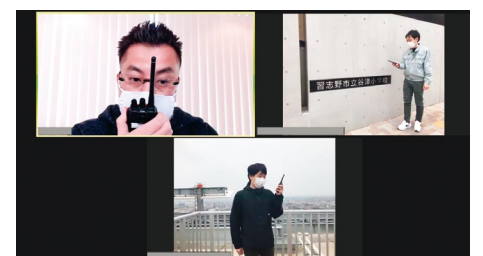
Helping the wounded onto a bus (rendering)

Implementing Online Disaster Response Drills in the Tsudanuma Area

In March 2022, Mitsubishi Estate Residence Co., Ltd., and Mitsubishi Estate Community Co., Ltd., implemented online disaster response drills in the Tsudanuma area in Chiba Prefecture. While the impact of the COVID-19 pandemic continues to make it difficult to implement disaster response drills, both companies carried out interactive disaster drills online to continuously prepare for disasters that may happen at any time.

Under the theme of "surviving the 72 hours following a disaster," we implemented an interactive workshop incorporating experiential elements into drills, with participants looking at how to navigate the "72-hour barrier"—said to be the maximum time available for saving lives—by learning about countermeasures unique to condominiums, unforeseen accidents, and other matters. The drills also featured live streams of the activities of the Disaster Management Headquarters to provide an introduction to the workings of the operational side, which are not normally seen.

Launched in 2015 and held for the seventh time in 2022, the Tsudanuma area response drills targeted approximately 2,700 residents from five condominiums in the area. In 2022, we will also guide the 225 voluntary disaster response organizations in Narashino City through the drills in an effort to create a system for local residents to help each other in the event of a disaster.



Coordinating with others in the area via radio

Realizing Sustainable Actions in the Otemachi, Marunouchi, and Yurakucho Areas



OMY SDGs ACT5

Based in the area in front of Tokyo Station and the Otemachi, Marunouchi, and Yurakucho areas (Daimaruyu area), OMY SDGs ACT5 was launched in 2020 as a project to promote activities for achieving the Sustainable Development Goals (SDGs) through coordination among companies and organizations both inside and outside the Daimaruyu area. With an executive committee comprising Mitsubishi Estate, a comprehensive developer, The Norinchukin Bank, a financial institution providing support for regional primary producers, and Nikkei Inc., Japan's leading economic media outlet, the project aims to give rise to specific sustainable actions by consolidating the various resources of each of its participant companies.

Distinctive Features



1

Forming Communities

Cooperating by transcending their individual corporate boundaries, companies based in the Daimaruyu area have formed communities oriented toward solving social issues, with the Daimaruyu area as their starting point.



2

Connecting Resources

By connecting their respective resources organically, participating companies have made progress in exploring and establishing projects on a wide range of themes that they would not be able to tackle individually.



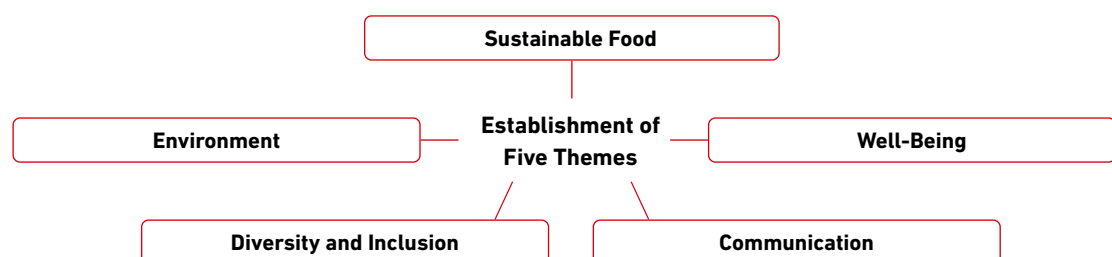
3

Utilizing an App

The OMY SDGs ACT5 project facilitates changes in the behavior of visitors and workers by setting an app as the foundation for all of its activities. The project aims to accelerate the formation of communities and the connection of resources through the analysis of data obtained from the app.

Five Focus Themes and Respective Actions

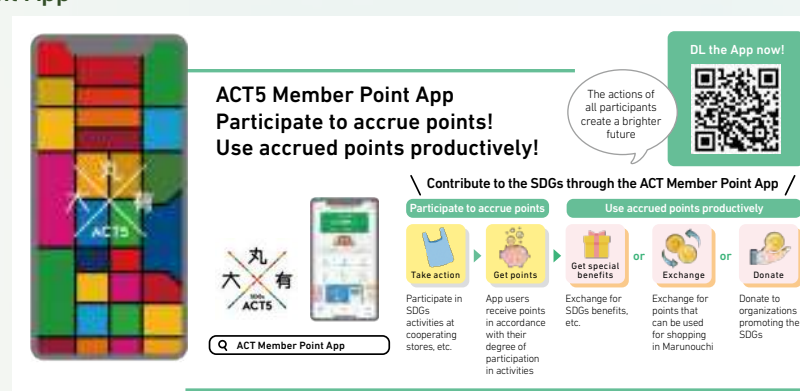
Focus Themes



The project's executive committee has chosen key focus themes from among the wide range of themes included in the SDGs.

Developing the ACT5 Member Point App

The project has developed the ACT5 Member Point App with the goals of encouraging changes in the behavior of individuals and analyzing the attributes and tendencies of participants. With the cooperation of several stores in the Daimaruyu area, the app has created opportunities for participation in actions related to the SDGs throughout the area in several ways, such as granting points to customers who use reusable shopping bags or their own drink receptacles.



Examples of Actions in FY2022

In FY2022, the project carried out 54 actions through partnerships with 68 organizations—involving the participation of a total of 10,500 people—during its core seven-month period from May 2021 to November 2021.

⇒⇒ ACT 1: Sustainable Food

"SUSTABLE"—Connecting Food Professionals and Consumers to Bring Change to Dinner Tables in the Future

OMY SDGs ACT5 held "SUSTABLE," a portmanteau of the words "sustainable" and "table," on a total of six occasions between September and November 2021 as a sustainable food initiative.

SUSTABLE is a seminar, with refreshments included, held with the aim of allowing consumers of food to personally experience dishes made with due consideration for sustainability (sustainable food) while providing them with the opportunity to reflect on social issues—the backdrop of the seminar—and encouraging them to change their behavior into the future. With the growers and makers who produce food, the chefs who prepare dishes with such food, and the consumers who eat it assembled in one venue, the seminar acts as a forum for participants to give thought to food and social issues while enjoying the delicious taste of sustainable food together and sharing their expectations of the next generation of producers.



Participants at the fifth SUSTABLE, which was on sustainable agriculture

⇒⇒ ACT 2: The Environment

"Plogging" at Kujukuri Beach—Taking Exercise While Reflecting on the Issue of Ocean Plastic Waste

"Plogging" is a portmanteau of the Swedish word for "picking up" (*plocka upp*) and the English word "jogging." Plogging, which combines jogging with picking up litter, is a popular SDGs-related sporting activity, primarily in Europe. OMY SDGs ACT5 held an experience-based event for participants to take an interest in the issue of ocean plastic waste while enjoying themselves and reflecting on the actions each individual can take to safeguard the beautiful oceans and ensure the safety of food. The event took place at Kujukuri Beach, which is located in the town of Ichinomiya, Chiba Prefecture. The beach is one of Japan's largest sandy beaches and is famous for surfing. Garbage that has not been disposed of properly on land constitutes the primary source of ocean waste.

The project held another plogging event on a separate date in Marunouchi. At the event, participants picked up litter in the Daimaruyu and surrounding areas while enjoying the cityscape.



Plogging at Kujukuri Beach in Chiba Prefecture

⇒⇒ ACT 3: Well-Being

OMY SDGs ACT5 Walking Steps Challenge—Walking and Taking SDGs Actions to Promote Well-Being and Win a Prize

OMY SDGs ACT5 held a competition for users of the ACT5 Member Point App in which individuals converted the number of steps they walk on a daily basis, their participation in events, and their efforts in relation to SDGs activities into a score format. A total of 373 participants took part in a variety of SDGs actions, with the five winners achieving maximum scores for all action points.



⇒⇒ ACT 4: Diversity and Inclusion

Enjoy & Join (E&J) Lab—a Research Laboratory Where Anyone Can Implement Verification Tests to Solve Issues While Having Fun

E&J Lab, an ally* community for diversity and inclusion (D&I), launched in November 2021 with the objective of realizing urban development free from mental barriers—in other words, working environments amenable to everyone—in the Daimaruyu area. E&J Lab is a community where a diverse range of people connect with each other to give thought to diversity in the future, with everyone putting their heads together to think about D&I in positive, fun, and interesting ways.

E&J Lab aims to create a community where members have fun while approaching D&I as an issue that is relevant to them, rather than from a sense of obligation.

Those who assemble at E&J Lab are called researchers, who invite a guest (a lecturer) to every meeting. At such meetings, in addition to acquiring knowledge regarding D&I and learning about examples of related initiatives, the researchers brainstorm interesting ideas together and conduct verification tests aimed at solving issues. Meetings are attended by not only those in charge of personnel matters but also a wide range of people from throughout Japan, including individuals from various business spheres and industries, local government representatives, and students. Discussions among participants are always so lively that they run out of time, making for a vibrant community.

* Although the term "ally" is generally used to refer to those who understand and stand with people from the LGBTQ community, E&J Lab uses it to refer to those from the LGBTQ community as well as diverse people who understand and support D&I.



⇒⇒ ACT 5: Communication

Daimaruyu Film Festival 2021, Showing Feature-Length Films with Themes Relevant to the SDGs

OMY SDGs ACT5 held Daimaruyu Film Festival 2021 as a project to provide opportunities for people to understand and take action on the present state of global social issues through film—a medium that can capture anyone's interest—by converting a range of urban facilities into mini theaters. In collaboration with the artist Akira Fujimoto, the project held an art exhibition entitled "A Plastic on shore," movie screenings, and a discussion event at Sunshine City in Ikebukuro, Tokyo.

The festival showed 17 feature-length and short films from around the world to provide an opportunity for participants to confront social issues. Through discussions attended by renowned guests, the organizers aimed to realize a film festival that encouraged people to think and act in relation to social issues, rather than just watch films.



Information Disclosure Based on SASB Standards

■ Notes

- We are classified in the Real Estate industry under the infrastructure sector according to SICS®, so we disclose the following information based on the standards for this industry.
- The property subsectors are aligned with the 2018 GRESB Real Estate Assessment Reference Guide as stipulated in the SASB standards.
- The scope of the following information covers properties for which Mitsubishi Estate owns an equity stake of 20% or more, which is different from the coverage of the scope used for reporting under Science Based Targets and RE100.
- Third-party verification is acquired for environmental performance figures related to properties included in the scope used for reporting under Science Based Targets and RE100, but verification has not been acquired for the following figures.

■ Sustainability Disclosure Topics and Accounting Metrics (FY2021)

Energy Management								
	Unit of Measure	Code	Office	Retail, Shopping Centers	Lodging, Leisure, and Recreation	Healthcare	Parking	Other
Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	IF-RE-130a.1	100	100	100	100	100	100
Total energy consumed by portfolio area with data coverage	Mwh	IF-RE-130a.2	977,608	143,650	2,409	2,298	1,692	449
Percentage grid electricity	Mwh	IF-RE-130a.2	0	0	0	0	0	0
Percentage renewable	%	IF-RE-130a.2	3.11	0	0	0	0	0
Like-for-like percentage change in energy consumption for the portfolio area with data coverage	%	IF-RE-130a.3	(8.42)	(9.17)	—	0.07	(20.73)	(29.15)
Percentage of eligible portfolio that has an energy rating	Percentage (%) by floor area	IF-RE-130a.4	1.85	0	0	0	0	0
Percentage of qualified portfolio with real estate environmental certification	Percentage (%) by floor area	IF-RE-130a.4	18.52	5.26	0	0	0	0
	Unit of Measure	Code	Contents					
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	NA	IF-RE-130a.5	In June 2022, the Science Based Targets initiative (SBTi) validated Mitsubishi Estate's Groupwide CO ₂ emissions reduction targets (reduction of the total of Scope 1 and Scope 2 emissions by at least 70% and Scope 3 emissions by at least 50% by FY2031, compared with FY2020, and achievement of net-zero emissions for Scope 1, Scope 2, and Scope 3 by 2050). In addition, the Company joined RE100 in January 2020, adopting the goal of sourcing 100% of the electricity it uses from renewable energy sources (renewable electricity) by 2025. To achieve these goals, we plan to actively promote the introduction of renewable electricity at the facilities we own and operate and the on-site generation of such renewable electricity. We also intend to actively acquire real estate environmental certifications. Scenario analyses* based on the Task Force on Climate-related Financial Disclosures framework have cited the risk of rises in vacancy rates or declines in rent levels for buildings that have low environmental performance or that have not adopted renewable electricity. Accordingly, we are committed to maintaining and improving our market competitiveness by swiftly advancing the aforementioned initiatives *https://mec.disclosure.site/e/sustainability/activities/environment/tcfd/					

Water Management								
	Unit of Measure	Code	Office	Retail, Shopping Centers	Lodging, Leisure, and Recreation	Healthcare	Parking	Other
Water withdrawal data coverage as a percentage of total floor area	Percentage (%) by floor area	IF-RE-140a.1	100	100	100	100	100	100
Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High Baseline Water Stress	Percentage (%) by floor area	IF-RE-140a.1	0	0	0	0	0	0
Total water withdrawn by portfolio area with data coverage	Thousand m ³	IF-RE-140a.2	2,589	610	11	10	6	2
Percentage in regions with High or Extremely High Baseline Water Stress	%	IF-RE-140a.2	0	0	0	0	0	0
Like-for-like percentage change in water withdrawn for the portfolio area with data coverage	%	IF-RE-140a.3	(11.26)	(0.19)	—	(36.77)	(27.07)	(36.38)
	Unit of Measure	Code	Contents					
Description of water management risks and discussion of strategies and practices to mitigate those risks	NA	IF-RE-140a.4	We purify wastewater in a recycling system, after which the treated recycled water* is used to flush toilets inside buildings. The use of recycled water is being promoted to help mitigate future water risks. Accordingly, we have set a target for raising the recycled water use rate to 100% by 2030, and actions for reaching this target are being advanced steadily. * Water reclaimed from used tap water and treated for recycling. It is used for flushing toilets, watering greenery, air-conditioning systems, and other such facility water needs, as well as for cleaning, before being discharged into the sewage system.					

Management of Tenant Sustainability Impacts								
	Unit of Measure	Code	Office	Retail, Shopping Centers	Lodging, Leisure, and Recreation	Healthcare	Parking	Othe
Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements	Percentage (%) by floor area	IF-RE-410a.1			43.16*			
Associated leased floor area, by property subsector	m ²	IF-RE-410a.1			1,373,812			
Percentage of tenants that are separately metered or submetered for grid electricity consumption	Percentage (%) by floor area	IF-RE-410a.2	0	0	0	0	0	0
Percentage of tenants that are separately metered or submetered for water withdrawals	Percentage (%) by floor area	IF-RE-410a.2			Not disclosed			
	Unit of Measure	Code	Contents					
Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	NA	IF-RE-410a.3	To drive energy-saving actions with our tenants, we created a guidebook that introduces examples of energy-saving methods to them, and we introduced green leases into the template of our contracts. Also, we hold yearly Global Warming Prevention Council meetings collaborating with the tenants of each of our ISO 14001-certified buildings in the Tokyo metropolitan area to explain GHG emissions reductions and energy-saving actions and to provide updates on the progress in these efforts, and so on.					

* Ratio to the nationwide leasable area

Climate Change Adaptation								
	Unit of Measure	Code	Office	Retail, Shopping Centers	Lodging, Leisure, and Recreation	Healthcare	Parking	Othe
Area of properties located in 100-year flood zones, by property subsector	m ²	IF-RE-450a.1			Not disclosed			
	Unit of Measure	Code	Contents					
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	NA	IF-RE-450a.2	Please refer to "(2) Strategy" in our "Information Disclosure Based on TCFD Recommendations" on our website. (URL: https://mec.disclosure.site/e/sustainability/activities/environment/tcfd/)					

■ Activity Metrics

	Unit of Measure	Code	Office	Retail, Shopping Centers	Lodging, Leisure, and Recreation	Healthcare	Parking	Other
Number of assets, by property subsector	Number	IF-RE-000.A	54	18	4	3	1	2
Leasable floor area, by property subsector*	m ²	IF-RE-000.B	4,981,804	699,525	471,559	11,970	21,430	4,973
Percentage of indirectly managed assets, by property subsector	Percentage (%) by floor area	IF-RE-000.C	0.0	33.3	0.0	0.0	100.0	50.0
Average occupancy rate, by property subsector	%	IF-RE-000.D	96.4	97.0	99.1	76.3	—	100.0

* Indicates the total floor area

Corporate Governance

Message from the Chairperson of the Board



Hiroataka Sugiyama

Chairperson of the Board
Mitsubishi Estate Co., Ltd.

Mitsubishi Estate has positioned the development and promotion of its corporate governance system as one of its most important management issues, with the goal of realizing its basic mission of contributing to the creation of a truly meaningful society by building attractive, environmentally sound communities where people can live, work, and relax with contentment.

Mitsubishi Estate has adopted the Company with Nominating Committee, etc., structure. The role of the Board of Directors under such a structure is to decide the Company's basic management policies and supervise overall management. To that end, the Company is working to ensure the transparency and objectivity of management so that it can fulfill its accountability to its shareholders and other stakeholders. To date, Mitsubishi Estate has implemented a broad range of initiatives on an ongoing basis, such as introducing performance-based officer remuneration, increasing the ratios of outside directors on the Board of Directors and other important committees, ensuring that independent outside directors serve as the chairpersons of all committees, deciding not to renew its countermeasure program regarding possible hostile takeover attempts, and introducing third-party evaluations of the Board of Directors.

In FY2022, the Board of Directors disclosed a skills map identifying the skills (knowledge, experience, and abilities) that its members must possess for ensuring effective management oversight and monitoring functions in order to realize the Company's Long-Term Management Plan 2030. The Board also revised its officer remuneration system so as to enhance the commitment of officers to achieve the goals of the plan, by strengthening the linkage between the officer remuneration system and the plan and further aligning shareholders' and officers' interests through the raising of the percentage of remuneration linked to the Company's shares and share price.

Continuing on from the share buybacks executed in FY2020 totaling approximately ¥100.0 billion, the Company implemented additional share buybacks of approximately ¥30.0 billion in FY2022. Going forward, Mitsubishi Estate will strive to enhance capital efficiency and shareholder returns in an effort to achieve the capital policies adopted under Long-Term Management Plan 2030.

Furthermore, the Company increased the number of female directors from one to two in June 2022, thereby promoting greater diversity while maintaining a diverse range of backgrounds among members of the Board of Directors as a whole.

Long-Term Management Plan 2030, which began in April 2020, was formulated over a year of thorough discussions by the Board of Directors. In addition to a strategy that targets increasing shareholder value, the plan focuses on a strategy for social value improvement that involves making efforts toward realizing a sustainable society. By generating synergies between these two strategies, the plan aims to realize the Company's basic mission and achieve sustainable growth.

Amid dramatic changes in the business environment, including the ongoing COVID-19 pandemic and an unstable international situation, it is more important than ever for the Board of Directors to secure members who offer a diverse range of knowledge and experience and engage in active discussions. I am the non-executive chairperson of the Board, experienced in business execution. My role in such a position is to encourage more active exchanges of opinions, including greater involvement of outside directors, and lead lively discussions at Board meetings while also understanding the perspectives of the officers in charge of business execution. By fulfilling this role, I will help the Board establish a management oversight structure from a long-term perspective with a view to achieving the goals of Long-Term Management Plan 2030.

Guided by the Company's basic mission, the Board of Directors will remain committed to meeting the expectations of shareholders and investors by doing all it can to guide the Company in a way that takes into account future changes in society and the business environment.

August 2022

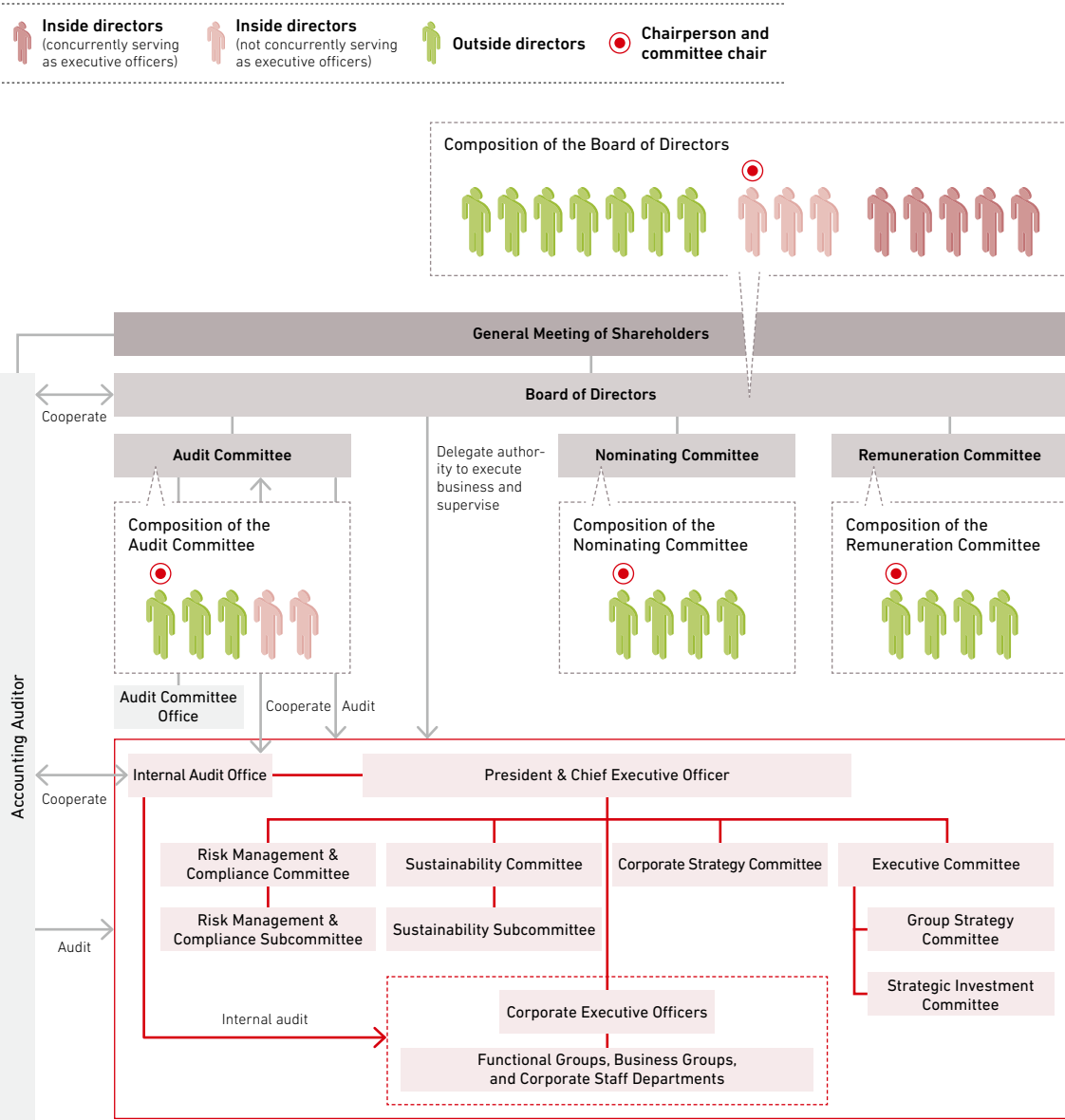
Basic Policy

Mitsubishi Estate aims to realize the enhancement of corporate value through a harmonious balance between corporate growth and the interests of its various stakeholders by following its brand slogan, “A Love for People. A Love for the City,” based on its basic mission of “contributing to society through urban development.” The Company shall position the development and promotion of its corporate governance system as one of the most important management issues in realizing this goal.

In developing and promoting our corporate governance system, to bring about greater clarity with regard to roles and the strengthening of functions in both the supervision of management and the execution of business while also fulfilling accountability to our shareholders and other stakeholders, the basic policy shall work to ensure the transparency and objectivity of management.

System Structure

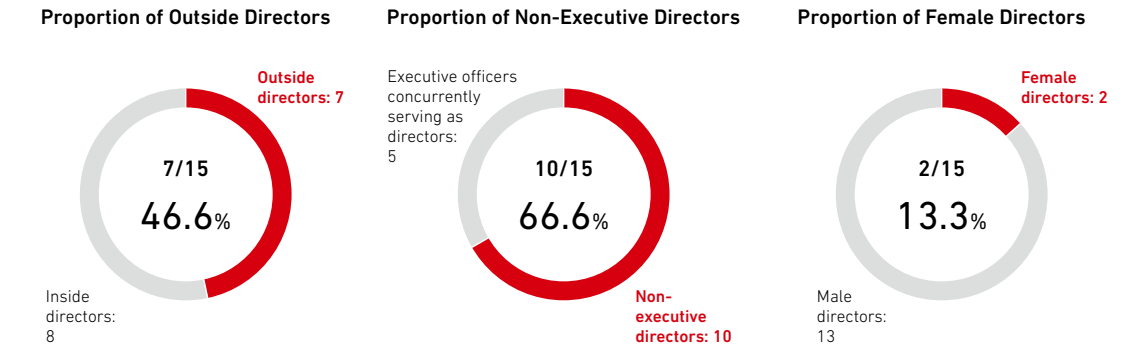
As a Company with Nominating Committee, etc., Mitsubishi Estate has established the Nominating Committee and the Remuneration Committee, which are composed entirely of outside directors, and the Audit Committee, which is mem-bered solely by non-executive directors. Positioned under the Board of Directors, these committees help promote high standards and ensure transparency in the decision-making process.



Board of Directors

The Board of Directors decides the basic policy of the Company's management, and it also carries out supervision of the execution of duties by directors and corporate executive officers. As of June 29, 2022, the Board of Directors consists of 15 directors, of whom seven are outside directors. The role of chairperson of the Board of Directors is held by the chairperson of the Board of the Company, who does not concurrently serve as a corporate executive officer.

The membership of the Board of Directors is appropriately balanced with members from a diverse range of backgrounds.



Nominating Committee, Audit Committee, and Remuneration Committee

	Nominating Committee	Audit Committee	Remuneration Committee	
Committee Duties	<ul style="list-style-type: none">Decision-making on the details of the proposals to the General Meeting of Shareholders related to the appointment and dismissal of directors	<ul style="list-style-type: none">Auditing and compilation of audit reports pertaining to the performance of duties by corporate executive officers and directorsDecision-making on the details of the proposals related to the appointment, dismissal, and non-reappointment of the accounting auditor	<ul style="list-style-type: none">Formulation of remuneration policies for corporate executive officers and directorsDecision-making on remuneration amounts for individual corporate executive officers and directors	
Committee Activities (FY2022)	<ul style="list-style-type: none">Five meetings in FY2022Determination of the details of director nomination proposals based on standards for nominating director candidates formulated by the Nominating CommitteeReports and deliberations with regard to the nomination of corporate executive officers prior to the resolution by the Board of Directors	<ul style="list-style-type: none">15 meetings in FY2022Performance of audits through coordination with the accounting auditor and internal audit divisions based on audit standards and plansAttendance at important meetings, review of important documents, and visits to internal divisions, branches, and subsidiaries by full-time members of the Audit Committee	<ul style="list-style-type: none">Nine meetings in FY2022Decision-making on individual remuneration amounts based on the remuneration systemAdoption of a resolution to revise the officer remuneration system (improve the linkage between the officer remuneration system and the attainment of the targets of Long-Term Management Plan 2030 and further align officers' interests with those of shareholders following the increase in the percentage of variable remuneration)	
Membership* (As of June 29, 2022)	4 (4 outside)	5 (3 outside, 2 inside)	4 (4 outside)	
Name	Inside/outside	Nominating Committee	Audit Committee	Remuneration Committee
Noboru Nishigai	Inside	—	○	—
Hiroshi Katayama	Inside	—	○	—
Tsuyoshi Okamoto	Outside	◎	—	○
Tetsuo Narukawa	Outside	—	◎	—
Masaaki Shirakawa	Outside	○	—	◎
Shin Nagase	Outside	—	○	—
Setsuko Egami	Outside	○	—	○
Iwao Taka	Outside	—	○	—
Melanie Brock	Outside	○	—	○

* All three committees are composed solely of non-executive directors.

◎ Chairperson ○ Committee member

Evolution of Corporate Governance System

Mitsubishi Estate has positioned the development and promotion of its corporate governance system as one of its most important management issues.














Since transitioning to a Company with Nominating Committee, etc., in 2016, the Company's basic policy has been to "develop and promote its corporate governance system to bring about greater clarity with regard to roles and the strengthening of functions in both management supervision and business execution, while also working to ensure the transparency and objectivity of management in order to fulfill its obligation to be accountable to its shareholders and other stakeholders." To this end, the Company has steadily promoted the improvement of its corporate governance system, giving due consideration to changes in social conditions and the business environment as well as to the demands of its stakeholders.

In FY2022, in light of the revision of the Corporate Governance Code, the Board of Directors disclosed a skills matrix identifying the skills (knowledge, experience, and abilities) that its directors must possess for ensuring effective

management oversight and monitoring functions with a view to achieving the targets set out in Long-Term Management Plan 2030. The Board also revised its officer remuneration system for strengthening the linkage between said system and the long-term management plan, enhancing the commitment of officers to achieving the goals of the plan, and further aligning shareholders' and officers' interests by raising the percentage of remuneration linked to the Company's shares and share price. Furthermore, as part of the capital policies set out in Long-Term Management Plan 2030, the Board executed share buybacks of approximately ¥30.0 billion in order to improve capital efficiency and enhance shareholder value.

Since June 2022, in an attempt to improve gender diversity, the Board of Directors has increased the number of female directors among its membership, thereby achieving a composition with a more diverse range of backgrounds and an appropriate balance.

The following is an overview of the changes made to our corporate governance system to date.

	2015	2016	2017	2018	2019	2020	2021	
Organizational structure, outside directors	<ul style="list-style-type: none">Change in outside directors (improvement of independence and gender diversity)	<ul style="list-style-type: none">Transition to Company with Nominating Committee, etc., structureIncrease in ratio of outside directors (7 of 15)		<ul style="list-style-type: none">Making of all committee members into non-executive directorsMembership of Remuneration Committee comprising exclusively outside directors	<ul style="list-style-type: none">Change of chairperson of Audit Committee to outside directorMembership of Nominating Committee composed completely of outside directors	<ul style="list-style-type: none">Disclosure of a skills matrix		
Nominating Committee		Composed of a majority of outside directors 		Composed solely of non-executive directors 	Composed solely of outside directors 			
Audit Committee		Composed solely of non-executive directors 			Change of chairperson to outside director 			
Remuneration Committee		Composed of a majority of outside directors 		Composed solely of outside directors 				
Officer remuneration		<ul style="list-style-type: none">Introduction of Restricted Stock Compensation System		<ul style="list-style-type: none">Introduction of performance-based incentive system		<ul style="list-style-type: none">Detailed disclosure of the officer remuneration systemAdoption of a resolution to revise said remuneration system (improve the linkage between the officer remuneration system and the attainment of the targets of Long-Term Management Plan 2030 and further align officers' interests with those of shareholders following the increase in the percentage of variable remuneration)		
Other aspects of corporate governance		<ul style="list-style-type: none">Clarification of the roles of those who supervise management and those who execute businessIntroduction of a Group executive officer system		<ul style="list-style-type: none">Commencement of evaluations of the effectiveness of the Board of DirectorsEstablishment of the "Mitsubishi Estate Co., Ltd., Corporate Governance Guidelines"		<ul style="list-style-type: none">Introduction of flexible capital policies based on market conditions (execution of share buybacks of approximately ¥100.0 billion)Decision not to renew the countermeasure program regarding possible hostile takeover attempts	<ul style="list-style-type: none">Implementation of third-party evaluations in determining the effectiveness of the Board of Directors	<ul style="list-style-type: none">Execution of share buybacks of ¥30.0 billion as part of flexible capital policies based on market conditions
<div> Outside directors</div> <div> Inside directors (not concurrently serving as executive officers)</div> <div> Inside directors (concurrently serving as executive officers)</div> <div> Chairperson</div>								

Appointment Standards for Director Candidates

1. Purpose

These guidelines shall establish guidelines for the nomination of directors by the Nominating Committee.

2. Director Candidates

Director candidates shall fulfill a duty of care as a prudent manager toward the Company, in addition to understanding the Group’s basic mission of contributing to the creation of a truly meaningful society by building attractive, environmentally sound communities where people can live, work, and relax with contentment. Furthermore, director candidates shall be endowed with the necessary skills in accordance with management strategies while having the qualities and capabilities to contribute to enhancing medium- to long-term sustainable corporate value in consideration of the characteristics of the Company’s business, such as supporting urban development in the Marunouchi area.

(1) Inside Director Candidates

For directors from within the Company, in addition to displaying the abovementioned qualities and capabilities—specifically, demonstrating outstanding integrity, leadership, and foresight—candidates to be nominated shall be corporate officers in charge of one of the Company’s business groups or corporate officers in charge of corporate staff who have extensive knowledge and experience related to the Group’s business, who can perform oversight roles with a Companywide perspective, and who are highly trained, or, alternatively, personnel with such experience or personnel with translatable experience.

(2) Outside Director Candidates

For outside directors, in addition to the abovementioned qualities and capabilities, candidates shall be nominated for their operational and management experience, for the application of their experience and knowledge in specialized fields such as global business and risk management, for having the personality and knowledge enabling objective and fair judgments based on the perspective that they will contribute to the common interests of shareholders without bias toward the interest of any particular party of interest, and for satisfying the Independence Standards for Independent Outside Directors.

3. The Revision or Abolishment of These Standards Shall Require a Resolution of the Nominating Committee.

Board of Directors’ Skills Matrix

In January 2020, the Company formulated its Long-Term Management Plan 2030 based on the Group’s medium- to long-term management strategies and business strategies. To realize the plan, the Company has identified the skills (knowledge, experience, capabilities) needed for the Company’s Board of Directors to exercise its management oversight function and monitoring function effectively.

The skills of the Company’s directors are provided below.

	Name	Gender	Long-term vision on urban development (industry insight)	Corporate management experience	Organizational strategy / Business strategy	International knowledge	Treasury, accounting, and finance	Compliance / Risk management	ESG / Sustainability
Inside directors	Hiroataka Sugiyama	Male	●	●			●	●	●
	Junichi Yoshida	Male	●	●	●			●	●
	Junichi Tanisawa	Male	●	●	●		●		
	Atsushi Nakajima	Male	●			●	●		●
	Naoki Umeda	Male	●			●	●		
	Hitoshi Kubo	Male	●					●	●
	Noboru Nishigai	Male	●					●	●
	Hiroshi Katayama	Male	●			●	●	●	
Outside directors	Tsuyoshi Okamoto	Male		●			●		●
	Tetsuo Narukawa	Male	●	●			●		
	Masaaki Shirakawa	Male			●	●	●		
	Shin Nagase	Male		●		●		●	
	Setsuko Egami	Female			●			●	●
	Iwao Taka	Male			●			●	●
	Melanie Brock	Female			●	●			●

Note: To clarify the composition of skills of members of the Board of Directors, of the skills possessed by each director, the Company has selected the most relevant skills here, and all skills (knowledge, experience, and capabilities) are not listed.

Independence Standards for Independent Outside Directors

Candidates for the outside director position shall fulfill a duty of care as a prudent manager toward the Company; understand the Group’s basic mission of contributing to the creation of a truly meaningful society by building attractive, environmentally sound communities where people can live, work, and relax with contentment; apply their qualities and capabilities to contribute to enhancing medium- to long-term sustainable corporate value, as well as their experience and knowledge in specialized fields such as global business, finance, and risk management, in view of the Group’s business characteristics, such as supporting urban development in the Marunouchi area; and have personality and knowledge enabling objective and fair judgments, based on the perspective that they shall contribute to the common interests of shareholders without bias toward the interest of any particular party of interest. However, as a general principle, candidates are not elected if the Tokyo Stock Exchange’s standards for independence and the following independence standards for outside directors apply to them.

- (1) A shareholder or executive member of an entity holding voting rights exceeding 10% of the total voting rights of the Company
- (2) A transaction party or executive member of an entity whose transactional amounts in the most recent fiscal year have exceeded 2% of consolidated operating revenue of the Company
- (3) A representative employee, employee, or member of staff of the Company’s accounting auditor
- (4) An attorney, certified public accountant, tax accountant, consultant, or other party who has received compensation from the Company exceeding ¥10 million in the most recent fiscal year

Attendance Rates of Outside Directors in FY2022 and Contributions Made

Name	Attendance at Meetings of the Board of Directors and Committees		Overview of Contributions Made and Work Performed to Fulfill Expectations of Role
Tsuyoshi Okamoto	Board of Directors	10/10	Tsuyoshi Okamoto poses pertinent questions and offers valuable advice from an objective viewpoint independent of management executives in charge of business affairs, by leveraging his management experience at a comprehensive energy company. In this way, he fulfills supervisory and monitoring functions of the Company’s management.
	Nominating Committee	5/5	
	Remuneration Committee	9/9	
Shin Ebihara	Board of Directors	10/10	Shin Ebihara poses pertinent questions and offers valuable advice from an objective viewpoint independent of management executives in charge of business affairs, by leveraging his wealth of international experience and knowledge gained through his extensive years as a diplomat. In this way, he fulfills supervisory and monitoring functions of the Company’s management.
	Nominating Committee	5/5	
	Remuneration Committee	9/9	
Tetsuo Narukawa	Board of Directors	10/10	Tetsuo Narukawa poses pertinent questions and offers valuable advice from an objective viewpoint independent of management executives in charge of business affairs, by leveraging his international experience as well as management experience at financial institutions and real estate companies. In this way, he fulfills supervisory and monitoring functions of the Company’s management.
	Audit Committee	15/15	
Masaaki Shirakawa	Board of Directors	10/10	Masaaki Shirakawa poses pertinent questions and offers valuable advice from an objective viewpoint independent of management executives in charge of business affairs, by leveraging his knowledge in finance and economics, among other fields, gained through his experience working at a central bank. In this way, he fulfills supervisory and monitoring functions of the Company’s management.
	Nominating Committee	5/5	
	Remuneration Committee	9/9	
Shin Nagase	Board of Directors	10/10	Shin Nagase poses pertinent questions and offers valuable advice from an objective viewpoint independent of management executives in charge of business affairs, by leveraging his management experience at an airline company. In this way, he fulfills supervisory and monitoring functions of the Company’s management.
	Audit Committee	15/15	
Setsuko Egami	Board of Directors	10/10	Setsuko Egami poses pertinent questions and offers valuable advice from an objective viewpoint independent of management executives in charge of business affairs, by leveraging her abundant knowledge of corporate strategy, marketing strategy, and human resource development. In this way, she fulfills supervisory and monitoring functions of the Company’s management.
	Nominating Committee	5/5	
	Remuneration Committee	9/9	
Iwao Taka	Board of Directors	10/10	Iwao Taka poses pertinent questions and offers valuable advice from an objective viewpoint independent of management executives in charge of business affairs, by leveraging his extensive knowledge regarding business ethics and compliance, among other fields. In this way, he fulfills supervisory and monitoring functions of the Company’s management.
	Audit Committee	15/15	

Evaluation of the Effectiveness of the Board of Directors

Purpose of Evaluating the Effectiveness of the Board of Directors

With the aim of confirming that the Board of Directors is functioning effectively through its oversight function to improve corporate value on a medium- to long-term basis and to enhance corporate governance, the Board of Directors analyses and evaluates its effectiveness as a whole based on evaluations conducted annually by each director. In addition, the Board discloses a summary of the evaluation results and subsequently formulates and implements policies based thereon to enhance its effectiveness where necessary.

Initiatives Undertaken Thus Far to Realize the Desired Role of the Board of Directors

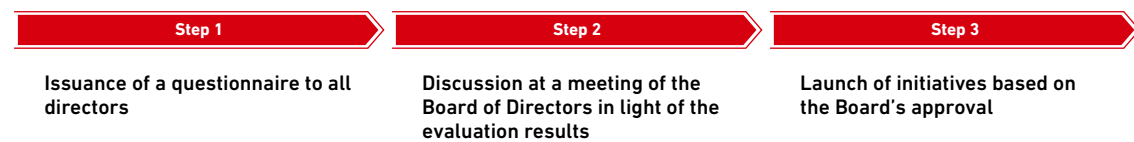
Mitsubishi Estate transitioned to the Company with Nominating Committee, etc., structure in June 2016. The Company defines the primary duties of the Board of Directors as deciding on basic management policies and important matters of business execution as well as supervising the execution of duties by directors and corporate executive officers from the perspective of bringing about greater clarity with regard to roles and the strengthening of functions in both management supervision and business execution. In accordance with the results of the analysis of the annual evaluation of the Board of Directors' effectiveness, the Board has thus far implemented initiatives to enable it to carry out its role appropriately. These include enhancing discussions regarding management plans by carefully examining agenda items as well as increasing opportunities for and improving the content of reporting from corporate officers, in addition to ensuring that information is provided more extensively to outside directors.

In FY2021, based on Long-Term Management Plan 2030—unveiled in January 2020—the Company began including items regarding initiatives to be improved going forward in addition to existing items from the perspective of appropriately monitoring management to increase shareholder value and social value over the long term. Furthermore, the Company received advice from a third-party evaluation organization at each phase of the evaluation process, including in the creation of questionnaires, the analysis of responses, and the sharing of issues. An overview of the evaluation process and results of the third-party evaluation carried out on the effectiveness of the Board of Directors in FY2021 are as follows.

1. Process of Evaluation

(1) Method of Evaluation

All directors conducted self-evaluations in the form of a response to a questionnaire related to the composition, operation, effectiveness, etc., of the Board of Directors and each of the Nominating, Audit, and Remuneration committees. Taking these results into consideration, directors discussed the issues with each other and examined proposed corrective measures at Board of Directors' meetings.



(2) Items of Evaluation

In terms of evaluation items based on Long-Term Management Plan 2030, the Company has confirmed "diversity for fulfilling the oversight functions of the Board of Directors" as part of the evaluation of the Board's composition and "topics to be fleshed out in future discussions for monitoring and the nature of reports on the status of business execution from corporate executive officers" as part of the evaluation of the Board's effectiveness and operation.

Composition of the Board of Directors	Proportion of outside directors, size of membership, and diversity
Effectiveness of the Board of Directors	Management plan, monitoring of execution of business and risk management systems, dialogue with shareholders and investors, operation of the Nominating, Audit, and Remuneration committees, etc.
Operation of the Board of Directors	Method and frequency of meetings, required time, report on status of business execution of corporate executive officers, provision of information outside of Board of Directors' meetings, questions and answers, training, etc.
Others	Method of the evaluation of the effectiveness of the Board of Directors, etc.

2. Results of Evaluation and Future Initiatives

(Results of Evaluation)

The Board of Directors deemed that it was functioning effectively.

(Analysis of Results)

In the questionnaire on the evaluation of Board effectiveness completed by each director, a significant number of items received a high ratio of "appropriate" as the response. Furthermore, a constructive exchange of opinions took place for each evaluation item, including issues pointed out by directors and their suggestions for the future. In particular, with respect to appropriate monitoring of Long-Term Management Plan 2030, a high level of awareness was observed regarding such matters as the contents of reporting by corporate executive officers on business execution, themes for improving the strength of monitoring, and the balance between the time used for briefings and the time used for discussions.

(1) Main Items Improved Since the Previous Evaluation

Major Tasks for Further Enhancing Board Effectiveness Since the FY2021 Effectiveness Evaluation and Future Initiatives

- Engagement in more substantive discussions, including on evaluation of progress regarding the long-term management plan and revision of the plan's strategies in accordance with changes in the management environment
- Ongoing implementation, centered on the Nominating Committee, of initiatives designed to further raise the level of diversity of the Board of Directors



FY2022 Initiatives

- Having continuously organized briefings on the Company's businesses for outside directors and exchanged opinions with them, the Board of Directors dedicated sufficient time to monitoring (including through reports, discussions, and exchanges of opinions) the state of execution of themes in Long-Term Management Plan 2030, including Companywide issues.
- At meetings of the Nominating Committee, discussions were held and opinions were exchanged regarding the level of diversity of members of the Board of Directors and the skills that they should possess to achieve Long-Term Management Plan 2030, with a skills matrix being disclosed and director candidates appointed based on factors including their skills.

(2) Main Issues and Future Initiatives Aimed at Further Improvements in Board Effectiveness

Through a process of examination and discussion at Board of Directors' meetings, the following points were identified.

- The management environment has changed significantly due to the spread of COVID-19 and other factors. Accordingly, to deepen discussions on progress evaluations of and strategy revisions to the long-term management plan, the Board of Directors must examine ways to expand and enhance its monitoring on a continuous basis to ensure supervision with an awareness of Companywide issues, including changes in the management environment, capital policies, and business portfolio strategy, as well as sustainability.
- Examinations of the composition and diversity of the Board of Directors must be implemented on an ongoing basis to further improve the Board's effectiveness.

Remuneration

The decision-making policy concerning details of remuneration for each director and corporate executive officer of the Company is deliberated at meetings of the Remuneration Committee. The Remuneration Committee also confirms that the method for deciding the details of remuneration paid to each director and corporate executive officer for each fiscal year as well as the details of each decided amount of remuneration are consistent with said policy. For the fiscal year under review, the Remuneration Committee deemed that the remuneration paid to each director and corporate executive officer was in line with the decision-making policy.

Total Remuneration Paid to Directors, Corporate Executive Officers, and Statutory Auditors in FY2022

Category	Total remuneration (Millions of yen)	Fixed remuneration (Millions of yen)	Performance-based remuneration (Millions of yen)	Recipients
Inside directors	261	261	—	4
Corporate executive officers	1,139	622	516	16
Outside directors	108	108	—	7

Note 1: Remuneration for the Company's directors who concurrently serve as corporate executive officers is included in the remuneration for corporate executive officers.
Note 2: The number of inside directors and corporate executive officers includes one inside director and one corporate officer who resigned during FY2022.

Board Policies and Procedures in Determining the Remuneration of Senior Management and Directors

(i) Procedures for Deciding Remuneration Paid to Officers

The policy concerning decisions on the details of remuneration paid to directors and corporate executive officers of the Company and the details of remuneration for each person shall be decided upon by a resolution of the Remuneration Committee, which comprises solely outside directors.

(ii) The Basic Policy for Deciding Remuneration for Officers

The basic policy for deciding remuneration for directors and corporate executive officers of the Company is as follows.

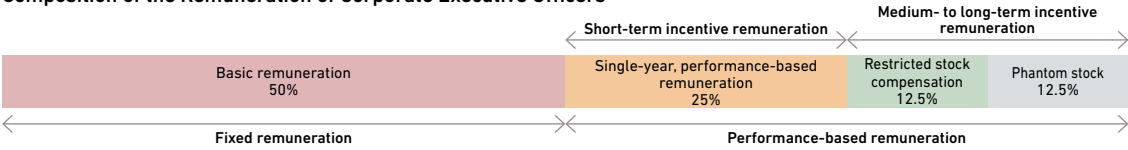
- The remuneration system shall be linked with our medium- to long-term performance targets, etc., aimed at in management strategies and medium-term management plans and realize sustained corporate value improvement and the sharing of value with our shareholders.
- The remuneration system shall allow for the giving of incentives to management executives to encourage them to take on challenges and conduct appropriate risk-taking in line with the above strategies' targets and expectations of shareholders and other stakeholders.
- The remuneration system shall make it possible to fulfill high accountability for the benefit of our shareholders and other stakeholders through objective deliberations and judgments by the Remuneration Committee.

(iii) Remuneration Systems for Officers

Remuneration systems for directors and corporate executive officers shall be separately established in consideration of their respective functions and roles to be fulfilled for the purpose of achieving sustained corporate value improvement. In addition, directors who concurrently serve as corporate executive officers shall be paid remuneration as corporate executive officers.

- Directors (excluding directors who concurrently serve as corporate executive officers)
In consideration of their function and role of supervising the performance of duties by corporate executive officers and directors, they shall receive, in principle, only basic remuneration in the form of cash, and the standards shall be decided upon individually taking into account factors such as their position and responsibilities as directors and whether they are full-time or part-time.
- Corporate executive officers
In consideration of their function and role of taking charge of business execution of the Company, their remuneration shall, in principle, comprise basic remuneration and variable remuneration. Variable remuneration comprises monetary compensation that is paid based on short-term performance, etc., and stock compensation, etc. (including monetary compensation paid based on indicators such as stock price), that is paid with a view to realizing the medium- to long-term sharing of value with shareholders. The standards and ratios of basic remuneration and variable remuneration, valuation indicators for variable remuneration, and other matters shall be decided upon taking into account medium- to long-term performance targets, etc., aimed at in management strategies and the current management plan and factors such as position and responsibilities as corporate executive officers.

Composition of the Remuneration of Corporate Executive Officers



Overview of Performance-Based Remuneration

(i) Single-Year, Performance-Based Remuneration

- ① Form of remuneration: cash
- ② Performance evaluation and method for determining remuneration

With the aim of achieving further corporate growth and greater efficiency while guaranteeing financial soundness, the amount of remuneration varies depending on consolidated operating profit, EBITDA, ROA, ROE, and the target level of operating profit in the divisions for which the individual officers are responsible.

When determining remuneration, the amount is calculated using the actual indicators, etc., for the previous fiscal year, to which is added an evaluation of qualitative aspects, established during interviews with the president,* including the degree of contribution to performance over the medium to long term and the status of ESG-related initiatives, with the final remuneration amount being decided by the Remuneration Committee.

Companywide performance and the performance of the officer's division impact remuneration amounts at a ratio of 50:50. The fluctuation range for remuneration is 0% to 200% of the base amount. The results for performance in the previous fiscal year were 155.9% for Companywide performance and, on average, 111.5% for divisional performance.

* The president is only evaluated based on Companywide performance.

Indicators and Process for Calculating the Evaluation Index

Companywide performance: 50*1	Achievement ratio compared with performance over the last five fiscal years: 30	<ul style="list-style-type: none">• Use the four indicators of consolidated operating profit, EBITDA, ROA, and ROE (1:1:1:1)• Use standard deviation to calculate the level of difficulty of achieving the performance of the relevant fiscal year compared with performance over the last five fiscal years• Fluctuation range of 200%–0%
	Achievement ratio compared with annual business plan targets: 20	<ul style="list-style-type: none">• Use the four indicators of consolidated operating profit, EBITDA, ROA, and ROE (1:1:1:1)• Level of payment determined through comparisons with figures for the four above indicators under annual business plans (payment level of 100% if in line with the plan's targets, but can fluctuate between 200% and 0% depending on the level of achievement)
Performance of responsible division: 50*1	<p>Corporate executive officers and executive officers</p> <ul style="list-style-type: none">• ① Level of achievement toward the business group budget: Use consolidated operating profit as a general rule• ② Medium-term initiatives: approximately five years ahead, includes ESG initiatives• ③ Initiatives to establish new business models: new business creation, non-asset businesses, service and content provision, etc.• ④ Initiatives to realize earnings for the entire Mitsubishi Estate Group: use the four indexes at a ratio of 10:10:10:20 for initiatives that go beyond the business group, etc. (initiatives that go beyond the individual role in the case of Group executive officers)• Employees are interviewed by the president & chief executive officer, who assesses each item using three levels (200%, 100%, and 0%*2). <p>Group executive officers</p> <ul style="list-style-type: none">• Use the four indicators of "level of achievement toward the individual company's budget," "medium-term initiatives," "initiatives to establish new business models," and "initiatives to realize earnings for the entire Mitsubishi Estate Group" at a ratio of 20:10:10:10.• Evaluation method is the same as that for corporate executive officers and executive officers.	

*1 Accounts for 12.5% of total remuneration
*2 Targets for each item listed in annual business plans, with evaluations conducted using the details of these targets with a the base score of 100%

(ii) Medium- to Long-Term Performance-Based Remuneration (Remuneration by Shares with Restriction on Transfer)

- ① Form of remuneration: Shares
- ② Restricted stock period: Approximately three years
- ③ Performance evaluation and method for determining remuneration

With the objectives of creating an incentive to work for sustainable growth and of promoting the further sharing of value with shareholders, the Company adopted stock-based remuneration with a restricted transfer period of approximately three years. The amount of monetary compensation that can be claimed when allocating stock is determined by the Remuneration Committee.

(iii) Medium- to Long-Term Performance-Based Remuneration (Phantom Stock)

- ① Form of remuneration: cash
- ② Performance evaluation period: approximately three years
- ③ Performance evaluation and method for determining remuneration

With the objectives of creating an incentive to work for sustainable growth and of promoting the further sharing of value with shareholders, the amount of phantom stock remuneration varies depending on the share price and on an indicator based on the Company's total shareholder return (TSR) ranking relative to five peer companies.*1 The base amount by position and the final remuneration amount are determined by the Remuneration Committee.

*1 Five peer companies: Nomura Real Estate Holdings, Inc., Tokyu Fudosan Holdings Corporation, Mitsui Fudosan Co., Ltd., Tokyo Tatemono Co., Ltd., and Sumitomo Realty & Development Co., Ltd.

④ Calculation method for individual amount paid

Remuneration amount

=

Remuneration base amount*2

×

Share price in final month of performance evaluation period

Issue price

×

Vesting ratio*3

*2 Remuneration base amount
The remuneration base amount corresponds to the rank of the officer eligible for payment, as listed below.

	President & chief executive officer	Deputy president	Executive vice president	Senior executive officer	Corporate executive officer
	¥19,647,000	¥12,675,000	¥10,413,000	¥8,352,000	¥6,288,000

*3 Vesting ratio
A rank is given to the TSR of the Company and its peers. The percentages in the table below correspond to the Company's TSR rank, with 100% being the upper limit.

	TSR rank	1st	2nd	3rd	4th	5th	6th
	Vesting ratio	100%	80%	60%	40%	20%	0%

TSR is calculated using the formula below.

TSR

=

(Share price for the final month of the performance evaluation period – Share price for the first month of the performance evaluation period) + Total dividends per share for dividend distributions with a record date within the performance evaluation period (excluding the final month of the performance evaluation period)

Share price for the first month of the performance evaluation period

(IV) Remuneration Payment Period

Payment periods for remuneration other than basic remuneration, which is fixed, will begin from the upcoming fiscal year. The payment schedule is as follows.

	X fiscal year				X fiscal year + 1 fiscal year				X fiscal year + 2 fiscal years				X fiscal year + 3 fiscal years				Notes
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Basic remuneration																	As remuneration amounts are determined by rank, in the event an officer changes rank during a fiscal year, the amount will change starting from the month in which the officer assumes the new rank.
Single-year, performance-based remuneration																	The performance evaluation of the previous fiscal year is reflected in remuneration from July of the following year.
Remuneration by shares with restriction on transfer																	While stock is allocated in the relevant fiscal year, the restriction on transfer is not lifted until three years after allocation.
Phantom stock																	This remuneration is paid after three years and upon completing an evaluation of performance during said three-year period.

Revision of the Officer Remuneration System

The Remuneration Committee adopted a resolution at a meeting of the committee held on March 31, 2022, to revise the officer remuneration system with effect from April 1, 2022. The purpose of the revision and an overview of the remuneration system following the revision are described below.

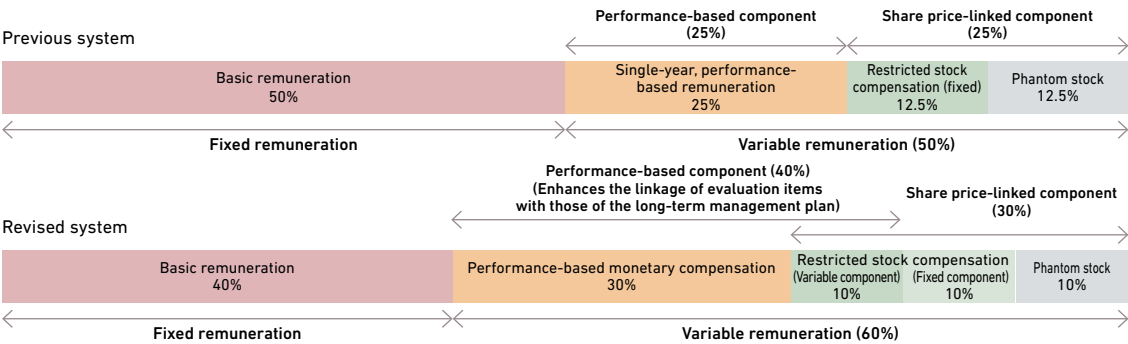
1. Overview and Purpose of the Revision of the Officer Remuneration System

- ① Enhancement of the linkage between officer performance evaluation indicators and Long-Term Management Plan 2030
In addition to making performance evaluation indicators more consistent with key performance indicators in Long-Term Management Plan 2030, the revision aims to enhance the commitment of officers to achieving the goals of the plan by introducing evaluation items linked to it.
- ② Promotion of the alignment of shareholders' and officers' interests
The revised system raises the percentage of remuneration linked to the Company's share price to 30% (previously 25%) of the total by introducing a new restricted stock compensation system in which the amount of monetary compensation varies according to performance. In addition, with the aim of further aligning shareholders' and officers' interests, the revision extends the restricted stock transfer period from its current period of approximately three years to the time when an officer resigns.

- ③ Revision of composition of remuneration
The revised system changes the proportion of variable compensation to 60% (previously 50%) to increase the incentives provided by the officer remuneration system.

Note: Eligible officers: corporate executive officers, executive officers, and Group executive officers (unchanged from the previous system)

Comparison of the Composition of Remuneration with That of the Previous System



2. Overview of Variable Remuneration under the Revised System

(1) Performance-Based Monetary Compensation

- ① Form of remuneration: Cash
- ② Performance evaluation and method for determining remuneration
 - With the aim of achieving further corporate growth and greater efficiency while guaranteeing financial soundness, the amount of remuneration varies depending on consolidated business profit, ROA, ROE, EPS, and the target level of business profit in the divisions for which the individual officers are responsible.
 - When determining remuneration, the amount is calculated using the actual indicators, etc., for the previous fiscal year, to which is added an evaluation of qualitative aspects, established during interviews with the president, including the degree of contribution to performance over the medium to long term and the status of ESG-related initiatives, the level of progress of each business (domestic, international, and non-asset) in achieving targets stipulated in Long-Term Management Plan 2030, with the final remuneration amount being decided by the Remuneration Committee. Please see the table on page 85 for details.

(2) Remuneration by Shares with Restriction on Transfer (Fixed and Variable Components)

- ① Form of remuneration: Shares
- ② Restricted stock period: Until an officer resigns
- ③ Performance evaluation and method for determining remuneration
 - With the objectives of creating incentives for officers to achieve sustainable growth and of further aligning officers' interests with those of shareholders, the Company adopted stock-based remuneration with a restricted transfer period that runs until the time an officer resigns. The amount of monetary compensation that can be claimed when allocating stock is determined by the Remuneration Committee.
 - The Company will determine the method for deciding variable remuneration and the major evaluation items by using the same evaluation items as those for (1) Performance-based monetary compensation.

Indicators and Process for Calculating the Evaluation Index

Companywide performance: 50*	Achievement ratio compared with performance over the last five fiscal years	10	<ul style="list-style-type: none">• Use the four indicators of consolidated business profit, ROA, ROE, and EPS (1:1:1:1)• Use standard deviation to calculate the level of difficulty of achieving the performance of the relevant fiscal year compared with performance over the last five fiscal years• Fluctuation range of 200%–0%
	Achievement ratio compared with annual business plan targets	30	<ul style="list-style-type: none">• Use the four indicators of consolidated business profit, ROA, ROE, and EPS (1:1:1:1)• Level of payment determined through comparisons with figures for the above four indicators under annual business plans (Level of payment is 100% if achievement is in line with the plan's targets but fluctuates between 200% and 0% depending on the level of achievement)
	Level of achievement compared with targets for three businesses stipulated in the long-term management plan	10	<ul style="list-style-type: none">• Level of payment determined through comparisons with targets for three businesses (domestic, overseas, and non-asset) stipulated in the long-term management plan (Qualitative assessment using five levels (200%, 150%, 100%, 50%, and 0%))
Performance of responsible division: 50*	Level of achievement of divisional annual targets for achieving the goals of the long-term management plan	50	Controlling Officers and Group Executive Officers <ul style="list-style-type: none">• The following four indicators used at a ratio of 20:10:10:10<ul style="list-style-type: none">① Level of achievement toward the business group budget: Use consolidated business profit as a general rule (level of achievement toward the individual company budget for Group executive officers)② Medium-term initiatives: approximately covering upcoming five years, includes ESG initiatives③ Initiatives to establish new business models: new business creation, non-asset businesses, service and content provision, etc.④ Initiatives to realize earnings for the entire Mitsubishi Estate Group: initiatives that go beyond the business group, etc. (initiatives that go beyond individual companies in the case of Group executive officers)• Officers interviewed by the president & chief executive officer, who assesses them on each item using five levels (200%, 150%, 100%, 50%, and 0%*)* Targets for each item listed in annual business plans, with evaluations conducted using the details of these targets with a base score of 100%
			Other Executive Officers <ul style="list-style-type: none">• Use the four indicators of "level of achievement toward the business group budget," "medium-term initiatives," "initiatives to establish new business models," and "initiatives to realize earnings for the entire Mitsubishi Estate Group" at a ratio of 10:10:10:20• Evaluation method the same as that for controlling officers and Group executive officers

* Accounts for 15% of total remuneration

(3) Medium- to Long-Term Performance-Based Remuneration (Phantom Stock)

- ① Form of remuneration: cash
- ② Performance evaluation period: approximately three years
- ③ Performance evaluation and method for determining remuneration
With the objectives of creating an incentive to work for sustainable growth and of promoting the further sharing of value with shareholders, the amount of phantom stock remuneration varies depending on the share price and on an indicator based on the Company's total shareholder return (TSR) ranking relative to five peer companies.*1 The base amount by position and the final remuneration amount are determined by the Remuneration Committee.

*1 Five peer companies:
Nomura Real Estate Holdings, Inc., Tokyu Fudosan Holdings Corporation, Mitsui Fudosan Co., Ltd., Tokyo Tatemono Co., Ltd., and Sumitomo Realty & Development Co., Ltd.

④ Calculation method for individual amount paid

Remuneration amount = Remuneration base amount*2 × $\frac{\text{Share price in final month of performance evaluation period}}{\text{Issue price}}$ × Vesting ratio*3

*2 Remuneration base amount

The remuneration base amount corresponds to the rank of the officer eligible for payment, as listed below.

President & chief executive officer	Deputy president	Executive vice president	Senior executive officer	Corporate executive officer
¥19,647,000	¥12,675,000	¥10,413,000	¥8,352,000	¥6,288,000

*3 Vesting ratio

A rank is given to the TSR of the Company and its peers. The percentages in the table below correspond to the Company's TSR rank, with 100% being the upper limit.

TSR rank	1st	2nd	3rd	4th	5th	6th
Vesting ratio	100%	80%	60%	40%	20%	0%

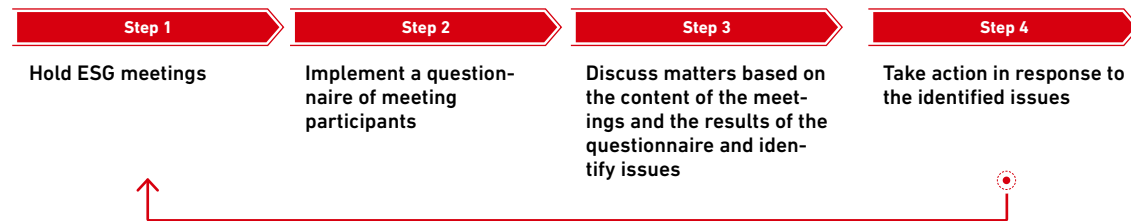
TSR is calculated using the formula below.

TSR = $\frac{(\text{Share price for the final month of the performance evaluation period} - \text{Share price for the first month of the performance evaluation period}) + \text{Total dividends per share for dividend distributions with a record date within the performance evaluation period (excluding the final month of the performance evaluation period)}}{\text{Share price for the first month of the performance evaluation period}}$

Dialogues with Shareholders and Investors (ESG Meetings)

Mitsubishi Estate holds integrated ESG meetings that focus on the non-financial aspects of its ESG activities to enable shareholders and investors to gain an understanding of the direction of its management over the long term.

We relay the opinions, requests, proposals, and other feedback that we receive through such dialogues to senior management at meetings of the Board of Directors. By incorporating the results of the dialogues into a plan-do-check-act (PDCA) cycle, we aim to achieve continuous growth.



(1) Achievements over the Last Two Fiscal Years

In addition to the Sustainability Management and Promotion Department, which is in charge of environmental and social matters, and the General Affairs Department, which oversees corporate governance, the Company holds ESG meetings with the attendance of the Investor Relations Office when requested.

The number of ESG meetings held by the Company in FY2021 and FY2022 was as follows.

	Number of companies for which meetings were held (total number of companies)	Distribution ratio (number of shares issued)*
Corporate shareholders and institutional investors in Japan	25	Approximately 31%
Overseas institutional investors	17	Approximately 14%
Total	42	Approximately 44%

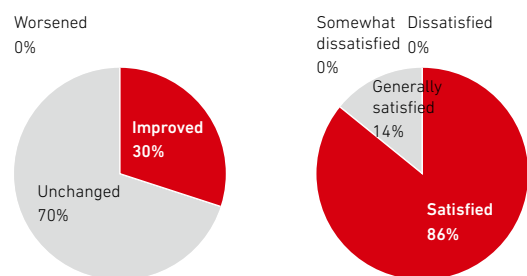
* Estimated based on the results of a shareholder identification survey outsourced to a third-party institution inquiring into beneficial owners using the shareholders' register (as of March 31, 2022)

(2) Questionnaire Results (Meeting Participants in FY2022)

At the close of ESG meetings, we implemented a questionnaire of participants regarding their level of satisfaction with the dialogue and their rating of our ESG initiatives, in order to measure the effectiveness of integrated ESG meetings and ascertain areas for improvement and other matters to reflect in future dialogues.

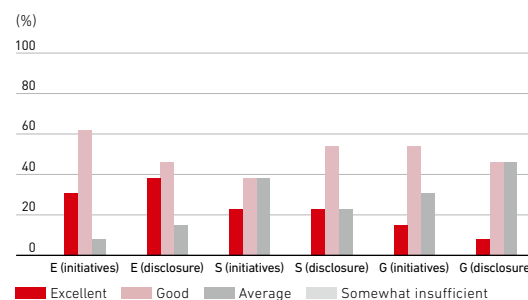
In the results of the FY2022 questionnaire, many participants commented that the opportunity to exchange opinions in a comprehensive manner in an integrated ESG meeting was instructive and efficient. In addition to a satisfaction level exceeding 80%, 30% of the companies that participated responded that the meetings helped improve their rating of Mitsubishi Estate.

Changes in Shareholders' and Investors' Evaluation of Mitsubishi Estate's Dialogue Efforts



Satisfaction with Dialogue

Evaluation of ESG Activities



(3) Major Issues Addressed in Response to Issues Raised during Meetings

We have communicated the comments and proposals received at ESG meetings to the Board of Directors and are continuously examining ways to address them in order to make further improvements.

The status of our responses to the issues hitherto raised is as follows.

	Comments and proposals	Status of responses
E	<ul style="list-style-type: none"> Given the increasing number of companies declaring net-zero carbon emissions targets for 2050, Mitsubishi Estate should also consider making such a declaration. Can Mitsubishi Estate bring forward the schedule for achieving its goal in relation to RE100? 	<ul style="list-style-type: none"> Declared goal of achieving net-zero carbon emissions by 2050 in accordance with the standards of the Science Based Targets (SBT) initiative Brought forward significantly the schedule for achieving the Company's goal in relation to RE100 from 2050 to 2025
S	<ul style="list-style-type: none"> The low level of the target for increasing the percentage of female managers is a matter of concern. The percentage of male employees taking childcare leave of absence is low. Efforts are required to eliminate differences between male and female employees in taking childcare leave. 	<ul style="list-style-type: none"> Upwardly revised the targets for the percentage of female managers from 10% by 2030 to over 20% by FY2031, 30% by FY2041, and 40% by FY2051 Strengthened calls to relevant male employees and significantly increased the percentage of those taking leave from 21.2% in FY2019 to 52.2% in FY2022, with the ultimate goal of achieving a childcare leave of absence rate of 100% among such employees by FY2031
G	<ul style="list-style-type: none"> The number of female directors must be increased to diversify the composition of the Board of Directors. The Company must disclose a skills matrix and a process for selecting directors based on such a skills matrix. A third-party evaluation of the Board of Directors is recommended. The Company should consider more detailed disclosure of milestones for overall remuneration, KPIs for single-year, performance-based compensation, and other systems. As the alignment of long-term interests between officers and shareholders is weak, the Company should consider raising the percentage of share-based remuneration. 	<ul style="list-style-type: none"> Increased the number of female directors Disclosed a skills matrix and revised appointment standards for director candidates Introduced a third-party evaluation component to the evaluation of the Board of Directors, with the Board confirming a policy to implement the third-party evaluation once every several years Carried out more detailed disclosure regarding the remuneration system through the Company's website and integrated report and disclosed information on the system in English Revised the remuneration system; increased the percentage of performance-based and share-based remuneration, while extending the restricted stock transfer period to the time when an officer resigns

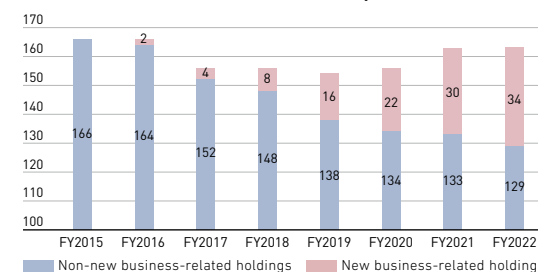
Shares Held for Strategic Purposes

The Company acquires and holds shares for other than purely investment purposes if it deems such shareholdings to be useful in facilitating the Group's business activities smoothly in cases such as when seeking to maintain or reinforce medium- to long-term transactional relationships or in procuring funds on a stable basis.

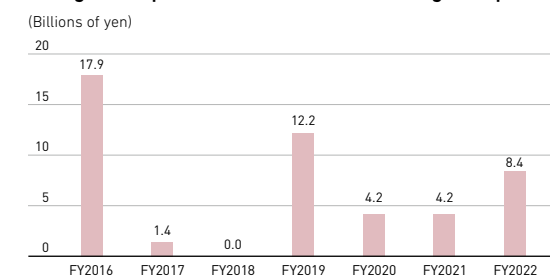
In regard to the holding of listed shares as investment shares for other than purely investment purposes, we examine the rationality of such holdings from the perspective of whether they are useful or not in facilitating the Group's business activities smoothly, focusing on such aspects as the background of the acquisition, record of transactions, status of cooperative and collaborative relationships, and level of dividend payouts. The findings of these examinations, as well as the number of reductions of such shares and the policy on reductions going forward, are reported to the Board of Directors at least once a year, and we are proceeding with sales in an appropriate manner.

In addition, the Company has been conducting ongoing investments in venture businesses since FY2016. Centered on the Innovation and Business Transformation Group, these efforts are aimed at heightening the value of existing businesses and expanding the Company's business domains through the utilization of technologies and coordination with external partners.

Holdings of Shares Held for Strategic Purposes (Total for Listed and Non-Listed Companies)



Change in Disposal of Shares Held for Strategic Purposes



Please refer to our Corporate Governance Report for more information on our corporate governance system.
<https://www.mec.co.jp/e/investor/governance/materials/pdf/corp220711e.pdf>

Directors

(As of June 29, 2022)



Hirotaka Sugiyama
Chairperson of the Board
2007
63,391 shares



Junichi Yoshida
Director
2016
78,593 shares



Junichi Tanisawa
Director
2014
54,930 shares



Atsushi Nakajima
Director
2022
27,314 shares



Naoki Umeda
Director
2022
14,601 shares



Hitoshi Kubo
Director
2021
7,197 shares



Noboru Nishigai
Director
2021
29,801 shares



Hiroshi Katayama
Director
2016
38,070 shares



Tsuyoshi Okamoto
Outside Director
2019
1,000 shares



Tetsuo Narukawa
Outside Director
2018
1,200 shares



Masaaki Shirakawa
Outside Director
2016
– shares



Shin Nagase
Outside Director
2016
300 shares



Setsuko Egami
Outside Director
2015
3,200 shares



Iwao Taka
Outside Director
2016
1,000 shares



Melanie Brock
Outside Director
2022
– shares

Name
Position
Appointment year
Number of shares held
(As reported in FY2022 Financial Report, available only in Japanese)

Corporate Executive Officers, Executive Officers, and Group Executive Officers

(As of April 1, 2022)



Junichi Yoshida
Representative Corporate Executive Officer
President & Chief Executive Officer



Junichi Tanisawa
Representative Corporate Executive Officer
Deputy President



Futoshi Chiba
Representative Corporate Executive Officer
Executive Vice President



Kenji Hosokane
Representative Corporate Executive Officer
Executive Vice President



Atsushi Nakajima
Representative Corporate Executive Officer
Executive Vice President



Yuji Fujioka
Representative Corporate Executive Officer
Executive Vice President



Keiji Takano
Senior Executive Officer



Bunroku Naganuma
Senior Executive Officer



Toru Kimura
Senior Executive Officer



Yutaro Yotsuzuka
Senior Executive Officer



Ikuo Ono
Senior Executive Officer



Naoki Umeda
Senior Executive Officer



Haruhiko Araki
Senior Executive Officer



Masaki Yamagishi
Group Executive Officer



Masaharu Miyajima
Group Executive Officer



Ryoza Kawabata
Group Executive Officer

Corporate Executive Officer	Executive Officers	Group Executive Officers		
Hitoshi Kubo	Takashi Kobari Toshiyuki Inoue Seijin Chino Shuichi Shimizu Masanori Iwase	Toru Takeda Masahiro Murai Mikihito Hirai	Masaki Yamagishi Masaharu Miyajima Ryoza Kawabata Tetsuya Okusa Nobuhiro Okumoto	Shinya Mizumura Masato Aikawa Hirofumi Kato Atsuhiko Oida

Message from an Outside Director

Mitsubishi Estate will foster a corporate culture that creates sustainable corporate value by diversifying the composition of its Board of Directors and formulating an appropriate officer remuneration system.

Masaaki Shirakawa
 Outside Director
 (Chairperson of the Remuneration Committee and Member of the Nominating Committee)



⇒⇒ Efforts to Diversify the Composition of the Board of Directors Will Help Mitigate Risks

I became an outside director of Mitsubishi Estate in June 2016. Looking back at the Company’s operating environment over the past almost 20 years, a variety of truly significant changes have taken place, such as increasing globalization, technological advancement, and the growth of geopolitical risks.

In the midst of such changes in the operating environment, I think that Mitsubishi Estate has worked proactively to evolve its governance framework. Mitsubishi Estate transitioned to become a Company with Nominating Committee, etc., in 2016, the year I became an outside director. Since then, I have been struck by how earnestly the Company has implemented revisions to its corporate governance in accordance with the needs of society, such as appointing outside directors as chairpersons of its three committees and ensuring that each committee is membered by a majority of outside directors.

The greatest obstacle preventing boards of directors and committees from reaching proper final decisions, particularly regarding complex and nuanced matters, is if their memberships are too homogenous or not broad enough in perspective. Consciously ensuring diversity is extremely important in order to minimize such a risk. The backgrounds of Mitsubishi Estate’s outside directors are truly diverse, including those who have engaged in corporate management and those who are specialists in environmental, social, and governance (ESG)-related matters and compliance, while my own background is in macroeconomics and finance. In this way, the composition of the Board of Directors is suitable for facilitating a monitoring system for a company operating in the real estate business, which entails extensive touchpoints with society and long-term engagement.

With the aim of clarifying its stance of emphasizing the diversity of its Board of Directors, Mitsubishi Estate formulated and unveiled a skills matrix identifying the skills that its directors must possess to ensure that the Board of Directors properly fulfills its management oversight and monitoring functions going forward. Given that the Company has long been keenly aware of the importance of ensuring the diversity of the Board of Directors, I feel that the unveiling of the skills matrix was more a case of giving form to what the Company had already been emphasizing. While I think it is meaningful to give form to such matters, further enhancing diversity meaningfully and tangibly—including increasing female representation among management personnel—and fostering an organizational culture and atmosphere that enable discussions in a free and open-minded manner among all directors are of even greater significance. As an outside director, I hope to contribute to the achievement of this goal.

⇒⇒ Construction of an Officer Remuneration System Geared toward the Pursuit of Sustainable Profits

Mitsubishi Estate revised its officer remuneration system in April 2022. As chairperson of the Remuneration Committee, I was involved in this revision, which aims to further incentivize officers to achieve the goals of Long-Term Management Plan 2030, by strengthening the linkage between said system and said plan while further aligning shareholders’ and officers’ interests by raising the percentage of remuneration linked to the Company’s shares and share price.

The global financial crisis between 2007 and 2009, symbolized by the collapse of Lehman Brothers, provides valuable lessons for reflecting on corporate management. For me, one of the causes of the global financial crisis was the short-term bias of financial markets. Put simply, such markets pursued short-term profitability rather than sustainable profits over the medium to long term. I was long involved in monetary policy formulation and implementation at the Bank of Japan, during which I became greatly aware of the strengths and weaknesses of financial markets. Based on such experience, I would say that, while enhancing incentives for officers is the correct direction to take, it must not be forgotten that such incentives must serve to strengthen the linkage between remuneration and sustainable profit generation. There is a saying that “the devil is in the details.” In the process of revising the officer remuneration system this year, I participated in discussions based on my awareness of the need to ingrain ways of thinking and acting to facilitate the pursuit of sustainable profits and realize improvements in Mitsubishi Estate’s share price over the medium to long term.

⇒⇒ Promotion of Appropriate Management Decisions as an Organization Seeking True Value

While I had several reasons to accept the position of outside director at Mitsubishi Estate, my interest in the real estate business had a major influence on my decision. This interest is rooted in my experience of working at a central bank over many years. As many fluctuations in the Japanese and overseas economies have been connected to fluctuations in the real estate market, I have long been interested in the real estate business.

Another reason is that I believe the true state of a country’s economic competitiveness is greatly influenced by the competitiveness of its cities. It is for this reason that Mitsubishi Estate’s brand slogan—“A Love for the People. A Love for the City”—appeals to me greatly. Since cities are where people gather to work and live, they are also where ideas converge and innovations are created. That, for me, is the function of cities. While improving the appeal of cities is a major mission of Mitsubishi Estate’s, such improvement is integral to raising the competitiveness of the Japanese economy. With this in mind, I thought that being involved in the real estate business as a member of the Company’s Board of Directors would be rewarding work.

Mitsubishi Estate is currently committed to achieving Long-Term Management Plan 2030. Ultimately, however, improvements in the Company’s corporate value will be determined by the level of its success in meeting the true needs of society, which are tangible. Although financial strategies and capital policies are undeniably vital in terms of improving resilience to inevitable economic shocks, they do not in and of themselves raise corporate value.

Corporate performance is reflected in return on assets, return on equity, earnings per share, and other financial indicators. Accordingly, setting targets for such indicators, as emphasized in Long-Term Management Plan 2030, is crucial. Nevertheless, such targets will be meaningless unless they are sustainable and not ephemeral numerical values. For aspects of corporate performance that are difficult to express quantitatively, I believe that incorporating such aspects based on qualitative judgments—rather than excluding them because of such difficulty—and implementing management that integrates both quantitative and qualitative information will lead to an improvement in Mitsubishi Estate’s corporate value.

⇒⇒ Contribution to the Development of a Governance System in Line with a Company That Builds Trust

People are the drivers of corporate growth. Accordingly, ensuring that those with whom Mitsubishi Estate’s brand slogan resonates can tackle their work with motivation is crucial. It is also absolutely essential to be an organization capable of attracting human resources who can respond to increasing globalization and technological advancement. The Company must be an organization that facilitates high-quality decision-making to make it the first choice of such human resources with specialized expertise and skills. Achieving this goal is contingent upon developing a governance system that is appropriate for an organization capable of responding to change, and I sense that outside directors are expected to provide the expertise to realize this development. I believe people regard Mitsubishi Estate as a trustworthy company. As the real estate business entails working with a long-term perspective, such trust is of the utmost importance. Propagating the brand slogan—“A Love for the People. A Love for the City”—to ensure that Mitsubishi Estate can continue living up to the trust of society, I aim to fulfill my role as an outside director to help the Company contribute to society through its business activities.

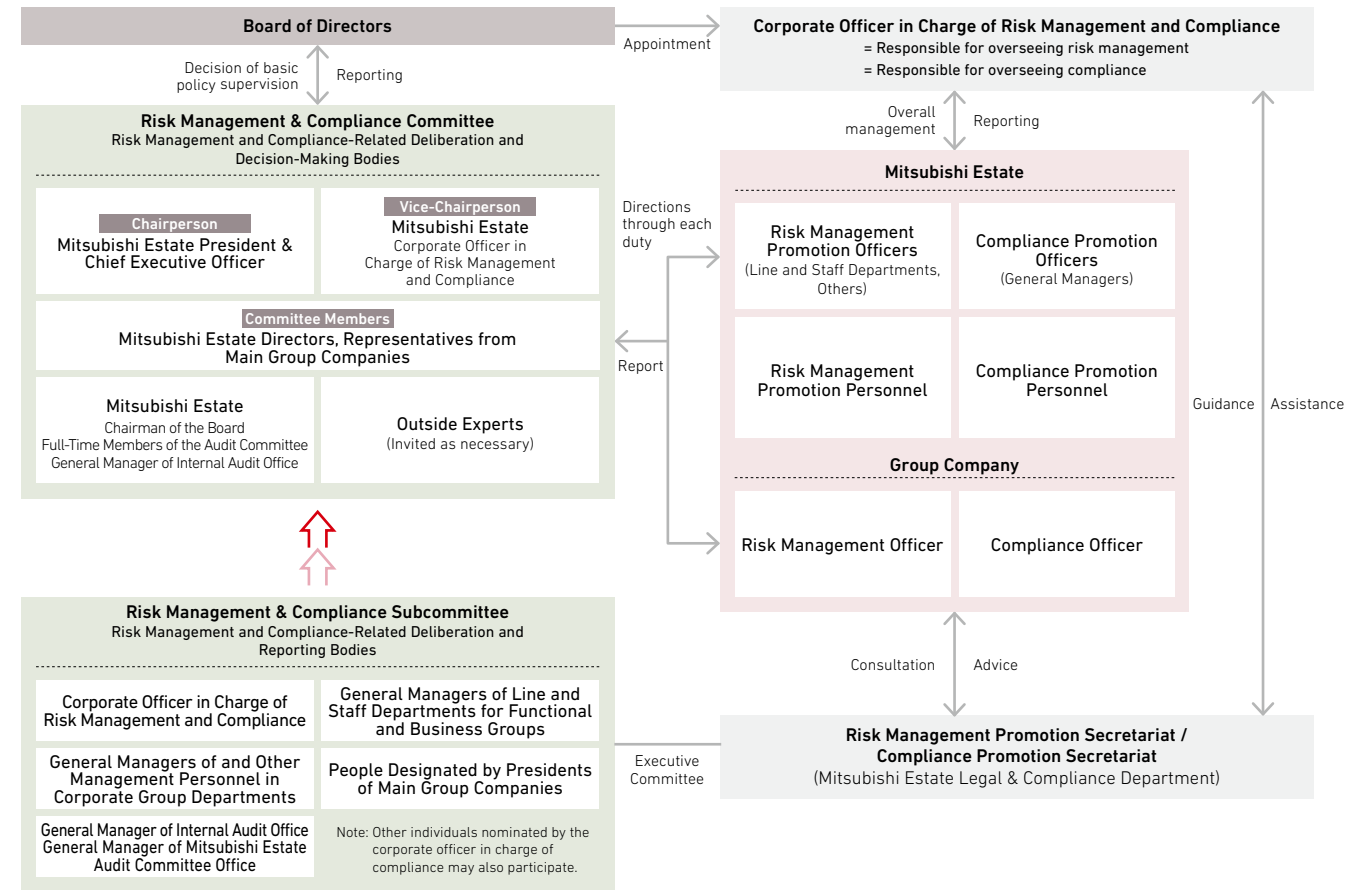
Risk Management

The Mitsubishi Estate Group has established the Mitsubishi Estate Group Risk Management Rules and has set up a risk management system to manage risks in all of its business activities. Mitsubishi Estate has also established the Risk Management & Compliance Committee to oversee the Group's risk management and formed the Risk Management & Compliance Subcommittee as a working-level consulting body responsible for such matters as the collection of risk management-related information. The corporate officer in charge of risk management is appointed by resolution of the Board of Directors to take responsibility for overseeing risk management, and general managers of business groups and general managers from Group departments have been designated as risk management officers. We promote risk management activities through the Mitsubishi Estate Legal & Compliance Department, which serves as the secretariat.

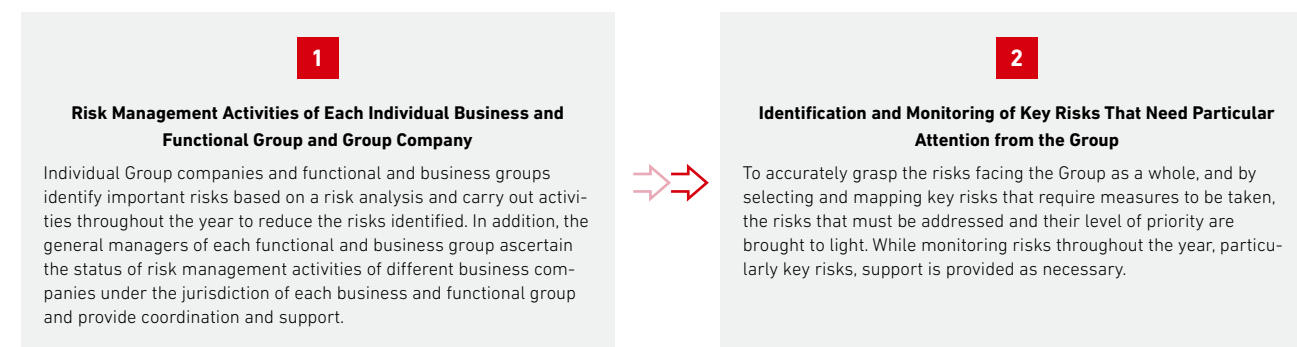
We have also established and implemented action guidelines, contact and initial response systems, and business continuity planning for use in times of crisis.

Risk Management and Compliance System

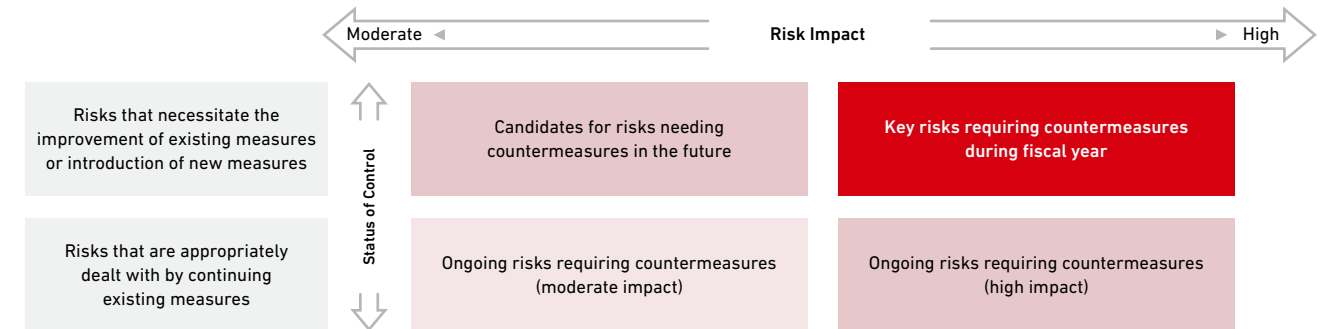
(As of April 2022)



Risk Management Activities



Risk Map



Risk Management Related to Investment Projects

Among the various risks recognized by the Mitsubishi Estate Group, risks related to investment projects are identified by the Strategic Investment Office, which is responsible for investment decision rules, through assessments to verify business viability. Prior to the deliberation of important investment projects by the Executive Committee, which is chaired by the president & chief executive officer and is responsible for strategy planning for the entire Group and monitoring of the progress of each business toward realizing their strategies, the Strategic Investment Committee deliberates and evaluates profitability, the nature of risks and related countermeasures, and other matters. At each phase, risk assessments are also conducted from legal and financial aspects in order to grasp an overall picture of the aforementioned risks.

Strategic Investment Committee

In its deliberations, in addition to assessing the economic viability of a given project using multiple indicators, the Strategic Investment Committee verifies the appropriateness of various aspects of premises, such as rents, unit selling prices, and construction costs. For risks, in particular, simulations of upside and downside scenarios are incorporated into investment decision rules. The difference between the scenario set by the responsible business group in charge of the project and the downside scenario is recognized as risk. The Strategic Investment Committee holds discussions on the acceptable limits of that risk.

Risk Evaluation Process for Individual Projects



Dealing with Major Risks

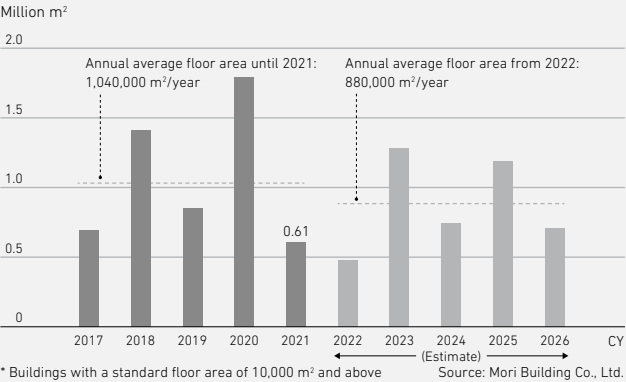
Below are some examples of major risks that have come to light in the Mitsubishi Estate Group through risk management activities and various business activities and countermeasures that have been taken.

	Risks	Countermeasures
	Risks of Natural and Man-Made Disasters, etc.	As natural disasters, such as typhoons, have increased in frequency in recent years, social interest has grown in the way companies respond when such events occur. Amid such circumstances, in the unlikely event of shortcomings in a response deemed appropriate by the Group, safety management, reputational, and other risks could emerge, which might affect the Group's business promotion and performance.
	Risks Related to the COVID-19 Pandemic	In FY2022, the COVID-19 pandemic had a particularly adverse impact on the Group's hotel, retail facility, and airport operation businesses. In FY2023, the pandemic may continue to adversely impact the Group's business promotion and performance, primarily in these businesses.
	Risks of a Deterioration in Real Estate Market Conditions	The Group's performance may be adversely affected if real estate market conditions were to deteriorate in accordance with an economic downturn caused by domestic and overseas factors. In such circumstances, the Group would need to pay particular attention to the progress of occupancy rates in the Tokyo office leasing market and to multi-use development, redevelopment, and other plans, as these entail large-scale investments over long-term development time frames.
	Risks of Substantial Rises in Material Prices	If material prices rose in conjunction with a steep increase in raw material and crude-oil prices due to domestic and overseas factors, the Group may not necessarily be able to offset this through increased sales prices and rental fees in its real estate development business, which may have an adverse effect on performance.
	Risks of Fluctuations in Exchange Rates	The Group's business operations are affected by fluctuations in exchange rates. Appreciation of the yen reduces the yen conversion amount in foreign currency-denominated transactions. In addition, a portion of the Group's assets and liabilities are converted into Japanese yen for the preparation of consolidated financial statements. Accordingly, even if there was no change in the value of said assets and liabilities in local currency terms, their value may be affected after yen conversion.
	Risks of Increases in Interest Rates	The Bank of Japan (BOJ) has implemented a policy of quantitative and qualitative monetary easing with yield curve control in response to the credit crunch in financial markets and the slowdown in the global economy. However, a rise in interest rates due to a change in the BOJ's policy or a deterioration in the demand-supply balance for Japanese government bonds (JGBs) caused by growth in the issuance of JGBs may negatively affect the performance, financial position, or other aspects of the Group's business.
	Information Security Risks, Such as Cyberattacks, Including Leaks of Personal Information	The Group's performance could be affected in the unlikely event of external leaks of confidential information or the materialization of system risks due to unforeseen circumstances, such as information security incidents resulting from cyberattacks, computer viruses, or the like
		Through its promotion of urban redevelopment projects, the Group has put in place advanced disaster-management functions and employed disaster countermeasures through area management.
		The Group plans to put in place a system that is resilient to fluctuations in business performance and in market conditions by accurately understanding circumstances concerning the spread of the COVID-19 pandemic, government policies, and other relevant information in a timely manner and by adjusting investment and development plans in line with business performance and market conditions.
		The basic policy of the Group is to conclude relatively long-term lease contracts with customers in its office building leasing business. The resultant prospect of stable lease revenues mitigates to a certain degree the risk of sharp economic fluctuations.
		The Group implements cost control measures, such as the early placement of construction material orders, and will monitor trends in material prices in a timely manner going forward while adopting a multifaceted response that encompasses adjusting investment and development plans and consulting with its partners.
		The Group strives to minimize risks of fluctuations in exchange rates through such efforts as procuring funds in the relevant foreign currency when acquiring foreign currency-denominated assets.
		The Group hedges interest rate risk on a portion of its variable interest rate financing through interest rate swaps to convert its interest rate payments into fixed payments. The Group plans to continue procuring funds in consideration of the balance between outstanding borrowings and corporate bonds with fixed and variable interest rates.
		The Group has established regulations in relation to information management, based on which it implements a rigorous information management system, and complies appropriately with revisions to laws, such as the Act on the Protection of Personal Information. Moreover, in order to raise the IT security level Groupwide, the Group has positioned its DX Promotion Department at the center of efforts to standardize its IT systems and make them more secure. The Group is also enhancing collaboration among DX Promotion Department IT security personnel and between the department and external security companies, thereby providing Groupwide support.

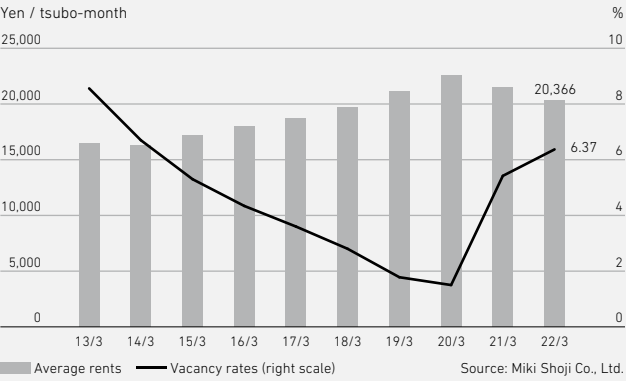
Financial Section

Japan's Real Estate Market

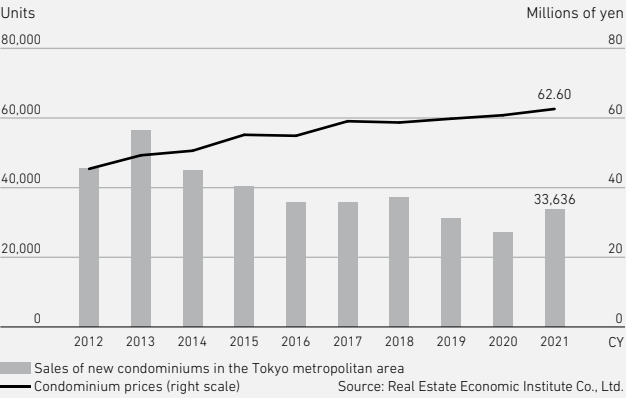
Supply of New Large-Scale Office Buildings* in the 23 Wards of Tokyo



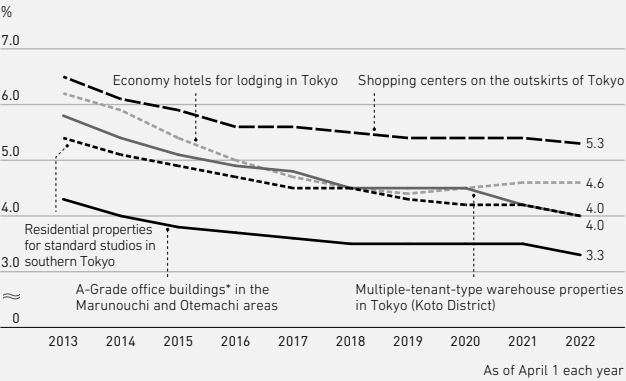
Office Building Market (Average Rents / Vacancy Rates in Five Central Tokyo Metropolitan Wards)



Supply of New Condominiums in the Tokyo Metropolitan Area / Average Condominium Prices



Expected Capitalization Rate by Type of Property in the Tokyo Area



* Covers properties within five minutes' walk from the nearest station and with floor areas of at least 50,000 m²
Source: Japan Real Estate Institute

In 2021, the supply of new large-scale office buildings in Tokyo's 23 wards by floor area contracted substantially, declining approximately 70.0% year on year, to 610,000 m². While a certain level of supply volume is expected in 2023 and 2025, the annual average supply volume for the next five years (2022 to 2026) is forecast to fall below past annual average levels.

In contrast, with the average supply volume per property trending upward, offices are projected to continue growing in scale accordingly.

In the office building market, vacancy rates as of March 2022 in the five central Tokyo metropolitan wards (Minato-ku, Chiyoda-ku, Chuo-ku, Shinjuku-ku, and Shibuya-ku) stood at 6.37%, exceeding 6.0% for the first time since March 2014, partly reflecting the impact of office consolidations and contract cancellations due to the spread of COVID-19. Average rents came to ¥20,366 per tsubo, down ¥1,175 year on year.

In the housing market, the supply of condominiums in the Tokyo metropolitan area in 2021 increased for the first time in three years, rising 23.5% year on year, to 33,636 units, partly reflecting a rebound from the slump in supply in 2020 due to the COVID-19 pandemic. Meanwhile, the average price of condominiums in the Tokyo metropolitan area rose 2.9% year on year, to ¥62.60 million.

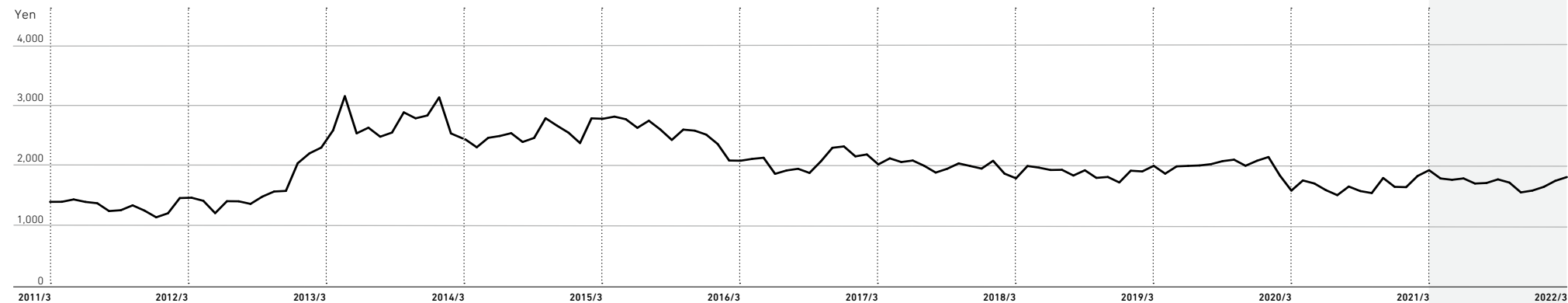
Despite growing uncertainty in relation to the global geopolitical situation, the investment stance of real estate investors toward prime properties in Japan remained positive, underpinned by the Bank of Japan's monetary easing policy. The expected return (capitalization rate) declined from the previous year for many asset types and in many areas, with the capitalization rate for A-grade office buildings in the Marunouchi and Otemachi areas standing at 3.3% as of April 1, 2022.

Eleven-Year Summary of Selected Financial Data (Consolidated)

Years ended March 31

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Financial Results (Millions of yen)											
Operating revenue	¥1,013,069	¥ 927,157	¥1,075,285	¥1,110,259	¥1,009,408	¥1,125,405	¥1,194,049	¥1,263,283	¥1,302,196	¥1,207,594	¥1,349,489
Operating profit	146,299	118,349	161,271	156,332	166,199	192,495	213,047	229,178	240,768	224,394	278,977
Ordinary profit	120,665	92,381	139,638	133,113	144,851	169,851	190,506	206,587	219,572	210,965	253,710
Profit attributable to owners of parent	56,512	45,507	64,297	73,338	83,426	102,681	120,443	134,608	148,451	135,655	155,171
Financial Position (Millions of yen)											
Total assets	¥4,387,015	¥4,711,521	¥4,765,368	¥4,901,526	¥5,311,840	¥5,484,115	¥5,801,450	¥5,774,193	¥5,858,236	¥6,072,519	¥6,493,917
Total equity*1	1,256,791	1,239,547	1,329,057	1,495,838	1,509,680	1,592,777	1,698,348	1,770,643	1,734,462	1,851,899	2,003,225
Interest-bearing debt	1,716,890	2,085,417	1,973,042	1,929,355	2,291,038	2,396,994	2,481,675	2,319,597	2,429,883	2,526,142	2,738,632
Capital expenditures	282,171	208,135	159,677	177,331	275,316	275,372	289,570	285,089	331,857	319,841	329,115
Depreciation and amortization	67,465	73,364	74,805	72,696	74,245	75,974	77,545	80,336	84,941	89,107	91,581
Cash Flows (Millions of yen)											
Cash flows from operating activities	¥ 203,243	¥ 122,286	¥ 336,489	¥ 200,078	¥ 135,821	¥ 168,527	¥ 293,338	¥ 345,954	¥ 341,766	¥ 207,414	¥ 280,090
Cash flows from investing activities	(272,009)	(217,992)	(133,537)	(46,568)	(231,003)	(327,292)	(286,841)	(271,083)	(277,440)	(297,303)	(313,778)
Cash flows from financing activities	57,189	27,150	(177,514)	(189,109)	309,237	(4,921)	37,203	(192,473)	(28,886)	50,425	90,973
Cash and cash equivalents at the end of year	215,771	191,837	224,739	198,489	412,392	243,341	286,859	179,308	213,008	172,307	234,244
Per-Share Amounts (Yen)											
Earnings	¥ 40.72	¥ 32.79	¥ 46.34	¥ 52.85	¥ 60.13	¥ 74.00	¥ 86.78	¥ 96.97	¥ 108.64	¥ 101.34	¥ 116.45
Cash dividends	12	12	12	14	16	20	26	30	33	31	36
Principal Financial Indicators											
Business profit*2 (Millions of yen)									¥ 240,998	¥ 224,701	¥ 279,310
EBITDA*3 (Millions of yen)	¥ 222,885	¥ 200,587	¥ 246,332	¥ 239,934	¥ 252,034	¥ 279,718	¥ 302,424	¥ 320,641	336,784	331,821	381,434
ROA*4	3.4%	2.6%	3.4%	3.2%	3.3%	3.6%	3.8%	4.0%	4.1%	3.8%	4.4%
Interest coverage ratio*5 (Times)	6.5	5.0	7.5	7.7	8.5	8.7	9.5	10.1	11.3	11.2	13.9
ROE	4.6%	3.6%	5.0%	5.2%	5.6%	6.6%	7.3%	7.8%	8.5%	7.6%	8.1%
Payout ratio	29.5%	36.6%	25.9%	26.5%	26.6%	27.0%	30.0%	30.9%	30.4%	30.6%	30.9%
Stock Information											
Stock price*6 (Yen)	¥ 1,476	¥ 2,596	¥ 2,446	¥ 2,787	¥ 2,090.5	¥ 2,030	¥ 1,798.5	¥ 2,005.5	¥ 1,595	¥ 1,932.5	¥ 1,819
Number of shares issued and outstanding (Thousands of shares)	1,390,397	1,390,397	1,390,397	1,390,397	1,390,397	1,390,685	1,390,908	1,391,038	1,391,174	1,391,328	1,391,478

**Mitsubishi Estate's Stock
Price Changes on the
Tokyo Stock Exchange**



*1 Total equity is calculated by deducting non-controlling interests and stock acquisition rights from total net assets.

*2 Business profit is calculated as operating profit + equity in earnings of unconsolidated subsidiaries and affiliates.

*3 EBITDA is calculated as the sum total of operating profit, interest and dividend income, equity in earnings of unconsolidated subsidiaries and affiliates, depreciation and amortization, and goodwill.

* ROA was calculated as operating profit ÷ total assets (average of the amount at the beginning and end of the fiscal period) until FY2019. However, since FY2020 ROA has been calculated as business profit ÷ total assets (average of the amount at the beginning and end of the fiscal period).

*5 The interest coverage ratio (ICR) is calculated by dividing the sum total of operating profit, interest and dividend income, and equity in earnings of unconsolidated subsidiaries and affiliates by the sum total of interest expenses and commercial paper interest.

*6 As of the last trading day in March

Selected Financial Data
Consolidated Balance Sheets

Mitsubishi Estate Co., Ltd. and Consolidated Subsidiaries
March 31, 2022 and 2021

	Millions of yen		
	2022	2021	Increase or Decrease
Assets	6,493,917	6,072,519	421,398
Total current assets	1,356,789	1,164,037	192,752
Cash and deposits	233,117	170,040	63,077
Trade notes and accounts receivable, and contract assets	60,645	52,031	8,613
Securities	4,280	4,626	(346)
Real estate for sale	41,239	88,116	(46,876)
Real estate for sale in process	299,532	267,563	31,968
Real estate for development	724	975	(250)
Costs on construction contracts in progress	4,316	7,144	(2,828)
Other inventories	1,575	1,034	541
Equity investments	624,521	496,182	128,339
Other current assets	(422)	(553)	130
Allowance for doubtful accounts	87,260	76,875	10,384
Total non-current assets	5,137,127	4,908,481	228,645
Total property, plant and equipment	4,345,989	4,179,893	166,096
Buildings and structures, net	1,230,513	1,178,764	51,748
Machinery, equipment and vehicles, net	31,208	30,460	748
Land	2,310,551	2,237,934	72,617
Land in trust	585,470	578,446	7,024
Construction in progress	169,700	136,273	33,426
Other, net	18,545	18,013	531
Total intangible assets	108,092	101,095	6,997
Leasehold interests in land	82,541	76,193	6,347
Other intangible assets	25,550	24,901	649
Total investments and other assets	683,045	627,493	55,551
Investment securities	299,617	281,996	17,620
Long-term loans receivable	2,324	11,661	(9,337)
Leasehold and guarantee deposits	140,230	136,478	3,751
Retirement benefit asset	45,998	34,370	11,628
Deferred tax assets	25,887	16,536	9,350
Other investments	169,535	146,455	23,080
Allowance for doubtful accounts	(548)	(6)	(542)
Total assets	6,493,917	6,072,519	421,398

Note: Amounts of less than one million yen have been truncated.

	Millions of yen		
	2022	2021	Increase or Decrease
Liabilities	4,257,484	4,011,071	246,413
Total current liabilities	631,043	662,437	(31,394)
Trade notes and accounts payable	60,516	60,507	9
Short-term borrowings	182,052	141,785	40,266
Current portion of long-term borrowings	79,928	127,643	(47,714)
Commercial paper	—	50,000	(50,000)
Current portion of bonds payable	90,000	65,000	25,000
Income taxes payable	29,445	24,457	4,987
Other current liabilities	189,099	193,043	(3,943)
Total non-current liabilities	3,626,441	3,348,634	277,807
Bonds payable	786,335	745,759	40,576
Long-term borrowings	1,598,562	1,393,858	204,703
Leasehold and guarantee deposits received	451,749	466,891	(15,142)
Deferred tax liabilities	274,176	243,818	30,358
Deferred tax liabilities for land revaluation	264,082	264,082	—
Retirement benefit liability	27,402	27,123	278
Provision for retirement benefits for directors (and other officers)	464	662	(197)
Provision for environmental measures	888	4,537	(3,648)
Negative goodwill	85,526	83,604	1,922
Other non-current liabilities	137,252	118,294	18,957
Net assets	2,236,432	2,061,447	174,984
Total shareholders' equity	1,335,024	1,259,887	75,137
Share capital	142,414	142,279	135
Capital surplus	159,749	164,367	(4,617)
Retained earnings	1,165,344	1,058,457	106,887
Treasury shares	(132,483)	(105,216)	(27,267)
Total accumulated other comprehensive income	668,200	592,011	76,189
Valuation difference on available-for-sale securities	130,841	118,088	12,753
Deferred gains or losses on hedges	103	(1,916)	2,020
Revaluation reserve for land	526,417	526,417	—
Foreign currency translation adjustment	2,162	(53,740)	55,902
Remeasurements of defined benefit plans	8,675	3,163	5,512
Share acquisition rights	201	231	(30)
Non-controlling interests	233,005	209,316	23,689
Total liabilities and net assets	6,493,917	6,072,519	421,398

Note: Amounts of less than one million yen have been truncated.

Consolidated Statements of Income

Mitsubishi Estate Co., Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2022 and 2021

	Millions of yen	
	2022	2021
Operating revenue	1,349,489	1,207,594
Operating costs	974,724	889,830
Operating gross profit	374,765	317,764
Selling, general and administrative expenses	95,787	93,370
Operating profit	278,977	224,394
Total non-operating income	16,319	26,292
Interest income	800	871
Dividend income	7,197	16,095
Share of profit of entities accounted for using equity method	332	307
Contribution for construction	1,455	—
Other	6,532	9,018
Total non-operating expenses	41,586	39,720
Interest expenses	20,742	21,623
Loss on retirement of non-current assets	12,404	6,448
Other	8,438	11,648
Ordinary profit	253,710	210,965
Total extraordinary income	20,189	16,603
Gain on sale of non-current assets	6,781	13,582
Gain on sale of investment securities	7,987	3,021
Gain on sale of shares of subsidiaries and associates	1,843	—
Reversal of provision for environmental measures	3,576	—
Total extraordinary losses	20,120	26,304
Loss related to retirement of non-current assets	16,254	2,099
Impairment losses	3,866	4,679
Loss on liquidation of subsidiaries	—	13,826
Loss on infectious disease	—	5,698
Profit before income taxes	253,779	201,265
Total income taxes	70,889	54,195
Income taxes—current	60,331	44,647
Income taxes—deferred	10,558	9,548
Profit	182,889	147,069
Profit attributable to non-controlling interests	27,718	11,414
Profit attributable to owners of parent	155,171	135,655

Note: Amounts of less than one million yen have been truncated.

Consolidated Statements of Comprehensive Income

Mitsubishi Estate Co., Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2022 and 2021

	Millions of yen	
	2022	2021
Profit	182,889	147,069
Total other comprehensive income	79,715	20,097
Valuation difference on available-for-sale securities	12,754	38,566
Deferred gains or losses on hedges	1,508	352
Revaluation reserve for land	—	(44)
Foreign currency translation adjustment	59,588	(26,143)
Remeasurements of defined benefit plans, net of tax	5,519	7,309
Share of other comprehensive income of entities accounted for using equity method	344	57
Comprehensive income	262,605	167,166
Comprehensive income attributable to owners of parent	231,360	157,093
non-controlling interests	31,244	10,073

Note: Amounts of less than one million yen have been truncated.

Consolidated Statements of Cash Flows (Summary)

Mitsubishi Estate Co., Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2022 and 2021

	Millions of yen	
	2022	2021
Profit before income taxes	253,779	201,265
Adjustment for extraordinary income or loss	7,349	10,935
Depreciation	91,581	89,107
Decrease (increase) in inventories	116,993	56,443
Decrease (increase) in equity investments	(30,267)	(21,048)
Other	(107,139)	(71,888)
Income taxes paid	(52,206)	(57,400)
Net cash provided by (used in) operating activities	280,090	207,414
Proceeds from sale and redemption of investment securities	9,562	14,186
Proceeds from sale of property, plant and equipment	14,570	30,403
Capital investment	(329,115)	(319,841)
Other	(8,795)	(22,051)
Net cash provided by (used in) investing activities	(313,778)	(297,303)
Newly acquired funds	390,678	437,155
Repayment	(183,951)	(365,441)
Cash dividends paid	(58,249)	(51,153)
Net decrease (increase) in treasury shares	(29,861)	(23)
Other	(27,641)	29,888
Net cash provided by (used in) financing activities	90,973	50,425
Effect of exchange rate change on cash and cash equivalents	4,651	(1,237)
Net increase (decrease) in cash and cash equivalents	61,937	(40,701)
Cash and cash equivalents at beginning of period	172,307	213,008
Cash and cash equivalents at end of period	234,244	172,307

Note: Amounts of less than one million yen have been truncated.



To see the consolidated financial statements in full, please refer to the Company's website.
<https://www.mec.co.jp/e/investor/irlibrary/materials/index.html>

Matters Related to Rental Properties

Mitsubishi Estate and certain of its consolidated subsidiaries own office buildings and retail facilities in Tokyo and other major cities in Japan as well as overseas, with the aim of obtaining rental revenue from these buildings and facilities. Because certain leased office buildings among these in Japan are used by the Company or some of its consolidated subsidiaries, the Company has classified such buildings as rental properties containing self-use space.

The following table shows the year-end amounts, changes in these amounts during the period under review, and the market value and unrealized gains of investment and rental properties and other real estate that includes rental properties and rental properties containing self-use space.

	Millions of yen	
	Fiscal Year Ended March 31, 2022 (April 1, 2021, to March 31, 2022)	Fiscal Year Ended March 31, 2021 (April 1, 2020, to March 31, 2021)

Rental Properties

Amounts recorded on the consolidated balance sheets		
Balance as of the beginning of the period	3,565,590	3,502,759
Increase (decrease) during the period	160,214	62,830
Balance as of the end of the period	3,725,804	3,565,590
Market value as of the end of the period	7,924,196	7,441,369
Unrealized gains	4,198,392	3,875,779

Rental Properties Containing Self-Use Space

Amounts recorded on the consolidated balance sheets		
Balance as of the beginning of the period	545,404	545,580
Increase (decrease) during the period	(4,079)	(176)
Balance as of the end of the period	541,325	545,404
Market value as of the end of the period	916,224	919,848
Unrealized gains	374,899	374,444

Notes: 1. The amounts included on the consolidated balance sheets presented in the table above are equal to the total acquisition prices for applicable properties or real estate less the aggregate amounts of depreciation and impairment loss for these properties or real estate.
2. Fair values as of the end of each consolidated fiscal year are as follows:
(1) The fair values of domestic properties and real estate have been calculated by Mitsubishi Estate, based mainly on the Japanese Real Estate Appraisal Standards.
(2) The fair values of overseas properties and real estate have been calculated mostly by local appraisers.

The following table shows the profit and loss from rental properties and other real estate that includes portions used as investment and rental properties.

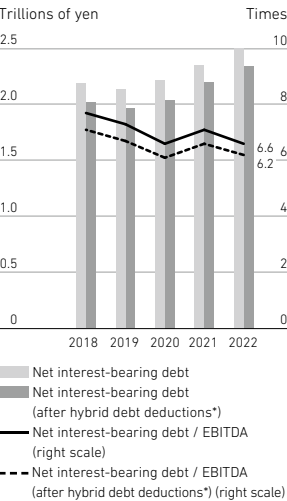
	Millions of yen	
	Fiscal Year Ended March 31, 2022 (April 1, 2021, to March 31, 2022)	Fiscal Year Ended March 31, 2021 (April 1, 2020, to March 31, 2021)
Rental Properties		
Rental revenue	503,737	475,309
Rental costs	329,374	304,405
Difference	174,363	170,903
Other income (loss)	(17,577)	5,622

Rental Properties Containing Self-Use Space

Rental revenue	44,552	43,639
Rental costs	34,562	34,289
Difference	9,990	9,349
Other income (loss)	(777)	(2,026)

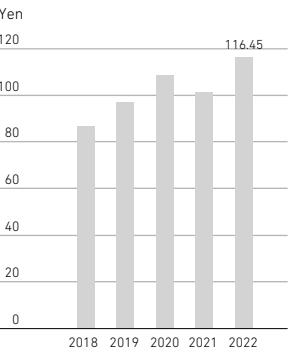
Note: Real estate that includes portions used as investment and rental properties has portions that are used by Mitsubishi Estate and certain of its consolidated subsidiaries for the purpose of providing related services and conducting operation management. Accordingly, rental revenue associated with these portions has been excluded. Costs associated with applicable properties and real estate, such as depreciation costs, building management costs, and taxes, have been included in rental costs.

Net Interest-Bearing Debt / EBITDA

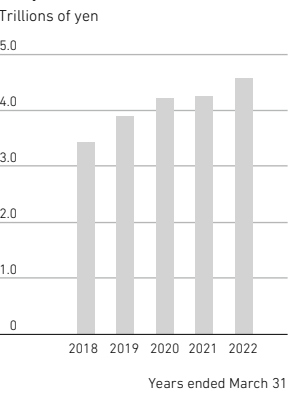


* The subordinated bonds and subordinated loans subject to equity credit from a credit rating agency (50% equity treatment) are shown after deductions.

Earnings per Share



Unrealized Gain on Rental Properties



Status of Shareholdings

Stocks held for purposes other than pure investment, the number of shares, and their total value as of March 31, 2022, recorded on the balance sheet are as follows.

	Number of shares	Total amount booked on balance sheet (¥ million)
Unlisted Shares	100	7,868
Shares Other Than Unlisted Shares	63	244,238

Information on the number of shares for each company and amounts shown on the balance sheet for specific investment shares and deemed holdings of equity shares are as follows.

Specific Investment Shares

Company	Number of shares	Amount booked on balance sheet (¥ million)	Purpose of holding shares
Mitsubishi Corporation	13,088,457	60,219	1*
Mitsubishi UFJ Financial Group, Inc.	27,821,042	21,152	2*
AGC Inc.	3,598,006	17,648	1*
Japan Airport Terminal Co., Ltd.	3,111,400	17,392	1*
HEIWA REAL ESTATE CO., LTD.	4,274,100	16,904	5*
Mitsubishi Logistics Corporation	3,665,554	11,143	4*
Mitsubishi Heavy Industries, Ltd.	2,346,997	9,434	1*
Taisei Corporation	2,426,690	8,578	1*
Mitsubishi Electric Corporation	5,577,294	7,863	1*
TOYOTA MOTOR CORPORATION	2,992,310	6,650	1*
East Japan Railway Company	857,300	6,095	1*
Central Japan Railway Company	367,900	5,873	1*
Shin-Etsu Chemical Co., Ltd.	308,212	5,791	1*
NIKON CORPORATION	3,510,000	4,612	4*
Kirin Holdings Company, Limited	2,065,438	3,777	1*
TOHO CO., LTD.	794,100	3,680	3*
Mitsubishi Materials Corporation	1,217,400	2,608	1*
Mitsubishi Chemical Holdings Corporation	2,823,000	2,306	1*
PIA Corporation	680,200	2,248	5*
Obayashi Corporation	2,404,961	2,164	3*
Mitsubishi HC Capital Inc.	3,760,000	2,143	1*
SHIMIZU CORPORATION	2,738,650	2,012	3*
Odakyu Electric Railway Co., Ltd.	901,000	1,835	3*
Mitsubishi Research Institute, Inc.	447,500	1,790	4*
Nippon Suisan Kaisha, Ltd.	2,789,900	1,528	1*
Fukuoka Financial Group, Inc.	621,600	1,475	6*
Seino Holdings Co., Ltd.	1,275,900	1,421	5*
THE HACHIJUNI BANK, LTD.	3,441,500	1,400	6*
Chiba Bank, Ltd.	1,852,000	1,342	6*

T&D Holdings, Inc.	746,900	1,248	6*
SHIMADZU CORPORATION	233,476	988	1*
Nippon Yusen Kabushiki Kaisha	86,121	926	1*
Mitsubishi Gas Chemical Company, Inc.	431,405	897	1*
KUBOTA Corporation	359,000	826	4*
THE SHIZUOKA BANK, LTD.	886,750	765	6*
NIPPON EXPRESS HOLDINGS, INC.*	89,483	753	4*
Uzabase, Inc.	657,400	705	5*
TOKAI CARBON CO., LTD.	588,250	677	1*
NOHMI BOSAI LTD.	345,000	674	1*
Mebuki Financial Group, Inc.	2,340,000	599	6*
SHINAGAWA REFRACTORIES CO., LTD.	138,150	524	1*
THE HYAKUGO BANK, LTD.	1,509,000	505	6*
RENAISSANCE INCORPORATED	472,300	466	4*
Matsuya Co., Ltd.	545,300	418	3*
Tokyo Kaikan Co., Ltd.	131,140	388	3*
P.S. Mitsubishi Construction Co., Ltd.	496,000	290	1*
Kodensha Co., Ltd.	58,500	273	1*
GS Yuasa Corporation	73,670	172	1*
Concordia Financial Group, Ltd.	320,000	146	6*
Mitsubishi Kakoki Kaisha, Ltd.	66,586	133	4*
The 77 Bank, Ltd.	70,687	109	6*
Kyushu Financial Group, Inc.	256,410	102	6*
NANTO BANK, LTD.	50,440	99	6*
HOTEL NEWGRAND CO., LTD.	24,200	95	4*
Nikki Co., Ltd.	49,300	92	5*
Slogan Inc.	43,105	86	5*

1* To contribute to raising corporate value by maintaining and strengthening good relationships with tenants, principally in the Commercial Property Business Group
2* To contribute to raising corporate value by maintaining and strengthening good relationships, principally for financing and in the Commercial Property Business Group
3* To contribute to raising corporate value by maintaining and strengthening collaborative relationships, principally in the Commercial Property Business Group
4* To contribute to raising corporate value by maintaining and strengthening good relationships in businesses across the entire Group
5* To contribute to raising corporate value through business partnerships and joint businesses
6* Principally to contribute to stable financing

Deemed Holdings of Equity Shares

Company	Number of shares	Amount booked on balance sheet (¥ million)	Purpose of holding shares
Tokio Marine Holdings, Inc.	6,929,500	49,393	7*
Mitsubishi Electric Corporation	10,656,000	15,024	7*
Mitsubishi UFJ Financial Group, Inc.	4,306,400	3,274	7*
MITSUBISHI MOTORS CORPORATION	700,000	231	7*

7* To maintain authority to exercise voting rights
Note: With regard to the largest shares in terms of the amounts recorded on the balance sheet, specific investment shares and deemed holdings of equity shares for investment purposes are not included in aggregate totals.
* Although NIPPON EXPRESS CO., LTD., delisted its stock from public trading on December 29, 2021, Mitsubishi Estate has received an allocation of shares in NIPPON EXPRESS HOLDINGS, INC., as a result of a share transfer on January 4, 2022.

Targets and Results of the Key Themes and Major Initiatives Laid Out in Mitsubishi Estate Group 2030 Goals for the SDGs

Themes		Benchmarks	Numerical Targets	FY2021 Results	FY2022 / Major Initiatives	Initiatives Going Forward	Scope	Relevant SDGs
Environment	Climate Change	Greenhouse gas emissions, such as CO ₂	GHG emissions (Scope 1 + Scope 2 + Scope 3) for the entire Group compared with FY2020 <ul style="list-style-type: none">Reduce the total of Scope 1 and Scope 2 emissions by at least 70% and Scope 3 emissions by at least 50% by FY2031Achieve net-zero emissions for Scope 1, Scope 2, and Scope 3 by 2050 (Certified by the Science Based Targets (SBT) initiative in June 2022)	3,533,468 t-CO ₂	2,534 thousand t-CO ₂ : <ul style="list-style-type: none">Resolved to switch all electricity used at 27 buildings centered on the Otemachi, Marunouchi, and Yurakucho areas to electricity from renewable energy sources beginning in FY2022	<ul style="list-style-type: none">Plan to introduce electricity from renewable energy sources at all Company-owned office buildings and retail facilities in the Tokyo metropolitan area and in the city of Yokohama in FY2023Actively examine the possibility of introducing renewable electricity at other area facilities	Mitsubishi Estate Group ^{*2}	
		Percentage of power from renewable energy sources	<ul style="list-style-type: none">100% by FY2026 (Joined RE100 in January 2020)	3.1%	31% <ul style="list-style-type: none">Resolved to switch all electricity used at 27 buildings centered on the Otemachi, Marunouchi, and Yurakucho areas to electricity from renewable energy sources beginning in FY2022		Mitsubishi Estate Group ^{*2}	
	Waste	Waste disposal amount per m ²	20% reduction by 2030, compared with FY2020	5.0 kg/m ²	Waste emissions: 5.1 kg/m ² Waste recycling rate: 58.4%	<ul style="list-style-type: none">Improve each retail facility tenant's awareness of weighing, reducing, and separating garbageContinuously improve garbage separation at the Mitsubishi Estate Head Office and strengthen calls for tenants to also improve garbage separation	Mitsubishi Estate Group ^{*2}	
		Waste recycling rate	90% by 2030	60.5%	<ul style="list-style-type: none">Weighted the volume of garbage of each retail tenant by garbage type and strengthened calls for tenants to reduce and separate their garbageImproved garbage separation at the Mitsubishi Estate Head Office (installed garbage stations with reciprocals able to hold 15 types of garbage in exclusive areas)Participated in verification tests aimed at establishing a resource-recycling model through the recovery and development into products of plastic	<ul style="list-style-type: none">Began Circular City Marunouchi, an initiative focusing on resource recycling in the Marunouchi area. The first phase of the initiative saw the launch of the MARUNOUCHI TO GO Project, an activity for taking home leftover food as part of measures to reduce food loss. To promote the project, the Company distributed paper bags and containers to participating restaurants for taking home leftover food. The second phase will see the promotion of Bottle to Bottle, an activity for recycling plastic bottles. In this activity, plastic bottles disposed of at 24 buildings in the Marunouchi area will be recycled as new plastic bottles.	Mitsubishi Estate Group ^{*2}	
Diversity & Inclusion	Diversity	Percentage of female managers	Over 20% by FY2031, 30% by FY2041, and 40% by FY2051	5.8%	6.6% (as of April 1, 2021) <ul style="list-style-type: none">Raised the percentage of female employees accounted for by assistant-manager-level employees who can be candidates for management positions	In addition to continuing to pursue the initiatives described on the left, plan to implement a survey and introduce measures to promote gender diversity	Mitsubishi Estate Co., Ltd. ^{*4}	
		Percentage of female employees among new-graduate hires	40% every fiscal year	37.8%	38.3% (new graduates who joined the Company on April 1, 2021) Implemented the following initiatives to raise the percentage of women among new graduates at the application stage: <ul style="list-style-type: none">Held roundtable discussions with womenOrganized seminars for women with female speakers	Beyond continuing to pursue the initiatives described on the left, continue to improve the disclosure of information on the active roles of and working environments for women	Mitsubishi Estate Co., Ltd.	
		Percentage of female employees among mid-career hires	40% every fiscal year	19.4%	24.4% Implemented the following initiatives to raise the percentage of women among mid-career hires at the application stage: <ul style="list-style-type: none">Held roundtable discussions with womenOrganized seminars for women with female speakers	Beyond continuing to pursue the initiatives described on the left, continue to improve the disclosure of information on the active roles of and working environments for women	Mitsubishi Estate Co., Ltd.	
		Rate of use of male employees taking childcare leave of absence	Over 75% by FY2026 and 100% by FY2031	64.9%	75.5% <ul style="list-style-type: none">Disclosed the percentage of male employees taking childcare leaveEncouraged the taking of childcare leave (periodically issued literature on taking childcare leave to male employees with newborns while encouraging employees who had yet to take childcare leave to discuss doing so with their superiors)Facilitated roundtable discussions among male employees with experience of taking childcare leave (held roundtable discussions with male employees who have taken childcare leave to share their experiences with fellow Company employees)Create and promote awareness of a handbook on pre- and post-childbirth leave and childcare leave summarizing childcare and other types of leave of absence and procedures for leave takers to follow	In addition to the continuing the initiatives described on the left, plan to implement the following initiatives <ul style="list-style-type: none">Monitor the ratio of male employees taking childcare leave (contact male employees who have not taken childcare leave for more than a certain period after the birth of their child and confirm their intentions and other relevant information)	Mitsubishi Estate Co., Ltd. ^{*5}	
		Rate of female employees taking childcare leave of absence	100% every year through FY2031	100.0%	98.7% <ul style="list-style-type: none">Provided a handbook offering support regarding pregnancy, childbirth, and reinstatement to workCarried out consultation sessionsHeld platforms (such as roundtable discussions and lectures) offering information helpful to achieving a work-life balance and developing a careerCarried out interviews for employees with their department and with the Human Resources Department when they are reinstated to work following childcare leave	<ul style="list-style-type: none">Set up a working group for promoting the active participation of women in the workplace that will hold events and other activities in relation to creating networks and navigating life eventsContinue to pursue the initiatives described on the left	Five Mitsubishi Estate Group companies ^{*3}	
		Rate of reinstatement to work after childcare/maternity leave	100% every year through FY2031	94.8%	100% <ul style="list-style-type: none">Held platforms (such as roundtable discussions and lectures) offering information helpful to achieving a work-life balance and developing a careerCarried out interviews for employees with their department and with the Human Resources Department when they are reinstated to work following childcare/maternity leave	Continue to pursue the initiatives described on the left	Five Mitsubishi Estate Group companies ^{*3}	
	Human Rights	Rate of use of wood equivalent to that in the Sustainable Sourcing Code ^{*1} (Certified Wood and Domestically Produced Wood)	100% by FY2031	—	Please refer to page 66 for details. <ul style="list-style-type: none">Confirmed the level of compliance in every Mitsubishi Estate projectMitsubishi Estate Residence Co., Ltd., established a scheme for obtaining Forest Stewardship Council (FSC) certification and disclosed it to other companies in the industry	<ul style="list-style-type: none">Continue to check and implement the operation described on the left	Mitsubishi Estate Group	
	Health and Productivity Management	Percentage of employees in the high-risk group for metabolic syndrome (those aged 40 or older) [*] [*] Percentage of individuals whose results in their regular health checkup for any of the categories affecting the determination of lifestyle diseases reached or exceeded the level at which medical attention is recommended	<ul style="list-style-type: none">25.6% by FY202614.6% by FY2031 (Approximately 60% improvement compared with the percentage in FY2020, equivalent to the national average)	39.5%	42.3% <ul style="list-style-type: none">Held an event to facilitate exercise habits (body improvement contest)	<ul style="list-style-type: none">Recommend that those in the high-risk group participate in a program to help prevent aggravation (guidance on lifestyle habits) offered by the Health Insurance AssociationCreate and promote awareness of a handbook summarizing health promotion programs	Mitsubishi Estate Co., Ltd. ^{*6}	
		Percentage of employees in the healthy group (those aged 40 or older) [*] [*] Percentage of individuals whose results in their regular health checkup for all of the categories affecting the determination of lifestyle diseases were within normal levels	<ul style="list-style-type: none">20.85% by FY202632.8% by FY2031 (Approximately 370% improvement compared with the percentage in FY2020, equivalent to the national average)	10.1%	9.9% <ul style="list-style-type: none">Held an event to facilitate exercise habits (body improvement contest)Recommended participation in a specific health guidance program implemented by the Health Insurance Association	<ul style="list-style-type: none">Recommend participation in a specific health guidance program (diet program) implemented by the Health Insurance AssociationCreate and promote awareness of a handbook summarizing health promotion programs	Mitsubishi Estate Co., Ltd. ^{*6}	
		Cancer screening rate	90% every year from FY2022 through FY2031	80.7%	88.0% <ul style="list-style-type: none">Formulated Health Management 2030 and determined to add screening for the five major cancer types to the standard health checkup menu, in order to raise the percentage of employees undergoing such screening	<ul style="list-style-type: none">Add screening recommended by the Ministry of Health, Labour and Welfare for the five major cancer types to the standard health checkup menuOffer company subsidies to cover a portion of the cost of such testing as PET and MRI scans for employees aged 50 or older to tackle illnesses other than the five major cancer typesCreate and promote awareness of a handbook summarizing health promotion programs	Mitsubishi Estate Co., Ltd. ^{*6}	
		Employees with high levels of stress	Maintain at 10% or lower from FY2022 through FY2031 (Equivalent national average: 10%)	4.7%	4.0% <ul style="list-style-type: none">Carried out stress checks and recommended the implementation of interviews with specialists such as clinical psychologists for those with high levels of stressEstablished a system for online counseling by a clinical psychologist as a measure to prevent the spread of COVID-19	<ul style="list-style-type: none">Implement regular educational activities for all managers through e-learning programs and other methods in addition to training for newly appointed managersCarry out stress checks and recommend the implementation of interviews with specialists such as clinical psychologists for those with continuously high levels of stressCreate and promote awareness of a handbook summarizing health promotion programs	Mitsubishi Estate Co., Ltd. ^{*6}	
Innovation	Improvement in Performance	Maximize performance by innovating business models	—	—	Please see page 68 for details.			
	Creation of new Businesses	Support the creation of new ideas and businesses from the perspective of urban development and contribute to the growth of cities and industries	—	—				
Resilience	Disaster Preparedness	Percentage of employees with first aid provider qualifications	100% every year through FY2031	63.0%	72.4%	Taking into account COVID-19 conditions, endeavor to raise the percentage of first aid provider qualification holders by encouraging employees to undergo training to the extent possible	Two Mitsubishi Estate Group companies ^{*7}	
		Implementation of emergency drills	—	Implemented	<ul style="list-style-type: none">Implemented emergency drills, taking into account COVID-19 infection risksCarried out verification tests of Disaster Dashboard Beta, a platform for communicating information to stranded commuters during a disaster	<ul style="list-style-type: none">Implemented emergency drills involving the drills that had been implemented before the spread of the COVID-19 pandemicExpanded drills by individual buildings with the aim of improving the effectiveness of the drills spearheaded by Mitsubishi Estate Property Management taking into account COVID-19 infection risksUtilized Disaster Dashboard Beta, a platform for communicating information to stranded commuters	—	
		Percentage of buildings designated as shelters for stranded commuters	—	92.3%	100%		New ^{*8} and large-scale ^{*9} retail facilities in Japan	

^{*1} Defines standards and operational procedures for ensuring procurement with consideration for sustainability with respect to international agreements and codes of conduct in fields relevant to sustainability
^{*2} Mitsubishi Estate Group: Group companies have been selected based on control criteria. Properties for which the Group's ownership or share of beneficial interests in trust is less than 50% have been excluded from the scope of calculations.
^{*3} Five Mitsubishi Estate Group companies: Mitsubishi Estate Co., Ltd., Mitsubishi Jisho Property Management Co., Ltd., Mitsubishi Estate Residence Co., Ltd., Mitsubishi Jisho Sekkei Inc., and Mitsubishi Real Estate Services Co., Ltd.
^{*4} Scope of targets changed to Mitsubishi Estate in conjunction with their upward revision in FY2022

^{*5} Scope of targets changed to Mitsubishi Estate in FY2023
^{*6} Mitsubishi Estate: Applies to Head Office and branch office employees
^{*7} Two Mitsubishi Estate Group companies: Mitsubishi Estate Co., Ltd., and Mitsubishi Jisho Property Management Co., Ltd.
^{*8} New: Completed from 2002 onward
^{*9} Large-scale: Floor area of 100,000 m² and above

Corporate Data

Principal Mitsubishi Estate Group Companies

■ Consolidated subsidiary □ Affiliate accounted for by the equity method

Innovation and Business Transformation Group	Address	Phone number	Business activities	Share of voting rights (%)
MEC Agri Co., Ltd.*	2270, Hirakawa-cho, Midori-ku, Chiba, Chiba Prefecture 266-0004	+81-43-312-6555	Production of agricultural products, sales	90.0
Medicha Co., Ltd.*	BLUE CINQ POINT Bldg. C-B1, 5-3-18 Minami Aoyama, Minato-ku, Tokyo 107-0062	+81-3-3287-5519	Meditation and operation of studios	100.0
■ Mitsubishi Jisho IT Solutions Co., Ltd.	13F, Marunouchi Kitaguchi Building, 6-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005	+81-3-3214-9300	Development and management of information systems and software	100.0
* Outside the scope of consolidation				

Commercial Property Business

Office Building Management Business				
■ Mitsubishi Jisho Property Management Co., Ltd.	Marunouchi Nakadori Building, 2-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-0005	+81-3-3287-4111	Comprehensive operation and management of office buildings and retail facilities	100.0
■ Yuden Building Kanri Co., Ltd.	Yurakucho Denki Building, 7-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006	+81-3-3211-7833	Operation and management of the Yurakucho Denki Building	62.5
■ Nan Shan Plaza Property Management Co., Ltd.*	100-7, Songren Road, Xinyi District, Taipei, 11073, Taiwan	+886-2-2723-8009	Property management of Nanshan Plaza	70.0
* Outside the scope of consolidation				

Office Building Leasing Business				
■ Sunshine City Corporation	World Import Mart Building, Sunshine City, 1-1, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-8630	+81-3-3989-3321	Management of Sunshine City and other buildings	63.2
■ Tokyo Kotsu Kaikan Co., Ltd.	Tokyo Kotsu Kaikan, 10-1, Yurakucho 2-chome, Chiyoda-ku, Tokyo 100-0006	+81-3-3212-2931	Management of Tokyo Kotsu Kaikan and other buildings	50.0
Parking Business				
■ Tokyo Garage Co., Ltd.	Sanno Grand Building, 14-2, Nagatacho 2-chome, Chiyoda-ku, Tokyo 100-0014	+81-3-3504-0610	Operation and management of building garages and sale of various gasoline products	54.9

District Heating and Cooling Business				
■ Marunouchi Heat Supply Co., Ltd.	Marunouchi Kitaguchi Building, 6-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005	+81-3-3287-2288	Cooling and heating supply business in the Marunouchi, Otemachi, Yurakucho, and other districts	65.6
■ Ikebukuro District Heating and Cooling Co., Ltd.	World Import Mart Building, Sunshine City, 1 Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-8630	+81-3-3988-6771	Cooling and heating supply business in the Higashi-Ikebukuro district	68.0
□ O.A.P.D.H.C. Supply Co., Ltd.	OAP Tower, 8-30, Tenmabashi 1-chome, Kita-ku, Osaka, Osaka Prefecture 530-6004	+81-6-6881-5170	Cooling and heating supply business in the Osaka OAP district	35.0
□ Minato Mirai 21 D.H.C. Co., Ltd.	1-45, Sakuragicho 1-chome, Naka-ku, Yokohama, Kanagawa Prefecture 231-0062	+81-45-221-0321	Cooling and heating supply business in the Yokohama Minato Mirai district	29.8

Logistics Facility Management Business				
■ Tokyo Ryutsu Center Inc.	1-1, Heiwajima 6-chome, Ota-ku, Tokyo 143-0006	+81-3-3767-2111	Leasing, operation, and management of logistics and office buildings	60.4

Hotel Business				
■ Royal Park Hotels and Resorts Co., Ltd.	Otemachi Building, 6-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004	+81-3-3211-6180	Comprehensive supervision and management of hotel business	100.0
■ Marunouchi Hotel Co., Ltd.	6-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005	+81-3-3217-1111	Management and operation of the Marunouchi Hotel	76.9

Retail Property Management Business				
■ Mitsubishi Estate • Simon Co., Ltd.	Otemachi Financial City South Tower, 9-7, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004	+81-3-3275-5252	Management of outlet malls	60.0
■ Yokohama Sky Building Co., Ltd.	19-12, Takashima 2-chome, Nishi-ku, Yokohama, Kanagawa Prefecture 220-0011	+81-45-441-1221	Management of the Sky Building and the Yokohama Shintoshin Building	62.0

Airport Operation Business				
Takamatsu Airport Co., Ltd.*	1312-7, Oka, Konan-cho, Takamatsu, Kagawa Prefecture 761-1401	+81-87-814-3355	Operation of Takamatsu Airport and related businesses	73.1
■ Shimojishima Airport Management Co., Ltd.*	1727, Irabusawada, Miyakojima, Okinawa Prefecture 906-0507	+81-980-78-6365	Operation of the Miyako Shimojishima Airport Passenger Terminal and related businesses	69.0
■ Mt. Fuji Shizuoka Airport Co., Ltd.*	3336-4, Sakaguchi, Makinohara, Shizuoka Prefecture 421-0411	+81-548-29-2000	Leasing of the Mt. Fuji Shizuoka Airport Terminal and commissioned management and operation of the airport's basic facilities and airport parking lots maintained by the prefecture	50.0
* Outside the scope of consolidation				

Others				
■ Marunouchi Direct Access Limited	Shin Kokusai Building, 4-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-0005	+81-3-3214-4881	Dark fiber leasing and data center housing businesses in the Marunouchi and Otemachi districts	51.0

Residential Business

Real Estate Sales				
■ Mitsubishi Estate Residence Co., Ltd.	Otemachi Financial City Grand Cube 9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8189	+81-3-6281-8000	Real estate development, sales, leasing, management, real estate ownership, and management	100.0
Custom-Built Housing				
■ Mitsubishi Estate Home Co., Ltd.	Shinjuku East Side Square, 27-30, Shinjuku 6-chome, Shinjuku-ku, Tokyo 160-0022	+81-3-6887-8200	Design and construction of single-unit homes and housing complexes, renovation of homes and retail shops, etc.	100.0
■ Mitsubishi Estate Housing Components Co., Ltd.	228-4, Shinminato, Mihama-ku, Chiba, Chiba Prefecture 261-0002	+81-43-242-9031	Manufacture, processing, and sale of construction materials	100.0

	Address	Phone number	Business activities	Share of voting rights (%)
Residence Management Business				
■ Mitsubishi Jisho Community Holdings Co., Ltd.	6-1, Sanban-cho, Chiyoda-ku, Tokyo 102-0075	+81-3-3556-3888	Business management and operations related to the condominium management business	71.5
■ Mitsubishi Jisho Community Co., Ltd.	6-1, Sanban-cho, Chiyoda-ku, Tokyo 102-0075	+81-3-5213-6100	Overall condominium and building management, renovations, and related businesses	100.0
■ Izumi Park Town Service Co., Ltd.	7-2, Takamori, Izumi-ku, Sendai, Miyagi Prefecture 981-3203	+81-22-378-0022	Comprehensive management of Izumi Park Town	100.0
Recreational Facilities				
■ Higashi-Fuji Green Co., Ltd.	604-3, Omika, Oyama-cho, Sunto-gun, Shizuoka Prefecture 410-1308	+81-550-70-3411	Management and landscaping of the Higashi Fuji Country Club	100.0
□ Sakura Golf Development Co., Ltd.	670 Soshiyama, Uchida, Sakura, Chiba Prefecture 285-0077	+81-43-498-6630	Management of Asakura Golf Club	49.0
Others				
■ MEC Eco Life Co., Ltd.	The Park Rex Tennoz, 3-15, Higashi-Shinagawa 1-chome, Shinagawa-ku, Tokyo 140-0002		Research and proposals on the environment and design	100.0
■ Mitsubishi Jisho House Net Co., Ltd.	Shinjuku Front Tower, 21-1, Kita-Shinjuku 2-chome, Shinjuku-ku, Tokyo 169-0074	+81-3-6908-5560	Purchase, sale and, leasing brokerage of homes for individuals and leasing management	100.0
■ URBAN LIFE Co., Ltd.	6-26, Motoyaminaminamichi, 8-chome, Higashinada-ku, Kobe, Hyogo Prefecture 658-0015	+81-78-452-0668	Leasing business in the Kansai area, real estate sales (sale of renovated condominiums)	100.0
■ Ryoei Life Service Co., Ltd.	Royal Life Okusawa, 33-13, Okusawa 3-chome, Setagaya-ku, Tokyo 158-0083	+81-3-3748-2650	Operation of commercial nursing homes	100.0
Hmlet Japan Co., Ltd.	1-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004	+81-50-3138-5280	Rental management and community living business	
MEC Industry Co., Ltd.	6-14, Kokubunoguchihigashi, Kirishima-shi, Kagoshima Prefecture 899-4341	+81-995-55-1586	Purchase and sale of construction materials and construction of prefabricated housing using cross-laminated timber and laminated wood	
■ Tsunagu Network Communications, Inc.	Shin-Otemachi Building, 2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004	+81-3-4477-2000	Business connecting multifamily buildings to the internet	

International Business				
■ Rockefeller Group International, Inc.	1271 Avenue of the Americas, 24th Fl. New York, NY 10020 U.S.A.	+1-212-282-2000	Real estate operations	100.0
■ Mitsubishi Estate New York Inc.	1271 Avenue of the Americas, 24th Fl. New York, NY 10020 U.S.A.	+1-212-698-2200	Real estate operations in the United States	100.0
■ Mitsubishi Estate London Limited	5 Golden Square London, W1F 9HT, U.K.	+44-20-7292-3180	Real estate operations in Europe	100.0
■ Mitsubishi Estate Asia Pte. Ltd.	138 Market Street #27-03 CapitaGreen, Singapore 048946	+65-6576-5790	Real estate operations in Asia	100.0
■ PT. Mitsubishi Estate Indonesia	Trinity Tower, J.L. H. R. Rasuna Said Kav. C22 Blok IIB Karet Kuningan Jakarta 12940 Indonesia, 52nd Floor	+62-212-527-027	Real estate operations in Indonesia	100.0
■ Mitsubishi Estate Vietnam Company Limited	Level 15, Saigon Centre Tower 2, 67 Le Loi Street, District1, Ho Chi Minh City, Vietnam	+84-28-7302-6006	Real estate operations in Vietnam	100.0
■ Mitsubishi Estate (Shanghai) Ltd.*	1805 Room Raffles City, 268 Xizang Middle Road, Shanghai 200001, P.R.C.	+86-21-6340-3000	Real estate business in China	100.0
■ Mitsubishi Estate Taiwan Ltd.*	100-6, Songren Road, Xinyi District, Taipei, 11073, Taiwan	+886-2-2331-2189	Real estate business in Taiwan	100.0
■ Mitsubishi Estate Residence Co., Ltd.	Otemachi Financial City Grand Cube 9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8189	+81-3-6281-8000	Real estate business overseas Real estate development, sales, leasing, management, real estate ownership, and management	100.0
* Outside the scope of consolidation				

Investment Management Business

■ Mitsubishi Jisho Investment Advisors, Inc.	Marunouchi North Exit Building, 6-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005	+81-3-3218-0031	Specialist real estate investment management services (real estate investment advisory and other services)	100.0
■ Japan Real Estate Asset Management Co., Ltd.	Otemachi Park Building, 1-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004	+81-3-3211-7921	Investment corporation asset management	100.0
■ TA Realty LLC	One Federal Street, 17th Floor, Boston, MA 02110, U.S.A.	+1-617-476-2700	Investment management business in the United States	70.0
■ Europa Capital Group	42 Berners Street, London W1T 3ND, U.K.	+44-20-7881-6800	Investment management business in Europe	87.0
■ MEC Global Partners Asia Pte. Ltd.	80 Raffles Place, No. 18-01, UOB Plaza 1, Singapore 048624	+65-6416-7888	Investment management business in Asia and Oceania	67.0

Architectural Design & Engineering Business

■ Mitsubishi Jisho Sekkei Inc.	Marunouchi 2-chome Building, 5-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-0005	+81-3-3287-5555	Renovations concerning architectural design and engineering—such as construction and civil engineering—urban and regional development, and various consulting services	100.0
■ MEC Design International	Inui Building Kachidoki, 13-1, Kachidoki 1-chome, Chuo-ku, Tokyo 104-0054	+81-3-6704-0100	Corporation Interior design administration and construction, manufacture, and sale of furniture and household items	100.0

Real Estate Services Business

■ Mitsubishi Real Estate Services Co., Ltd.	Otemachi Financial City Grand Cube, 1-9-2, Chiyoda-ku, Tokyo 100-0004	+81-3-3510-8011	Purchase, sale, and leasing brokerage of corporate real estate, leasing management, real estate appraisal, and parking business	100.0
■ Mitsubishi Estate Parks Co., Ltd.	3F, Seitoh Kaikan, 5-7, Sanbancho, Chiyoda-ku, Tokyo 102-0075	+81-3-5215-1720	Operation and management of parking lots and parking-lot consulting	100.0

Others

■ MEC Human Resources, Inc.	Otemachi Building, 6-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004	+81-3-3212-8674	Human resource-related services	100.0
■ Keiyo Tochi Kaihatsu Co., Ltd.	Otemachi Park Building, 1-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8133	+81-3-3212-0555	Land management in Mihama-ku, Chiba City	66.7

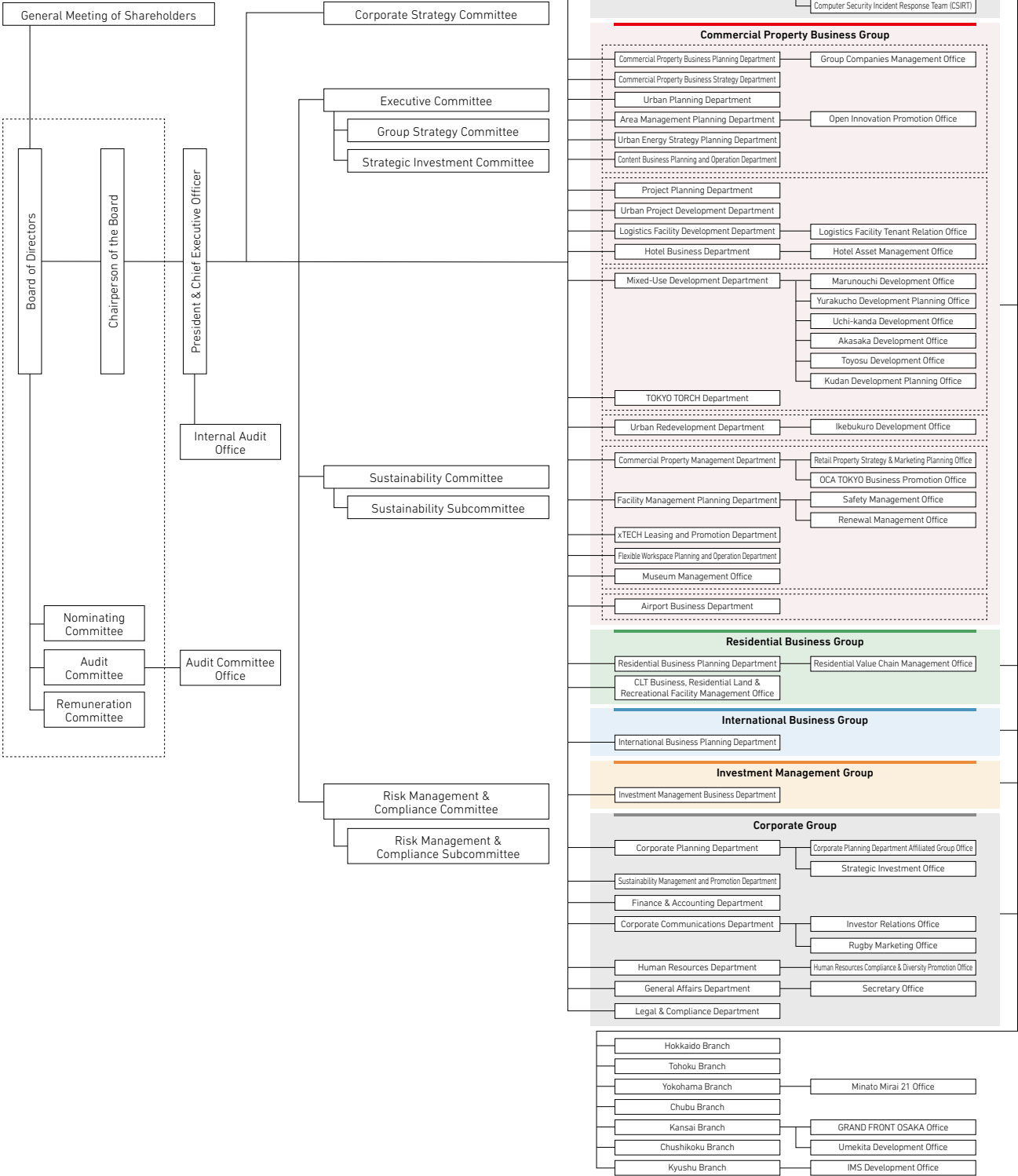
Note: Share of voting rights held is as of March 31, 2022. Figures stated are from the Company's securities report for FY2022.

Corporate History

History		Major properties
Mitsubishi Estate Company, Limited, established with paid-in capital totaling ¥15 million, with the ownership of the Marunouchi Building and site, as well as business rights for buildings and land within the Marunouchi area, transferred from Mitsubishi Goshi Kaisha.	1937	
	1952	Shin-Marunouchi Building completed.
Mitsubishi Estate's shares listed on the Tokyo Stock Exchange and the Osaka Securities Exchange.	1953	
Marunouchi Remodeling Plan formulated. Met demand for offices in the years of high economic growth.	1959	
	1962	Hokkaido Building completed.
Akasaka Park House offered for sale in lots, marking the launch of the condominium business.	1969	
Mitsubishi Estate New York Inc. established. Began expansion of business overseas.	1972	The first phase of the Izumi Park Town Project launched.
Mitsubishi Real Estate Services Co., Ltd., established.		
Branches established in Sapporo (renamed Hokkaido Branch in November 2017), Sendai (renamed Tohoku Branch in July 1989), Nagoya (renamed Chubu Branch in April 2018), and Osaka (renamed Kansai Branch in April 2016). Strengthened business in major Japanese cities.	1973	
Nagoya Dai-Ichi Hotel opened (Hotel Business launched).	1983	
Mitsubishi Estate Home Co., Ltd., established.	1984	
MEC UK Limited established.	1986	
Yokohama Office established (reorganized as Yokohama Branch in April 2000).		
Hiroshima Branch (renamed Chushikoku Branch in November 2017) and Kyushu Branch established.	1989	Tenjin MM Building (IMS) opened in Fukuoka City. Royal Park Hotel in Hakozaeki, Tokyo, opened. Hiroshima Park Building completed.
Participation in the City of London's Paternoster Square Project announced. Capital investment in Rockefeller Group, Inc., initiated.	1990	
	1993	Yokohama Landmark Tower completed. Yokohama Royal Park Hotel opened.
Reconstruction of Marunouchi Building announced.	1995	
	1996	Osaka Amenity Park (OAP) completed.
Began first stage of Marunouchi redevelopment.	1998	
	2000	GOTEMBA PREMIUM OUTLETS® opened.
Mitsubishi Jisho Investment Advisors, Inc., established.	2001	
Properties and equipment revaluated in accordance with the Law Concerning Revaluation of Land and other relevant laws and regulations.	2002	Marunouchi Building opened.
	2003	Mitsubishi Trust and Banking Building completed (renamed Mitsubishi UFJ Trust and Banking Building in October 2005). Paternoster Square completed in the City of London.
	2004	Marunouchi Oazo opened.
	2005	Tokyo Building opened.
	2007	Shin-Marunouchi Building opened. The Peninsula Tokyo opened.
Sunshine City Corporation became a Mitsubishi Estate consolidated subsidiary. Mitsubishi Estate Asia Pte. Ltd. commenced operations.	2008	
Chelsea Japan Co., Ltd., became a Mitsubishi Estate consolidated subsidiary (renamed Mitsubishi Estate • Simon Co., Ltd., in February 2013).	2009	Marunouchi Park Building and Mitsubishi Ichigokan completed.
	2010	Mitsubishi Ichigokan Museum opened.
Mitsubishi Estate Residence Co., Ltd., established.	2011	
	2012	Marunouchi Eiraku Building completed. OTEMACHI FINANCIAL CITY (North Tower and South Tower) opened.
	2013	MARK IS shizuoka and MARK IS minatomirai opened. Grand Front Osaka opened.
Mitsubishi Estate (Shanghai) Ltd. established.	2014	Singapore CapitaGreen completed.
Mitsubishi Estate Building Management and Mitsubishi Estate Property Management integrated.	2015	Dai Nagoya Building completed. Otemon Tower • JX Building completed.
TA Realty LLC acquired.		
Transitioned to a Company with Nominating Committee, etc., organizational structure.	2016	OTEMACHI FINANCIAL CITY GRAND CUBE completed.
Tokyo Ryutsu Center Inc. became a Mitsubishi Estate consolidated subsidiary.		
Hiroataka Sugiyama and Junichi Yoshida appointed chairperson of the Board and president & chief executive officer, respectively.	2017	Otemachi Park Building completed.
Taiwan Representative Office established.		
Head Office relocated to Otemachi Park Building.	2018	Marunouchi Nijubashi Building completed.
Establishment of PT. Mitsubishi Estate Indonesia and Mitsubishi Estate Vietnam Company Limited.	2019	
	2020	Mizuho Marunouchi Tower, Ginkokaikan, and Marunouchi Terrace completed.
Mitsubishi Estate delisted its shares from the Nagoya Stock Exchange.	2021	TOKYO TORCH Tokiwabashi Tower completed.

Organization

As of April 1, 2022



Corporate Information

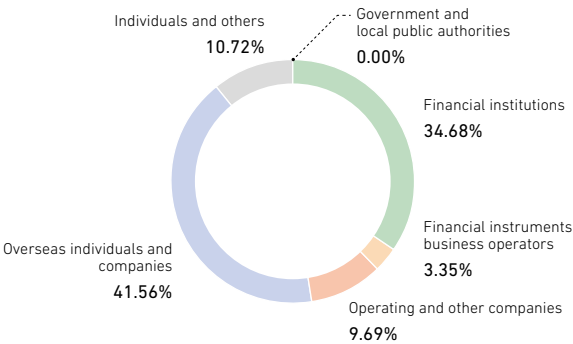
As of March 31, 2022

Stock Information

Stock Details

Number of authorized shares: 1,980,000,000 shares
Number of shares issued and outstanding: 1,391,478,706
(150,390 increase in number of shares from the previous fiscal year-end)
Number of shareholders: 73,602
(Increase of 7,180 shareholders compared with the end of the previous fiscal year)

Shareholder Composition
(Percentage of shares held)



Major Shareholders

	Number of shares held (Thousands of shares)	Shareholding percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	228,398	17.26
Custody Bank of Japan, Ltd. (Trust Account)	67,952	5.13
Meiji Yasuda Life Insurance Company	42,194	3.19
JP MORGAN CHASE BANK 380055	41,109	3.10
SSBTC CLIENT OMNIBUS ACCOUNT	25,134	1.90
STATE STREET BANK WEST CLIENT – TREATY 505234	21,291	1.60
Takenaka Corporation	18,150	1.37
JPMorgan Securities Japan Co., Ltd.	17,903	1.35
Obayashi Corporation	16,422	1.24
SHIMIZU CORPORATION	16,367	1.23

Note: The shareholding percentage ratio is calculated after deducting the shares of treasury stock from the issued shares of the Company.

Company Name

Mitsubishi Estate Co., Ltd.

Date of Establishment

May 7, 1937

Paid-in Capital

¥142,414 million

Business Activities

Development, leasing, and management of office buildings, retail, and other facilities
Development of real estate for investment purposes and asset management
Development and sale of land for housing, research, and other facility use
Management of leisure and other facilities
Sale and brokerage of real estate and related consulting services

Number of Employees (Excluding temporary staff)

Non-consolidated: 974
Consolidated: 10,202

Website

https://www.mec.co.jp/index_e.html

Head Office

Otemachi Park Building, 1-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8133
Phone: +81-3-3287-5100

Hokkaido Branch

Hokkaido Building, 4-1, Kita 2-jou Nishi, Chuo-ku, Sapporo, Hokkaido 060-0002
Phone: +81-11-221-6101

Tohoku Branch

Sendai Park Building, 6-1, Kokubun-cho 3-chome, Aoba-ku, Sendai, Miyagi Prefecture 980-0803
Phone: +81-22-261-1361

Yokohama Branch

Yokohama Landmark Tower, 2-1, Minato Mirai 2-chome, Nishi-ku, Yokohama, Kanagawa Prefecture 220-8115
Phone: +81-45-224-2211

Chubu Branch

Nagoya Hirokoji Building, 3-1, Sakae 2-chome, Naka-ku, Nagoya, Aichi Prefecture 460-0008
Phone: +81-52-218-7755

Kansai Branch

OAP Tower, 8-30, Tenmabashi 1-chome, Kita-ku, Osaka, Osaka Prefecture 530-6009
Phone: +81-6-6881-5160

Chushikoku Branch

Hiroshima Park Building, 7-5, Otemachi 3-chome, Naka-ku, Hiroshima, Hiroshima Prefecture 730-0051
Phone: +81-82-245-1241

Kyushu Branch

Tenjin Twin Building, 6-8, Tenjin 1-chome, Chuo-ku, Fukuoka, Fukuoka Prefecture 810-0001
Phone: +81-92-731-2211

About Our Website

Mitsubishi Estate Group Corporate Website

https://www.mec.co.jp/index_e.html



Sustainability Information

<https://www.mec.co.jp/e/sustainability/index.html>

Our website contains sustainability reports and other information that summarize Groupwide sustainability-related data and initiatives based on important sustainability issues.

IR Information

<https://www.mec.co.jp/e/investor/index.html>

In addition to financial information, the site contains various IR explanatory materials and an asset book.