

Integrated Report 2023

Working Steadily to
Achieve Ongoing Growth

 **MITSUBISHI ESTATE CO., LTD.**

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“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”

処事光明

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/en/company/charter/>

(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 2023

We adopted this integrated report format starting from FY2018, having published annual reports through to FY2017. 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 Covered

“FY2022” refers to the Group's fiscal year ended March 31, 2023, 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.



Atsushi Nakajima

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

Create Value with a Long-Term Perspective (Tradition) and
Forward-Looking DNA (Pioneering Spirit) as a “Change Maker”

Strong Commitment toward Our 2030 Targets

I am Atsushi Nakajima, and I became president & chief executive officer of Mitsubishi Estate in April 2023. Three years have passed since we unveiled Long-Term Management Plan 2030 in January 2020. I am determined to fulfill my duties in my position leading the management of the Company going forward.

There is a saying: “the journey of a thousand miles begins with a single step.” This is my motto. No matter how ambitious the goal is, taking the first step is crucial to achieving it. After resolving to achieve a goal, there is no other option but to advance steadily, one step at a time. My current hobby is marathon running, which I started at the age of 50 while stationed in New York. Although the road seems long when running a marathon, advancing step by step eventually leads to the finishing line.

I believe the same can be said about managing a company. Once I set a goal, I advance step by step with a resolute determination to achieve it. That is my creed. I have gained wide-ranging experience since joining the Company in 1986, including experience in the Corporate Planning Department, overseas studies at the University of California, Berkeley, and in development and asset management. However, I consider the two years I served from 2014 to 2016 as the president and CEO of Rockefeller Group International, Inc. (RGI), in the United States to be particularly invaluable. In addition to facing a language barrier, I was the first Japanese person to lead RGI. Navigating various difficulties in my own way made me keenly aware of the importance of communication. In an environment where people have disparate standpoints and approaches, doggedly maintaining careful communication is imperative for understanding the views of others and ensuring that others understand your views.

In my position leading the management of the Company going forward, I recognize that communication with shareholders and investors is of the utmost importance. I regard it as my duty to communicate our steady progress toward achieving the targets established in Long-Term Management Plan 2030 to shareholders and investors. The three years since the unveiling of the plan have witnessed various changes in the external environment, including the COVID-19 pandemic, the crisis in Ukraine, and upheaval in financial markets, primarily overseas. The outlook is also uncertain in real estate markets around the world. Amid such unpredictable conditions, in the event of a gap opening between our approach and that of our shareholders and investors to how best to achieve our targets, I will strive to bridge it through communication or, if necessary, examine the possibility of revising our policies. I am committed to communicating our steady progress while maintaining a resolute determination to achieve Long-Term Management Plan 2030.

Confronting Changes Fearlessly as a “Change Maker”

Mitsubishi Estate’s history began in 1890 when Yanosuke Iwasaki, the first president of Mitsubishi Company, purchased Marunouchi land at the request of the Meiji government of Japan. Based on our strong commitment to modernizing Japan, we spent over 130 years developing the Marunouchi area into a world-leading business center while navigating various events, including Japan’s period of rapid economic growth and the collapse of the country’s bubble economy. Moreover, we were also at the forefront of globalization, entering the real estate market in the United States (1972) and the United Kingdom (1986) ahead of other real estate companies in

Japan. Domestically, we have continuously made efforts to create new value as the industry's leading company, including our entry into the REIT market and expansion of U.S.-style outlet malls. This history is the result of efforts to embody our universal basic mission of contributing to society through urban development.

Looking again at the footprints left by the Mitsubishi Estate Group, I feel the makeup of our DNA—urban development with a long-term perspective (tradition) and foresight to stay ahead of the times (a pioneering spirit), both of which are at the root of our activities—has indeed been passed down over our history. I believe the virtuous cycle whereby our pioneering spirit became part of our tradition, which then became the foundation underpinning a renewed pioneering spirit, is one of the Group's strengths. Constantly remaining highly sensitive to all changes in society and creating new value without fear of change (being a Change Maker) are vital to maintaining our DNA into the future. Today, the Group's operational domains have expanded into every conceivable business related to real estate. I believe the Mitsubishi Estate Group's purpose is to contribute to society by continuously identifying and offering value it can provide.

Continuously Growing Based on the Group's Strengths, Even in an Uncertain External Environment

Long-Term Management Plan 2030 sets forth growth strategies for the domestic asset, international asset, and non-asset businesses. In the domestic asset business, we will further enhance the value of our portfolio centered on the Marunouchi area while taking into account changes in the

social environment. Enhancing the value of the area by boosting its appeal in terms of both area management and infrastructure is key. I am convinced that greatly enhancing the appeal of the Marunouchi area will help raise Tokyo's and—by extension—Japan's international competitiveness. Meanwhile, domestic capital-recycling assets* have accumulated to a level exceeding ¥1 trillion, based on their book value. Its extensive record of selective investments has enabled the domestic asset business to put in place a system to continuously post highly efficient, high-level capital gains. We will continuously make even more selective investments while carefully monitoring the latest market conditions to achieve the targets of Long-Term Management Plan 2030.

* Rental properties, excluding those in Marunouchi, outlet malls, and the assets of certain consolidated subsidiaries

The international asset business has expanded while managing risks by diversifying its portfolio across a wide range of regions and assets. However, in light of recent changes in certain regions and assets, we intend to maintain selective investments in focus regions while revising capital allocation as necessary. Despite an uncertain outlook in real estate markets, including a sharp rise in interest rates in the United Kingdom, and the United States and concerns regarding a decrease in office demand stemming from the spread of working from home and other factors, the international market remains promising in the long run. Given that the working population will decline in Japan, I believe developing earnings power overseas is indispensable to the Group's continuous growth. Meanwhile, the governance systems of local subsidiaries are extremely important for achieving growth overseas. Real estate is basically a local business. For this reason, I believe it is advisable to establish an environment that allows those with a thorough understanding of the market to spearhead management, regardless of whether they are Mitsubishi Estate employees or employees of local subsidiaries. Accumulating a record of various achievements in local markets helps build trust in those markets, which can then lead to our involvement in major projects. We are advancing a wide range of projects in North America, Europe, and Asia. I am keen for us to build further trust to achieve continuous growth by strengthening communication with various parties in local markets.

Turning to the non-asset business, the Investment Management Business is achieving steady profit growth. Having achieved the initial target for assets under management announced at the launch of Long-Term Management Plan 2030 ahead of schedule, we have set out fresh targets for the end of FY2030 of ¥10.0 trillion for assets under management and ¥30.0 billion for operating profit. The non-asset business generates revenues at a high level of capital efficiency without entailing major investments. Although the new targets may be challenging, they are an extremely important element for achieving the main targets of Long-Term Management Plan 2030. Drawing on the global platform it has developed over the years to accelerate communication between different regions, Mitsubishi Estate will seek to expand by addressing the needs of investors around the world. The hotel management business aims to maximize profits by steadily tapping into the post-COVID-19 recovery. Moreover, we acquired Regus Japan Holdings Co., Ltd., as a subsidiary in February 2023. With this acquisition, we will develop flexible workspaces and aim to make a variety of value propositions in terms of places to work, in addition to our mainstay core offices.

I believe that identifying earnings power is vital to achieving solid growth in each of these three businesses. Given Mitsubishi Estate is engaged in the real estate business, its assets earn a substantial portion of its revenues. However, it also has businesses that earn revenues without owning major assets, in the manner of the non-asset business. I believe identifying the elements that are central to earning revenues in each of our businesses will enable us to better leverage and customize know-how across businesses, which will in turn contribute to the further growth of the Company as a whole.



Growing with Society to Create a Sustainable Future

As set forth in Long-Term Management Plan 2030, we will not be able to realize growth as a company unless our business activities help improve social value. To do otherwise would damage shareholder value. Mindful of this, we have established Mitsubishi Estate Group Sustainability Vision 2050. To realize this vision, we are advancing specific themes and actions under the Mitsubishi Estate Group Sustainable Development Goals 2030, adopted in Long-Term Management Plan 2030.

While I am proud that we have promoted a host of initiatives ahead of other companies within our industry in Japan, steadily maintaining these efforts going forward will be crucial. I wonder that Japanese companies and Japanese society have been less sensitive to sustainability than other countries. Amid these circumstances, I believe that Mitsubishi Estate must establish itself as a leader of Japanese companies as well as the real estate industry. To this end, it is imperative that we steadily promote initiatives and communicate key performance indicators, which serve as targets, and the outcomes of our initiatives to shareholders and investors in an easily understood manner. In real estate-related businesses, including urban development, there are many goals that cannot be realized and issues that cannot be solved solely through the efforts of individuals or individual companies. Together with our stakeholders, we aim to become a corporate group that grows with society as the industry's leading company.

Creating Further Innovation Spurred by Our Diverse Human Resources

Ultimately, I believe business is about people. Human resources, our most valuable asset, play the leading role in offering value to society. We require human resources to be Change Makers and Professionals. Leveraging the Company's long-term perspective on urban development and forward-looking DNA and acting with the spirit to take on challenges without fearing change or being bound by convention, Change Makers are capable of building businesses while drawing in others and gaining the cooperation of external parties. As the term implies, Professionals have specialist expertise. Through efforts such as promoting the strengthening of the International Business and expanding the non-asset business, I believe the presence of human resources with specialist expertise in their respective domains will accelerate the development of businesses, thereby spurring further innovation. With these two elements—Change Makers and Professionals—interacting with each other, I believe we can offer new value that goes beyond conventional frameworks. Another important point is the diversity of human resources. Organizations devoid of diversity are likely to fall into decline. In addition to establishing systems and rules, fundamentally understanding the viewpoints of others is a prerequisite for enhancing the diversity of our organization and human resources. Long-Term Management Plan 2030 has adopted the improvement of both shareholder and social value as the two prongs of its strategy. Accordingly, we will steadily promote initiatives for enhancing social value and properly demonstrate the outcomes they yield.

We will steadily advance concerted efforts to embody urban development with a long-term perspective (tradition) and foresight to stay ahead of the times (a pioneering spirit) to achieve Long-Term Management Plan 2030 and realize ongoing corporate growth.

To Our Stakeholders

Three years have passed since the launch of Long-Term Management Plan 2030. While various events occurred that could not have been anticipated, results to date—including in terms of the progress of key performance indicators, profit growth, and headway made with investments—have proceeded as expected. Since the launch of the plan, we have consistently implemented shareholder returns at a high level. For example, the share buybacks of ¥100.0 billion that we announced in November 2022 brought the total amount of such buybacks to ¥230.0 billion since FY2019. We will continue promoting shareholder returns as one of our priorities. Ensuring the continuous growth of our businesses and profits is also a priority. To achieve this goal, we will endeavor to maintain a strong awareness of returns from both long- and short-term perspectives.

Despite uncertainties in the current operating environment, including inflation, financial conditions, and geopolitical risks such as the crisis in Ukraine, the Mitsubishi Estate Group has seen its business activities expand globally and its number of employees grow to more than 10,000 overall. If every one of them can embody urban development with a long-term perspective (tradition) and foresight to stay ahead of the times (a pioneering spirit), I am convinced that we can achieve Long-Term Management Plan 2030 and contribute to the creation of a truly meaningful society. I hope to proceed steadily into the future with all our stakeholders to respond to the diverse types of value that will be required by society. My aim is to advance management with a strong focus on what is important to shareholders, investors, community members, customers, employees, and business partners.

Drawing fully on our diversity, we will continue making concerted efforts to achieve Long-Term Management Plan 2030 and realize ongoing corporate growth. Taking inspiration from the tradition and pioneering spirit that make up our DNA, we pledge to grow together with stakeholders with an awareness of our position as the industry's leading company. We ask for your continued support for our endeavors.



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

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, which is now home to the offices of approximately 4,300 companies comprising some 280,000 office workers. The knowledge and expertise that we have accumulated through our urban development and area management efforts represent a part of our identity as well as a strength. Today, we are actively promoting Marunouchi NEXT Stage with the aim of establishing Marunouchi as a "co-creation platform for innovation through companies, employees, and visitors" we have cultivated over more than 130 years.

Marunouchi Today*1

Number of Companies

Approx. **4,300**^{*2}

Number of Companies Listed on the First Section of the Tokyo Stock Exchange

118^{*3}

Number of Office Workers

Approx. **280,000**^{*2}

Railway Lines Servicing the Area

13 stations, **28** lines^{*4}

Number of Stores

562 restaurants

321 shops

357 service providers

68 medical service providers

Visitor Numbers for Major Events

Marunouchi Illumination: Approx. **7,400,000**

Marunouchi Market (Gyoko-dori Ave.): **166,300**

Marunouchi Market (Marunouchi Building): Approx. **10,200**

Number of Environment-Friendly Buildings

DBJ Green Building-Certified Buildings: **24**

Buildings Using Renewable Energy: **35**

*1 As of July 2023; Source: Mitsubishi Estate Co., Ltd.
*2 Calculated by The Council for Area Development and Management of Otemachi, Marunouchi, and Yurakucho based on the 2014 Economic Census for Business Activity
*3 Basic Information on Listed Companies, February 2022 edition, vol. 2
*4 Stations with the same name on different lines are counted in the number of lines.

1890

Starting from Scratch
Purchase of Marunouchi land

In 1890, Yanosuke Iwasaki, the first president of Mitsubishi Company, purchased Marunouchi land at the request of the Meiji government of Japan. The area, which was an expanse of flat, grassy fields, became known as Mitsubishigahara, or Mitsubishi Fields.



1890s

First Phase of Development
Evolution into a full-scale business center

The construction of the area's first modern office building, Mitsubishi Ichigokan, was completed in 1894. Thereafter, three-story redbrick office buildings began springing up, resulting in a townscape reminiscent of London's business center, which led to the area becoming known as the "London Block."

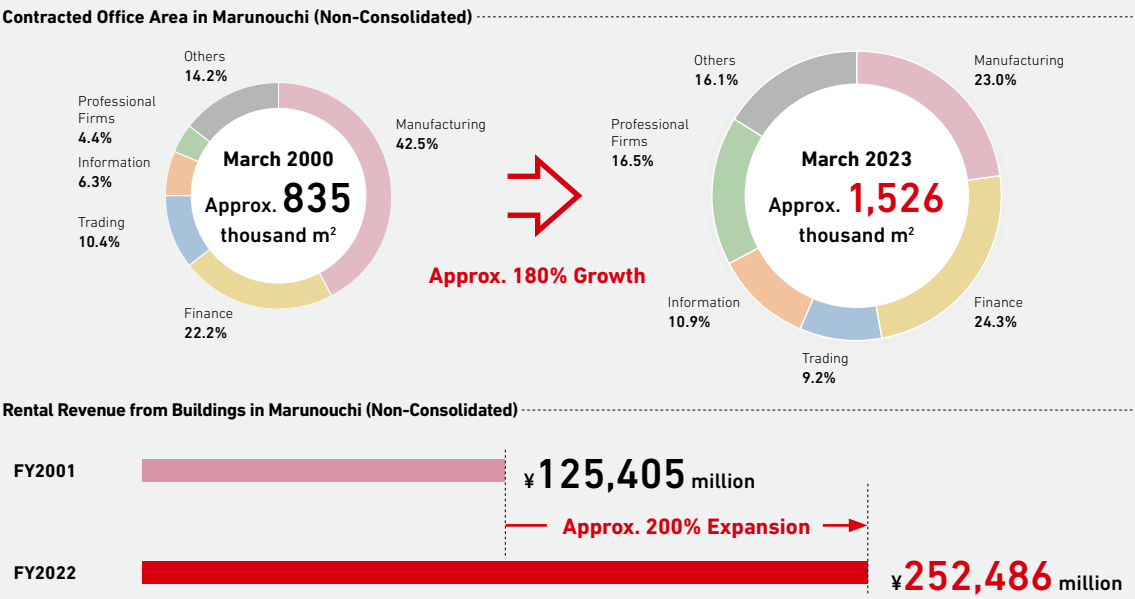
1960s

Second Phase of Development
Rising demand for office space due to rapid economic growth

As Japan entered an era of high economic growth, demand for office space rose sharply. To address this demand, Mitsubishi Estate began rebuilding the area with large-scale office buildings to provide an abundant supply of large-capacity office space under the Marunouchi remodeling plan of 1959.



Growth of the Office Building Business



1995-2019

Third Phase of Development
Strengthening of the international competitiveness of Marunouchi

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 that concept broader and more comprehensive, we expanded our urban development efforts to Otemachi and Yurakucho from 2008, in order to strengthen the international competitiveness of Marunouchi by establishing a financial business center and a greater 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.

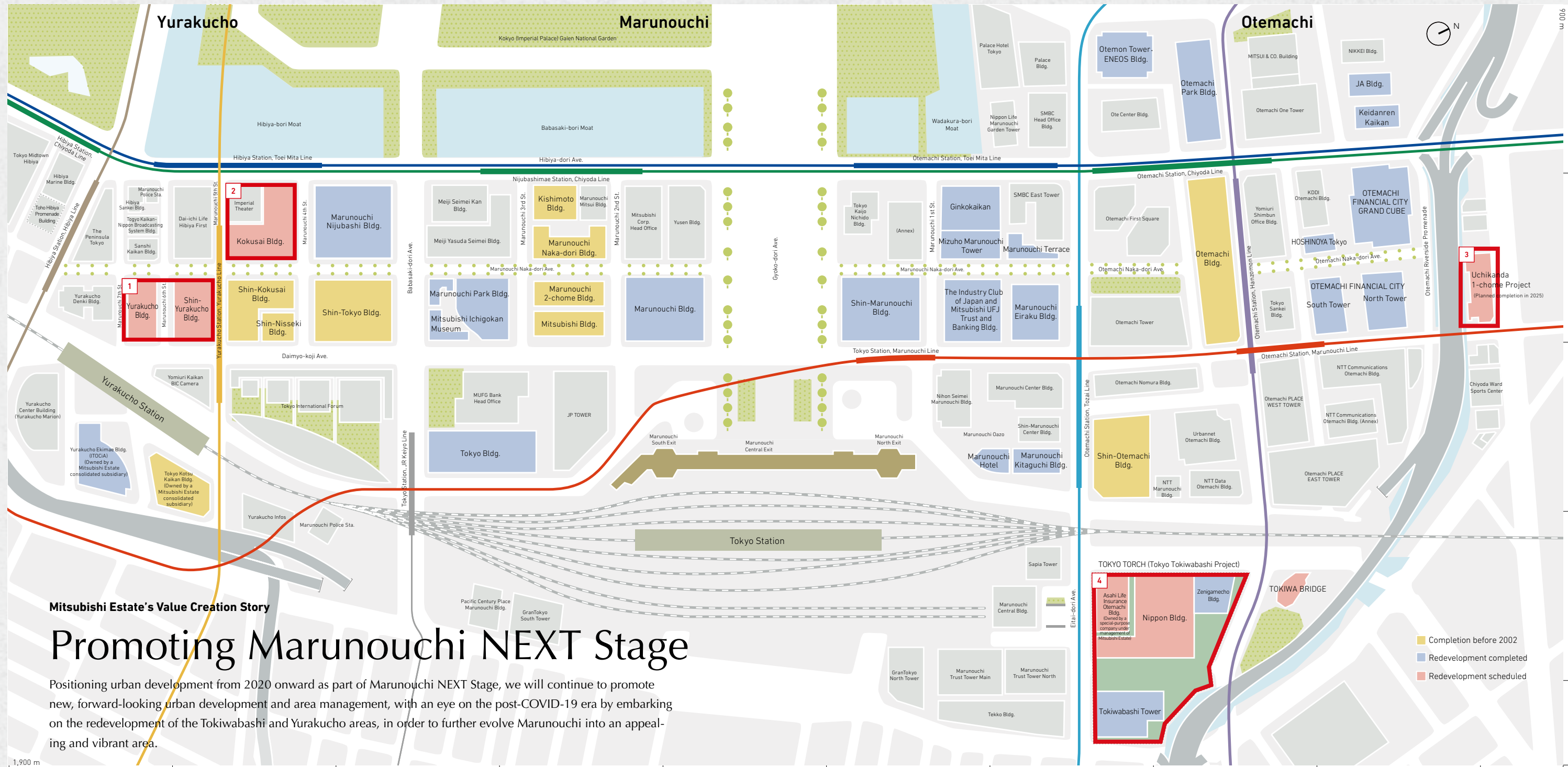
2020-

Marunouchi NEXT Stage
Creating 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 which spurs the discovery of and solutions to social issues through the emergence of innovation and strengthening of our digital foundations. Through the promotion of such urban development and area management, we aim to transform Marunouchi into a "co-creation platform for innovation through companies, employees, and visitors."

Under Marunouchi NEXT Stage, we will redevelop the Marunouchi area by investing between approximately ¥600.0 billion and ¥700.0 billion (our share of the total investment) by 2030 in reconstruction projects and area management centered on Tokiwabashi and Yurakucho.





Mitsubishi Estate's Value Creation Story

Promoting Marunouchi NEXT Stage

Positioning urban development from 2020 onward as part of Marunouchi NEXT Stage, we will continue to promote new, forward-looking urban development and area management, 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

Main Redevelopment Areas

Tokiwabashi and Yurakucho

Floor Area of Total Redevelopment Projects

1,100-1,300 thousand m²

Note: Total floor area under construction confirmation application

Company's Total Investment by 2030

¥600-¥700 billion



Yurakucho Building and Shin-Yurakucho Building Redevelopment Project

Mitsubishi Estate has decided to redevelop the Yurakucho Building and Shin-Yurakucho Building in front of JR Yurakucho Station, a prime location, as the first phase of the redevelopment of the Yurakucho area.

Note: Details of the project are currently under consideration.



Kokusai Building and Teigeki Building Redevelopment Project

Mitsubishi Estate, Toho Co., LTD., and the Idemitsu Museum of Arts have decided to jointly undertake the integrated redevelopment of the Kokusai Building, which is owned by Mitsubishi Estate, and the Teigeki Building, which is owned by Toho and the Idemitsu Museum of Arts.

Note: Details of the project are currently under consideration.



Uchikanda 1-chome Project (Tentative Name)

This project will establish business and industrial support facilities for the agriculture (a portmanteau of "agriculture" and "food") sector to accelerate innovation through cooperation among companies.

Site Area	5,100 m ²
Total Floor Area	85,200 m ²
Building Size	26 aboveground floors / 3 belowground floors
Completion	November 2025

4 TOKYO TORCH

Making Japan a Place That Excites the World

Under a project vision of "bringing light and energy to Japan," Mitsubishi Estate is aiming 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	62 floors / 4 floors	4 belowground floors	9 floors / 3 floors
Height	212 m	390 m	—	53 m
Completion	June 2021	FY2027	FY2027	March 2022



Mitsubishi Estate's Value Creation Model

Input (Strengths)

Our Long-Term Perspective and Forward-Looking DNA

Human Capital and Intellectual Capital

Innovation DNA Underpinned by Our Personnel System

- Long-term perspective on urban development reflected in the development of Marunouchi
- Foresight to constantly stay ahead of the times and the spirit to take on challenges

Examples

- Evolution of Marunouchi into a major business center
- Large-scale redevelopments such as Minatomirai
- Expansion of U.S.-style outlet malls across Japan
- Early entrance into the REIT market

- The ability to improve the value of urban areas by leveraging our extensive business relationships

Examples

- Improvement of Marunouchi Naka-dori Avenue
- Promotion of TOKYO TORCH project

- Human Resource Strategy and Personnel System to Maximize Value Creation

Examples

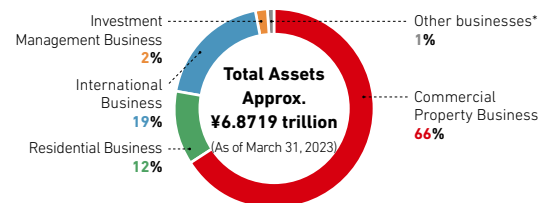
- 10% Rule System (setting targets outside of regular duties)
- Creation of an information platform shared by all Group companies

Extensive Portfolio and Relationships

Natural Capital and Manufactured Capital

Carefully Selected and Abundant Real Estate Asset Touchpoints

- Outstanding asset portfolio centered on the Marunouchi area
- Creation of a portfolio resilient to market conditions by diversifying asset types and possessing assets in different areas



* Architectural Design & Engineering Business, Real Estate Services Business, and other businesses

Social Capital

Relationships and Partnerships Founded on Trust

- Relationships of trust built up with customers and solid relationships with business partners and subcontractors

Number of Tenants (Nationwide, All Purposes)

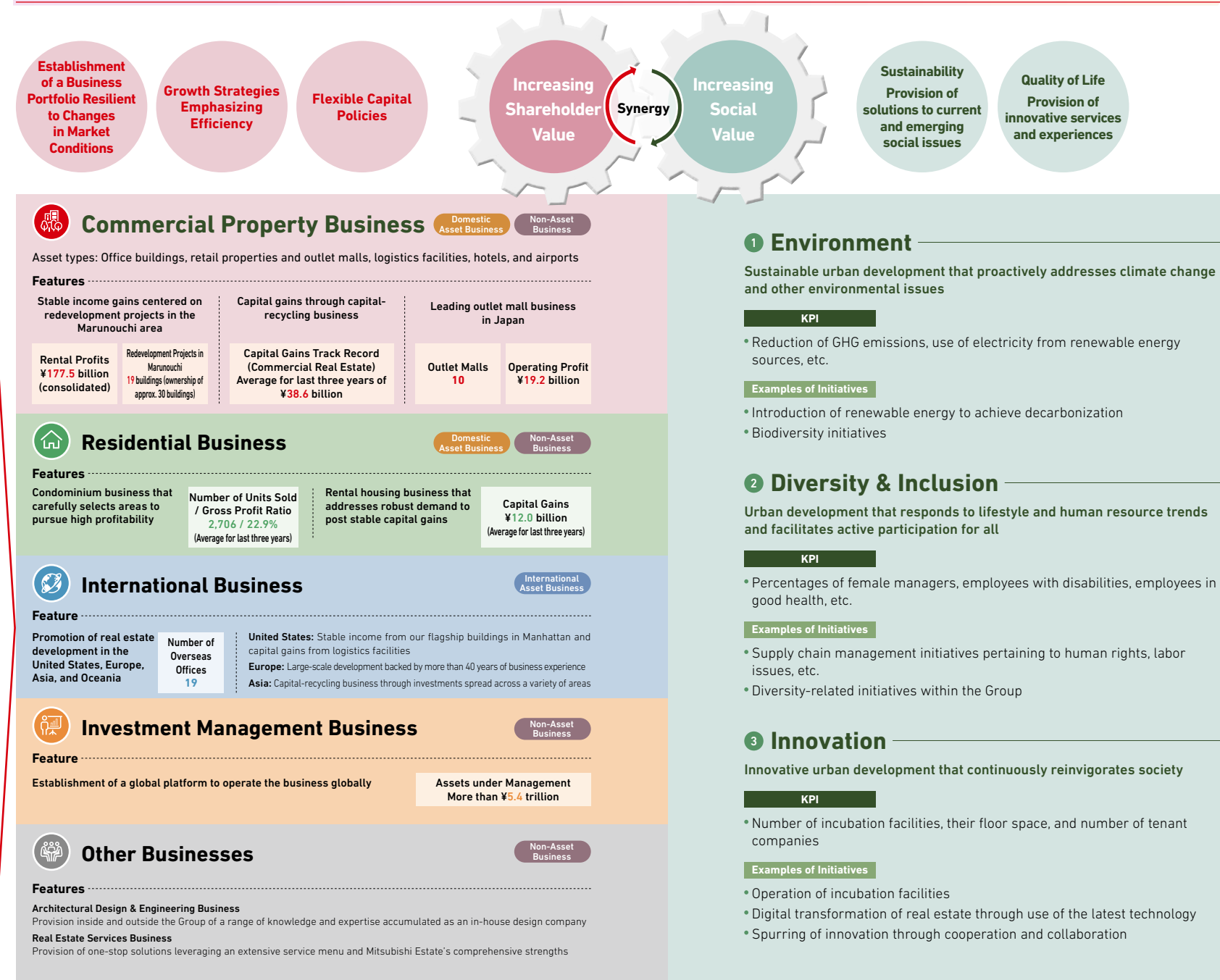
Approx. **3,360** companies

Number of Office Workers in Marunouchi

Approx. **280,000**

For information on our strengths, please refer to pages 14 and 15.

Business Model / Output



For details on each business, please refer to pages 40 to 55.

For information on sustainability, please refer to pages 56 to 72.

Corporate Foundations Underpinning Our Businesses

Corporate Governance

- Separation of management supervision and business execution as a Company with Nominating Committee, etc.
- Diversification of the membership of the Board of Directors
- Monitoring of daily activities through the evaluation of the effectiveness of the Board of Directors

Financial Foundations: Financial Capital

- Long-term, low-interest rate financing taking advantage of Mitsubishi Estate's credibility
- Leveraging of Company's high credit rating to secure financing through optimal methods, even under uncertain financial conditions
- Control of financial discipline

Outcome

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.

Mitsubishi Estate will continuously offer value to its shareholders, society, and all other stakeholders by improving its corporate value sustainably through urban development.

Increasing shareholder value

- Realization of a highly efficient portfolio resilient to changes in market conditions
- Pursuit of efficiency expected by equity markets

Long-Term Management Plan 2030 KPI Targets

ROA of **5%** EPS of **¥200**

ROE of **10%**

Increasing social value

Offering of a wide range of value by addressing social issues and providing services and experiences ahead of the times

1 Environment

- Cities that conduct management of climate change, waste, and energy issues
- Efficient and ecological cities where stock is effectively utilized

2 Diversity & Inclusion

- Borderless cities respecting the diverse backgrounds of all peoples
- Cities conducive to realizing an inclusive society
- Affluent and pleasant cities that respond to demographic and lifestyle changes

3 Innovation

- Cities that provide interactive added value through knowledge accumulation and networks
- Innovative cities acting as wellsprings for open innovation

4 Resilience

- Safe and peaceful cities of a sustainable and resilient nature

Sustainable Corporate Growth (Improving Corporate Value)

Human Capital and Intellectual Capital

Innovation DNA Underpinned by Our Personnel System

Deployment of the Long-Term Perspective Cultivated through the Development of Marunouchi in Other Areas

Development of the Izumi Park Town Project in Sendai

Opened in 1974 and among the largest private-sector residential land development projects in Japan, Izumi Park Town has a population of over 25,000 and more than 10,000 households.



Development of Minato Mirai 21, a Large-Scale Redevelopment Project

Mitsubishi Estate took part in Minato Mirai 21 as the largest private-sector landowner. Yokohama Landmark Tower, which was completed in 1993, was the tallest building in Japan (296 m) at the time of its completion.



Foresight and the Spirit to Take On Challenges

Expansion of U.S.-Style Outlet Malls in Japan

Mitsubishi Estate introduced the culture of outlet malls, which originated in the United States, to Japan, beginning with the opening of GOTEMBA PREMIUM OUTLETS® in 2000. Today, the Company operates 10 outlet malls across Japan.



Early Entrance into the REIT Market

In 2001, Japan Real Estate Investment Corporation, of which Mitsubishi Estate is the main sponsor, became the first J-REIT to go public (Nippon Building Fund Inc. went public at the same time.).

The Ability to Enhance the Value of Urban Areas by Leveraging Outstanding Relationships

Improvement of Marunouchi Naka-dori Avenue

- In 2002, we made improvements to Marunouchi Naka-dori Avenue, the main street in the Marunouchi area, to coincide with the completion of the Marunouchi Building.
- We made the avenue more pedestrian-friendly by widening the sidewalks from 6 m to 7 m and reducing the width of the road from 9 m to 7 m.

Proceeding with TOKYO TORCH (Tokyo Tokiwabashi Project), a New Landmark for Japan

- TOKYO TORCH is a large-scale mixed-use development project that aims to redevelop a site of approximately 3.1 hectares in front of Tokyo Station. At 390 m in height, Torch Tower, which is slated for completion in FY2027, will become the tallest construction in Japan.
- The Dorchester Collection, an ultra-luxury hotel, will open its first location in Asia on the upper floors of Torch Tower.



Human Resource Strategy and Personnel System to Maximize Value Creation

Clarifying That We Require Change Makers and Professionals as Human Resources and Enhancing Our Personnel System to Create a Vibrant Workplace

Along with a long-term perspective on urban development and forward-looking DNA, we have clarified the human resources we require going forward by defining those for whom taking on challenges and spurring innovation is part of their DNA as Change Makers and Professionals. At the same time, we aim to maximize our value creation as an organization by enhancing various personnel programs and making Companywide efforts to both develop our existing businesses and promote business model innovation.

 Please see pages 62 to 65 for details.

Natural Capital and Manufactured Capital

Carefully Selected and Abundant Real Estate Asset Touchpoints

The Mitsubishi Estate Group possesses a market-resilient asset portfolio diversified across a variety of different areas and assets, most notably in Marunouchi.



Commercial Property Business

Number of Office Buildings under Management

214

Number of Hotels under Operation

20

Retail Facilities

23 (Including 10 Outlet Malls)

Number of Rooms in Hotels under Operation

4,620

Logistics Facilities (Total Number of Developed Facilities)

21

Number of Airports Operated by Airport Operation Business

10

Residential Business

Number of Condominiums Sold a Year

1,596

Rental Apartment Buildings (Owned or under Development)

89

Number of Condominiums under Management

344,867

International Business

Number of Overseas Offices

19 offices

Contracted Area

U.S.: 461,530 m²

Europe: 59,254 m²

Asia: 8,436 m²

Land Bank of For-Sale Condominiums in Asia

9,400 units

Investment Management Business

Assets under Management

Approx. ¥5.4 trillion

Note: Figures as of FY2022

Social Capital

Relationships and Partnerships Founded on Trust

The relationships of trust built up over the years with customers and the long-lasting relationships formed with business partners and subcontractors are among the Mitsubishi Estate Group's key strengths. We also proactively support and collaborate with start-up companies.

Number of Tenants (Nationwide, All Purposes)

Approx. 3,360 companies

Number of Office Workers in Marunouchi

Approx. 280,000

Number of Members Eligible to Join the Residence Club

Approx. 660,000 households

Number of Overnight Guests at Group Hotels

Approx. 1.71 million per year

Number of Passengers at Group-Operated Airports

Approx. 24.32 million per year

Number of Support Hubs for Start-Ups (Marunouchi)

5

Number of Start-Ups in Support Hubs (Marunouchi)

202

Amount of Investment in Start-Ups (Commitment Basis)

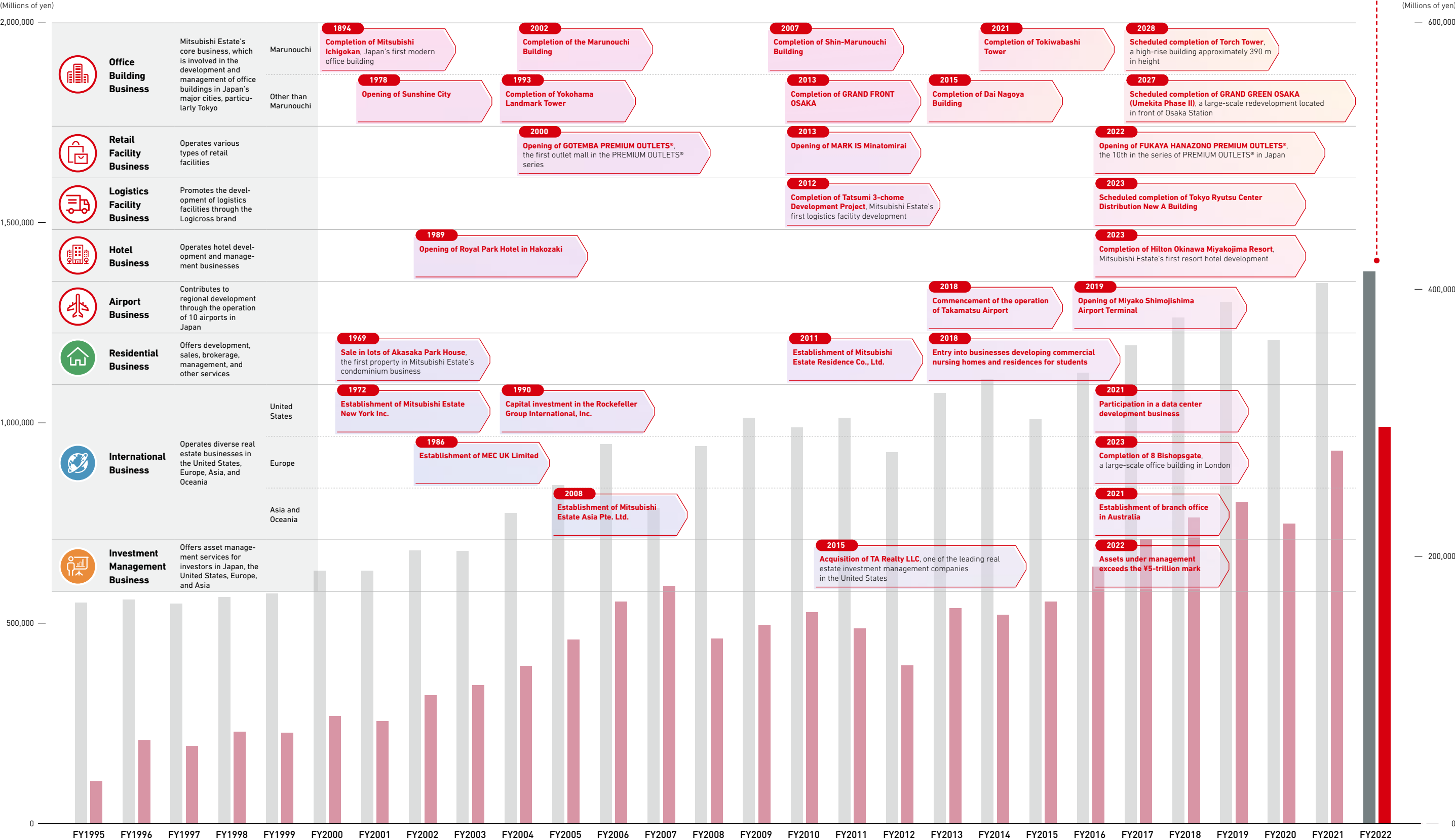
Approx. ¥29.0 billion



Expanding into Various Domains

The Mitsubishi Estate Group has expanded its business activities into various domains by utilizing its unique expertise and know-how accumulated through its development of Marunouchi. The Group has continuously taken on challenges in anticipation of changes in its operating environment and the coming era, such as expanding into overseas markets and participating in new asset types, while further refining its strengths, centered on office buildings.

Operating Revenue / Operating Profit



Long-Term Management Plan 2030

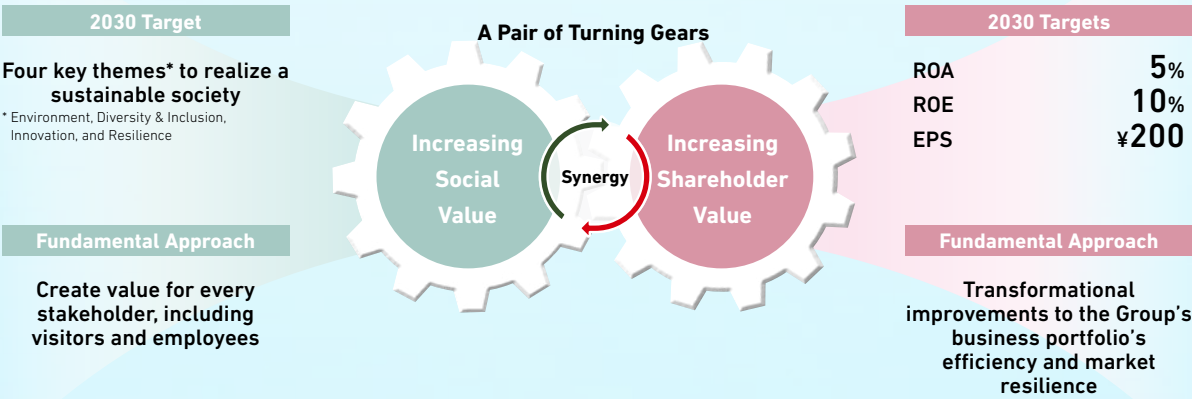
Overview of Strategies

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 revenues 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)

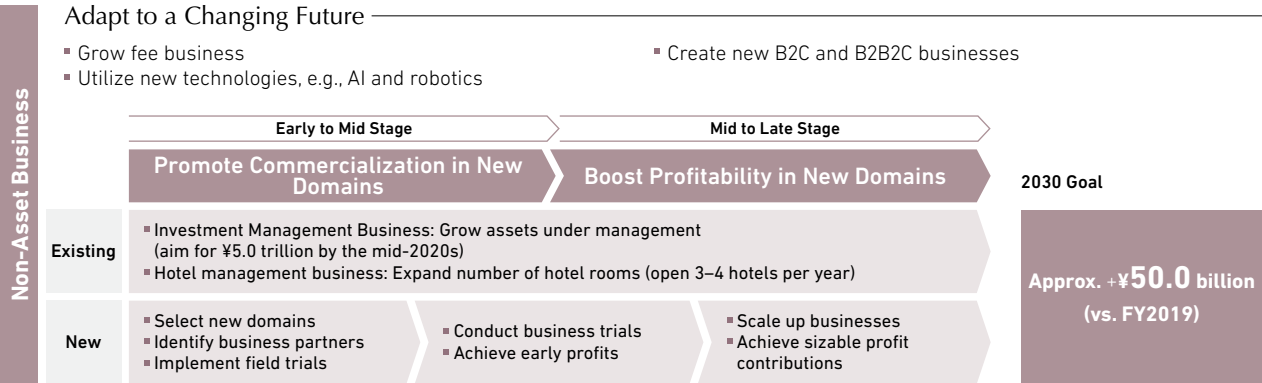
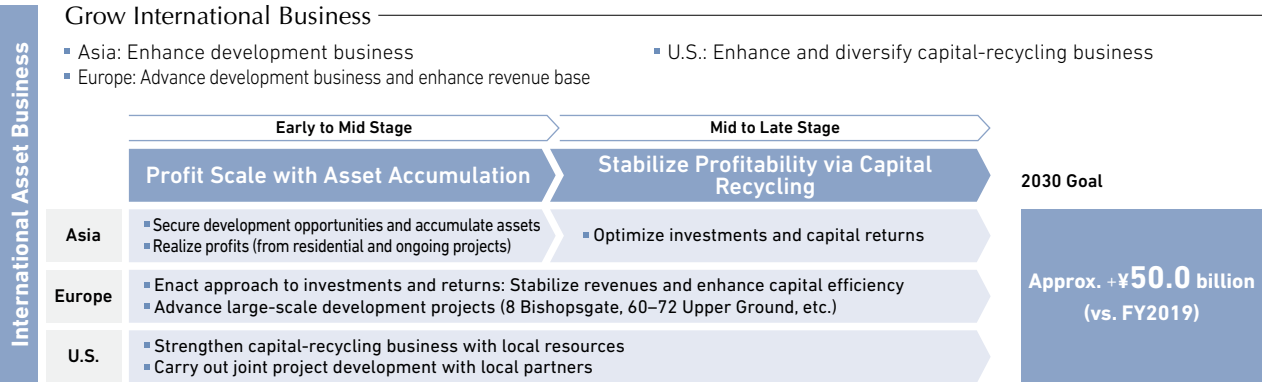
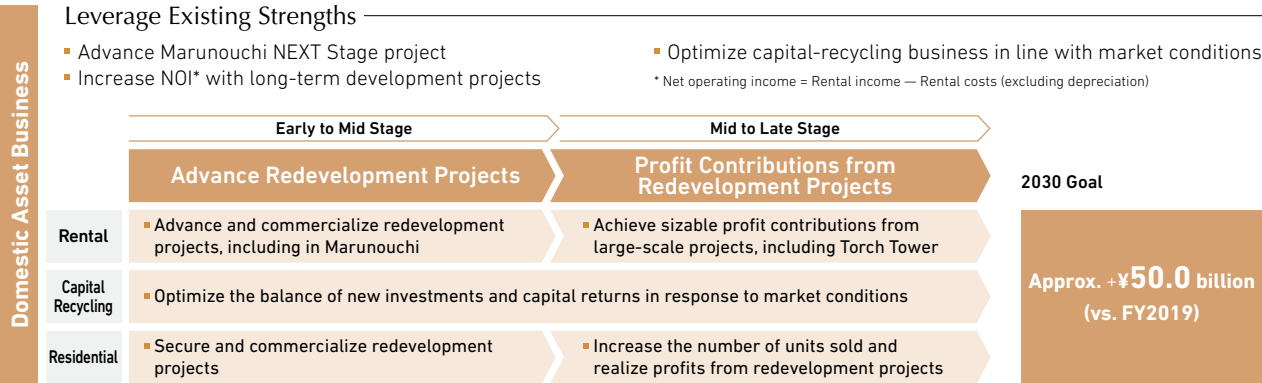
- Optimize mix of investments, asset sales, shareholder returns, and financing in response to market growth projections

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

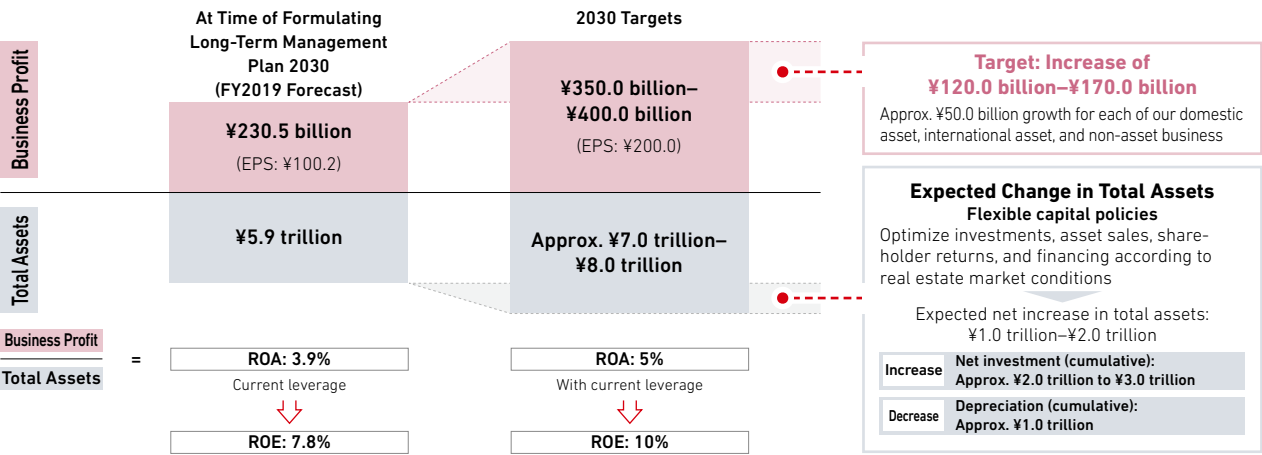
- Sustainability** Provision of solutions to current and emerging social issues
- Sustainable urban development that proactively addresses climate change and other environmental issues
 - Urban development that responds to lifestyle and human resource trends and facilitates active participation for all
 - 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.



Plan to Achieve 2030 Targets (ROA, ROE, and EPS)



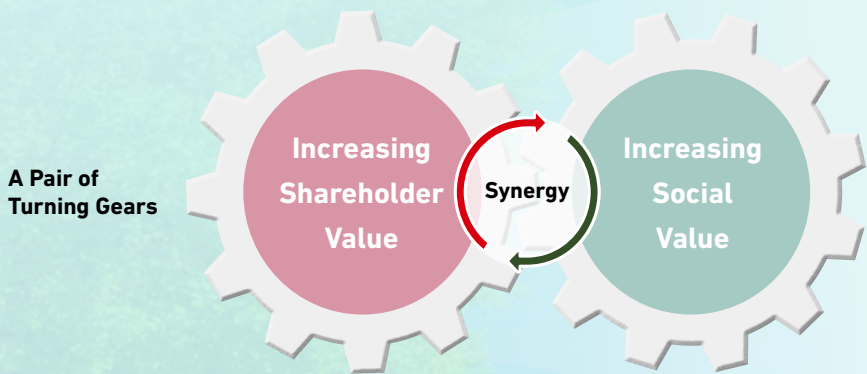
Overview of Sustainability (ESG) Initiatives

In Long-Term Management Plan 2030, the Mitsubishi Estate Group declared its aim to address current and emerging social issues through its business activities under management targets focused on strategies for increasing both social and shareholder value to realize a sustainable society.

Efforts toward this goal began in 2018 with the formation of a Groupwide working group, which anticipated changes in the Group's operating environment to identify seven material issues. Based on these issues, we established the Mitsubishi Estate Group 2030 Goals for the SDGs, which set out four key themes as the social issues that the Group must focus on in particular.

At the same time, we established Mitsubishi Estate Group Sustainability Vision 2050 (Be the Ecosystem Engineers) with a title expressing the Group's vision for realizing a sustainable society based on a long-term outlook essential for urban development. We have positioned the Mitsubishi Estate Group 2030 Goals for the SDGs as a milestone establishing specific themes and actions for realizing our 2050 vision.

The Mitsubishi Estate Group will aim to achieve ongoing growth and create a truly meaningful society through sincere efforts to address social issues.



Mitsubishi Estate Group Sustainability Vision 2050

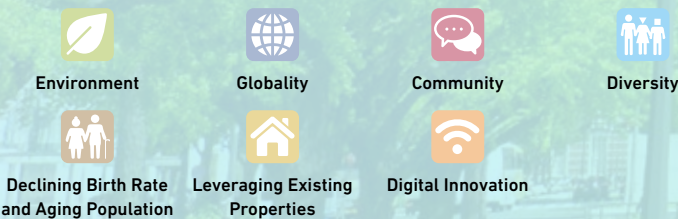
Be the Ecosystem Engineers

We aspire to be a corporate group (engineers) that provides spaces and infrastructure (ecosystems) where all actors (individuals, corporations, and other players) are able to coexist sustainably and thrive together—economically, environmentally, and socially.

Backcasting



Material Issues (Primarily Social Issues It Addresses)



Formulation of key themes and KPIs based on our material issues



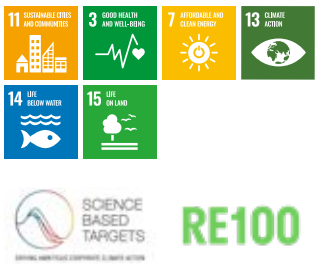
Mitsubishi Estate Group 2030 Goals for the SDGs

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 FY2030, compared with FY2019, and achieve net-zero emissions for Scope 1, Scope 2, and Scope 3 by 2050
- Renewable energy ratio: 100% by FY2025
- Promote waste recycling and reduction of emissions focusing on food and plastic items
- Waste recycling rate: 90% by 2030
- Waste disposal: 20% reduction by 2030 (compared with FY2019, 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 individuals' 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 the 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 business continuity plan 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

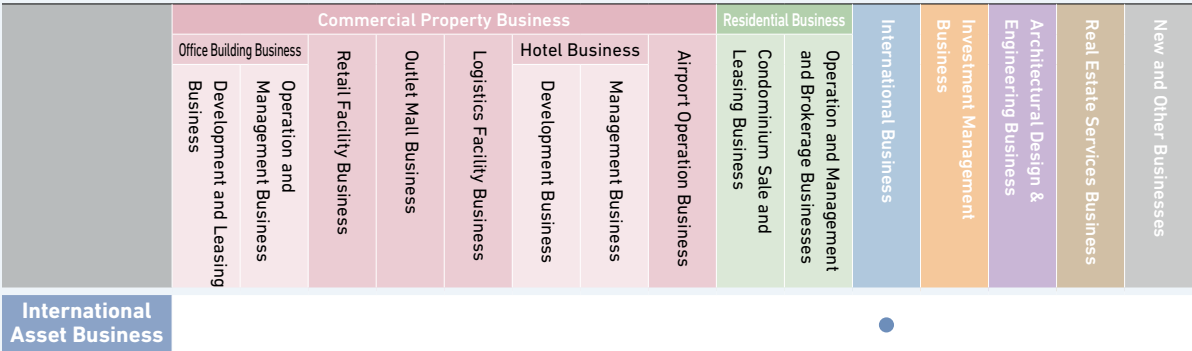
Risks

- 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

Progress of Long-Term Management Plan 2030

International Asset Business

Businesses



Market Environment (Risks and Opportunities)

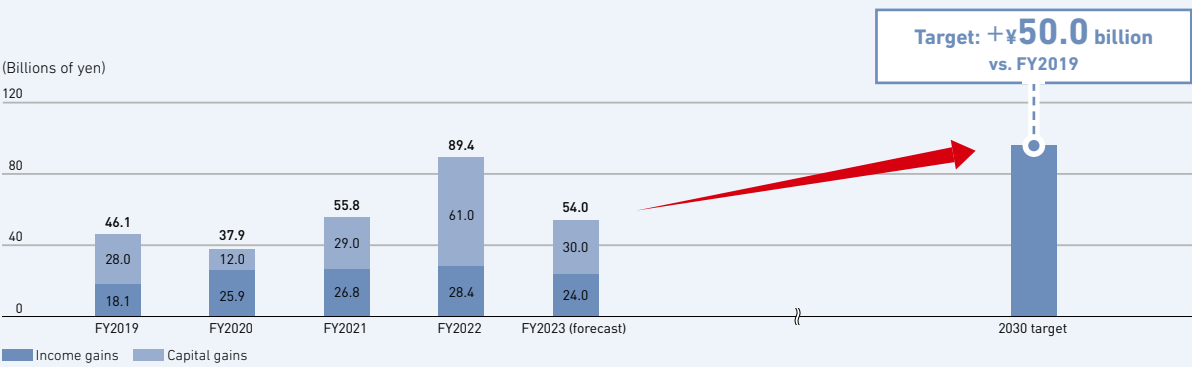
Risks

- Establishment of diversified workstyles, such as working remotely, due to the COVID-19 pandemic and reconsideration of the purpose and meaningfulness of offices
- Changes in country risks as a result of the Russia-Ukraine situation, the return of COVID-19, etc.
- Accelerating inflation stemming from the pandemic and the Russia-Ukraine situation
- Impact on the real estate market from accelerating interest rate increases centered on Europe and the United States to curb inflation

Opportunities

- Business promotion leveraging a variety of experience and know-how gained through development projects in Europe and the United States over several decades. Also, investment decision-making based on extensive knowledge of market trends gained through years of experience
- An investment strategy managing asset types and level of risk by region, defining Europe and the United States as highly mature markets and Asia as a high-growth market
- Minimization of country risks and volatility arising from boom-and-bust cycles by maintaining a globally diversified portfolio with a focus on Europe, the United States, and Asia
- Maintenance of a globally diversified portfolio while making selective individual investments in central business districts, densely populated areas, etc., by leveraging our past experience and the expertise of leading local partners

Business Profit



Income Gains

Achieving steady growth through strategies to gain income in every region

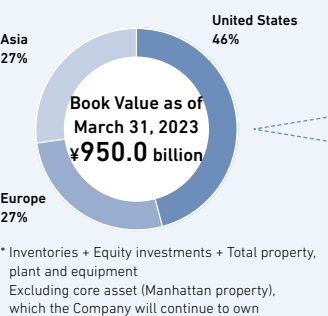
United States: The increases in both profits resulting from the renovation of our flagship building in Manhattan (1271 Avenue of the Americas) and profits in conjunction with hybrid-model investments, a collaboration with the Investment Management Business, contributed to income gain growth.

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.

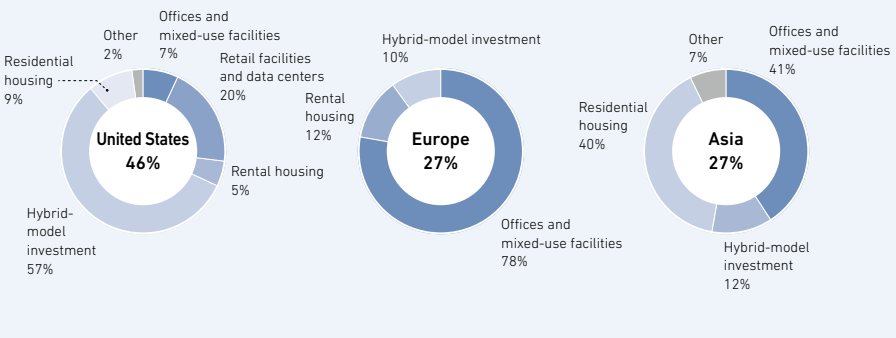
Asia: The international asset business is promoting developments in various countries (including Australia, Vietnam, Thailand, and Indonesia), beginning with condominiums.

Capital Gains (Capital-Recycling Business)

Book Value of the Overseas Assets* of the Residential Business



Breakdown of Asset Types by Region



* 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.

FY2020 result

¥12.0 billion, centered on the U.S.

FY2021 result

¥29.0 billion through logistics facilities in the U.S., offices in Asia, etc.

FY2022 result

¥610.0 billion in various regions, notably Europe

Central St. Giles

Location: London
Use: Office
Building Scale: Approx. 66,000 m²
EIRR: Over 10%

Hanover

Location: Pennsylvania
Use: Logistics
Size: 42,100 m²
EIRR: Approx. 100%

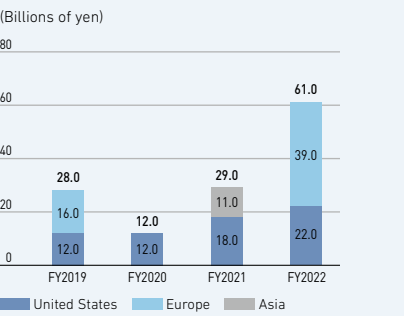
Val Verde

Location: California
Use: Logistics
Size: 26,900 m²
EIRR: Over 100%

Liv Crossroads

Location: Arizona
Use: Rental apartment
Size: 356 units
EIRR: Approx. 30%

Breakdown of Capital Gains by Region



Project Lineup

With a vast project lineup in various regions, we will capitalize on market trends to generate revenues and profits in a timely manner.

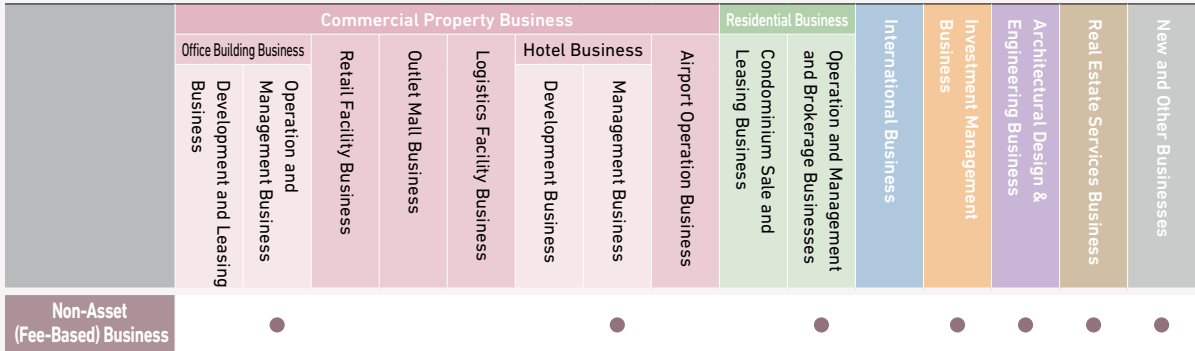
Property Name (Location)*1	Type	Total Floor Area*2	FY2021	FY2022	FY2023	FY2024	FY2025	2030	Estimated NOI (Stable Operation)	Estimated Investment
Trinity Tower (Indonesia)	Office, Commercial	143,200 m ²	Completion							
Hangzhou ALPHA PARK (China)	Office	233,600 m ²	Completion							
CapitaSpring (Singapore)	Mixed Use	93,400 m ²	Completion							
180 George Street (Australia)	Office, Commercial	95,000 m ²	Completion							
One City Centre (Thailand)	Office, Commercial	116,000 m ²	Completion							
The Grand Outlet (Indonesia)	Outlet Malls	49,000 m ²	Start construction	Start construction	Completion					
Parkline Place (Australia)	Office, Commercial	65,900 m ²	Start construction	Start construction	Completion					
Suzhou ALPHA PARK (China)	Office	220,400 m ²	Start construction	Start construction	Completion					
One Circular Quay (Australia)	Hotels, etc.	86,800 m ²	Start construction	Start construction	Completion					
Oasis Central Sudirman (Indonesia)	Mixed Use	307,000 m ²	Start construction	Start construction	Completion					
Warwick Court (London)	Renovation	29,000 m ²	Completion							
8 Bishopsgate (London)	Office, Commercial	85,000 m ²	Completion							
The Blossoms (London)	Rental Apartment	338 Units	Start construction	Start construction	Completion					
dMoura1 (Spain)	Office	11,000 m ²	Start construction	Start construction	Completion					
Grace (Sweden)	Renovation	77,800 m ²	Start construction	Start construction	Completion					
60-72 Upper Ground (London)	Office, Commercial	10,400 m ²	Start construction	Start construction	Completion					
StateLine 77 Building 1 and 2 (South Carolina)	Logistics	93,600 m ²	Start construction	Start construction	Completion				Approx. ¥40.0 billion	Approx. ¥500.0 billion
55 Paradise (New York)	Logistics	16,700 m ²	Start construction	Start construction	Completion					
Virginia Data Center Building (Building 1)	Data Center	51,000 m ²	Start construction	Start construction	Completion					
Virginia Data Center Building (Building 2)	Data Center	51,000 m ²	Start construction	Start construction	Completion					
sol38 (Arizona)	Rental Apartment	340 Units	Start construction	Start construction	Completion					
PATTEIN GRAY (Colorado)	Rental Apartment	250 Units	Start construction	Start construction	Completion					
1072 West Peachtree (Georgia)	Mixed Use	49,300 m ²	Start construction	Start construction	Completion					
600 Fifth Street NW (Washington, D.C.)	Office	37,000 m ²	Start construction	Start construction	Completion					
Heritage, Chula Vista (California)	Logistics	60,800 m ²	Start construction	Start construction	Completion					
Spotswood (New Jersey)	Logistics	28,200 m ²	Start construction	Start construction	Completion					
Paradigm RIno (Colorado)	Office	28,200 m ²	Start construction	Start construction	Completion					
10 Constitution Ave. (New Jersey)	Logistics	13,600 m ²	Start construction	Start construction	Completion					
Spartanburg 221 (South Carolina)	Logistics	94,600 m ²	Start construction	Start construction	Completion					
Nellis Logistics Center (Nevada)	Logistics	12,600 m ²	Start construction	Start construction	Completion					
3102 N. Lamb (Nevada)	Logistics	13,600 m ²	Start construction	Start construction	Completion					
16 Dupont (New York)	Rental Apartment	43,100 m ²	Start construction	Start construction	Completion					
Vista (Alabama)	Rental Apartment	23,000 m ²	Start construction	Start construction	Completion					
E 2nd Martin (Colorado)	Rental Apartment	23,600 m ²	Start construction	Start construction	Completion					

*1 Includes properties expected to be sold by 2030
*2 Total floor area unless otherwise noted
*3 Leasable area
*4 Site area
*5 Total of two buildings

Progress of Long-Term Management Plan 2030

Non-Asset (Fee-Based) Business

Businesses



Market Environment (Risks and Opportunities)

Risks

Hotel Management Business

- Risk of decline in consumption demand stemming from concerns over economic recession
- Increasing utility costs, etc., as a result of inflation
- Labor shortages due to the turnover of human resources during COVID-19

Investment Management Business

- Risk of decrease in inflows of capital to real estate investment funds over fears of an economic recession
- Risk of decline in valuation of assets under management (AuM) due to rising interest rates

Opportunities

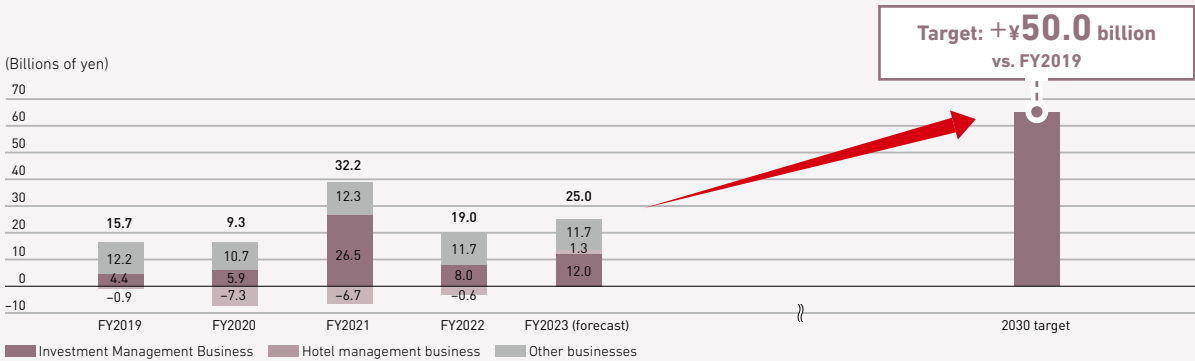
Hotel Management Business

- Expansion in demand stemming from the recovery of inbound tourism
- Provision of experiential value tailored to diversifying customer needs
- Reduction of labor and improvements in operational efficiency by increasing the use of IT and the Internet of Things (IoT)

Investment Management Business

- Continuous expansion of assets under management through the creation and management of stable real estate investment funds that are highly resilient, even during an economic recession
- Capturing of relatively inexpensive value-added investments in anticipation of rising valuations in the future when the economy recovers

Business Profit

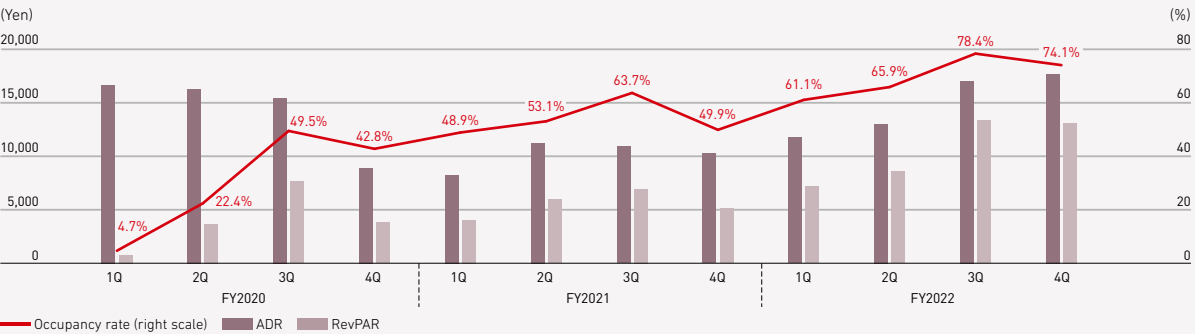


Hotel Management Business

Although the hotel management business was significantly affected by the COVID-19 pandemic, occupancy rates and average daily rates (ADR) in March 2023 achieved a conspicuous recovery. At over 80% and approximately ¥20,000, respectively, both hotel occupancy rates and ADR almost recovered to their pre-COVID-19 levels.

With the recovery in inbound tourism demand, particularly from Chinese visitors to Japan, we expect revenues in the hotel management business to improve from FY2023.

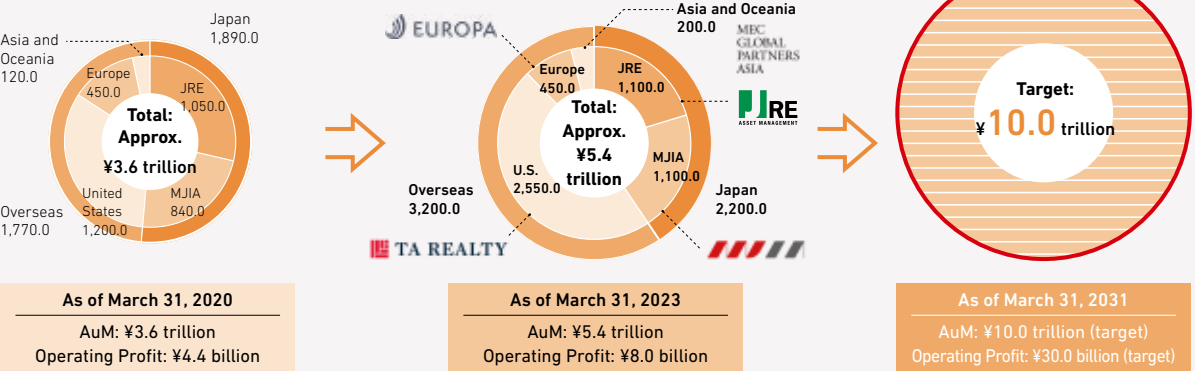
Occupancy Rate / ADR / Revenue per Available Room



Investment Management Business

Although profits were down in FY2022 due to a decline in a portion of the incentive fees posted in the previous fiscal year, reflecting a decrease in the market valuation of our investment fund in the United States, operating profit grew steadily to approximately ¥10.0 billion, due in part to base fee income. AuM surpassed ¥5.0 trillion, which had been our target for the mid-2020s. In March 2023, we set new targets for AuM and operating profit for FY2030 of ¥10.0 trillion and ¥30.0 billion, respectively.

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	Agriculture business
Renewable energy	clean planet	Biomass power generation business
Infrastructure, public and private partnerships (PPPs), and private finance initiatives (PFIs)	Hokkaido Airports*	羽田空港ビルディング、成田国際空港ビルディング、関西国際空港ビルディング、中部国際空港ビルディング
Real estate-related services	SKY FARM, SPACEE, Sumally, Li Linough, 8, SEOSENSE, h8n	space motion, MEC Industry, SPACIA, hmlt, 住友不動産
Content, entertainment, and sports	ANA REALTY, JCC, ぴあ	GYM FITNESS, 住友不動産
Tourism, inbound-related businesses, and regional revitalization	277	住友不動産
Healthcare and food	FINC, 羽田市場	WELL ROOM

Progress of Long-Term Management Plan 2030

Financial Strategy (Corporate Foundations Underpinning Our Businesses)

Market Conditions

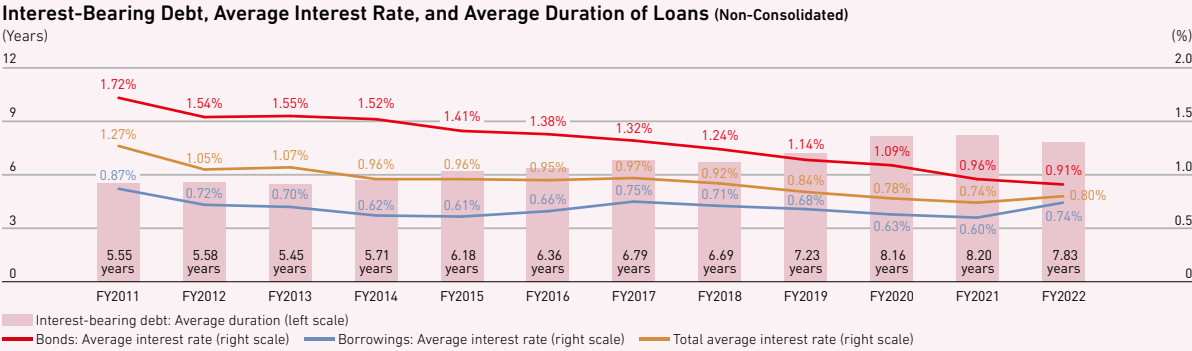
- Given the uncertainty over interest rate policy and trends in Japan going forward, concerns remain that interest rates may rise.
- Rising central bank interest rates, primarily in Europe and the United States, have led to a deterioration in the environment for foreign currency-denominated borrowing.

Financial Strategies

- Long-term, low-interest financing taking advantage of Mitsubishi Estate's credibility
- Ensuring of financial strength that allows the Company to take advantage of market conditions favorable for making acquisitions while further solidifying its credibility through control of financial discipline
- Maintenance of high credit ratings and pursuit of flexible and optimal financing leveraging them, even under uncertain financial conditions

1 Long-term, low-interest financing taking advantage of Mitsubishi Estate's credibility

The growth of liabilities is a feature of the real estate industry. For this reason, appropriate control through financial strategies is essential. Taking advantage of its credibility, Mitsubishi Estate pursues long-term, low-interest financing; approximately 93% of its consolidated interest-bearing debt is long term and approximately 87% is fixed. In addition, the average duration of its non-consolidated interest-bearing debt is slightly less than eight years, and the total average interest rate is 0.80%. In these ways, the Company implements optimum financing while closely monitoring market conditions.

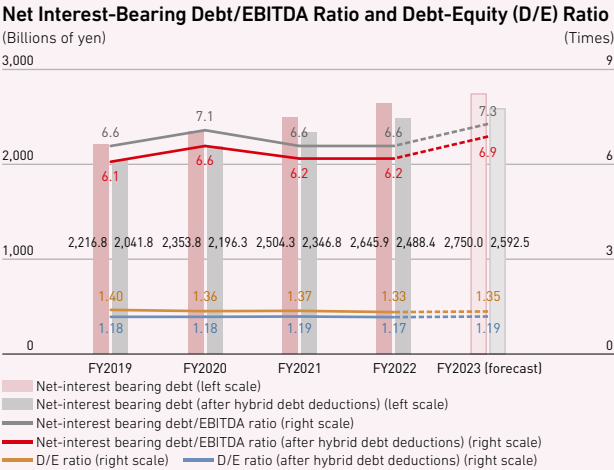


2 Control of financial discipline

Mitsubishi Estate maintains scrupulous financial discipline so that it can pursue flexible financing according to real estate market conditions. The Company's financial management aims to maintain its current credit ratings and a net interest-bearing debt to EBITDA ratio of less than 8.0 times.

Credit Ratings (As of April 3, 2023)

Credit rating agency	Long-term debt rating	Short-term debt rating
Moody's	A2	P-1
S&P Global	A+	A-1
Rating and Investment Information, Inc.	AA-	a-1+
Japan Credit Ratings Agency, Ltd.	AA+	J-1+



3 Flexible and optimal financing

In addition to normal borrowing and bond issuing, the Company proactively uses ESG finance.

Since becoming the first comprehensive real estate company in Japan to issue a green bond in 2018, we have secured financing to the tune of ¥236.5 billion using ESG finance.

We received the Gold Award in the Fundraiser category at the Ministry of the Environment's Fourth ESG Finance Awards Japan (Minister of Environment Award) in February 2023.

Financing Using ESG Finance

Date of issue	Bond type	Financing amount
June 2018	Green bond (publicly offered bond)	¥20.0 billion
May 2020	Sustainability-linked loan	¥11.5 billion
November 2021	Positive-impact finance	¥5.0 billion
July 2022	Sustainability-linked bond	¥60.0 billion
October 2022	Sustainability-linked loan	¥50.0 billion
March 2023	Sustainability-linked loan	¥30.0 billion
May 2023	Sustainability-linked bond	¥60.0 billion

Sustainability

In FY2021, 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. The Company has therefore strengthened initiatives to achieve these targets.

Note: Please refer to the table on pages 98 and 99 for information on other major KPIs.

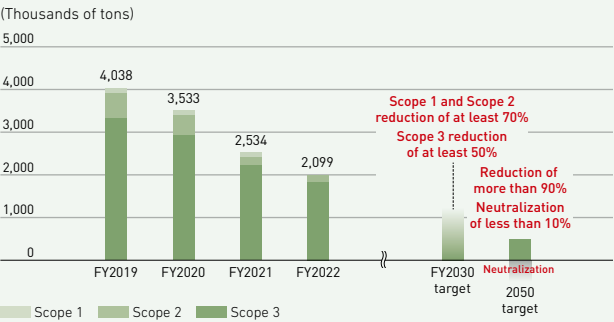
CO₂ and Other GHG Emissions

	FY2030 targets*1	Scope 1 and Scope 2 Reduction of at least 70% (all within the Group's value chains*) Note: Obtained Corporate Net-Zero Standard certification from the SBTi in June 2022	Scope 3 Reduction of at least 50% (all within the Group's value chains*)
Reduction of CO ₂ and other GHG emissions	2050 targets*1	Reduction within the Group's value chains*: more than 90% Neutralization*: less than 10%	Net-zero emissions 1.5°C scenario (New Net-Zero Standard)
SBTi's scenarios			

*1 Reduction targets with FY2019 as the base year

*2 Reduction within the Group's value chains

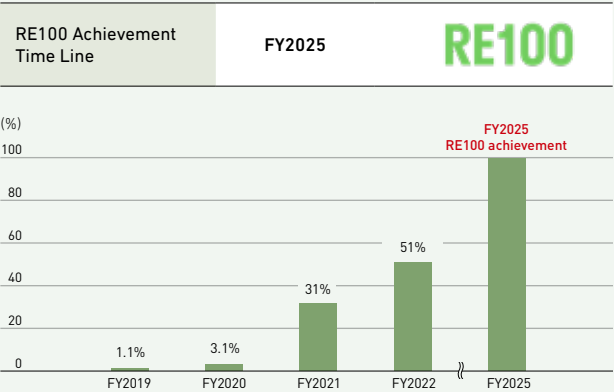
*3 Neutralization of residual emissions that cannot be fully reduced through forest absorption, carbon-removal technology, and other methods



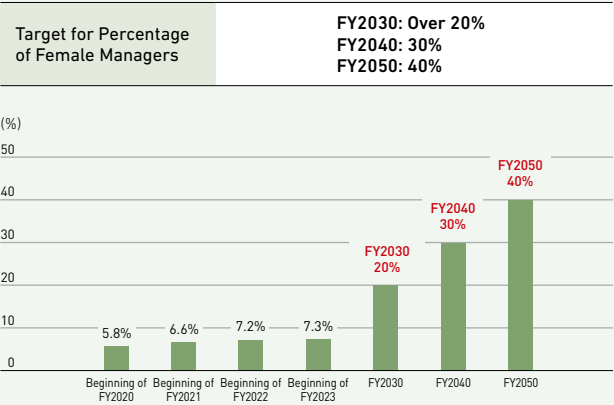
Examples of Initiatives

- In FY2022, Mitsubishi Estate switched to electricity from renewable energy sources not only in the Otemachi, Marunouchi, and Yurakucho areas but also at its 50 Company-owned office buildings and retail facilities in the Tokyo metropolitan area and in the city of Yokohama, as well as at Company-owned office buildings and retail facilities in Sendai and Hiroshima.
- Going forward, we will further expand the use of renewable electricity to Company-owned buildings and facilities in other parts of Japan to achieve our target for FY2025.

Percentage of Electricity from Renewable Energy Sources



Percentage of Female Managers



Examples of Initiatives

- Enhancement of the personnel system with the aim of developing a working environment where women can have a good work-life balance (please refer to page 65)
- Strengthening of the recruitment of mid-career female employees at the assistant-manager level
- Implementation of initiatives and holding of events providing support for women to balance life events and a career through a working group for promoting the active participation of women in the workplace
- Holding of events to promote networking among female employees
- Implementation of seminars on women's health as part of training for managers

CFO Message



Long-Term Management Plan 2030: Progress
Very Well Since Its Launch Three Years Ago.
Now, We Acknowledge Growing Uncertainty
in the Global Market.

Naoki Umeda
Senior Executive Officer

► FY2022 Performance and FY2023 Forecast

Record Highs for Operating Revenue, Operating Profit, and Net Income in FY2022 and Higher Dividends Forecast for FY2023

In FY2022, the fiscal year ended March 31, 2023, Mitsubishi Estate posted operating revenue of ¥1.37 trillion (up ¥28.3 billion year on year), operating profit of ¥296.7 billion (up ¥17.7 billion), and net income of ¥165.3 billion (up ¥10.1 billion), achieving record highs for each. With the Company capturing on favorable real estate market conditions in Japan and overseas, these results were primarily attributable to an increase in capital gains. In particular, we posted a significant capital gain in the United Kingdom.

In FY2023, although we anticipate a decrease in operating profit due to a decline in capital gains in the International Business compared with FY2022, we expect to post a record high for net income for the third consecutive year thanks to an improvement in extraordinary income / loss. We also plan to issue record cash dividends of ¥40.0 per share (up ¥2.0 from FY2022), representing an increase of 5.2%.

In light of market conditions in locations including the United States and the United Kingdom, which have experienced sharp rises in interest rates, it will not be easy to sell properties as we did in previous years. On the other hand, conditions remain favorable in the real estate market in Japan. From a long-term portfolio management perspective, we aim to realize gains on sales in Japan and overseas when the timing is appropriate.

In terms of domestic income gains, although rental income will decrease temporarily due to the closure of existing buildings as a result of redevelopment projects in Tokiwabashi, Yurakucho, and other areas, the impact is as was predicted in Long-Term Management Plan 2030. The redevelopment projects will contribute to profits when they are completed.

► Progress of Long-Term Management Plan 2030

Both Domestic and International Businesses Making Good Progress on Long-Term Management Plan 2030 Projections

Domestic Asset Business
While the vacancy rate in the Tokyo office market has remained at the 6% mark since around summer 2021, the office vacancy rate of our buildings in the Marunouchi area stands at 2.43% (as of March 31, 2023), demonstrating the continuing solid demand

for a high-quality portfolio in an outstanding location as well as the Group's strong leasing capabilities. Although there will be a fresh supply of office space in central Tokyo between 2023 and 2025, I believe the leading position of Mitsubishi Estate's portfolio in the Marunouchi area will remain unshakable. We will take advantage of our strength in managing not only each building but also the entire area. The large-scale, mixed-use development projects scheduled for completion in the second half of the 2020s are expected to drive the growth of rental profit. In addition, the total investment in assets for sale currently stands at ¥1.25 trillion, so we are confident in our ability to continuously record high-level capital gains in the years to come.

International Asset Business

In FY2022, the International Business recorded operating profit of ¥89.4 billion, mainly due to capital gains in the United Kingdom, thereby achieving ahead of schedule the target set out in Long-Term Management Plan 2030 of a ¥50.0 billion increase in operating profit (compared with FY2019). Capital gains from various regions will continue to be a growth driver in FY2023 and beyond. On this point, some of you may be concerned that sharp rises in interest rates and other uncertainties in various countries are beginning to negatively impact real estate markets.

However, in the United States, where we face the greatest exposure in the International Business, we have limited our investments in offices for some years now. Instead, we have focused our investments on logistics facilities, rental housing, and data centers. As a result, we have maintained a portfolio that is relatively resilient to adverse effects, even in today's real estate market in the United States, with its uncertain outlook. In addition, income gains at our flagship office building in Manhattan, New York, are stable owing to long-term lease contracts.

In the United Kingdom, we have developed a large office building in the City of London. We have had a significant number of inquiries, hence the rent is expected to increase on the back of strong demand for new buildings. We are also diversifying investments in rental housing and other projects in the United Kingdom.

In addition, we have established a track record of expanding into Asian countries, mainly through joint ventures with leading local partners.

Non-Asset Business

In the Investment Management Business, despite temporary fluctuations in incentive fees, base fees and other income sources are growing steadily in step with the expansion of assets under management (AuM). Standing at ¥5.4 trillion as of March 31, 2023, our AuM reached the interim target of ¥5.0 trillion ahead of schedule. We have therefore established new targets for FY2030 of ¥10.0 trillion for AuM and ¥30.0 billion for operating profit.

The recovery of the hotel management business from the pandemic became clear in the second half of 2022, and since April 2023, recovery has surpassed the pre-pandemic level. We look forward to the expected further expansion of inbound tourism demand providing a positive boost.

► Market Environment

Our Strength Lies in Overcoming Short-Term Macroeconomic Uncertainty and Managing from a Long-Term Perspective

Looking at near-term business conditions, I sense that inflationary pressure is growing for the first time in approximately 30 years in Japan. While not to the same extent as the United States or the United Kingdom, energy, food, and other costs are increasing, and I often hear people discussing rising prices. In relation to real estate, room charges at certain exclusive hotels have more than doubled compared with five years ago. Similarly, condominium prices are rising steadily on an almost nationwide basis. Rents for rental apartment is also gradually increasing. With material costs rising due to the weakening yen and overseas inflation and labor costs skyrocketing, construction costs have increased significantly. As a result, real estate-development businesses are facing a difficult situation. With that said, generally speaking, moderate inflation is viewed as facilitating favorable business conditions for real estate companies. In that light, inflation for the first time in 30 years may be something that Mitsubishi Estate should welcome in the long run.

At the same time, there are concerns over long-term demand for offices and housing as Japan's birth rate continues to decline and its population ages. From a long-term perspective, we will therefore have to provide even higher-quality offices and housing, in good locations. Such a scenario is more likely to provide Mitsubishi Estate, with its many outstanding assets in prime locations and its own development capabilities, with greater opportunities to demonstrate its strengths. Constantly looking one step ahead, I am determined to ensure that Mitsubishi Estate remains a company that takes the lead in promoting new lifestyles and workstyles.

Looking overseas, we must pay close attention to the shift in policies in many countries from monetary easing due to the pandemic to monetary tightening. I feel that uncertainty in the real estate market stemming from soaring interest rates is the highest it has been in several years. Although I believe our portfolio is solid and not subject to significant risks, I will be extra cautious with regard to investments and financing.

► Capital Policies (Investments and Shareholder Returns)

Flexible Capital Policies Based on Market Trends and Proactive Shareholder Returns

Under Long-Term Management Plan 2030, we aim to improve our corporate value by pursuing capital policies based on real estate, and financial markets. We will advance steadily toward achieving our key performance indicator (KPI) targets for 2030 while maintaining a balance between financial soundness and investments, capital recovery, and shareholder returns. Behind this policy lies the idea that management should always be one or two steps ahead of the real estate market, which is an inherently long-term business.

Three years have passed since we unveiled Long-Term Management Plan 2030. Despite unexpected events, such as the pandemic, we have enjoyed excellent investment opportunities over these three years in Japan and overseas for achieving future profit growth. As a result, cash outflows from investing activities have surpassed cash inflows from operating activities, which has led to ongoing negative free cash flow. However, given that this period has seen us prioritize investments for future growth, I would say this outcome was as expected. Despite all this, we have issued shareholder returns to the extent possible. In addition to maintaining a payout ratio of 30%, we have continuously executed share buybacks. Our total shareholder return ratio since FY2019 comes to more than 50% based on a three-year moving average. This represents the highest rate of return among companies in the real estate industry in Japan.

Looking ahead, I expect Mitsubishi Estate to continue investments in redevelopment and other projects in Japan. Further investment opportunities may also emerge in some parts of the overseas markets, where the outlook is currently unclear. At the same time, we are seeing major changes in the sentiment of financial markets, in terms of interest rates, exchange rates, and other variables. We will likely be required to be prudent to maintain financial soundness. We will proceed under these flexible capital policies while giving due consideration to making better returns to shareholders.

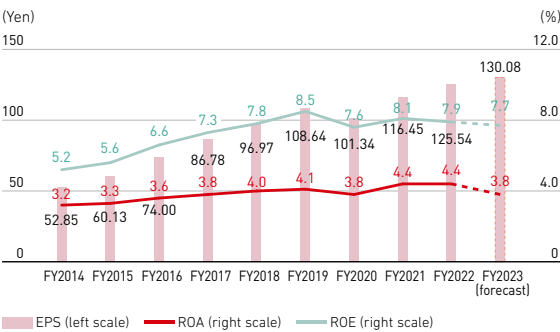
► Progress of KPIs

KPIs Progressing as Expected as We Aim for Further Improvement in the Second Half of Long-Term Management Plan 2030

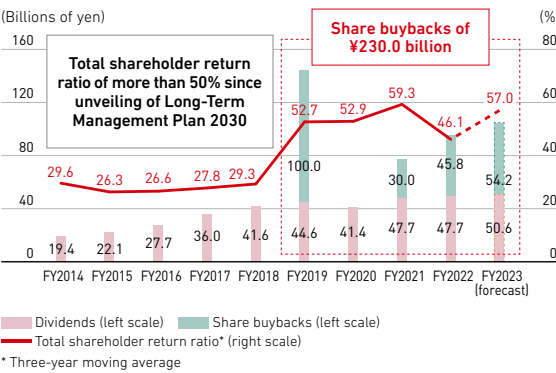
Long-Term Management Plan 2030 established efficiency indicators, such as return on assets (ROA), return on equity (ROE), and earnings per share (EPS) as KPIs. In terms of our progress thus far, EPS is growing steadily, supported by the favorable growth of net income and the effect of a reduction in the number of shares due to continuous share buybacks. While achieving our target of ¥200.00 will be no easy task, we will further increase EPS through both profit growth and equity control.

On the other hand, it can be said that ROA and ROE are not improving fast enough to achieve our 2030 targets. Reasons for this include expansion on the balance sheet as a result of proactive investments over the past three years, the fact that it will take time for such investments to yield profits, and the temporary decline in revenues from the closure of buildings for redevelopment. However, we had anticipated such a scenario from the outset. In addition to increasing profits as projected, we will continue to grow ROA and ROE to achieve our 2030 targets while implementing flexible capital policies, including shareholders returns.

Changes in ROA,* ROE, and EPS



Shareholder Returns



► Strategy for Increasing Social Value

Proactively Leveraging ESG Finance

Long-Term Management Plan 2030 targets the improvement of both shareholder and social value. We believe environmental, social, and governance (ESG) initiatives—which are directly connected to the improvement of social value—lead in due course to the improvement of shareholder value. We therefore view ESG activities as one of our most important management tasks.

With studies demonstrating that rent prices vary depending on whether buildings are environmentally friendly and on their level of adoption of renewable energy, there is no doubt ESG initiatives affect real estate prices and corporate value. With this in mind, we aim to achieve the highest standards for our assets from the perspectives of the environment and well-being, as well as physical building performance. We believe building an asset portfolio that will be selected by many people through such initiatives will help improve shareholder value by increasing our corporate value. Hence, we will make Groupwide efforts to promote ESG initiatives.

In our financing activities, we proactively leverage ESG finance, borrowing ¥263.5 billion in this way to date. In FY2022, we issued a sustainability-linked bond totaling ¥60.0 billion in July 2022. Earning high praise from the Ministry of the Environment, we received the Gold Award—the highest honor—for this method of financing in the Fundraiser category at the ministry's ESG Finance Awards Japan.

► Commitment to Long-Term Management Plan 2030

Staying One Step Ahead to Realize Our Long-Term Potential

Three years ago, nobody could have imagined that we would face a pandemic, skyrocketing prices for natural resources and materials, inflation, sharply rising interest rates, and other headwinds. Although future prospects are uncertain, they are uncertain in every era and the unexpected happens time and again. The key is to respond flexibly, regardless of the situation. To that end, making management decisions with an eye firmly on the future is crucial.

Mitsubishi Estate will proceed in the right direction by responding to unforeseen circumstances flexibly and rationally while steadfastly maintaining its long-term vision. Given the rapid pace of change, we have no intention of simply doing as we have done before, and we ourselves must change. I am determined to support President & CEO Atsushi Nakajima, who is a Change Maker, in his endeavors for the Company to make value propositions that are further ahead of the times. I will also earnestly aim to achieve the KPI targets in Long-Term Management Plan 2030 and ongoing corporate growth. I very much hope that you will trust this commitment and in our long-term growth potential. We ask for your continued support.



The Mitsubishi Estate Group's Strategies: Domestic Asset Business

Opening of FUKAYA-HANAZONO PREMIUM OUTLETS®

Mitsubishi Estate • Simon Co., Ltd., opened FUKAYA-HANAZONO PREMIUM OUTLETS® in Fukaya City, Saitama Prefecture, the 10th in the series of PREMIUM OUTLETS® in Japan, under the concept of coexisting in harmony with the local community and offering various fun and memorable experiences.

A New Information and Tourism Hub Coexisting in Harmony with the Local Community and Offering Enjoyment to Customers

FUKAYA HANAZONO PREMIUM OUTLETS® opened in October 2022 with the aim of becoming an outlet mall that further enhances the appeal of the Fukaya area, including its nature, industry, and culture. Under the concept of coexisting in harmony with the local community, FUKAYA HANAZONO PREMIUM OUTLETS® seeks to boost the allure of Fukaya City and the northwest of Saitama Prefecture as well as fulfill a role as a collaborative hub linking neighboring cities, towns and villages, and community resources, as part of Fukaya City's promotion of the Hanazono IC Area Improvement Project. The outlet mall's design takes inspiration from Fukaya's history and the lush green landscape of the northwest of Saitama Prefecture, and its restaurants offer menus using local foodstuffs, including leeks. In addition, as a new, experience-oriented premium outlet mall more rooted in the local community, it offers visiting customers an environment where they can enjoy spending time as they please. For example, they can experience Japan's first attraction based on *GariGarikun*, a popsicle made and sold by a local company. It also maintains the extraordinary appeal offered by other premium outlet malls in the series. FUKAYA HANAZONO PREMIUM OUTLETS® will also create social value in several ways as a new premium outlet mall. For example, it will serve as a tourism hub for the northwest of Saitama Prefecture, including through the planning of events in cooperation with the neighboring Fukaya Terrace Park, and help invigorate the area as a whole by attracting more customers from other parts of Japan.

Coexisting in Harmony with the Local Community



A Design in Harmony with the Surrounding Environment

In a complete departure from the PREMIUM OUTLETS® series' traditional outlet mall design imitating overseas townscapes, we adopted a design calling for the use of bricks associated with Fukaya City and lilies, of which Fukaya City is one of the biggest producers in Japan.



Gourmet Dining Using Local Foodstuffs

The outlet mall features well-known restaurants associated with Saitama Prefecture and a lineup of local restaurants and food outlets showcasing the appeal of the area by offering local gourmet and limited-edition products.



GariGarikun Playground

We have created an attraction for people of all ages, from small children to adults, to enjoy themselves in a space that allows them to appreciate the worldview of *GariGarikun*, a much-loved character throughout Japan.

Enhancing Experiential Value

Overview of the Outlet Mall Business

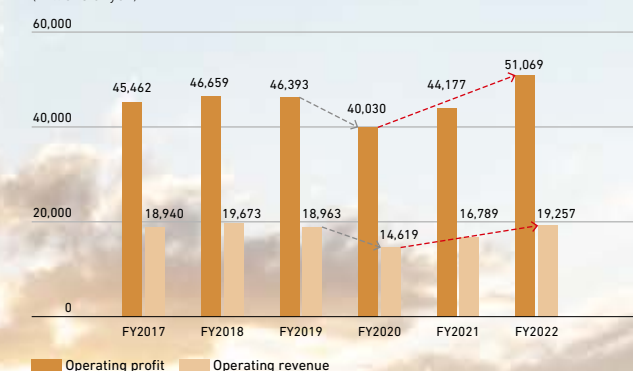
Undertaking the development, ownership, and management of outlet malls, Mitsubishi Estate • Simon operates 10 facilities throughout Japan, beginning with the opening of GOTEMBA PREMIUM OUTLETS® in 2000. Under a basic strategy of opening outlet malls in locations near expressway interchanges that are rich in tourism resources and situated a certain distance from urban areas, the outlet mall business helps invigorate the areas it operates in through tie-ups with tourist attractions and other partners. Capitalizing on its first-rate leasing capabilities that draw on the development competency of Mitsubishi Estate and the global relationships of the Simon Property Group as its strengths, the business operates facilities throughout Japan that have a wide range of tenants.

The outlet mall business was adversely affected by a temporary loss of inbound tourism demand, restrictions on the movements of people and goods in Japan, and other factors stemming from the spread of COVID-19 from FY2019. Despite

such circumstances, the business proceeded along the road to recovery relatively quickly thanks to various factors. These included recognition of outlet malls as places that can be accessed by automobiles, which are private spaces, and which allow customers to enjoy shopping in an outdoor setting. Demand in Japan has almost returned to pre-COVID-19 levels while inbound tourism demand is on a recovery trend following the lifting of border controls in October 2022. The outlet mall business aims to achieve further growth by continuously expanding and updating existing facilities and examining the possibility of opening new ones.

Business Performance

(Millions of yen)



COMMENT

Making FUKAYA-HANAZONO PREMIUM OUTLETS® a Special Place

As its first project under the concept of an outlet mall coexisting in harmony with the local community, Mitsubishi Estate • Simon communicated closely from the planning stage with a range of stakeholders, including Fukaya City and other local government bodies, chambers of commerce, and local residents, carefully refining plans for FUKAYA-HANAZONO PREMIUM OUTLETS® to make it a place that helps invigorate the local area. We are also proposing new ways for customers to enjoy themselves while drawing on the strengths of our other premium outlet malls to create an experience-oriented facility offering more than shopping. In terms of infrastructure, we overhauled our outlet mall regulations to make meticulous changes, including to storefronts, the visibility of signage, and the selection and arrangement of plants and furniture. In addition, we have realized initiatives for achieving a decarbonized society, such as completely powering the facility using electricity from renewable energy sources.

Recently, we have received a wide range of requests from various stakeholders, including calls for measures to facilitate sustainable management and enhance experiential value. We will continue taking on new challenges to cater to the requests of our customers so that we can continuously offer memorable shopping experiences and pleasant services to all our customers and create outlet malls that local people can visit with peace of mind. In an increasingly competitive commercial environment, we will continue working to develop and manage sustainable premium outlet malls by further leveraging both the experience gained through the development of FUKAYA-HANAZONO PREMIUM OUTLETS® and the Mitsubishi Estate Group's network.



Mitsubishi Estate • Simon Co., Ltd.

Takashi Kamehara
Senior Manager,
Development Department
(left)

Sen Shiga
Manager,
Development Department
(right)

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

Opening of the Royal Park Canvas Ginza Corridor

Royal Park Hotels and Resorts Co., Ltd., which operates the Royal Park Hotels chain, the core of the Mitsubishi Estate Group's hotel business, opened the Royal Park Canvas Ginza Corridor, the chain's 19th hotel in Japan, in November 2022. Under the concept of "exhilaration," the new hotel will offer the best nightlife in Tokyo through a wide range of experiences based on drink, music, light, cuisine, and entertainment.

A Hotel for a New Era Reflecting the Appeal of the Ginza Corridor Area

The Royal Park Canvas Ginza Corridor focuses on facilitating communication between people, creating a bustling atmosphere, and offering enjoyment through visits to the hotel. Situated in the Ginza Corridor area, one of Tokyo's foremost entertainment districts and a renowned nightspot, the hotel realizes different ways for visitors to enjoy the area at night in accordance with various categories, regardless of their nationality.

The driving force behind the "exhilaration" concept is our desire for visitors to experience the excitement provided by not only drink but also music, film, cuisine, and entertainment. To achieve this goal, we designed the Royal Park Canvas Ginza Corridor, a hotel offering unprecedented value, to create the impression that it was inside a bar. For example, the hotel features three different types of bars for visitors to enjoy bar-hopping and three differently themed rooms fragranced with alcohol essences, with all rooms equipped with projectors, high-performance speakers, audio equipment in the bathrooms, and other features.

Three different types of bars



PROSECCO BAR



CANVAS LOUNGE
produced by P.C.M.



OMIKI BAR

Three differently themed rooms under the concept of "exhilaration"



PROSECCO



CANVAS

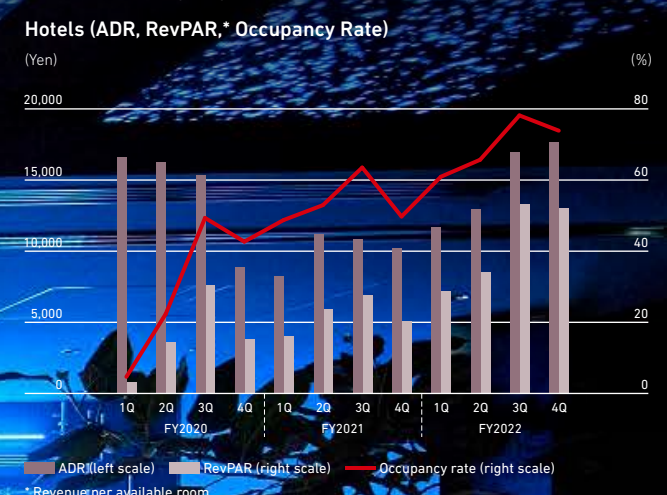


OMIKI

Overview of the Hotel Business

Mitsubishi Estate has positioned the hotel management business as part of its growth strategies for existing non-asset businesses in Long-Term Management Plan 2030, which is currently in progress. Royal Park Hotels and Resorts manages and operates full-service hotels in Sendai, Nihonbashi in Tokyo, and Yokohama. Using the hospitality expertise cultivated through these efforts, the company also operates a series of limited-service hotels throughout Japan. In addition to participating in Mitsubishi Estate's own development projects, the company adopts a diverse array of methods—which include participating in the development projects of other companies and operating projects on a contractual basis—to capture new opportunities to open hotels. When publicly announced, including ongoing development projects, the number of hotel rooms offered by Mitsubishi Estate comes to 4,920, doubling in number over the last six or so years.

Although the COVID-19 pandemic had a significant impact on the hotel management business for a certain period, the occupancy rate and average daily rate (ADR) had largely returned to their pre-pandemic levels as of March 2023 thanks to efforts to stimulate demand—such as a government program for supporting tourism throughout Japan—and to a recovery in inbound tourism demand following the lifting of border controls. The hotel management business will continue efforts to achieve further profit growth by expanding the number of hotel rooms offered through new hotel openings, enhancing the profitability of existing hotels, capturing inbound tourism demand, using digital transformation to improve customer experiential value and operational efficiency, and other efforts.



COMMENT

Spreading the Enjoyment of Taking On Challenges

Amid the severe impact of the COVID-19 pandemic on the hotel management business, we developed the Royal Park Canvas Ginza Corridor with the aim of deviating significantly from the traditional concept for Royal Park Hotels. Reflecting on our previous experience, there were times during the development when we wondered if we might be going too far. However, we advanced the development with the belief that we had no choice but to do so as we doubted whether simply creating a hotel complete with the traditional features and functions would be successful in a market environment seeing remarkable changes in customer needs. Thanks to this conviction, coupled with the recovery in inbound tourism demand, our results in attracting customers have exceeded our initial expectations.

The Mitsubishi Estate Group must also adapt in response to the dramatic changes in the market environment. We have always believed that we can make a greater contribution to the Group as one of its few business-to-customer businesses. With this project, we are confident that we have created a potential new income source. While doing something new certainly entails various difficulties, we enjoyed taking on a challenge through this project, a feeling we aim to communicate to younger employees. If we can increase the number of such interesting projects, we can use them as stepping stones for overseas expansion. We hope to continue to proactively support such new value creation going forward.



Royal Park Hotels and Resorts Co., Ltd.

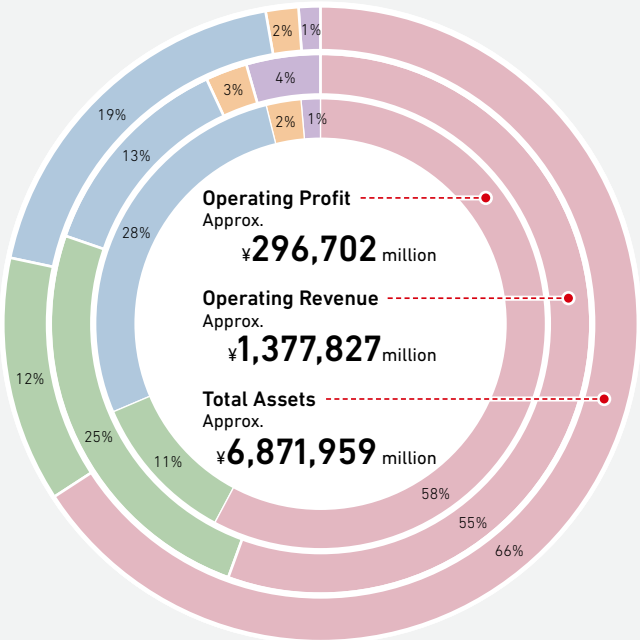
Kengo Oba
Manager,
Facility Product Planning
Department and
Development Promotion
Department
(left)

Masafumi Ota
General Manager,
the Royal Park Canvas Ginza
Corridor
(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 and services that pursue synergies with our established businesses.

Fiscal year ended March 31, 2023 (consolidated)		Millions of yen		
	Operating Revenue	Operating Profit (Loss)	Total Assets	
Commercial Property Business	777,424	188,852	4,434,331	
Residential Business	346,419	35,037	834,751	
International Business	176,130	89,400	1,270,849	
Investment Management Business	35,878	8,054	112,590	
Architectural Design & Engineering Business and Real Estate Services Business	60,774	4,176	61,225	
Other Businesses	11,801	(2,121)	27,599	
Eliminations or Corporate	(30,602)	(26,696)	130,610	
Total	1,377,827	296,702	6,871,959	



Note: Percentages in the graph for the Architectural Design & Engineering Business and Real Estate Services Business include other businesses.

Business Groups and Segments under Long-Term Management Plan 2030

	Commercial Property Business							Residential Business		International Business	Investment Management Business	Architectural Design & Engineering Business	Real Estate Services Business	New and Other Businesses	
	Office Building Business		Retail Facility Business	Outlet Mall Business	Logistics Facility Business	Hotel Business		Airport Operation Business	Operation and Management and Brokerage Businesses						Condominium Sale and Leasing Business
	Development and Leasing Business	Operation and Management Business				Development Business	Management Business								
Domestic Asset Business	●		●	●	●	●		●							
International Asset Business									●						
Non-Asset Business		●					●			●	●	●	●	●	

Overview of 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 the Marunouchi area of 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.



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 across Japan. 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

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

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

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 Asia and Oceania, which are seeing rapid expansion, and advancing into continental Europe.



Architectural Design & Engineering Business and Real Estate Services Business

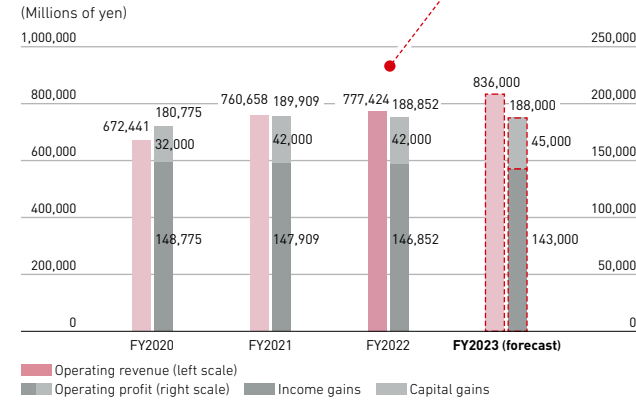
This full-service architectural design and engineering business meets social needs through construction, civil engineering, urban and regional development planning, and consulting. Meanwhile, the Real Estate Services Business provides one-stop, real estate problem-solving solutions, including real estate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



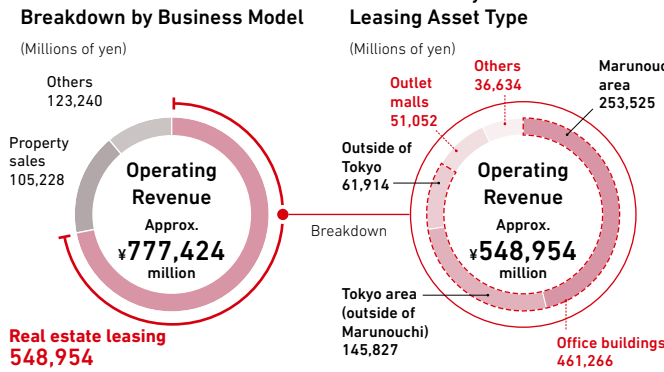


Commercial Property Business

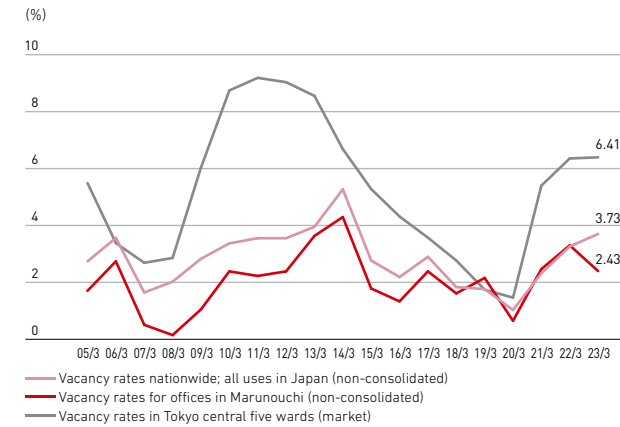
Operating Revenue / Operating Profit (Results and Forecasts)



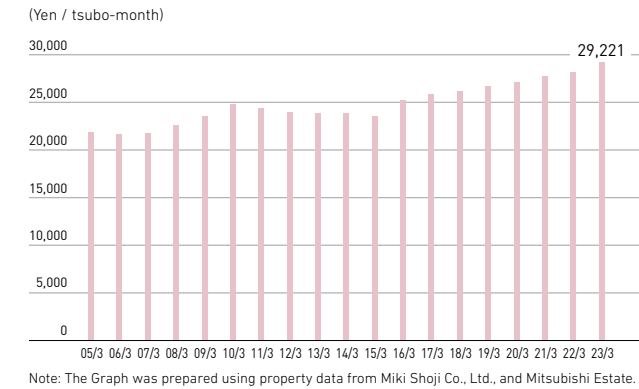
Commercial Property Business Group Breakdown (Fiscal year ended March 31, 2023)



Vacancy Rates



Average Rents (All Uses in Japan; Non-Consolidated)



Office Building Business

Overview



Market Environment

Risks

- Declining office demand due to the spread of various workstyles
- Increasing competition among different areas resulting from the supply of a large volume of office space
- Steep rise in the cost of construction materials and increasing utility costs, etc., as a result of inflation

Opportunities

- Creation of offices offering value unique to in-person environments
- Provision of flexible working spaces tailored to a variety of workstyles
- Introduction of the latest technologies and promotion of environment-friendly office buildings

Competitive Advantages

- 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.
- Expansion of rental profits through the promotion of stable and continuous redevelopment in the Marunouchi area.
- Promotion of urban development in major cities throughout Japan by applying development know-how cultivated over a history of more than 130 years to urban development in a variety of areas.
- Leasing capabilities underpinned by relationships with companies and information networks built through the Group's wide-ranging businesses.
- Relationships with the central and local governments built through public and private sector cooperation in urban development.
- Resilient urban development and area management facilitating cooperation with local communities through area-wide development, rather than the construction of individual buildings.

Business Strategies

Marunouchi Area

- 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" through digital transformation (DX), the spurring of innovation, and field trials using the entire Marunouchi area.
- We will seek to maximize rental profits and actualize unrealized gains by increasing floor space and raising rents through redevelopment. In addition to enhancing the value of individual assets, we will increase the value of the Marunouchi area as a whole by improving the entire area's contents and service menu.

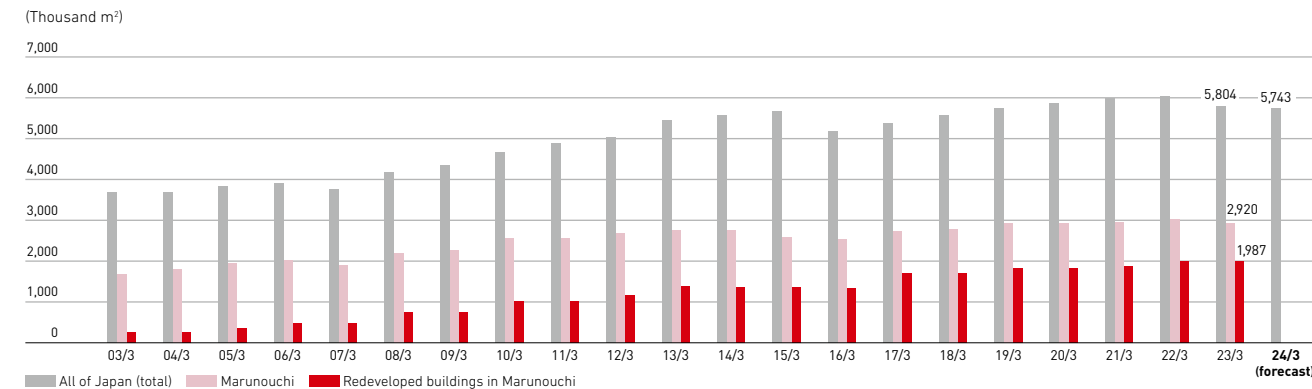
Main Office Areas in Japan

- We will make selective investments in the main office areas of major cities across Japan. Positioning the office building business as a capital-recycling business, we aim to incorporate high-performance assets with high turnover rates emphasizing asset efficiency into our portfolio and capture high-level and continuous capital gains.

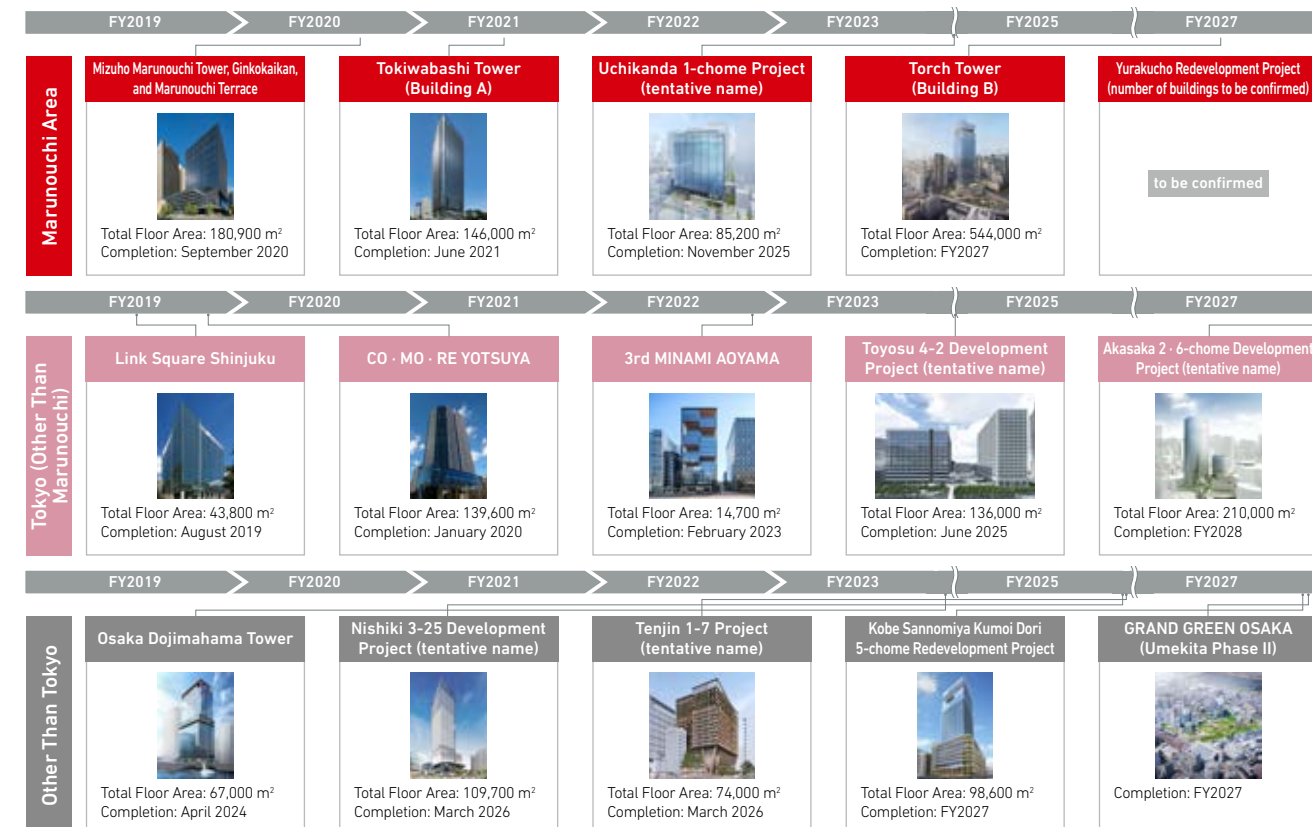
Property Management

- We aim to maintain and increase asset value over the long term and capture fee income as a non-asset business by conducting property management on a Groupwide basis after the completion of properties.

Total Operating Floor Space (Non-Consolidated)



Pipeline



For information on sustainability initiatives in the office building business, please refer to pages 70 to 71.



Commercial Property Business



Retail Facility Business / Outlet Mall Business



Risks

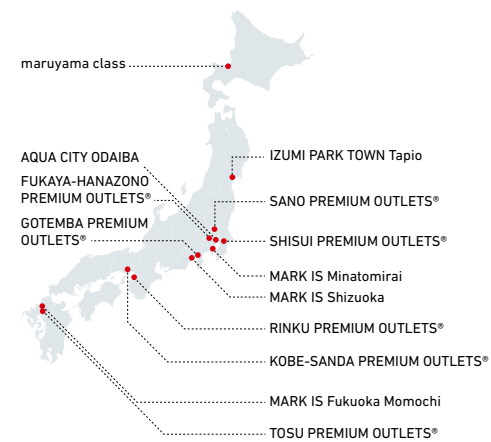
- Potential decline in consumer demand due to rising prices
- Changing consumer behavior reflecting the spread of e-commerce
- Steep rise in the cost of construction materials and increasing utility costs, etc., as a result of inflation

Opportunities

- Expansion in demand stemming from the recovery of inbound tourism
- Recovery in demand led by increasing number of people working in offices
- Provision of experiential value tailored to diversifying customer needs

- 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—namely, urban mixed-use retail facilities, stand-alone retail facilities, and PREMIUM OUTLETS®—business coverage in Japan stretching beyond Tokyo, all the way from Hokkaido to Kyushu, and an extensive tenant network.
- With urban mixed-use retail 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 retail facilities, 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 PREMIUM OUTLETS®, 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.

Area Map of Main Retail Facilities



Operating Revenue, Operating Profit, and Store Area of the Outlet Mall Business (FY2022)

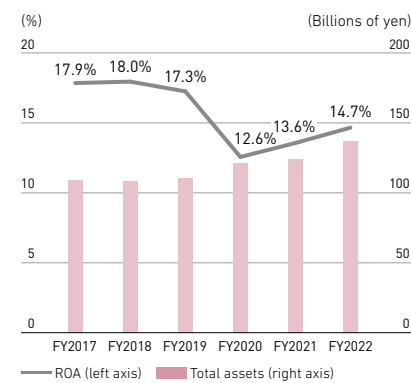
Operating Revenue
¥51,069 million

Operating Profit
¥19,257 million

Store Area
373,100 m²

⇒ Increase resulting from the opening of FUKAYA-HANAZONO PREMIUM OUTLETS®

Changes in ROA and Total Assets of the Outlet Mall Business



MARK IS Minatomirai



FUKAYA-HANAZONO PREMIUM OUTLETS®



GOTEMBA PREMIUM OUTLETS®

Sustainability Initiative

Promoting the Use of Renewable Electricity at PREMIUM OUTLETS®

FUKAYA-HANAZONO PREMIUM OUTLETS®, which opened in October 2022, operates the entire outlet mall, including tenant areas, using only electricity from renewable energy sources, a first for the PREMIUM OUTLETS® series. The facility will use electricity generated by solar panels and green power certificates to cover the approximately 8,000 MWh (estimated annual consumption) of electricity expected to be used at the entire outlet mall, comprising communal and tenant areas. FUKAYA-HANAZONO PREMIUM OUTLETS® also enhances the visitor environment and reduces energy consumption through its adoption of a design that maximizes the use of natural light and natural ventilation.



FUKAYA-HANAZONO PREMIUM OUTLETS®



Logistics Facility Business



Risks

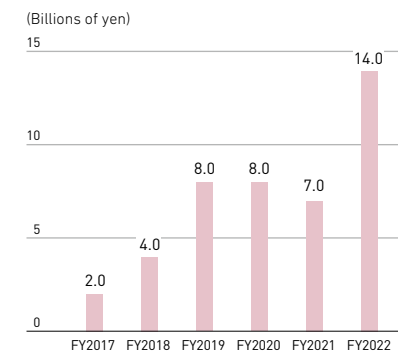
- Intensifying competition for land acquisition due to the entry of new players
- Steep rise in the cost of construction materials and increasing utility costs, etc., as a result of inflation

Opportunities

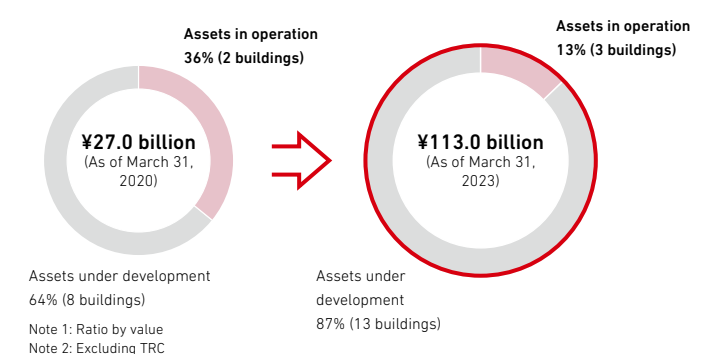
- Increasing logistics needs resulting from expansion in e-commerce demand
- Introduction of the latest technologies and promotion of environment-friendly logistics facilities

- 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 Tokyo Ryutsu Center Inc. (TRC) and its competitiveness underpinned by being based in Heiwajima, a location providing excellent access to central Tokyo and Haneda Airport.
- 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 TRC, which has been involved in logistics facility business operations for over 50 years.

Changes in Gains on Sales



Total Assets



Projects Sold

Facility Name	Location	Total Floor Area	Month and Year of Completion	Net Operating Income (NOI) Cap Rate
Logicross Atsugi	Atsugi, Kanagawa Prefecture	29,900 m ²	March 2017	4.5%
Logicross Kobe Sanda	Kobe, Hyogo Prefecture	12,900 m ²	June 2017	5.1%
Logicross Narashino	Narashino, Chiba Prefecture	36,400 m ²	March 2018	4.3%
Logicross Osaka	Osaka, Osaka Prefecture	36,600 m ²	September 2018	4.3%
Logicross Nagoya Kasadera	Nagoya, Aichi Prefecture	72,400 m ²	January 2019	5.0%
LOGIPORT Kawasaki Bay	Kawasaki, Kanagawa Prefecture	289,900 m ²	May 2019	4.3%
Logicross Atsugi II	Atsugi, Kanagawa Prefecture	35,100 m ²	July 2019	4.4%
Logicross Yokohama Kohoku	Yokohama, Kanagawa Prefecture	16,400 m ²	May 2019	4.1%
Logista Logicross Ibaraki Saito (Building A)	Ibaraki, Osaka Prefecture	108,500 m ²	May 2021	4.2%
Logista Logicross Ibaraki Saito (Building B)	Ibaraki, Osaka Prefecture	31,100 m ²	April 2021	4.3%

Note 1: Includes examples of major transactions only

Note 2: NOI cap rates are those announced by Mitsubishi Estate Logistics REIT Investment Corporation.



Logicross Atsugi II



Logicross Yokohama Kohoku

Sustainability Initiative

Developing Logistics Facilities That Proactively Advance Initiatives for Reducing Environmental Impact

Mitsubishi Estate has adopted a general policy for the Logicross series of obtaining Building-Housing Energy-Efficiency Labelling System (BELS)* certification for all logistics facilities since the November 2020 development of Logicross Ebina. Completed in November 2022, Logicross Osaka Katano obtained a five-star rating, the highest under the BELS certification system. In addition, Logicross Zama Komatsubara, completed in March 2022, obtained Zero Energy Building (ZEB) certification, a first for Mitsubishi Estate, by utilizing an in-house consumption scheme using electricity generated at the facility through solar panels.

* A system established by the Ministry of Land, Infrastructure, Transport and Tourism to label the energy-efficiency performance of buildings. Under the system, third-party assessment institutions assess the energy-efficiency performance of new and existing buildings.



Logicross Zama Komatsubara



Commercial Property Business



Hotel Business

Overview

Business Concept	Domestic Asset Business	Non-Asset Business
	Rental profits and capital gains secured through the development and ownership of hotel assets	Profits generated through the operation of hotels under the Royal Park Hotels brand, etc.

Market Environment

Risks

- Potential decline in consumer demand due to rising prices
- Steep rise in the cost of construction materials and increasing utility costs, etc., as a result of inflation
- Labor shortages due to the turnover of human resources during COVID-19

Opportunities

- Expansion in demand stemming from the recovery of inbound tourism
- Provision of experiential value tailored to diversifying customer needs
- Reduction of labor and improvements in operational efficiency by increasing the use of IT and the Internet of Things (IoT)

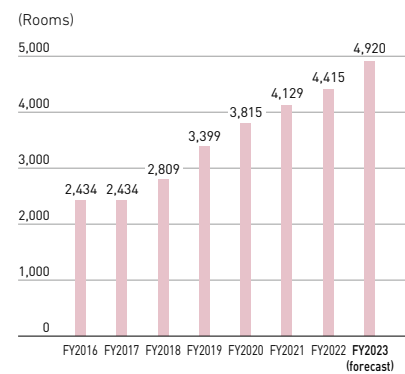
Competitive Advantages

- 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.

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.

Number of Rooms at Royal Park Hotels (Publicly Announced Projects)



Royal Park Hotels

Location	Name	Number of Rooms
Hokkaido	The Royal Park Canvas Sapporo Odori Park	134
Miyagi	Sendai Royal Park Hotel	110
Tokyo	Royal Park Hotel	419
	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 Canvas Ginza Corridor	161
Kanagawa	Yokohama Royal Park Hotel	603
Aichi	The Royal Park Canvas Nagoya	153
	The Royal Park Hotel Iconic Nagoya (scheduled to open in February 2024)	250
Osaka	The Royal Park Canvas Osaka Kitahama	238
	The Royal Park Hotel Iconic Osaka Midotsuji	352
Kyoto	The Royal Park Hotel Kyoto Sanjo	172
	The Royal Park Hotel Kyoto Shijo	127
	The Royal Park Hotel Kyoto Umekoji	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
	The Royal Park Canvas Fukuoka Nakasu (scheduled for completion in August 2023)	255

Sustainability Initiative

Initiatives for Reducing Food Loss

With the cooperation of customers who use its restaurants and reception facilities and of business partners, the Yokohama Royal Park Hotel implements initiatives to reduce the volume of edible food that is thrown away (food loss).

Examples of Initiatives

- Reducing replenishments of food supplies by measuring and understanding volumes of food thrown away for each buffet item
- Using vegetable scraps as stock or bouillon (vegetable broth) rather than throwing them away

The hotel was also certified and registered as a Kanagawa SDGs Partner in May 2022 and obtained the highest-rated certification under the Y-SDGs system in July of the same year by promoting a variety of initiatives. These include introducing biodegradable straws in all of its restaurants and bars and treating miscellaneous waste water and water from kitchens within the hotel as flushing water for its toilets. In these ways, the Yokohama Royal Park Hotel is contributing to the creation of a sustainable society.



Making effective use of vegetable scraps

New Opening

Hilton Okinawa Miyakojima Resort

Hilton Okinawa Miyakojima Resort opened in June 2023 as Mitsubishi Estate's first beach resort hotel development project in Japan and Hilton's first foray into an outlying island in Okinawa. The Mitsubishi Estate Group develops upper-middle scale hotels with a focus on leasing schemes on the main island of Okinawa and luxury hotels centered on management contract schemes* on Miyakojima. As part of these efforts, the Group plans to open Rosewood Miyakojima in 2024. With the post-COVID-19 recovery in tourism demand, we expect Miyakojima to continue developing further as a resort destination.

* Under management contract schemes, we outsource the management of hotels we own and operate to external companies.



Airport Operation Business

Market Environment

Risks

- Potential decline in consumer demand due to rising prices
- Steep rise in the cost of construction materials and increasing utility costs, etc., as a result of inflation
- Labor shortages due to turnover of human resources

Opportunities

- Expansion in demand stemming from the recovery of inbound tourism
- Provision of experiential value tailored to diversifying customer needs
- Reduction of labor and improvements in operational efficiency by increasing the use of IT and the Internet of Things (IoT)
- Capturing of various business opportunities in surrounding areas

Competitive Advantage

- 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.

Business Strategies

- We aim to ensure stable operation at each airport while seeking 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.

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

Launch of business operating airport in April 2019



① Takamatsu Airport

Launch of business operating airport in April 2018



② Miyako Shimojishima Airport Terminal

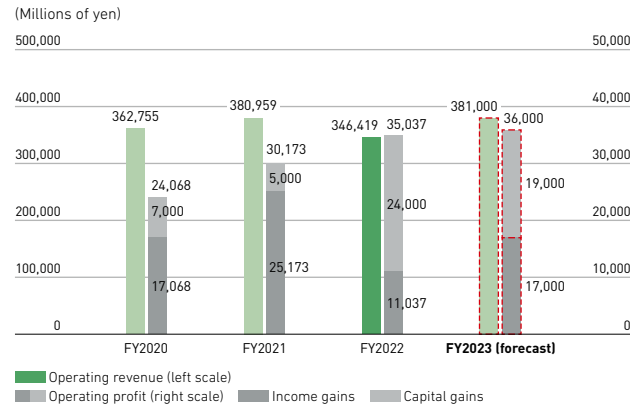
Opening of passenger terminal facilities and commencement of a business operating the terminal at the end of March 2019





Residential Business

Operating Revenue / Operating Profit (Results and Forecasts)



In the domestic condominium business in FY2022, the number of units sold decreased, leading to a decline in operating revenue. However, operating profit increased thanks to a higher profit margin—as a result of increased sales prices, lower costs, and other factors—and to an increase in capital gains through the sale of rental and other housing.

While we anticipate a decline in capital gains from rental and other housing in FY2023, we expect operating profit to remain on a par with that of the previous fiscal year due to factors including an increase in the number of condominiums sold.

Market Environment

Risks

- Adverse impact on housing demand stemming from concerns regarding rising interest rates
- Contraction in the housing market due to a population decline in Japan
- Soaring construction material costs caused by inflation

Opportunities

- Diversification of housing needs brought about by work-style and lifestyle changes
- Expansion of business opportunities resulting from population inflows into cities
- Digitalization of real estate transactions and increasing adoption of IoT devices in living spaces

Competitive Advantages

- 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.

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 Businesses

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

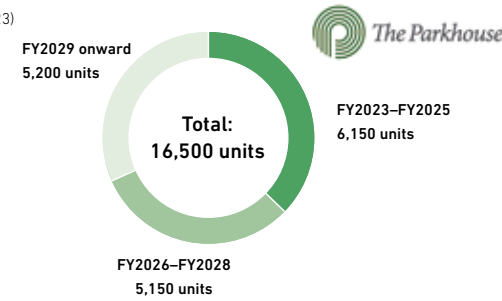
Residential Business Value Chain

- 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.

Condominium Business

Land Bank Breakdown in Reporting Term

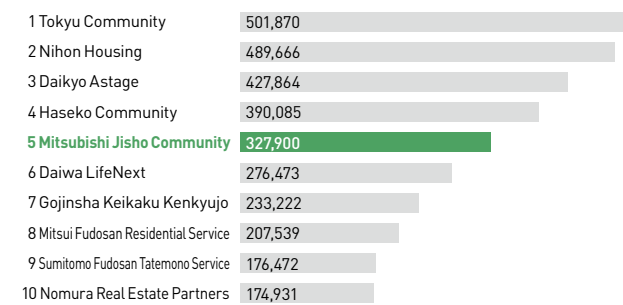
(March 31, 2023)



Non-Asset Business

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

(2023)



Note: Source: “Ranking of condominium management companies based on number of units under management (2023);” *Mansion Kanri Shimbum*



The Parkhouse Kawagoe Tower



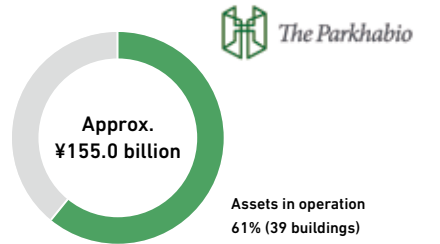
The Parkhouse Gran Sanbancho 26

Rental Apartment Business

Total Assets

(March 31, 2023)

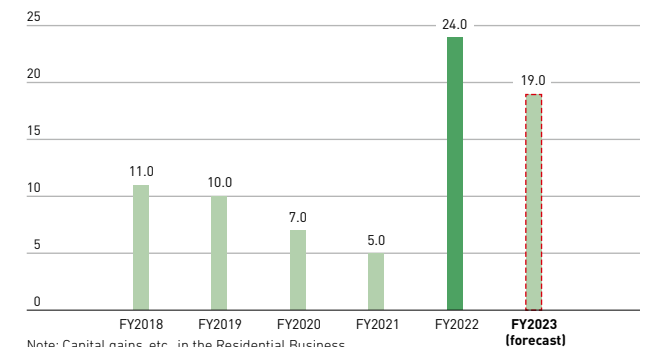
Assets under development
39% (50 buildings)



Note: Ratio by value

Changes in Gains on Sales

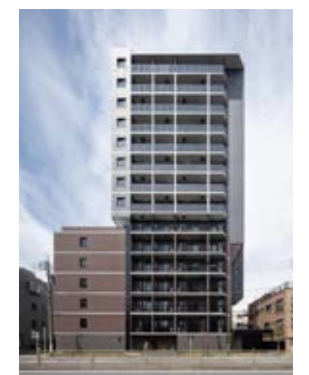
(Billions of yen)



Note: Capital gains, etc., in the Residential Business



The Parkhabio Himonya



The Parkhabio Minami-Oi

Offering New Asset Types

In light of the aging population of Japan and changing social needs in the country, Mitsubishi Estate Residence Co., Ltd., has entered into businesses for commercial nursing homes and student residences, regarded as new asset types. With more than 20 commercial nursing home projects already underway, the development of such real estate for investment purposes will contribute to segment profits in the form of capital gains.



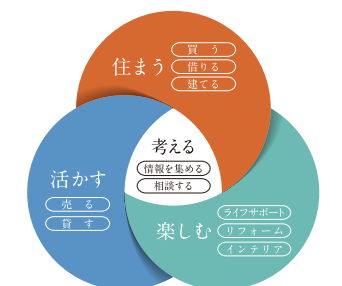
Charm Premier Eifuku



The Park Hive Itabashi Akatsuka

Mitsubishi Jisho Residence Club

In 2018, we integrated the housing membership organizations and customer information managed by various Group companies into the Residential Business Group to establish the Mitsubishi Jisho Residence Club. At approximately 660,000 households, the number of customers eligible to join is the largest in the industry, and the club offers comprehensive support covering all of the housing needs of customers. Through the club's activities, we aim to further enhance the satisfaction and convenience of potential buyers and strengthen the Mitsubishi Estate Group's value chain.

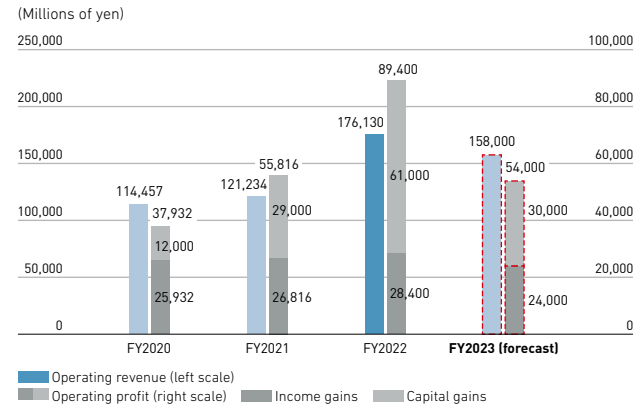


For information on the sustainability initiatives of the Residential Business, please refer to pages 58 to 69.



International Business

Operating Revenue / Operating Profit (Results and Forecasts)



In FY2022, the International Business achieved increases in operating revenue and operating profit thanks to a significant rise in capital gains associated with the sale of Central St. Giles, an office building in London, and of logistics facilities in the United States.

In FY2023, while we anticipate capital gains to contract compared with FY2022, we are working to capture carefully selected investment opportunities to achieve our 2030 targets.

Europe

- Mitsubishi Estate London Limited
- Europa Capital Group*

Asia and Oceania

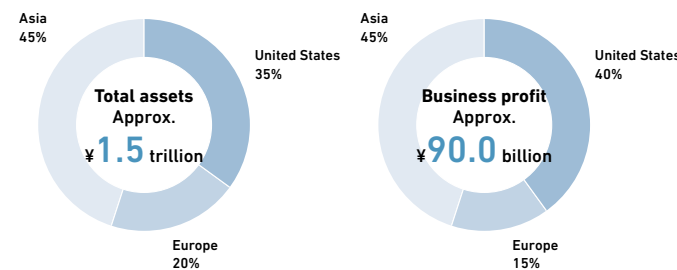
- Mitsubishi Estate Asia Pte. Ltd.
 - Yangon Branch
 - Australia Branch
- Mitsubishi Estate Vietnam Company Limited
 - Hanoi Branch
- PT. Mitsubishi Estate Indonesia
- Mitsubishi Estate (Thailand) Co., Ltd.
- Mitsubishi Estate (Shanghai) Ltd.
- Mitsubishi Estate Taiwan Ltd.
- MEC Global Partners Asia Pte. Ltd.*

United States

- Rockefeller Group International, Inc.
- Mitsubishi Estate New York Inc.
- TA Realty LLC*

* Group companies under the Investment Management Business segment

Targets for 2030



Market Environment

Risks

- Reconsideration of the purpose and meaningfulness of offices as diversified workstyles become established
- Soaring construction material costs and rising utility costs due to accelerating inflation
- Stagnation in the market for buying and selling real estate due to rising interest rates
- Risks particular to various areas and countries

Opportunities

- Reaffirmation of the value of real settings, such as offices
- Opportunities to invest in growth assets that match social and economic changes
- Economic growth over the medium to long term centered on Asia and Oceania
- Invigoration of the real estate market due to a reduction in financial instability

Competitive Advantages

- Business promotion capabilities leveraging a variety of experience and know-how gained through development projects in Europe and the United States over several decades
- Minimization of country risks and volatility arising from boom-and-bust cycles by maintaining a globally diversified portfolio with a focus on Europe, the United States, and Asia
- An investment strategy managing asset types and level of risks by region, defining Europe and the United States as highly mature markets and Asia as a high-growth market

United States

Competitive Advantages

- Rockefeller Group International, Inc.'s (RGII), 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 LLC'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 boasts a leading record* across the United States in terms of transaction amounts for logistics facilities.

* Source: Real Capital Analytics (based on transaction amounts from July, 1 2007 to June 30, 2022)

Business Strategies

- Reinforcement of capital-recycling business leveraging know-how of RGII
- Promotion of joint ventures with local partners
- Expected return from investment IRR: 8%–10%

Europe

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 €13.4 billion in 21 countries in Europe. During this time, it has built relationships with over 120 institutional investors, primarily in North America and 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%

Asia and Oceania

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 Pte, Ltd., a joint venture we established with CLSA
- ⇒ MEC Global Partners Asia puts together and operates core funds targeting investments in a diverse array of real estate, such as offices, retail facilities, logistics facilities, and residences.

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%

Most Recent Initiatives

Data Center Development Business

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

- Site Area: approximately 587,000 m²
- Electricity for entire facility (part developed by Mitsubishi Estate: approximately 165 MW (total for two buildings))
- Completion: Building 1 in 2025 and Building 2 in 2025



Most Recent Initiatives

8 Bishopsgate (City of London, United Kingdom)

A 51-floor, high-rise office building in the center of London

- Use: offices, stores, and an observation gallery
- Size: 51 aboveground floors / three belowground floors / one rooftop floor
- Total Floor Area: approximately 85,000 m²
- Completion: during 2023



Most Recent Initiatives

Suzhou Business Park

Joint Project Developing Large-Scale Offices in China

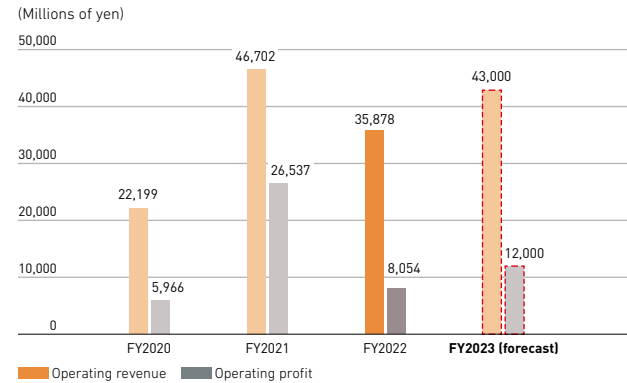
- Total Floor Area: approx. 220,400 m²
- Scale: four high-rise buildings with 13 to 18 above-ground floors and one belowground floor
- Seven low-rise buildings with five to 10 aboveground floors and one belowground floor
- Completion: 2024





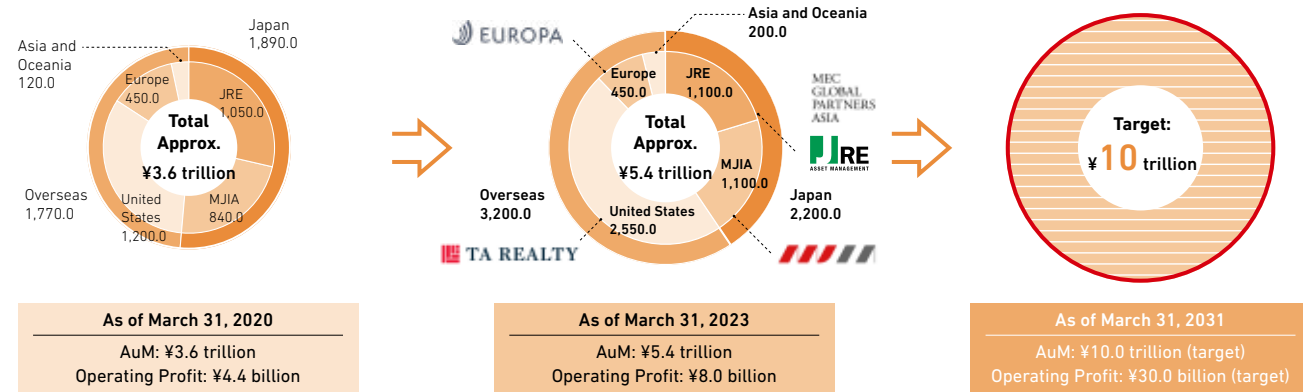
Investment Management Business

Operating Revenue / Operating Profit (Results and Forecasts)



In FY2022, operating revenue and operating profit in the Investment Management Business decreased owing to a decline in incentive fees compared with FY2021. However, we expect factors including increases in various fees to grow operating revenue and operating profit in FY2023. We have also established new targets calling for the achievement of assets under management (AuM) of ¥10.0 trillion and operating profit of ¥30.0 billion by the end of FY2030. We aim to establish a position as leading global player in the real estate investment management domain.

Changes in AuM (Billions of yen)



Market Environment

Risks

- Decrease in inflows of capital to real estate investment funds over fears of an economic recession
- Decline in valuation of assets under management due to rising interest rates

Opportunities

- Continuously maintaining and expanding AuM through the creation and management of stable real estate investment funds that are highly resilient, even during an economic recession
- Capturing of underpriced, value-added investment opportunities in anticipation of future economic recovery

Competitive Advantages

- Ability to meet inbound and outbound investment needs through relationships with institutional investors in Japan and overseas capitalizing on foundations established in Japan
- Local expertise, networks, and track records in various markets through M&As overseas
- An extensive product lineup and solid cross-border sales set-up from maintaining management companies in Japan, the United States, Europe, and Asia as Group companies

Business Strategies

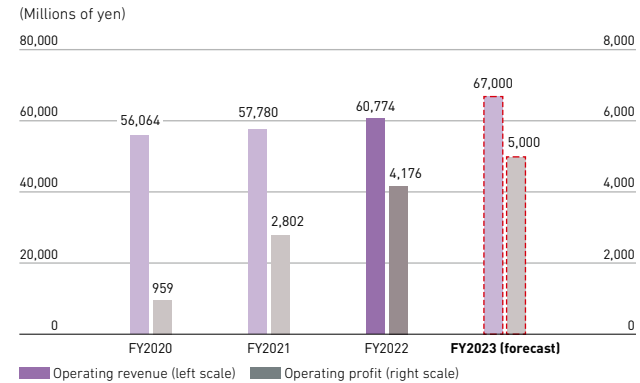
- We have established a global platform (Mitsubishi Estate Global Partners (MEGP)), which facilitates cooperation among various bases in Japan, the United States, Europe, and Asia. Promoting MEGP as a global brand, we offer services in response to demand from investors in Japan and overseas seeking diversified investment effects.
- We leverage hybrid-model investment, whereby we invest in and manage funds created by Group companies using our funds and the funds of third-party investors. Through these efforts, we simultaneously pursue the expansion of our portfolio and diversified investment effects overseas and the capturing of greater service opportunities and fees from third-party investors.

Mitsubishi Estate Global Partners



Architectural Design & Engineering Business and Real Estate Services Business

Operating Revenue / Operating Profit (Results and Forecasts)



In FY2022, order amounts and operating revenue exceeded the levels of the previous fiscal year in the Architectural Design & Engineering Business. In the Real Estate Services Business, real estate brokerage, parking-lot management, and other businesses performed favorably.

We expect both the Architectural Design & Engineering Business and the Real Estate Services Business to again see further increases in operating revenue and operating profit in FY2023 through factors including the capturing of projects that capitalize on the Group's comprehensive strengths and an improvement in the operating environment.

Architectural Design & Engineering Business

Competitive Advantages

- 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 an abundant information network established in Asia and Oceania centered on local subsidiaries in Shanghai and Singapore.

Business Strategies

- Using the technologies and networks developed over its long history, Mitsubishi Jisho Design Inc. offers a wide range of design services in Japan and overseas, comprising everything from construction design, planning, and consulting to interior design.
- 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, expansion of wooden architecture, including 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.

Order	Company Name	Architectural Design & Engineering Business Net Sales (millions of yen)	Change (%)
1	NIKKEN SEKKEI	47,977	(13.9)
2	NTT FACILITIES	21,133	(-14.4)
3	Mitsubishi Jisho Design	19,922	(-0.6)
4	NIHON SEKKEI	17,600	(3.3)
5	Azusa Sekkei	12,351	(0.6)
6	KUME SEKKEI	11,695	(-7.4)
7	JR East Design	10,383	(-12.7)
8	YAMASHITA SEKKEI	7,571	(-8.0)
9	NIKKI SEKKEI	7,053	(6.5)
10	Yasui Architects & Engineers	7,048	(7.9)

Note: Figures in parentheses indicate change from the previous fiscal year (%).
Source: Nikkei Architecture, Architectural Design Office White Paper 2022

Real Estate Services Business

Competitive Advantages

- The Real Estate Services Business offers one-stop solutions 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

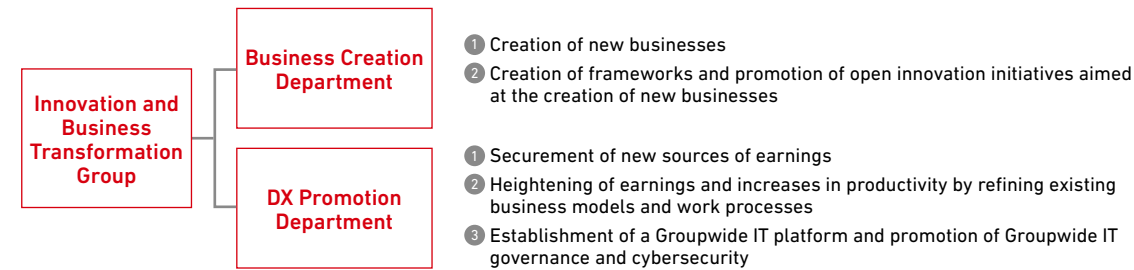
- The Real Estate Services Business offers a host of services in relation to real estate, including real estate brokerage and leasing management support of condominiums and office buildings through Mitsubishi Real Estate Services Co., Ltd., and parking-lot management (operating a business under the PARKS PARK brand) through Mitsubishi Estate Parks Co., Ltd.
- 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.



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.



Market Environment

Risks

- Changes in demand in existing domains resulting from the spread of a variety of workstyles, etc.
- Risk of becoming an outdated company due to delays in promoting digitalization
- Loss of business opportunities arising in an era of volatility, uncertainty, complexity, and ambiguity
- Increasing risk of information leaks resulting from aging IT security

Opportunities

- Raising the efficiency of real estate operations leveraging digital technologies
- Expansion of new businesses through business reforms
- Establishment of platforms and ecosystems using new technologies

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. Initiatives to date include elecinema, Ecofurni (a business reselling used office furniture), and 5G-infrastructure sharing.
- 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

- Our wide-ranging business portfolio in the real estate domain as a comprehensive developer.
- Our business-to-consumer 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

Innovating Urban Development by Sensitively Reflecting the Trends of the Times

The Innovation and Business Transformation Group plays a major role in increasing revenues 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.



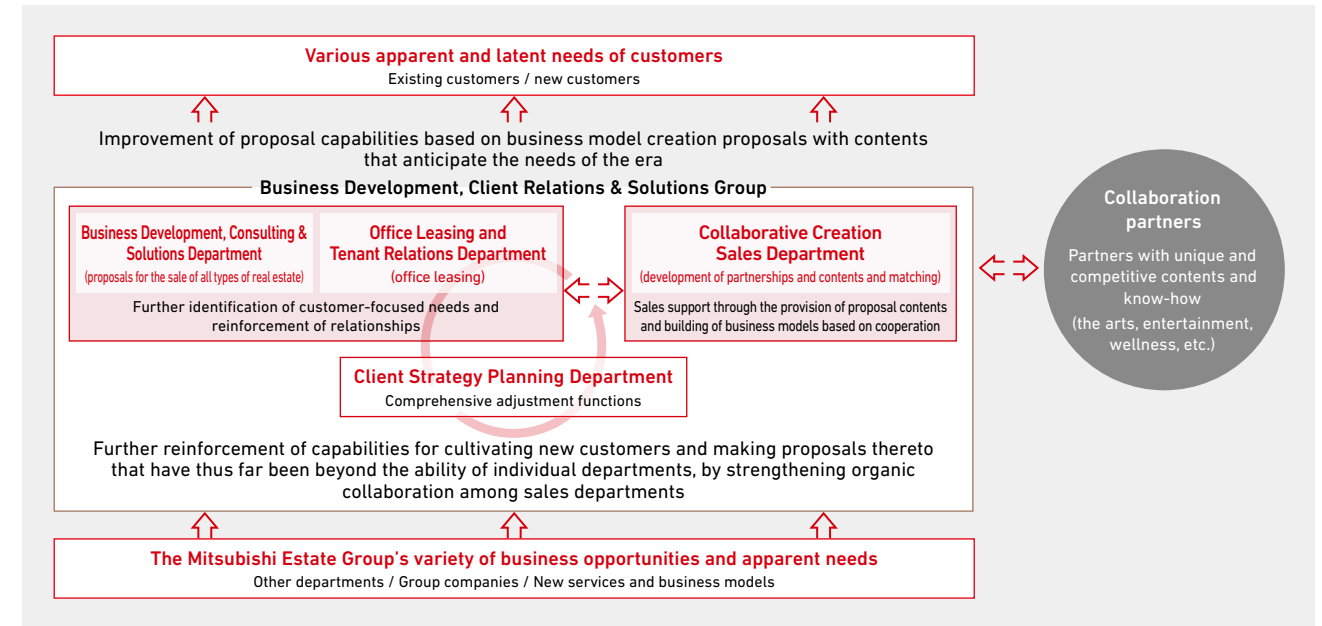
Keiji Takano
Senior Executive Officer



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 contact point, the Business Development, Consulting & Solutions Department will make proposals making full use of 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 assets and customer relationships.
- In addition to functions for identifying contents and cultivating new customers, the Collaborative Creation Sales Department will conduct differentiated sales activities anticipating the needs of the era.



Initiatives for Future Generations (Forward-Looking DNA)

Flexible Workspace Business

Offering workspaces designed for all working people

- Mitsubishi Estate offers flexible offices accommodating a diverse array of workstyles to create urban areas with even more comfortable working environments where people can assemble and interact. As part of these efforts, we established the specialized Flexible Workspace Planning and Operation Department.
- Under the xLINK brand, we operate six flexible workspace facilities in the Marunouchi area, accommodating the wide-ranging needs of companies and a broad spectrum of workstyles, including through private rooms for two to 20 people and partially set-up offices.
- In February 2023, we acquired Regus Japan Holdings Co., Ltd. With this acquisition, we captured a market share of the flexible workspace business domain all at once. Using Regus Japan's globally expanding platform, we aim to create synergies with the Marunouchi area, including through office leasing.



xTECH Business (Start-Up Support)

Creating and developing an ecosystem for start-ups

- The xTECH business operates working facilities serving as bases for various companies, such as start-ups and non-Japanese companies making forays into Japan, and bases for collaborations with academia. It also focuses on providing business development support and support for holding events promoting interactions, etc.
- xTECH aims to help add value to the Marunouchi area and enhance Japan's competitiveness by establishing it as an area with plentiful opportunities for cooperation and co-creation among companies promoting new businesses and with academia by supplementing the current lineup of companies in the Marunouchi area with start-ups and growing Japanese and overseas companies.

Business Menu

- Provision of business development support services
- Arrangement and holding of events promoting interactions and operation of organizations for facilitating ongoing interactions
- Arrangement and implementation of field trials
- Investments and implementation of the Corporate Accelerator Program



EGG following refurbishment



Inspired.Lab

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 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 20 and 21 for an overview of the Mitsubishi Estate Group's sustainability initiatives and to pages 98 and 99 for information on sustainability-related KPIs and progress toward the accomplishment of the associated targets.

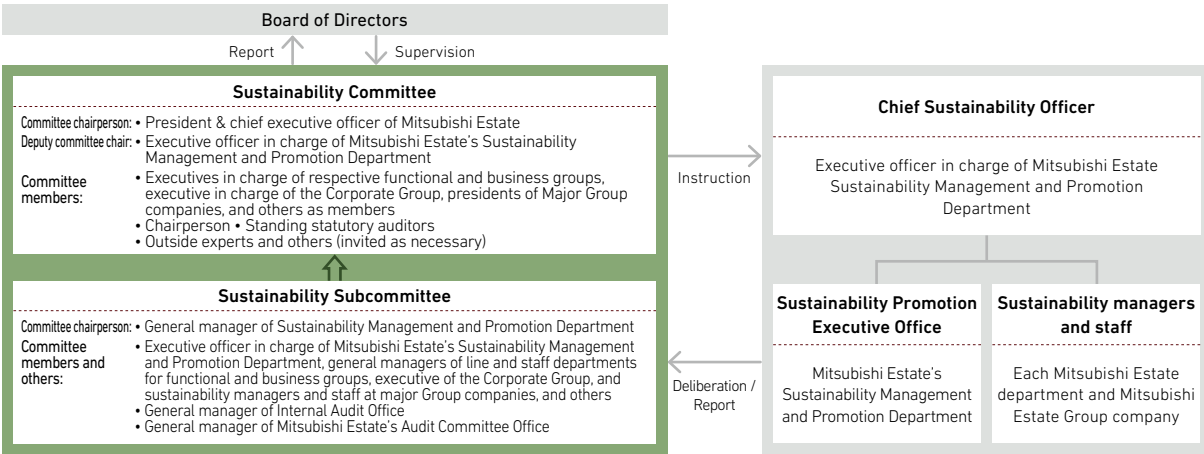
Sustainability Frameworks

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 98 and 99). 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 two fiscal years)

	Date	Major topics
FY2022	February 17, 2023	<ul style="list-style-type: none">Implementation status of incentive system for sustainability-related initiativesSupply chain management initiativesAnalysis of external evaluation resultsInformation on OMY SDGs ACT5 2022 and other sustainability activitiesStatus of initiatives toward achieving Mitsubishi Estate Group 2030 Goals for the SDGs
	July 11, 2022	<ul style="list-style-type: none">Report on previous fiscal year's energy and waste management results as well as forecastsReport on stakeholder engagementInformation on OMY SDGs ACT5 2022 activities and implementation of hands-on training program related to social issuesInformation on the relationship between the steep rise in energy prices and renewable energyStatus of initiatives toward achieving Mitsubishi Estate Group 2030 Goals for the SDGs
FY2021	February 25, 2022	<ul style="list-style-type: none">Revisions to energy-related targets (SBT and 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 and 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

External Evaluations of ESG Performance (as of July 2023)

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 World Index*1

Dow Jones Sustainability Asia Pacific Index, 3rd consecutive year

S&P Global Sustainability Yearbook Member 2023
S&P Global ESG Score 2022: 72/100

FTSE4Good

FTSE4Good Global Index, 22nd consecutive year

FTSE Blossom Japan

FTSE Blossom Japan Index, 7th consecutive year

FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index, 2nd consecutive year

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

MSCI Japan ESG Select Leaders Index,*2 7th consecutive year

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering Women Select Index,*2 6th consecutive year

S&P/JPX Carbon Efficient Index

S&P/JPX Carbon Efficient Index, 6th consecutive year

2023 Sompo Sustainability Index

SOMPO Sustainability Index, 12th consecutive year

GRESB Public Disclosure

GRESB Public Disclosure, 6th consecutive year

GRESB 5-Star Rating, the highest rank, in GRESB Standing Investments Benchmark,*3 3rd consecutive year

4-Star Rating in GRESB Development Benchmark,*4

CDP 2022 Supplier Engagement Leader

CDP Climate Change 2022 Questionnaire "A"
CDP Water Security Questionnaire "A-"
CDP Forests Questionnaire 2022 "B"

健康経営優良法人 2023
Health and productivity

Certified in 2023 as Outstanding Health and Productivity Management Organization

*1 The Dow Jones Sustainability World Index represents the top 10% global sustainability leaders of the 3,500 largest market capitalization companies in the world. In 2022, 322 companies, including 36 Japanese companies, were selected.
*2 Please refer to the following disclaimer for details on MSCI. <http://info.msci.com/1/36252/2017-06-27/kj5n9b>
*3 Assessment of the performance of existing portfolios
*4 Assessment of new development and large-scale renovation portfolios

Environment



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 21, we have established the following KPIs and are acting based thereon.

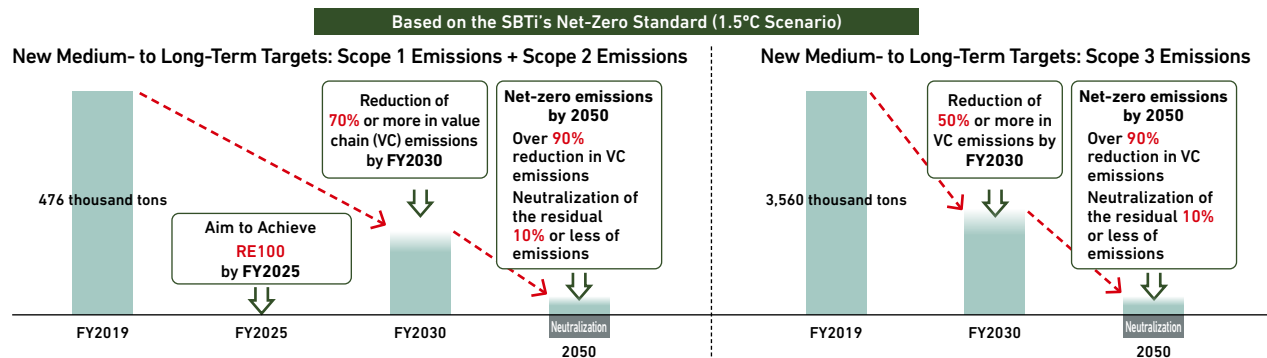
Please refer to the Mitsubishi Estate Group's sustainability website for information on other KPIs and data.
<https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/>

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 FY2030 compared with FY2019 emissions Achieve net-zero emissions** in Scope 1, Scope 2, and Scope 3 by 2050 (targets approved by SBTi** in June 2022)
Renewable energy (%)	100% by FY2025 (joined RE100)
Waste disposal (kg/m ²)	20% reduction per m ² by 2030, compared with FY2019
Waste recycling rate (%)	90% by 2030

The Mitsubishi Estate Group's Initiatives to Reduce Greenhouse Gas Emissions to Realize a Decarbonized Society

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



*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.

Scope 1	Direct burning of fuel (gas and heavy oil) from the heating supply business and the operation of emergency power generators
Scope 2	Direct burning of fuel due to use of purchased electricity, steam, cold and hot water, etc.
Scope 3	Emissions from other business activities (building construction, use of sold real estate, etc.)

The Mitsubishi Estate Group is working toward achieving its CO₂ emissions reduction targets, which are in line with the SBTi Corporate Net-Zero Standard and were approved by the SBTi in June 2022.

In order to reduce Scope 2 emissions, we are endeavoring to introduce renewable energy to our properties. In addition, we aim to achieve high environmental performance and energy efficiency in our properties under development. We are also actively pursuing the acquisition of Zero Energy Building (ZEB) and Zero Energy House (ZEH) certifications, among others. Furthermore, to promote the reduction of emissions in Scope 3, which mainly result from the use of construction materials in building construction, we are committed to deepening our collaboration with relevant stakeholders in the development and building construction supply chain.

Accelerating the Transition to Renewable Energy Sources to Achieve RE100

The Mitsubishi Estate Group has been actively introducing renewable energy since FY2021 to achieve RE100.*³ In FY2022, the rate of renewable electricity reached approximately 50% as a result of transitioning to electricity derived from renewable sources at almost all of the 50 Company-owned office buildings and commercial facilities*⁴ located in Tokyo and Yokohama, as well as Company-owned buildings and facilities in Hiroshima and Sendai. 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,*⁵ the tenants of said buildings are effectively deemed to be using renewable electricity.

*³ 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.

*⁴ "Company-owned buildings and commercial facilities" 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.

*⁵ Electricity supplied by gas cogeneration systems, etc., is generated using carbon-neutral city gas.



IZUMI PARK TOWN Tapio



Shin Hiroshima Building

Otemachi Building

Promoting ZEB and ZEH in New Buildings and Rental Apartments to Reduce Environmental Impact

Mitsubishi Estate acquired its first ZEB Ready (office category) certification for a high-rise tenant office building, tentatively called the Uchi-Kanda 1-chome Project, which is scheduled for completion at the end of November 2025. The energy conservation measures employed in this project are tested at the Group's headquarters to ensure they are energy efficient and facilitate a comfortable environment. Starting with this property, the Group aims to achieve high environmental performance in line with ZEB requirements for all new buildings to be developed.

Furthermore, in February 2023 Mitsubishi Estate Residence started construction on (tentative name) the Osaka Abeno Showa-cho 3-chome Project,*¹ the first rental apartment building in the Kansai region to meet ZEH standards. In addition to meeting ZEH-M Oriented standards, the apartment building will use solar panels to generate electricity used in communal areas. These initiatives are part of Mitsubishi Estate Residence's goal to meet or exceed the ZEH-M Oriented Standard in new condominiums and new rental apartments under its CO₂ emissions reduction strategies (formulated in January 2022). The entire Group will work together to reduce the environmental impact of its buildings and to provide new value.



(Tentative name)
Uchi-Kanda
1-chome Project

(Tentative name)
Osaka Abeno
Showa-cho
3-chome Project

*¹ This project falls under a basic agreement and general planning subcontracting agreement between ENEOS Corporation and Mitsubishi Estate Residence. The scheme designates ENEOS as the primary owner, while Mitsubishi Estate Residence is responsible for the project's design and other specifications as the general planner.

Promoting Green Urban Development with GRAND GREEN OSAKA

Mitsubishi Estate Co., Ltd., is leading the Umekita 2nd Project, a joint venture of nine companies (JV9)*² to develop the area in front of JR Osaka Station. The urban development project will be named GRAND GREEN OSAKA, an open space that integrates lush greenery and innovation. We have commenced the project, which includes the construction of a 45,000 m² park that aims to enhance the city's appeal in collaboration with Osaka City and Urban Renaissance Agency. As such, GRAND GREEN OSAKA was selected for the Ministry of Land, Infrastructure, Transport and Tourism's 2021 Sustainable Building Leadership Project (CO₂ Leadership Project). The landscape design offers a sense of local flair, and environmental planning considers biodiversity. In addition, the project introduces cutting-edge technologies, such as geothermal and wastewater energy and solar photoelectric generators, as well as infrastructure that contributes to resource recycling. The project has been awarded gold certification (plan certification) in the LEED Neighborhood Development (LEED ND) category for area developments by Leadership in Energy and Environmental Design (LEED), an internationally recognized green building rating system developed by the U.S. Green Building Council. We will continue to promote green urban development with a view to the advanced opening of the Umekita 2nd Project district, scheduled for summer 2024.



Panoramic view of GRAND GREEN OSAKA (rendering of completed project)



GRAND GREEN OSAKA obtained LEED Gold certification.

*² Mitsubishi Estate Co., Ltd., Osaka Gas Urban Development Co., Ltd., ORIX Real Estate Corporation, Kanden Realty & Development Co., Ltd, Sekisui House, Ltd., Takenaka Corporation, Hankyu Corporation, Mitsubishi Estate Residence Co., Ltd., and Umekita Development Specific Purpose Company (SPC funded by Obayashi Corporation)

Rolling Out Various Initiatives That Promote the Value of Wood

The Mitsubishi Estate Group promotes the sustainable use of timber. At the JAPAN WOOD DESIGN AWARD 2022 (hosted by the Japan Wood Design Association), a total of seven properties belonging to six companies, including Mitsubishi Estate, won awards. MOKUWELL HOUSE, Japan's first pre-fabricated wood house using cross laminated timber (CLT) designed by MEC Industry Co., Ltd., won the grand prize (the Ministry of Agriculture, Forestry and Fisheries Award).

Additionally, Mitsubishi Estate Home Co., Ltd., launched a digital platform called KIDZUKI to promote wood construction and conversion and entered into an agreement with Tamagawa Gakuen in October 2022 to collaborate on various initiatives centered on the use of timber. In the future, the Mitsubishi Estate Group will deepen collaborative efforts from the perspective of environmental education, create new value centered on timber, and contribute to the resolution of environmental and social issues. Aiming for wood construction and conversion in urban areas, each Group company will work in synergy to promote initiatives that leverage the appeal of wood.



MOKUWELL HOUSE

Participating in Projects to Recycle Used Cooking Oil into Sustainable Aviation Fuel and Biodiesel

As part of the third phase of Circular City Marunouchi, an initiative focusing on resource recycling in the Marunouchi area with the aim of achieving a waste recycling rate of 100%, Mitsubishi Estate became the first comprehensive real estate company*³ to participate in a project that recycles used cooking oil from eating and drinking establishments in the Marunouchi area into sustainable aviation fuel (SAF). SAF is a liquid fuel used in commercial aviation and is made from non-fossil fuels. When the source (feedstock) is 100% used cooking oil, it can reduce CO₂ emissions throughout the value chain by about 80% compared with conventional aviation fuel.

In March 2023, the Group also began recycling used cooking oil into biodiesel, which is being used to fuel trucks that collect used cooking oil. In tandem with the utilization of SAF in the future, we will establish a circular fuel economy in the Marunouchi area.

*³ Source: Mitsubishi Estate Co., Ltd.

Environment

Taking on Nature-Positive Activities in Minakami, Gunma Prefecture

Mitsubishi Estate has launched a nature-positive initiative in Minakami, located in Gunma Prefecture, to halt the loss of local biodiversity and allow nature to recover. In February 2023, the Company signed a 10-year partnership agreement with Minakami and the Nature Conservation Society of Japan (NACS-J). This agreement is the first large-scale collaboration project in Japan to take advantage of the corporate *furusato nozei* tax rate (a tax system that supports regional revitalization), and Mitsubishi Estate will donate ¥0.6 billion to Minakami in support of environmental and biodiversity conservation within the 10-year partnership period.

Major initiatives include restoring planted forests with deteriorating biodiversity back to natural forests, conserving and restoring mountain villages and neighboring agricultural or forest areas, and maintaining the sparse population of sika deer. While providing nature-based solutions through these initiatives, we also hope to undertake quantitative evaluation of biodiversity conservation. Minakami, located near the source of the Tone River, which supplies water to the Kanto region, Mitsubishi Estate, operating businesses centered on the Marunouchi area, which is served by the Tone River, and NACS-J, an environmental NGO active across Japan with a high level of expertise in biodiversity conservation, will collaborate closely to realize a nature-positive society while making use of their expertise as a municipality, company, and NGO, respectively.



Atsushi Nakajima, Executive Vice President of Mitsubishi Estate (left)
Kenichi Abe, Mayor of Minakami (center)
Tomoko Shimura, Executive Director and Secretary General, the Nature Conservation Society of Japan (right)
Photo taken February 2023



An unmanaged planted forest



Regeneration felling and planting



Original natural forest region currently undergoing regeneration

Accelerating the Utilization of Sustainability-Linked Finance

Based on the Sustainability Vision 2050-Linked Finance Framework formulated on March 30, 2023, Mitsubishi Estate is working toward achieving the targets set out in the 2050 Net-Zero Declaration (in accordance with the SBTi Corporate Net-Zero Standard), as well as numerical targets such as increasing the percentage of female managers, by issuing sustainability-linked bonds*¹ and borrowing sustainability-linked loans.*²

Issuance of Mitsubishi Estate Sustainability-Linked Bonds

Following on from Mitsubishi Estate's first sustainability-linked bond issued on July 22, 2022 (amount raised: ¥60.0 billion), the Company issued its second sustainability-linked bond on May 2, 2023 (amount raised: ¥60.0 billion).

The Company won a Gold Award in the Issuers/Borrowers category for its first bond at the Japanese Ministry of Environment's fourth ESG Finance Awards, receiving high praise for issuing ultra-long-term bonds that consider long-term business models, aligning sustainability performance targets (SPT) with the new Net-Zero Standard set by the SBTi, and for incorporating diversity and other important perspectives.



ESG Finance Awards Japan

Conclusion of Sustainability-Linked Loans with Financial Institutions

Mitsubishi Estate has concluded sustainability-linked loans with multiple financial institutions:

October 14, 2022, Norinchukin Bank (amount raised: ¥50.0 billion)

March 30, 2023, MUFG Bank (amount raised: ¥30.0 billion)

*1 Sustainability-linked bonds are bonds that may change financially and structurally in response to a company's achievement of predefined sustainability goals.

*2 Sustainability-linked loans seek to promote and support environmentally and socially sustainable economic activity and economic growth by, in principle, setting sustainability performance targets (SPTs) linked to borrowers' sustainability goals, linking loan terms such as interest rates to borrowers' performance against SPTs and thereby providing incentives to achieve SPTs.

[Reference] In June 2018, Mitsubishi Estate became the first comprehensive real estate company in Japan to issue green bonds and since then it has raised ¥236.5 billion through sustainable finance.

Date of issue	Bond type	Financing amount
June 2018	Green bond (publicly offered bond)	¥20.0 billion
May 2020	Sustainability-linked loan	¥11.5 billion
November 2021	Positive-impact finance	¥5.0 billion
July 2022	Sustainability-linked bond	¥60.0 billion
October 2022	Sustainability-linked loan	¥50.0 billion
March 2023	Sustainability-linked loan	¥30.0 billion
May 2023	Sustainability-linked bond	¥60.0 billion



For more information, please see our sustainability website homepage > Sustainability Activities (ESG) > Environment > Adopting Sustainable Finance:
<https://mec.disclosure.site/e/sustainability/activities/environment/sustainable-finance/>

TCFD



Regarding the TCFD's Recommendations

In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we utilized the Carbon Risk Real Estate Monitor (CRREM) methodology to identify transition risks and to analyze two scenarios, including the below 2°C scenario, thereby assessing the future impact of climate change on the Mitsubishi Estate Group's primary businesses. 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/>

Risk Analysis Using CRREM

Overview of CRREM (Carbon Risk Real Estate Monitor)

CRREM is a tool developed by European research institutes and organizations to evaluate and analyze the transition risks faced by commercial real estate properties. Using CRREM, it is possible to calculate the timing and percentage of stranded assets as well as the cost and associated implications of future emissions by comparing the greenhouse gas (GHG) emissions pathways up to 2050 that meet the 2°C and 1.5°C targets outlined by the Paris Agreement with the emissions pathway of a company's properties. As a result, companies can consider countermeasures and their effects. Note that properties are liable to become "stranded assets" when the decarbonization pathways in a company's portfolio exceed the 2°C and 1.5°C pathways, thereby increasing transition risks.

Using CRREM to Analyze Mitsubishi Estate's Transition Risk

We utilized the CRREM methodology to quantitatively assess the impact of future climate change on our businesses, particularly the transition risk of the properties we own.

[Scope of Analysis] The analysis covers a total of 84 properties owned by the Company as of the end of FY2021, including office, retail, and logistics facilities, selected from properties subject to GRESB* reporting in 2022.

[Defining Case Parameters]

- Case ①:** In addition to our existing decarbonization efforts, this case takes into account the strengthening of energy-saving measures (air-conditioning, LEDs, etc.) and the introduction of green energy.
- Case ②:** Supplementing case 1 with the introduction of renewable energy through electricity contracts with non-fossil-fuel energy certificates, this case assumes all properties have transitioned to renewable electricity by FY2025.

[Case Analysis Results]

- Each case was compared with the emissions pathways for the 2°C and 1.5°C targets outlined by the Paris Agreement. The results are as follows.
- Case ①:** Despite strengthening energy-saving measures and introducing green energy, as well as contributing to lowered grid emission factors, emission levels are expected to exceed the 1.5°C pathway around 2037. Therefore, the initiatives taken in this case might not be sufficient.
- Case ②:** There will be no emissions from electricity after FY2025 following the transition to renewable electricity. However, as there are still likely to be emissions caused by district heating and cooling, as well as energy generated from gas, it is possible that emission levels will exceed the 1.5°C pathway around 2047.

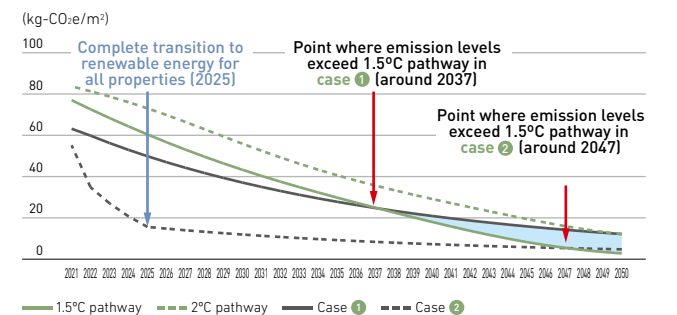
[Measures and Initiatives Based on Case Analysis (Including Opportunities)]

This case analysis is based on properties owned at the end of FY2021 and assumes there will be no change until 2050. However, in reality, GHG emissions intensity is expected to improve due to the reconstruction of properties to ensure superior energy-saving performance, new property acquisitions, and so forth.

To achieve our goal of adopting 100% renewable energy by FY2025, we will further advance the use of electricity contracts with non-fossil-fuel energy certificates, which we have thus far been promoting, and examine the introduction of corporate power purchase agreements (PPA), along with other contracts. In addition, we will strive to improve GHG emissions intensity and increase the rate of buildings with superior energy-saving performance by aiming to achieve high environmental performance in line with ZEB requirements for all new buildings to be developed.

* GRESB (Global Real Estate Sustainability Benchmark) is a benchmark established mainly by a group of European pension funds to assess the consideration given by real estate companies and real estate investment institutions to the environment, society, and other areas.

GHG Intensity Pathway



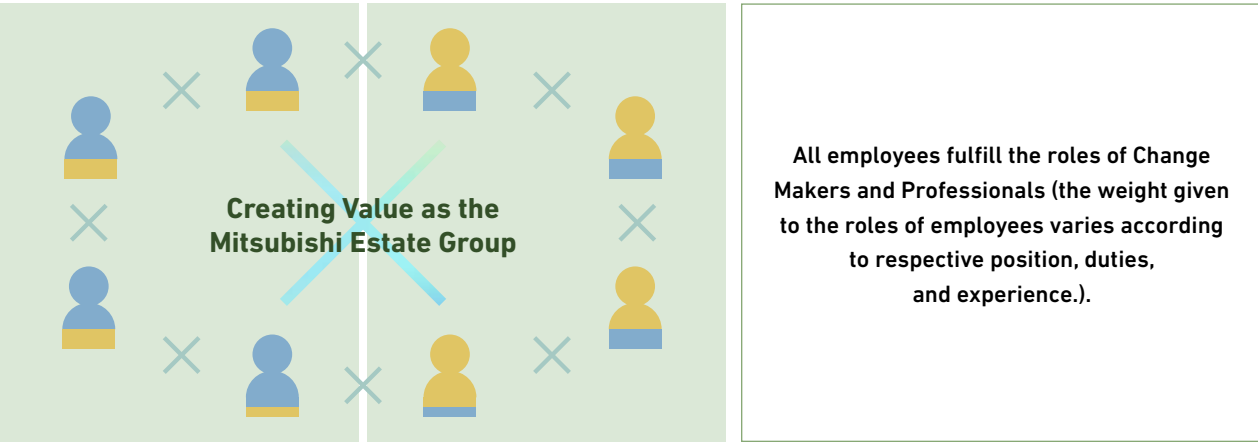


The Mitsubishi Estate Group believes human resources are an important asset for realizing Long-Term Management Plan 2030 and creating new value for society. In addition, the Group formulates the vision for its human resources and organization based on the distinguishing features of its business model and its future business policies.

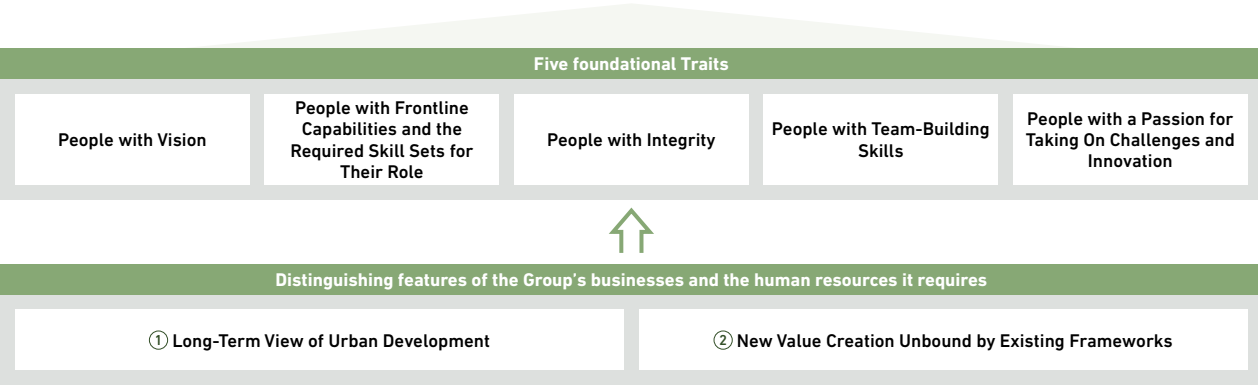
Vision for Our Ideal Human Resources and Organization

The Mitsubishi Estate Group promotes a wide range of businesses on a Groupwide basis, including the Commercial Property, Residential, International, and Investment Management businesses.

The Group believes it needs human resources who can fulfill the two roles of Change Makers and Professionals while possessing the five traits it requires of them to achieve further business expansion. The Group also adopted the slogan of “as one team” to reflect its vision of the ideal organization, one that harnesses the strengths of each and every employee.



Roles Required of Individuals	Change Maker	Human resources who take on challenges and spur innovation by leveraging our long-term perspective and forward-looking DNA to augment each other’s strengths through collaborations
	Professional	Human resources who create new value using their specialist expertise
Organizational Vision	As One Team	An organization that maximizes value by combining the strengths of each of its employees



Distinguishing Features of the Group’s Businesses and the Human Resources It Requires

① Long-term view of urban development

Implementing urban development under a long-term perspective looking several decades ahead, the Mitsubishi Estate Group has built a long-term business model encompassing everything from land acquisition to development, management, and other activities. A distinguishing feature of the Group’s urban development is that each and every employee cooperates with a diverse array of stakeholders in a broad range of business process areas. For this reason, the Group requires human resources with expertise on its business processes as a whole who are able to manage relationships with stakeholders.

② New value creation unbound by existing frameworks

Long-Term Management Plan 2030 calls for the Company to work to create new value by proactively promoting its international asset and non-asset businesses as well as its domestic asset business. Achieving this goal requires human resources who can create value in new domains.

Five Traits

The Mitsubishi Estate Group has defined the human resources it requires as people who possess the five traits outlined below. Although our employees fulfill a diverse range of roles according to business conditions and their own career aspirations, possession of the five traits is a requirement for all employees. As a result, we take measures emphasizing these five traits in our recruitment and development of employees.

Five traits	Definition	Desired strengths	Measures
① People with Vision	People who can visualize what they want to achieve and have the determination and dynamism to do so	The ability to create and promote their vision with determination and courage	• Implementation of job-level-specific training on the topic of vision
② People with Frontline Capabilities and the Required Skill Sets for Their Role	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	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	• Introduction of a support system for employees to obtain qualifications relevant to their respective business domains
③ People with Integrity	People with high ethical standards, who act with integrity and fairness, and who build good relationships with those around them	Open-mindedness and high ethical standards	• Holding of Groupwide compliance training for new employees, recently promoted employees, and new mid-career hires
④ People with Team-Building Skills	People capable of carrying out human resource development and management in order to increase the competitiveness of the organization	The ability to nurture talent, work as part of a team, and deploy management skills	• Arrangement of one-on-one meetings to improve the quality and volume of communication within the organization
⑤ People with a Passion for Taking On Challenges and Innovation	People who are not bound by precedent or convention and who have the spirit to take on challenges and act without fear of failure	Challenge-oriented and innovative	• New Business Proposal System • Secondary Job Program • 10% Rule System • Job-level-specific training on the topic of taking on challenges and innovation

Initiatives Related to People with a Passion for Taking On Challenges and Innovation

Among the five traits, we particularly focus on initiatives related to people with a passion for taking on challenges and innovation.

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. 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 Ecofurni, 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.

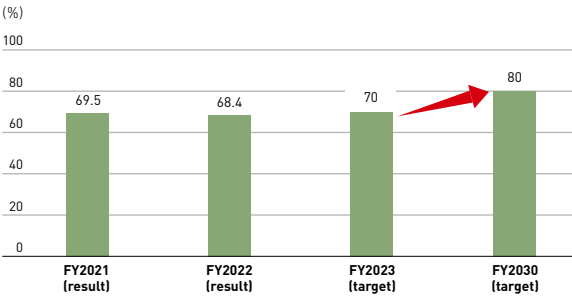
The 10% Rule System

We have introduced a system that seeks to have employees dedicate 10% of business hours to activities promoting business model innovation, or activities improving operational efficiency and transforming our corporate culture that contribute to such innovation. The content of the activities is included in assessments of human resources.

Employees are free to choose how they use their time and are currently working on a wide range of topics, such as developing measures to improve efficiency in their daily work, building networks with external parties, and preparing applications for the New Business Proposal System.

An internal survey found almost 70% of employees were engaged in business model innovation through such initiatives. We aim to increase that percentage further.

Percentage of Employees Engaging in Business Model Innovation





Vision for Our Ideal Human Resources and Organization

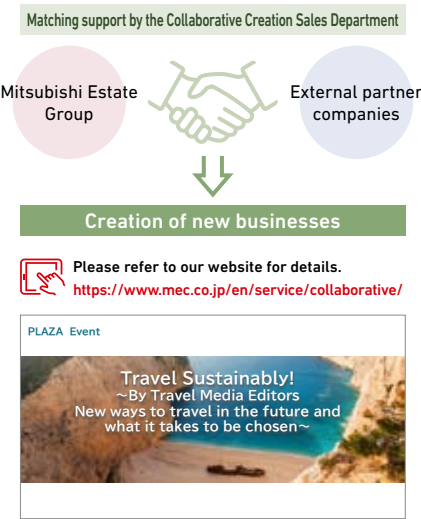
Change Makers: Human resources who augment each other’s strengths through collaboration by leveraging our long-term perspective and forward-looking DNA

A distinguishing feature of the Mitsubishi Estate Group’s business model is the creation of new value through collaboration with a vast internal and external network in urban development, which is a long-term business activity.

The Group requires employees to have the spirit to take on challenges without being bound by precedent, so that they can identify issues from fresh perspectives and augment each other’s strengths through collaboration by using internal and external networks while leveraging the Group’s strengths of a long-term perspective and forward-looking DNA.

Measure ①: Establishing the Collaborative Creation Sales Department (April 2022)

In April 2022, we established the Collaborative Creation Sales Department as an organization to create new value by matching the Mitsubishi Estate Group with competitive content partners who anticipate the needs of the times. The department builds a content-driven database and collects information extensively from Group employees, while also sharing and publicizing information. As a result, the department has steadily established a track record on a variety of topics, including pets, leisure, art, the environment, and industry-academia collaborations.

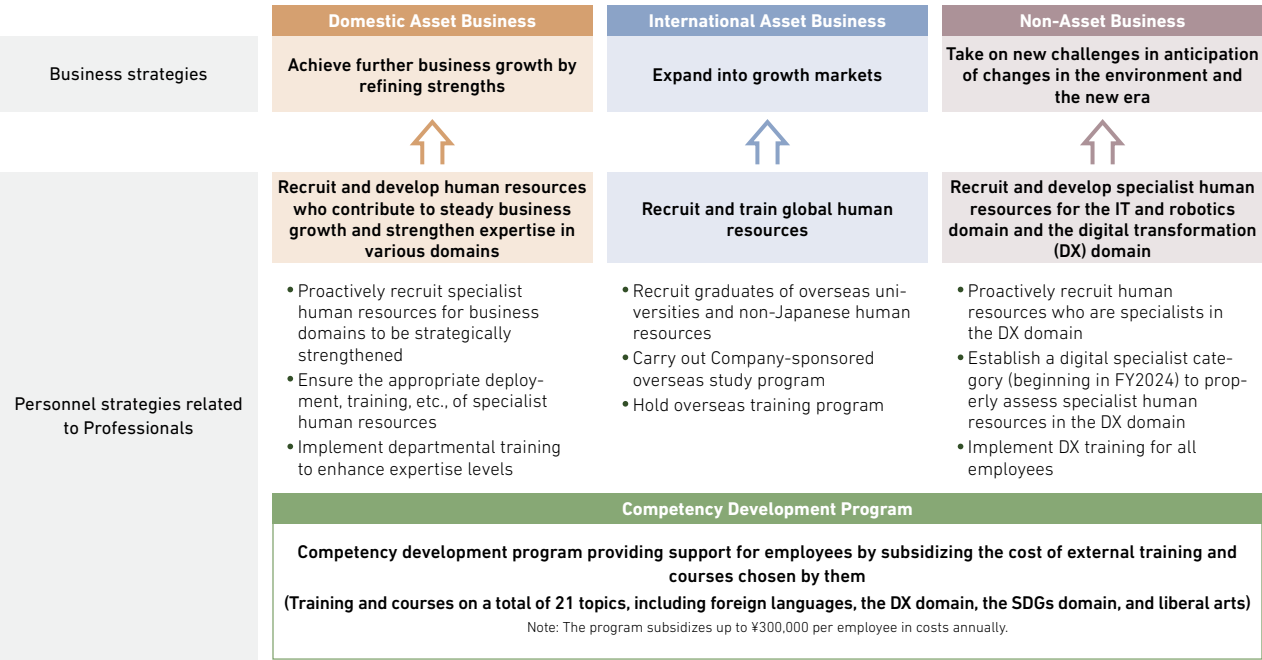


Measure ②: Drive Information

Mitsubishi Estate has created an information platform that Group companies can also join to accelerate (drive) the promotion of businesses through access to information. Using the platform, employees communicate information internally and externally of their own accord. Regularly held PLAZA events, to which external guests are invited, contribute to the construction of networks, the development of fresh perspectives, and other innovations.

Professionals: Human resources who create new value using their specialist expertise

In addition to steadily advancing large-scale developments in Japan, Mitsubishi Estate recognizes it must strengthen its International Business, expand its non-asset business, and advance into the services and content domain, while enabling human resources with specialist expertise in various domains to accelerate the development of businesses to create value to achieve Long-Term Management Plan 2030. Based on this view, the Company has improved its recruitment of specialist human resources in various domains and invested proactively in training programs to help all employees acquire and strengthen the expertise they require.



Measures to Develop Change Makers and Professionals / Groupwide Interactions among Human Resources

In the Mitsubishi Estate Group, Group companies with employees who have a strong awareness of their role as Professionals are responsible for various specialist domains, including the Residential Business, businesses for operating and managing buildings, and the design, real estate brokerage, and Investment Management businesses.

In addition, the Group implements initiatives to broaden the two roles of Professionals and Change Makers through Groupwide interactions among human resources, such as secondments from Mitsubishi Estate to Group companies to broaden the role of Professionals and secondments from Group companies to Mitsubishi Estate to broaden the role of Change Makers.

The Group also encourages communication across organizational lines in various other ways, including through joint training sessions for newly hired employees of the Mitsubishi Estate Group (with the participation of over 20 companies) and through Takanawa House, a Group dormitory for young, unmarried employees who have been with the Group less than three years (used by eight companies).

As One Team: maximizing organizational value by connecting and combining individual strengths

The Mitsubishi Estate Group recognizes that accommodating diverse human resources and workstyles is crucial to managing and operating its businesses. The Group therefore aims to maintain a well-balanced composition of employees in terms of nationality, gender, age, career stage (graduate recruits and mid-career recruits), and other characteristics.

In particular, Mitsubishi Estate focuses on ensuring diversity in its recruitment through a range of initiatives, such as setting a target for female employees to account for more than 40% of its workforce every year, introducing a recruitment process for non-Japanese human resources in its graduate recruitment, and strengthening recruitment of mid-career hires (mid-career hires account for approximately 40% of new recruits in the average year).

We also encourage a diversity of opinions to create an environment where employees can freely express their diverse values and views with peace of mind. In this way, the Group aims to achieve ongoing growth by creating a vibrant workplace.

Diversity of Opinions

The Group’s vision for having diversity of opinions entails creating and maintaining an environment where all employees, regardless of duty, job title, employment status, gender, age, or other attributes, can freely express their views with peace of mind and have them taken into account. In addition to harnessing the strengths of all employees, the Group believes such an environment enables it to make appropriate value judgments as a company, which in turn helps improve corporate value. The Group has also promoted awareness of and created a culture conducive to having a diversity of opinions by distributing more than 300 posters with a QR code that employees can scan to read an outline of the idea behind having diversity of opinions for displaying in various meeting rooms and other locations.

In conjunction with these efforts, we have established a range of programs, such as the flextime program and childcare leave of absence, to comprehensively enhance work and everyday life to a point where they become a single entity (work-life integration), without creating barriers between the two.

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 (Excerpt)
Flextime program	In principle, eligible employees can on prescribed working days work between 6.00 a.m. and 8.00 p.m. Note: The Company officially abolished core working hours (the period when employees are required to attend work) in April 2023.
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) 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).
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
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)

For details on programs related to work-life integration, please refer to our website.
<https://mec.disclosure.site/e/sustainability/activities/social/diversity/>



Supply Chain Management Initiatives

On April 1, 2022, the Group established the Mitsubishi Estate Group Supplier Code of Conduct, which 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 as human rights and labor issues as well as climate change and other issues grow more serious.

The Group stipulates compliance with the Supplier Code of Conduct in quotation specifications and conducts surveys via a questionnaire to verify the status of compliance for the construction and cleaning sectors, which it has deemed to have a marked tendency toward causing high sustainability risks* in the supply chain. The Group surveys not only tier-one suppliers (direct business partners) but also tier-two suppliers and below (contractors used by business partners) to identify latent risks. Based on the survey results, we request suppliers deemed to face such risks implement improvement initiatives.

FY2022 Initiatives

In FY2022, we conducted surveys using a questionnaire of 60 companies in total—43 construction companies and 17 cleaning companies—including tier-two contractors and below. After conducting the surveys of construction companies, we interviewed workers at supplier companies to properly understand the status of sustainability promotion among suppliers. Beginning in FY2023, we plan to start interviews at cleaning companies. After gaining an understanding of the actual conditions of suppliers, we will examine measures for addressing issues and strengthen our supply chain management.

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

1 The supplier is likely to employ workers who can be in a vulnerable position, such as foreign workers or foreign technical interns

2 The impact on the environment is significant

3 The supplier's multi-level contracting structure makes it difficult to understand and identify risks in certain cases

Assessment of Human Rights and Environmental Risks Associated with Construction Materials

In FY2022, Mitsubishi Estate assessed human rights and environmental risks associated with each of the construction materials used at its construction sites. Identifying the materials used in each of more than 20 varieties of construction materials with the highest weight ratios used at our construction sites, we checked the principal places of production and importing countries of 18 staple materials and determined related human rights and environmental risks. We plan to examine countermeasures regarding construction material risks to focus on in the future.

Assessment of Human Rights Risks Associated with Technology

The Company has set out the Mitsubishi Estate Digital Vision, which aims to promote new urban development that allows people to experience convenient living environments through digital transformation (DX).

In FY2022, we identified and assessed the actual and potential impact on human rights of services and products related to technology for realizing our vision based on a human rights assessment process to promote business activities with consideration for human rights. We will explore appropriate countermeasures for preventing and mitigating human rights risks.

Launching and Holding the Construction and Real Estate Human Rights Due Diligence Promotion Council*

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.

* Name changed from Human Rights Due Diligence Study Group to Human Rights Due Diligence Promotion Council in April 2023



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 FY2030.

*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

Well-Being Initiatives

The Marunouchi Infirmary was created based on input from working women. Helping address health issues that specifically affect the physical and mental well-being of women, including pre-menstrual stress, pregnancy, childbirth, and menopause, the infirmary conducts activities to enhance health literacy to increase understanding in the workplace and among women and provide health support.

Through these activities, Mitsubishi Estate will promote well-being in its urban development, not only by itself but together with other companies that endorse its efforts, to realize a women-friendly work environment and culture so as to expand choices for working women at various life stages.



A large-scale, hands-on wellness event (Marunouchi Building, first floor, Maru Cube)



Industry-, academia-, and healthcare-focused wellness-at-work seminar for employees in charge of personnel and health and productivity management



Creating opportunities for health checkups in cooperation with women-only clinics in the Marunouchi area

Examples of Initiatives: ① Supporting Better Health Literacy in the Marunouchi Area

The Online Marunouchi Infirmary holds online seminars for men and women to learn about women's healthcare and related matters to promote mutual understanding. It has also established a contact point for consultations and counseling. In these ways, the Online Marunouchi Infirmary extensively promotes health support through Marunouchi-based companies and for general visitors to the area.

Examples of Initiatives: ② Visualizing Working Women's Health Issues Faced by Companies

Working Women's Health Scores* is a measure using data to visualize women's health, working environments, and other conditions by 14 companies centered on the Marunouchi area in cooperation with Femmes Medicaux, which offers consulting on women's healthcare, including on addressing the health issues of modern women, and Mitsubishi Estate.

Mitsubishi Estate and Femmes Medicaux plan to extensively promote a service identifying issues based on the health scores of women, which will use the scores to highlight issues faced by working women at participating companies and propose solutions to the issues.

* With the cooperation of Kanagawa University of Human Services, we developed survey categories based on an epidemiological survey. Approximately 3,400 women responded to the survey through the personnel departments of the 14 companies.

Promoting Health and Productivity Management

Mitsubishi Estate has appointed the director in charge of human resources as the health management promotion officer to promote health and productivity management, which the Company tackles strategically from a business perspective of managing the health of its employees. We have formulated Health Management 2030, under which we have set KPIs for 2030 on the percentage of employees in the high-risk group for metabolic syndrome, the percentage of employees in the healthy group, the cancer screening rate, and employees with high levels of stress. By promoting various measures in relation to these KPIs, we aim to improve the health of 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.

Offering Enriched Lifestyles by Interconnecting Smart Home Services

Capitalizing on its knowledge as a comprehensive developer, Mitsubishi Estate developed HOMETACT,* a smart home service that can be readily incorporated into Japanese homes, and installed it at The Parkhabio, Mitsubishi Estate Residence's rental apartment series. The Company also offers the service to external parties.

Connecting HOMETACT with smart locks and facial recognition systems enables us to strengthen functions for promoting the digital transformation (DX) of real estate management, such as unaccompanied inspections and drop-off deliveries. Under an agreement to collaborate in energy management with LIXIL Corporation and mui Lab, Inc., we are also jointly promoting the development of home energy management system functions that help reduce CO₂ emissions. In addition to significantly broadening the range of connectable housing equipment, the collaboration will improve awareness of electricity saving among users and support environmentally conscious lifestyles by developing an interface that allows people to understand household energy consumption intuitively. This ecosystem, created in cooperation with more than 20 companies, is expanding continuously.

HOMETACT

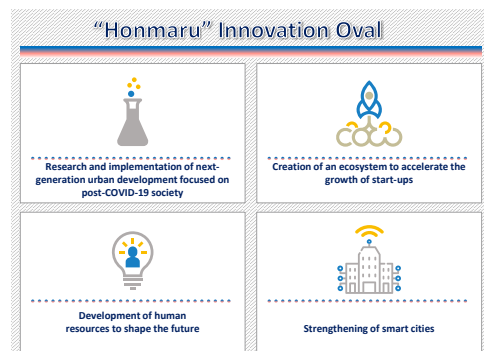
* A smart home service using a smartphone app or smart speaker to control a wide range of Internet of Things (IoT) devices of multiple manufacturers, such as air-conditioning, televisions, lighting, and curtains

Strengthening Industry–Academia Collaboration to Address a Diverse Array of Social Issues

Mitsubishi Estate is strengthening industry–academia collaboration to address multilayered social issues. In October 2022, we concluded a decade-long industry–academia agreement with Tokyo University, resulting in the launch of the MEC-UTokyo-Lab. Defining the area from Tokyo University's principal base in Hongo to Otemachi, Marunouchi, and Yurakucho, where Mitsubishi Estate promotes urban development, as the “Honmaru” area, we are advancing joint research, field trials, and collaborations with start-ups in the area.

In December 2022, we concluded a comprehensive partnership agreement with Tokyo University of the Arts. By enhancing the creativity of companies and individuals in the Otemachi, Marunouchi, and Yurakucho areas through the power of art, we will facilitate the creation of business ideas and new industries.

In addition, we entered into a joint research contract with Hitotsubashi University in March 2023 on creating value for spaces in a data-driven society. With this, we will help resolve social issues through open innovation by strengthening cooperation with the faculty and graduate school of social data science, established in FY2023.



Overview of industry–academia collaboration with Tokyo University



Hitotsubashi University's East Main Building (a registered tangible cultural asset), which is due for renovation into an incubation and exchange hub

Supporting the Creation of Communities for Spurring Innovation in the Marunouchi Area

Mitsubishi Estate is bolstering initiatives to spur open innovation in the Marunouchi area (Otemachi, Marunouchi, and Yurakucho). The M Cube, operated by Mitsubishi Estate, is an open innovation community with a focus on start-ups. With EGG, formerly named EGG JAPAN, an innovation hub in the Shin-Marunouchi Building acting as its base, the M Cube supports business development by offering a place for companies to meet through events and activities. Together with the Tokyo Marunouchi Innovation Platform, which is operated by the Association for Creating Sustainability in Urban Development of the Otemachi, Marunouchi, and Yurakucho Districts (the Ecozzeria Association), the M Cube has launched MiiTs, a community creating opportunities for collaboration among major companies and start-ups. In these ways, the M Cube aims to spur innovation by consolidating know-how on new technologies while leveraging the networks and assets it has accumulated.



EGG



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.

Area Disaster Preparedness Initiative: Verification Tests of Disaster Dashboard Beta+

Mitsubishi Estate continuously takes steps in preparation for a potential disaster in the Marunouchi area (Otemachi, Marunouchi, and Yurakucho). Between December 2022 and February 2023, the Company implemented verification tests of Disaster Dashboard Beta+, a platform for sharing information among disaster-response agencies and providing information to stranded commuters through public–private cooperation with Chiyoda Ward.

For these tests, we made a prototype of a digital map displaying the locations of evacuation areas, buildings designated as shelters for stranded commuters, and a disaster hub hospital. Certain facilities in Chiyoda Ward and other entities would share information under a scenario that would provide information during a disaster to stranded commuters through a QR code available inside train stations and other locations. Along with the digital signage and website versions of the map, we are building the forthcoming disaster dashboard with Chiyoda Ward. We also conducted verification tests with Chiyoda Ward to check the usefulness of a system for collecting, arranging, and streaming a live-camera feed during a disaster. In these ways, we continuously contribute to the promotion of safety and security, which includes establishing the functions of next-generation disaster preparedness centers to cope with an inland earthquake and other disasters in Tokyo and fulfilling the functions of a smart city.



Example of a verification test streaming a live-camera feed

Strengthening Systems for Local Disaster Preparedness and Mutual Assistance in Preparation for a Major Disaster

Given the absence of management associations or disaster preparedness plans at its rental apartments, Mitsubishi Estate Residence Co., Ltd., proposed disaster preparedness initiatives at The Parkhabio Nakano Fujimicho Garden. Mitsubishi Estate Residence provides support through infrastructure and non-infrastructure measures, including the creation of a First Mission Box® containing an instruction card to ensure residents act quickly and confidently during a disaster and the installation of a system for storing and using surplus electricity generated using solar power generators.

In addition, in February 2023, Mitsubishi Estate Residence and Mitsubishi Estate Community Co., Ltd., conducted the first joint disaster-prevention drills at the two residences that comprise The Park House Harumi Towers in cooperation with the management association and residents' association. We will promote disaster-resilient urban development by strengthening systems for local disaster preparedness and mutual assistance.



Disaster prevention drill

Conducting Verification Tests for a Rain Garden, Green Infrastructure on Marunouchi Naka-dori Avenue

Mitsubishi Estate conducted verification tests for a rain garden in a portion of roadside greenbelts on Marunouchi Naka-dori Avenue over a six-month period from May 2022 to October 2022 as a green infrastructure initiative for the Marunouchi area (Otemachi, Marunouchi, and Yurakucho). We simultaneously conducted research on six issues, including permeability, water-retention capacity, the growth conditions of plants, and the effect of landscaping, to examine the possibility of establishing a rain garden in the area. As a result, we confirmed a rain garden could be expected to be effective in various ways, such as minimizing road flooding during torrential rainfall, with the rain garden's greenbelts temporarily storing rainwater to delay it flowing into drainpipes. Following discussions with the relevant parties, we decided to leave the rain garden in place after the tests were completed. We intend to ensure it also helps the area prepare for and minimize damage from natural disasters and mitigate the urban heat-island phenomenon.



Roadside greenbelts



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.



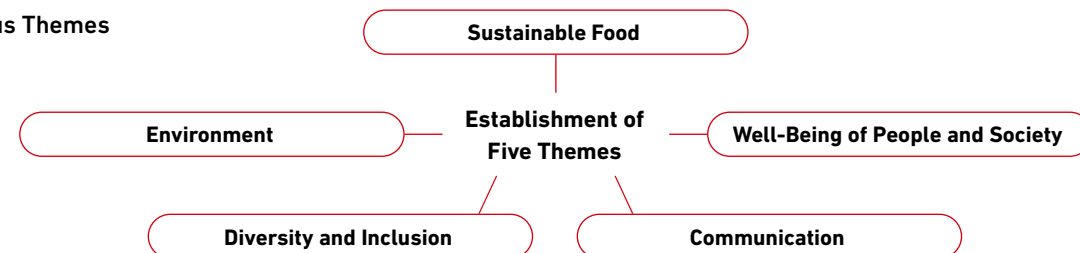
3

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



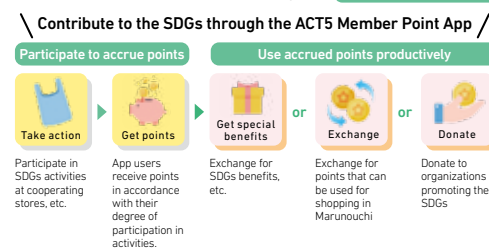
The project's executive committee has chosen key focus themes from among the wide range of themes included in the SDGs.

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 many 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 for recycling used clothes or using their own drink receptacles.



ACT5 Member Point App
Participate to accrue points!
Use accrued points productively!



Examples of Actions in FY2022

In FY2022, the project carried out 63 actions through partnerships with 84 organizations—involving the participation of a total of 16,168 people—during its core seven-month period from May 2022 to November 2022.

ACT 1

Sustainable Food

"SUSTABLE" 2022—Food Seminars to Change the Future

In FY2022, OMY SDGs ACT5 again held "SUSTABLE," (a portmanteau of the words "sustainable" and "table") a food-sampling seminar launched in FY2021 with the aim of popularizing dishes made with sustainability in mind. Using TOKYO TORCH Tokiwabashi Tower as a venue for the second consecutive year, SUSTABLE outlined various food issues and showcased sustainable food that provides solutions to such issues over the course of six seminars. By giving a platform to chefs, who are food users, together with producers and consumers, the seminars encouraged participants to go beyond learning and change their own behavior by reflecting on the future of food from multiple perspectives.



Participants at the third SUSTABLE 2022 seminar, which was on land-based farming of marine products for supporting the future

ACT 2

Environment

Re;POST Clothing Collection Project

The Re;POST project set up postbox-shaped receptacles in 13 locations in the Daimaruyu area to collect unwanted clothing from area visitors and workers. The clothing donated by a total of more than 2,500 people weighed approximately 1,350 kg. By minimizing the incineration of clothing and emphasizing its reuse rather than recycling as materials, the project facilitates resource recycling with a low environmental impact. With approximately 88% of the clothing collected reused in Japan and overseas, the project prevented approximately 1,000 kg of CO₂ emissions that would have been generated through incineration.



ACT 3

Well-Being (Note: Name changed to Well-Being of People and Society in FY2023)

Charity Walking—Facilitating Charity Donations While Promoting Health through Walking

Utilizing the step-counting function on the ACT5 Member Point App, OMY SDGs ACT5 held an ongoing initiative during the core period from May to November that allowed users to earn points for walking more than 8,000 steps a day. The points are donated to seven organizations engaged in activities to achieve the SDGs. The initiative also held a walking contest in October for a limited two-week period, helping improve the health of participants and encourage donations.



ACT 4

Diversity and Inclusion

Enjoy & Join (E&J)—a Diversity and Inclusion (D&I) Research Community for Those in Charge of Personnel Matters and D&I

E&J Lab is an ally community advancing D&I initiatives and is where anyone can think about the future of diversity while having fun. In FY2022, it again heard from a diverse range of interested parties and other guests, strengthening understanding of D&I through interaction. FY2022 also saw the launch of a D&I research community for those in charge of personnel matters and D&I, which provided opportunities for such individuals to collect information for promoting D&I at their own companies and readily consult with others. With many individuals from companies centered on the Daimaruyu area taking part to share cutting-edge case studies, the community received a favorable response for creating opportunities for those responsible for personnel matters and D&I at different companies to interact with each other.



ACT 5

Communication

Daimaruyu Film Festival 2022—Showing Feature-Length Films with Themes Relevant to the SDGs

Daimaruyu Film Festival 2022, celebrating its third year, held 10 screenings (nine of which included discussion events) over a period of approximately three weeks from August 30 to September 22.

In light of the current Russia-Ukraine situation the festival selected two movies focused on the refugee issue. In addition to receiving support from the Japan Association for the United Nations High Commissioner for Refugees (UNHCR), MIYAVI, a UNHCR goodwill ambassador, and Tomoko Nagano, its media director, attended the festival's opening movie, *Sonita*, as discussion guests.

Filled with many new elements, including the showing of the first outdoor screening at TOKYO TORCH Park and closing of the festival at the Tokyo International Forum, which became a member of the executive committee in FY2022, the festival's 10 screenings provided opportunities for around 700 people to take an interest in the SDGs.



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.
- Sustainability Disclosure Topics and Accounting Metrics (FY2022)

Energy Management			
	UNIT OF MEASURE	CODE	
Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	IF-RE-130a.1	Environmental data>(2) Other>Basic Data on Target Properties https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/#sec_1_2_1 Environmental data>(2) Other>1. Climate Change (GHG Reduction and Energy Management) >GHG Emissions, Energy Use, and Other Data by Type of Property https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/#sec_1_2_2_3
Total energy consumed by portfolio area with data coverage, percentage grid electricity, and percentage renewable, by property subsector	MWh, %	IF-RE-130a.2	Environmental data>(1) KPI>1. Climate Change (GHG Emissions and Energy Use) https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/#sec_1_1_1 Environmental data>(2) Other>1. Climate Change (GHG Reduction and Energy Management) https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/#sec_1_2_2
Like-for-like percentage change in energy consumption for the portfolio area with data coverage	%	IF-RE-130a.3	Environmental data>(2) Other>1. Climate Change (GHG Reduction and Energy Management) https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/#sec_1_2_2
Percentage of eligible portfolio that has an energy rating and is certified to ENERGY STAR, by property subsector	Percentage (%) by floor area	IF-RE-130a.4	Environmental data>(2) Other>5. Green Building Certification https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/#sec_1_2_6
	UNIT OF MEASURE	CODE	
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	n/a	IF-RE-130a.5	Environment>Climate Change Strategies https://mec.disclosure.site/e/sustainability/activities/environment/climate-change/
Water Management			
	UNIT OF MEASURE	CODE	
Water withdrawal data coverage as a percentage of total floor area and floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%) by floor area	IF-RE-140a.1	Environmental data>(2) Other>Basic Data on Target Properties https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/#sec_1_2_1 Environmental data>(2) Other>3. Water>Water Usage by Type of Property https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/#sec_1_2_4_2
Total water withdrawn by portfolio area with data coverage and percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Thousand m³, %	IF-RE-140a.2	Environmental data>(2) Other>3. Water https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/#sec_1_2_4
Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	%	IF-RE-140a.3	Environmental data>(2) Other>3. Water https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/#sec_1_2_4
	UNIT OF MEASURE	CODE	
Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	IF-RE-140a.4	Environment>Conserving Water Resources https://mec.disclosure.site/e/sustainability/activities/environment/water/
Management of Tenant Sustainability Impacts			
	UNIT OF MEASURE	CODE	
Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and associated leased floor area, by property subsector	Percentage (%) by floor area	IF-RE-410a.1	—
Percentage of tenants that are separately metered or submetered for grid electricity consumption and water withdrawals, by property subsector	Percentage (%) by floor area	IF-RE-410a.2	—
	UNIT OF MEASURE	CODE	
Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	n/a	IF-RE-410a.3	Environment>Climate Change Strategies https://mec.disclosure.site/e/sustainability/activities/environment/climate-change/ Environment>Reducing Waste and Preventing Pollution https://mec.disclosure.site/e/sustainability/activities/environment/waste/ Environment>Conserving Water Resources https://mec.disclosure.site/e/sustainability/activities/environment/water/
Climate Change Adaptation			
	UNIT OF MEASURE	CODE	
Area of properties located in 100-year flood zones, by property subsector	m²	IF-RE-450a.1	—
	UNIT OF MEASURE	CODE	
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	n/a	IF-RE-450a.2	Environment>Information Disclosure Based on TCFD Recommendations https://mec.disclosure.site/e/sustainability/activities/environment/tcfd/
■ Activity Metrics			
	UNIT OF MEASURE	CODE	
Number of assets, by property subsector	Number	IF-RE-000.A	Environmental data>(2) Other>Basic Data on Target Properties https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/#sec_1_2_1
Leasable floor area, by property subsector*	m²	IF-RE-000.B	Environmental data>(2) Other>Basic Data on Target Properties https://mec.disclosure.site/e/sustainability/activities/esg-data/environment/#sec_1_2_1
Percentage of indirectly managed assets, by property subsector	Percentage (%) by floor area	IF-RE-000.C	—
Average occupancy rate, by property subsector	%	IF-RE-000.D	—

* Indicates the total floor area

 Please refer to our website for detailed information on the SASB.
<https://mec.disclosure.site/e/sustainability/table-of-contents/sasb-index/>



Corporate Governance

Message from the Chairperson of the Board

After serving as president & chief executive officer (CEO) of Mitsubishi Estate Co., Ltd., for six years from April 2017, I was appointed chairperson of the Board in April 2023. Although we achieved all of the numerical targets set in the previous medium-term management plan launched in FY2017—the start of which coincided with my appointment as president & CEO—the conventional three-year medium-term management plan focused on short-term targets and thus to a certain degree did not align with the long-term, urban development-oriented approach we should have been pursuing. Accordingly, in January 2020 we formulated a 10-year plan, Long-Term Management Plan 2030, with the idea of boldly pursuing growth in new domains through initiatives to be carried out over the long term, by setting targets over a period more appropriate to our original business model of raising the value of areas from a long-term perspective.

As a matter of utmost importance, all members of the Board of Directors continue striving to fulfill the Mitsubishi Estate Group’s mission and ensure that stakeholders recognize the value of its efforts in doing so. Long-Term Management Plan 2030, which was painstakingly formulated over a period of more than a year, focuses on realizing the basic mission of the Group by simultaneously increasing social value and shareholder value.

As we enter the fourth year of Long-Term Management Plan 2030, we are confronted with challenges such as the COVID-19 pandemic, global instability sparked by the Russia–Ukraine situation, and frequent natural disasters. During my tenure as president & CEO, I consistently maintained the belief that the Group’s strengths lie in its talented human resources. I also believe that all companies, including Mitsubishi Estate, have a responsibility to provide an environment enabling talented personnel to take on new challenges and where they can grow, and it is through the establishment of such an environment that we are seeing the seeds of our efforts gradually reach fruition.

We have laid the foundation for achieving the goals set forth in Long-Term Management Plan 2030. However, if we are to achieve these goals over the course of the plan, we must implement changes while responding to the needs of a new generation. With further development and promotion needed to achieve said goals, we felt that now was the perfect time to appoint a new president & CEO. The Board of Directors and the Nominating Committee have engaged in ongoing discussions centered on the Succession Plan for the President & Chief Executive Officer and are confident that Atsushi Nakajima is a leader who can create new value not only in the Marunouchi area, a key location for the Group, but also in the International Business, which we have positioned as a growth area.

Speaking personally, my appointment as chairperson of the Board has renewed my determination to sustainably enhance Mitsubishi Estate’s corporate value by ensuring effective corporate governance. Since transitioning to a Company with Nominating Committee, etc., in 2016, the Company has made continuous efforts to strengthen its corporate governance system through such measures as appointing outside directors as chairpersons of the three committees, composing the Nominating and Remuneration committees entirely of outside directors, and conducting third-party evaluations to aid in evaluating the effectiveness of the Board of Directors. I have been closely involved in the development of the Company’s corporate governance system in my capacity as a member of the Board from FY2016 and as president & CEO during my six-year tenure. I hope to leverage my experience to ensure that discussions at Board of Directors’ meetings are even more dynamic and constructive.

The Board of Directors has discussed on many occasions what is needed to create opportunities from change, to gain the support of stakeholders, and to continue to grow on a Groupwide basis. Such discussions are based on the awareness that the rapid changes seen in the external environment in recent years will also bring about changes in the types of value expected of the Group. Moving forward in my role as chairperson, I will continue to encourage and lead active discussions among the Board of Directors, which comprises members with a diverse range of knowledge and experience, while utilizing my extensive experience as an executive to 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 all stakeholders, including shareholders and investors, by doing all it can to guide the Company in a way that considers future changes in society and the business environment.



Chairperson of the Board
Mitsubishi Estate Co., Ltd.

Corporate Governance System

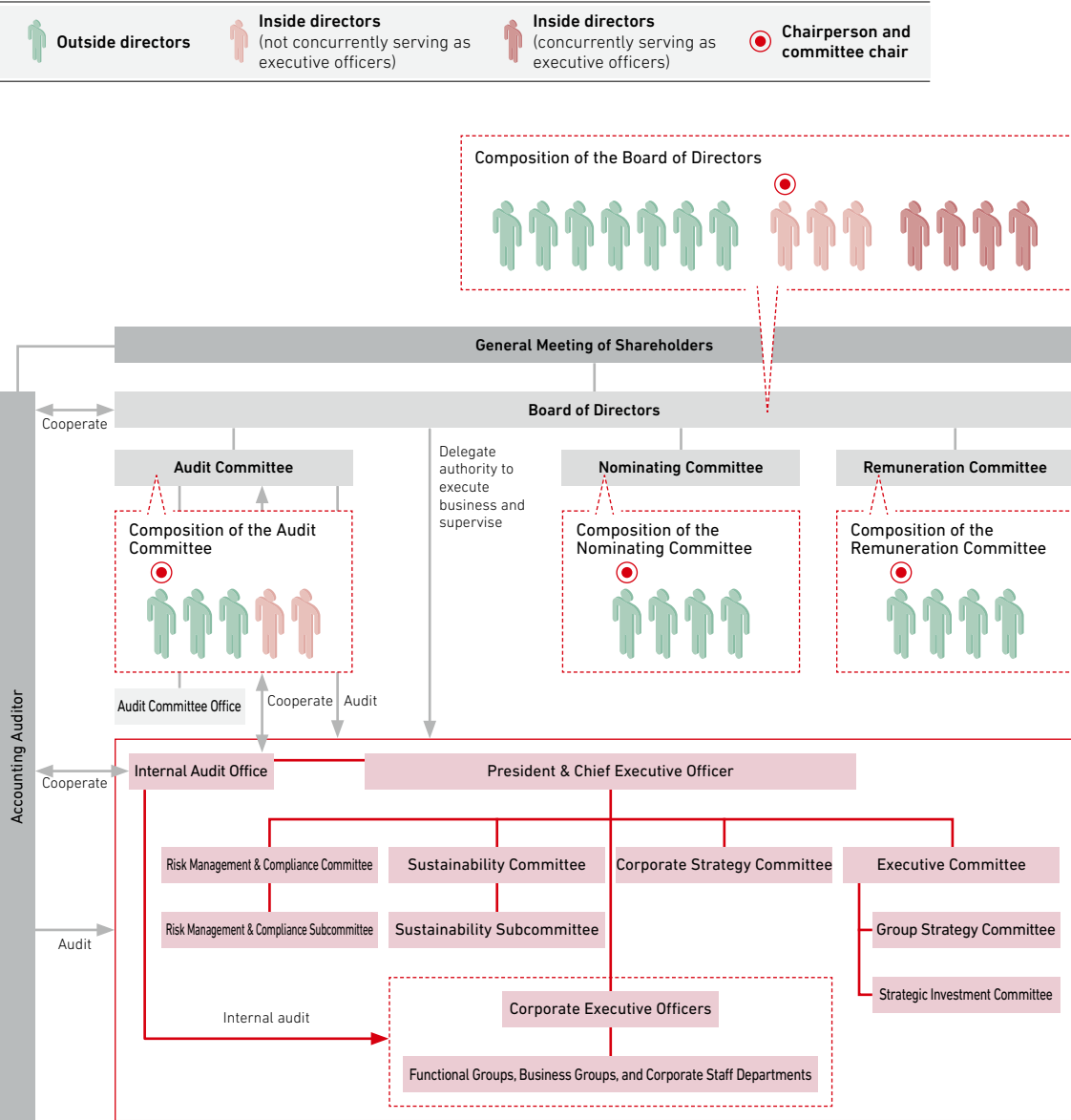
Basic Policy

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 membered 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, 2023, the Board of Directors consists of 14 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">Six meetings in FY2022Determination of candidates for serving on the Board of Directors in the next fiscal year 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 DirectorsDiscussions on the selection and appointment of the president & chief executive officer centered on the Succession Plan for the President & Chief Executive Officer	<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">Six meetings in FY2022Decision-making on individual remuneration amounts based on the remuneration system	
Membership* (As of June 29, 2023)	4 (4 outside)	5 (3 outside, 2 inside)	4 (4 outside)	
Name	Inside/outside	Nominating Committee	Audit Committee	Remuneration Committee
Tsuyoshi Okamoto	Outside	◎	—	○
Tetsuo Narukawa	Outside	—	◎	—
Masaaki Shirakawa	Outside	○	—	◎
Shin Nagase	Outside	—	○	—
Wataru Sueyoshi	Outside	—	○	—
Ayako Sonoda	Outside	○	—	○
Melanie Brock	Outside	○	—	○
Noboru Nishigai	Inside	—	○	—
Hiroshi Katayama	Inside	—	○	—

* 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.



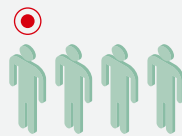




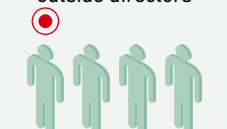





Since transitioning to a Company with Nominating Committee, etc., in 2016, the Company's basic policy has been to "develop and promote its corporate governance system to bring about greater clarity with regard to roles and the strengthening of functions in both management supervision and business execution, 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 an attempt to improve gender diversity, the Board of Directors increased the number of female directors among its membership from one to two, thereby achieving a composition with a more diverse range of backgrounds and an appropriate

balance. The Board also revised the officer remuneration system to strengthen the linkage between said system and Long-Term Management Plan 2030, thereby 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 resolved to execute share buy-backs of ¥100.0 billion in order to improve capital efficiency and enhance shareholder value. The Board also canceled treasury stock amounting to 4.83% of the total number of issued shares prior to the cancellation.

In June 2023, we reduced the number of inside directors from eight to seven, resulting in an equal number of inside and outside directors, in an attempt to further improve the transparency and effectiveness of the Board of Directors.

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

	2015	2016	2017	2018	2019	2020	2021	2022
Organizational structure and 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	<ul style="list-style-type: none">Improvement of gender diversity
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 				An outside director serves as the chairperson 		
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 system	<ul style="list-style-type: none">Adoption of a revised officer remuneration system (to improve the linkage between the officer remuneration system and the attainment of the targets of Long-Term Management Plan 2030 and to 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">Execution of share buy-backs of approximately ¥100.0 billion (introduction of flexible capital policies based on market conditions)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 buy-backs of ¥30.0 billion	<ul style="list-style-type: none">Resolution to execute share buybacks of ¥100.0 billion (buyback period: November 2022 to November 2023)Cancellation of treasury stock (equivalent to 4.83% of the total number of issued shares prior to cancellation)
<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 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, and 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	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	Junichi Yoshida	●	●	●			●	●
	Atsushi Nakajima	●	●		●	●		●
	Bunroku Naganuma	●		●		●		●
	Naoki Umeda	●			●	●		
	Mikihito Hirai	●					●	●
	Noboru Nishigai	●		●			●	●
	Hiroshi Katayama	●			●	●	●	
Outside directors	Tsuyoshi Okamoto		●			●		●
	Tetsuo Narukawa	●	●			●		
	Masaaki Shirakawa			●	●	●		
	Shin Nagase		●		●		●	
	Wataru Sueyoshi			●			●	●
	Ayako Sonoda			●			●	●
	Melanie Brock			●	●			●

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	9/9	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	6/6	
	Remuneration Committee	6/6	
Tetsuo Narukawa	Board of Directors	9/9	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	9/9	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	6/6	
	Remuneration Committee	6/6	
Shin Nagase	Board of Directors	9/9	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	9/9	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	6/6	
	Remuneration Committee	6/6	
Iwao Taka	Board of Directors	9/9	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	
Melanie Brock	Board of Directors	7/7	Melanie Brock is tasked with supervising and overseeing the management of the Company by leveraging the broad range of expertise she has cultivated through her involvement in international consulting activities in areas such as marketing, business strategy, and the promotion of diversity and by utilizing her ability to ask questions and give advice as appropriate from a global and objective perspective independent of the executive management team.
	Nominating Committee	6/6	
	Remuneration Committee	4/4	

Note: As Melanie Brock became a director on June 29, 2022, the number of meetings she was able to attend differs from that of other directors.

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

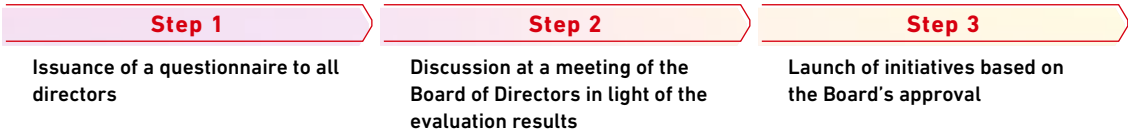
Mitsubishi Estate transitioned to a Company with Nominating Committee, etc., structure in June 2016. The Company defines the primary duties of the Board of Directors as deciding on basic management policies and important matters of business execution as well as supervising the execution of duties by 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 executive officers, in addition to ensuring that information is provided more extensively to outside directors.

In FY2020, 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 FY2022 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 function 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, diversity, and skills
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

- Expansion of monitoring function and engagement in more substantive discussions, including in relation to the evaluation of progress regarding Long-Term Management Plan 2030 and revision of the plan's strategies in accordance with changes in the management environment
- Ongoing implementation of initiatives designed to further raise the level of diversity of the Board of Directors, centered on the Nominating Committee



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 with regard to addressing Companywide issues outlined in Long-Term Management Plan 2030, including recent changes in the business environment, as well as the progress of the strategy for increasing social value. The Board also revised its officer remuneration system in FY2022 from the perspective of compensation governance and resolved to execute share buybacks as part of the Company's capital policies.
- 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, the necessary skills have been fulfilled and diversity and inclusion with regard to gender and nationality has been improved.

(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 expansion of the Board's monitoring function and other such measures must undergo constant review in order to tighten supervision of the state of execution of management strategies that respond to changes in the business environment, such as geopolitical risks and inflation.
- To promote understanding of the Company's operations among outside directors, opportunities to confirm the progress of measures implemented in response to changes in the business environment must be increased through activities such as visits to business sites, which could not be conducted during the COVID-19 pandemic.
- 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.

In FY2022, the remuneration system was revised to improve the linkage between officer remuneration and the attainment of the targets of Long-Term Management Plan 2030 and to further align officers' interests with those of shareholders following the increase in the percentage of variable remuneration.

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	359	359	—	5
Corporate executive officers	1,228	569	658	14
Outside directors	143	143	—	8

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 figures above include two inside directors and one outside director 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 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.

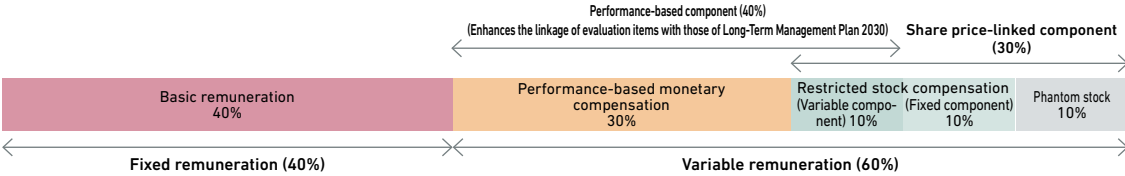
- Directors (excluding directors who concurrently serve as corporate executive officers)

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

(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 83 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 Long-Term Management Plan 2030	10	<ul style="list-style-type: none">• Level of payment determined through comparisons with targets for three businesses (domestic, international, and non-asset) stipulated in Long-Term Management Plan 2030 (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 Long-Term Management Plan 2030	50	<p>Controlling Officers and Group Executive Officers</p> <ul style="list-style-type: none">• The following four indicators used at a ratio of 20:10:10:10① 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% <p>Other Executive Officers</p> <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.

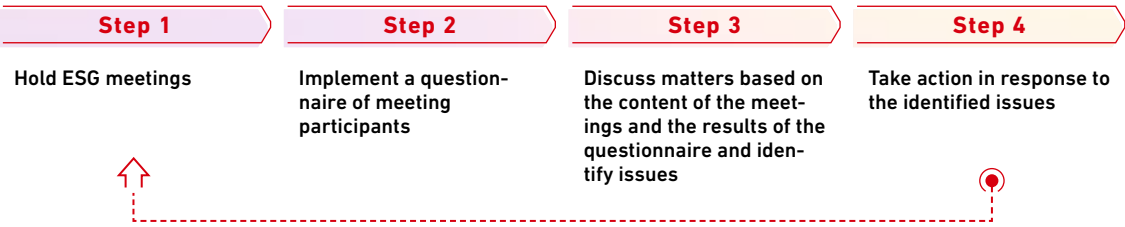
TSR rank	1st	2nd	3rd	4th	5th	6th
Vesting ratio	100%	80%	60%	40%	20%	0%

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

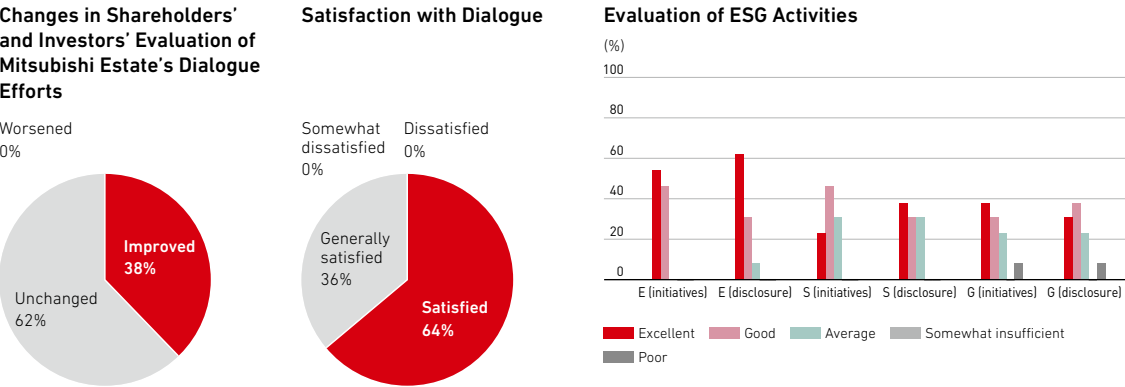
In addition to the Sustainability Management and Promotion Department, which is in charge of environmental and social matters, and the General Affairs Department, which oversees corporate governance, the Company holds ESG meetings with the attendance of the Investor Relations Office when requested. The total number of ESG meetings held by the Company in FY2021 and FY2022 is 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 30%
Overseas institutional investors	17	Approximately 16%
Total	42	Approximately 46%

* 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, 2023)

(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 of 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 100% of participants responding that they were "satisfied" or "generally satisfied" with the dialogue, approximately 40% of the companies that participated responded that the meetings helped improve their rating of Mitsubishi Estate.



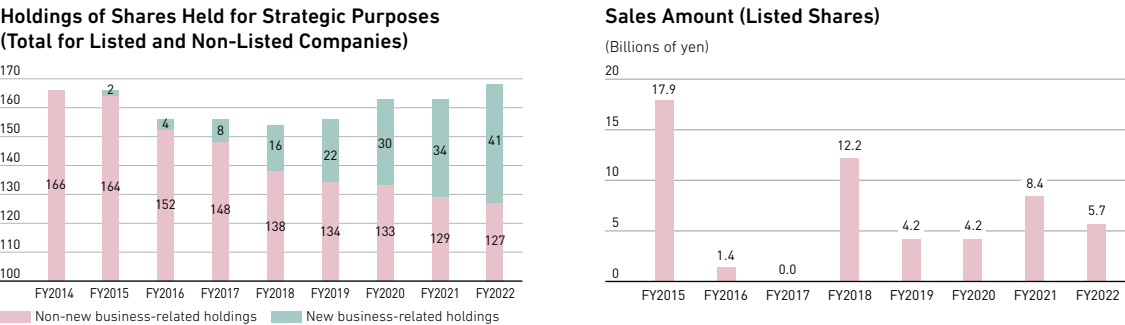
(3) Major Issues Addressed in Response to Issues Raised during Meetings

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	Given the increasing number of companies declaring net-zero carbon emissions targets for 2050, Mitsubishi Estate should also consider making such a declaration.	Declared goal of achieving net-zero carbon emissions by 2050 in accordance with the standards of the Science Based Targets (SBT) initiative
	Can Mitsubishi Estate bring forward the schedule for achieving its goal in relation to RE100?	Brought forward significantly the schedule for achieving the Company's goal in relation to RE100 from 2050 to 2025
S	The low level of the target for increasing the percentage of female managers is a matter of concern.	Upwardly revised the targets for the percentage of female managers from 10% by 2030 to over 20% by FY2030, 30% by FY2040, and 40% by FY2050
	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.	With the ultimate goal of maintaining a childcare leave of absence rate of at least 100% among relevant male employees by FY2030, strengthened calls to such employees and achieved goal in FY2022 (110.6%)
	An oversight function is necessary for the entire supply chain, including second- and third-tier suppliers.	Established the Mitsubishi Estate Group Supplier Code of Conduct and carried out a survey via questionnaire of second- and third-tier suppliers. Currently looking at ways of implementing the survey that will enable a deeper understanding of the supply chain in the future
G	The number of female directors must be increased to diversify the composition of the Board of Directors.	Increased the number of female directors
	The Company must disclose a skills matrix and a process for selecting directors based on such a skills matrix.	Disclosed a skills matrix and revised appointment standards for director candidates
	A third-party evaluation of the Board of Directors is recommended.	Introduced a third-party evaluation component to the effectiveness evaluation of the Board of Directors, with the Board confirming a policy to implement the third-party evaluation once every several years
	The Company should consider more detailed disclosure of milestones for overall remuneration, KPIs for single-year, performance-based compensation, and other systems.	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
	As the alignment of long-term interests between officers and shareholders is weak, the Company should consider raising the percentage of share-based remuneration.	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 FY2015. 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.



Please refer to our Corporate Governance Report for more information on our corporate governance system. <https://www.mec.co.jp/assets/img/governance/corpo230707e.pdf>

Directors

(As of June 29, 2023)



Junichi Yoshida
Chairperson of the Board
2016
108,437 shares



Atsushi Nakajima
Director
2022
41,304 shares



Bunroku Naganuma
Director
2023
40,417 shares



Naoki Umeda
Director
2022
24,710 shares



Mikihiro Hirai
Director
2023
8,319 shares



Noboru Nishigai
Director
2021
29,801 shares



Hiroshi Katayama
Director
2016
38,370 shares



Tsuyoshi Okamoto
Outside Director
2019
2,100 shares



Tetsuo Narukawa
Outside Director
2018
2,600 shares



Masaaki Shirakawa
Outside Director
2016
– shares



Shin Nagase
Outside Director
2016
500 shares



Wataru Sueyoshi
Outside Director
2023
– shares



Ayako Sonoda
Outside Director
2022
– shares



Melanie Brock
Outside Director
2022
400 shares

Name
Position
Appointment year
Number of shares held
(As reported in the Notice of
Convocation of the 124th
Ordinary General Meeting of
Shareholders)

Corporate Executive Officers, Executive Officers, and Group Executive Officers

(As of April 1, 2023)



Atsushi Nakajima
Representative Corporate
Executive Officer,
President & Chief
Executive Officer



Futoshi Chiba
Representative Corporate
Executive Officer,
Deputy President



Kenji Hosokane
Representative Corporate
Executive Officer,
Deputy President



Yuji Fujioka
Representative Corporate
Executive Officer,
Executive Vice President



Bunroku Naganuma
Representative Corporate
Executive Officer,
Executive Vice President



Yutaro Yotsuzuka
Representative Corporate
Executive Officer,
Executive Vice President



Keiji Takano
Senior Executive Officer



Toru Kimura
Senior Executive Officer



Ikuo Ono
Senior Executive Officer



Naoki Umeda
Senior Executive Officer



Ryoza Kawabata
Senior Executive Officer



Haruhiko Araki
Senior Executive Officer



Masato Aikawa
Senior Executive Officer



Hirofumi Kato
Senior Executive Officer



Hitoshi Kubo
Group Executive Officer*
* Appointed on June 29, 2023



Masaki Yamagishi
Group Executive Officer



Masaharu Miyajima
Group Executive Officer

Corporate Executive
Officer

Mikihiro Hirai*
* Appointed on June 29, 2023

Executive Officers

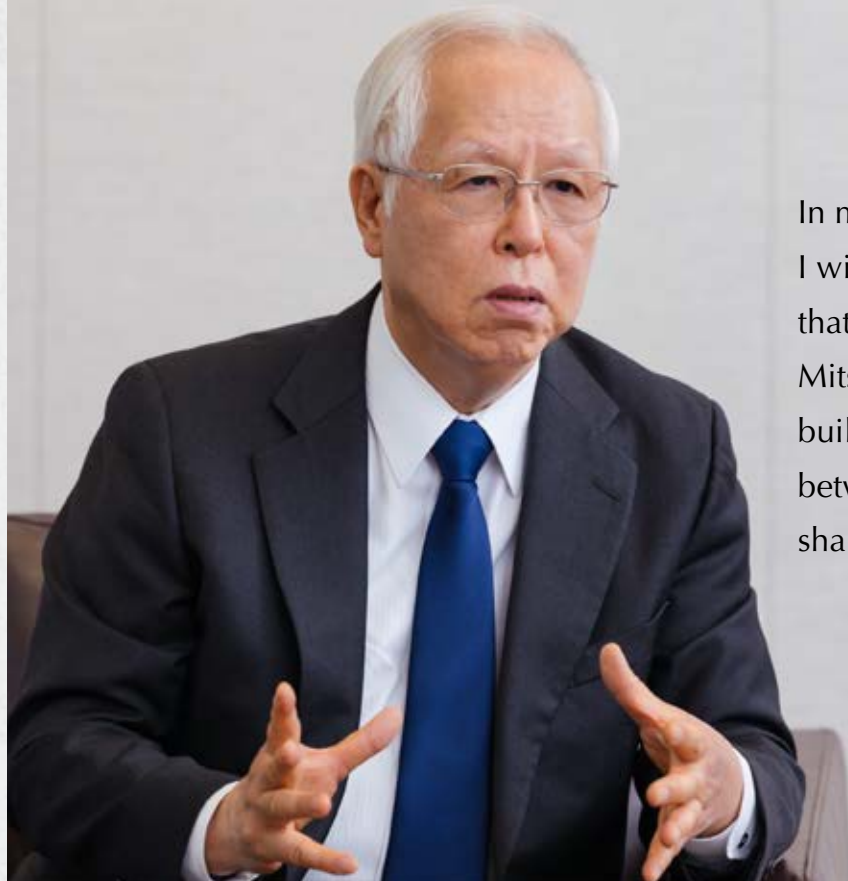
Takashi Kobari
Toshiyuki Inoue
Seijin Chino
Shuichi Shimizu

Masanori Iwase
Toru Takeda
Masahiro Murai
Satoshi Iwata
Junji Inagawa
Kiyoshi Ota

Group Executive
Officers

Masaki Yamagishi
Masaharu Miyajima
Tetsuya Okusa
Atsuhiko Oida
Tomohiro Okada
Koji Kurebayashi
Hitoshi Kubo

Message from an Outside Director



In my role as an outside director, I will provide support for initiatives that contribute to the improvement of Mitsubishi Estate's corporate value to build co-creative relationships between the Company and its shareholders and investors.

Tetsuo Narukawa

Outside Director
Chairperson of the Audit Committee

wide-ranging expertise and experience, in order to confirm various matters, such as by verifying facts and properly determining the scale of the impact of a given matter, rather than making decisions based on presumptions. The help provided by the two full-time members of the Audit Committee for advance preparations is essential for allowing me to make such decisions. Communicating with those tasked with business execution, management divisions, and frontline sales employees in advance, the full-time members of the Audit Committee collect and provide information on the Group as a whole as well as on specific issues and the progress of matters. Their reports and opinions, which are highly detailed, candid, and fair, enable appropriate decision-making. Accordingly, with its highly sophisticated functions, I can confirm that the effectiveness of the Audit Committee's structure is most satisfactory.

► Communicating the Progress of Strategies Using Easily Understandable Indicators to Shareholders and Investors

The formulation of Long-Term Management Plan 2030 has been the single-most epoch-making event at the Mitsubishi Estate Group since I became an outside director. The strength that is the Group's long-term perspective on urban development and forward-looking DNA enabled the plan's formulation, which can be said to address demands for a long-term perspective from the market and from shareholders and investors. Discussions at meetings of the Board of Directors have focused on how the plan is progressing, the impact of changes in the operating environment on the plan, the need to make revisions, and large-scale projects in preparation for the future. In addition, given the significant changes in the Company's operating environment triggered by the COVID-19 pandemic and the Russia-Ukraine situation, I believe that it is vital to swiftly address various governance issues, such as ensuring that the Board of Directors performs its functions, maintaining diversity among the Company's key human resources, and tackling sustainability issues. Mitsubishi Estate must offer easily understandable explanations on how results are reflected in remuneration, particularly with regard to remuneration systems developed according to a pay-for-performance approach,* which is of particular interest to overseas shareholders and investors. For example, I am of the opinion that monitoring using total shareholder return (TSR), which the Company has adopted for a portion of executive remuneration, would be useful as a performance indicator. Since the rate is a management indicator that includes share price as well as performance, it has attracted increasing attention as a shareholder value indicator in Japan, and I believe that it will become an important indicator when determining the remuneration of directors.

I recognize that the sustainability initiatives in the strategies established by the Company for increasing social value in Long-Term Management Plan 2030 are producing excellent results, including those pertaining to the environment. However, I feel that the Company must better emphasize the merits of such results to its shareholders and investors. Continuously emphasizing the merits of specific key performance indicators formulated to be clear and easily understandable and of recognition from external entities will be crucial. Constructive engagement is essential for maintaining productive relationships over the long term with shareholders and investors and building co-creative relationships. At the same time, communicating information on targets that make sense to shareholders and investors is essential with regard to the results of environmental, social, and governance initiatives.

* A method and pay structure determining remuneration according to the level of achievement of results

► Drawing on My Experience in the Real Estate Development Industry to Improve Mitsubishi Estate's Corporate Value

I have more than a decade's worth of experience working in the real estate development industry, prior to which I lived in Germany for over 15 years, during which I was involved in the development of office buildings, among other activities. Urban development in Germany adopts a unified and highly sustainable approach, focusing strongly on giving the utmost priority to people's lifestyles, with both offices and housing developed in full consideration of the environment. Such urban development is advanced under a structure in which the national government decides policy and regional public bodies—which are tasked with development—determine a master plan, based on which real estate companies build offices, housing, and other amenities. In Japan's case, on the other hand, the authorities determine only the regulations, within the parameters of which real estate companies undertake urban development. Accordingly, the sense of responsibility toward urban development is completely different for Japanese real estate companies. Ensuring that overseas shareholders and investors understand such special characteristics of the Company's business model is crucial.

I believe that I can contribute to Mitsubishi Estate by providing support for its initiatives, drawing on my career in real estate. Anticipating various changes and advancing initiatives ahead of such changes is important. I therefore aim to contribute in some small way to the Company's future growth by engaging deeply in the reform of its corporate governance, which serves as the foundation for such initiatives. To achieve this goal, I intend to share my experience by proactively communicating with not only members of the Board of Directors and other management personnel but also younger employees who will forge Mitsubishi Estate's future.

► Japan's Governance Reform and Mitsubishi Estate's Governance Evolution

The revision of the Companies Act in 2014 and the introduction of the Corporate Governance Code in 2015 significantly advanced corporate governance reform in Japan. I became an outside director of Mitsubishi Estate in 2018, so I have witnessed the development and strengthening of its governance in step with governance reform in Japan. The Company's wide-ranging governance reform has included its transition to a Company with Nominating Committee, etc., structure, promotion of the diversity of the Board of Directors, revision of the officer remuneration system to improve its linkage with Long-Term Management Plan 2030, and disclosure of a skills matrix for the Board of Directors. Particularly from my perspective as someone who has been involved with corporate management, I believe that reducing the number of inside directors by one to bring the number of both inside and outside directors to seven in June 2023 was a major step and an important decision.

While corporate governance reform in Japan is still in progress, I believe that best practices of globally accepted management structures must become more widespread if Japanese companies are to enhance their presence in global society and create new value. On this point, however, I am optimistic because I am convinced that such management structures will spread quickly once Japanese companies begin adopting them, in the same way that the governance systems of Japanese companies evolved rapidly to their present state following the revision of the Companies Act in 2014 and the introduction of the Corporate Governance Code in 2015. Since the recognition of companies as social entities that take the lead in creating value and addressing social issues from a long-term perspective is deeply rooted in Japan's history, it could be said that the country has an environment that is conducive to the spread of systems for creating value.

► How the Audit Committee's Structure Enables It to Fulfill Its Extensive Duties

Being responsible for overseeing various risks and issues, the scope of the duties covered by the Audit Committee is extensive. For this reason, one of my roles as chairperson of the committee is to set an order of priority for its duties to ensure that it focuses on discussing the most important and urgent issues first. For certain agenda items, I try to present my opinion at subsequent committee meetings after collecting and examining relevant information outside of the committee's usual meeting times. I also strive to present the final opinion of the Audit Committee to the Board of Directors on reports of risks and issues after listening to the opinions of committee members, who possess

Roundtable Discussion among Members of the Nominating Committee



Setsuko Egami
Outside Director, Member of the Nominating Committee

Masaaki Shirakawa
Outside Director, Member of the Nominating Committee

Tsuyoshi Okamoto
Outside Director, Chairperson of the Nominating Committee

Melanie Brock
Outside Director, Member of the Nominating Committee

In April 2023, Atsushi Nakajima became the new president & chief executive officer (CEO) of Mitsubishi Estate. The appointment marks the first change of president since Mitsubishi Estate transitioned to a Company with Nominating Committee, etc., structure in 2016 and since the Nominating Committee became membered solely by outside directors in 2019. In this roundtable discussion, members of the Nominating Committee talked about the role of the committee, including their response to this year's change of president, and the effectiveness of the Board of Directors (participants were committee members at the time of the roundtable discussion.).

The Role of the Nominating Committee

Okamoto In 2016, Mitsubishi Estate transitioned to a Company with Nominating Committee, etc., structure. The committee then became membered solely by outside directors in 2019. Thereafter, in addition to formulating and disclosing a skills matrix for the Board of Directors and raising the percentage of female directors, the Company reduced the number of directors from 15 to 14 in 2023, thereby ensuring that its seven outside directors represent half of the total number of directors. Furthermore, beyond to nominating director candidates, the Nominating Committee takes part in the Succession Plan for the President & Chief Executive Officer. As committee members, how do you view the role of the Nominating Committee?

Egami The transition to a Company with Nominating Committee, etc., structure in 2016 was a major turning point. Amid significant changes in the operating environment, the transition enabled continuous full-fledged discussions on the



kind of president that the Company should appoint and what should be expected of the Nominating Committee in order to facilitate that appointment. The appointment steps taken by the Nominating Committee over the past three years in particular deserve high praise.

Shirakawa Although the Company unveiled the Board of Directors' skills matrix in December 2021, it had previously endeavored to appoint human resources with the skills required for the operations of the Board of Directors using its appointment standards for director candidates. I regard the skills matrix as a fresh visualization of these standards.

Melanie While a skills matrix is still a novel concept in Japan, I think that it will become increasingly important for promoting understanding among stakeholders. I also feel that the current composition of the Board of Directors is suited to Mitsubishi Estate's businesses.

Okamoto The Nominating Committee, which is membered solely by outside directors, has earned high praise from stakeholders for its transparency and oversight functions. That being said, I appreciate that concerns remain over whether it is fully utilizing its effectiveness in



making appointments. However, it is precisely because the committee is composed solely of outside directors that it is conscious of proactively making connections within the Company, including through opportunities for directly receiving explanations from the executive side and visits to the front lines. Such opportunities are also created systematically for the committee. By consistently pursuing such opportunities, the committee has established a system for its members to gain a full understanding of candidates, including their characters.

Shirakawa As a member of the Nominating Committee, I took part in the process for appointing the new president with a renewed sense of the heavy responsibility of being involved in such an appointment. The fact that the final decision lay with the Nominating Committee, in order to avoid various forms of bias that can occur in organizations, created a positive pressure for the members and facilitated an appropriate process. In selecting the new president, the committee's assessments of candidates were in alignment with those of the executive side, and I felt that their conclusions were extremely fair.

Melanie Although the process for appointing the new president proceeded amid considerable tension, the committee members were able to concentrate on the process with great peace of mind and navigate this heavy responsibility thanks to the efforts of Chairperson Okamoto in leading the committee. I am proud not only that the committee could ultimately appoint an outstanding individual but also that it has in place such a robust appointment process.

Egami The widespread recognition on the executive side of the need for an individual capable of making management decisions, taking into consideration changes in the operating environment, the attitudes and values of stakeholders, and qualitative and quantitative assessments, led to considerable convergence within the committee on the appointment process.

Okamoto Naturally, much is expected of President & CEO Atsushi Nakajima, who was appointed through this process. While I am fully aware of the organizational leadership capabilities that have enabled him to achieve results exceeding expectations throughout his career, I hope that he will manage Mitsubishi Estate in a way that allows it to achieve further growth going forward by combining a long-term vision and a near-term strategy to realize that vision.

Points for Improving the Effectiveness of the Board of Directors

Shirakawa Mitsubishi Estate's Board of Directors comprises members with truly diverse backgrounds. I learn

something new at every Board meeting from their contributions, which are informed by their respective areas of expertise, and I believe that inside directors feel the same way. With this in mind, when I contribute to discussions I strive to think carefully about what I want to communicate while remaining conscious of my comparative advantage and considering how I can be of service at meetings.

Egami In my view, it is the role of the Board of Directors to create various changes by interacting with individuals inside and outside the Company. Rather than depending solely on figures, strategies, executive approaches, market environment analyses, and other information supplied to the Board of Directors, I believe that it is crucial for outside directors to visit the front lines to gain perspectives that are not reflected in such information. Given that the Company's business activities entail many large-scale projects extending over long periods of time, their essence cannot possibly be conveyed on a piece of paper. Ensuring that outside directors are well informed through information from the Company and visits to the front lines facilitates the creation of fresh perspectives when they interact with employees, which in turn leads to fulfilling, enriched, and effective Board meetings.

Melanie With major upheaval in the operating environment expected to continue, the skills required of members of the Board of Directors will change as the strategies that Mitsubishi Estate must adopt evolve in accordance with such upheaval. Amid these circumstances, efforts to maintain the effectiveness of the Board of Directors are vital. These will entail revising the skills required of directors on an ongoing basis and continuously examining the composition of the Board of Directors, in terms of size, diversity, and other aspects, to ensure and improve its effectiveness.

Okamoto I think that specific decision-making in relation to business execution should be entrusted to the executive side to the greatest extent possible, while the role of outside directors, who ensure independence on behalf of shareholders, should be to offer assessments from an external perspective on major plans and courses of action put forward by the executive side. I believe that this division of roles is the appropriate way for the Board of Directors to function. Assuming, for example, the existence of a framework for thinking that directors feel conflicted about going beyond when engaging in discussions at Mitsubishi Estate, I believe that outside directors must provide the stimulus that allows discussions to transcend such a framework. I aim to concentrate efforts on ensuring that outside directors continue offering new insight to the executive side to fulfill our mission.

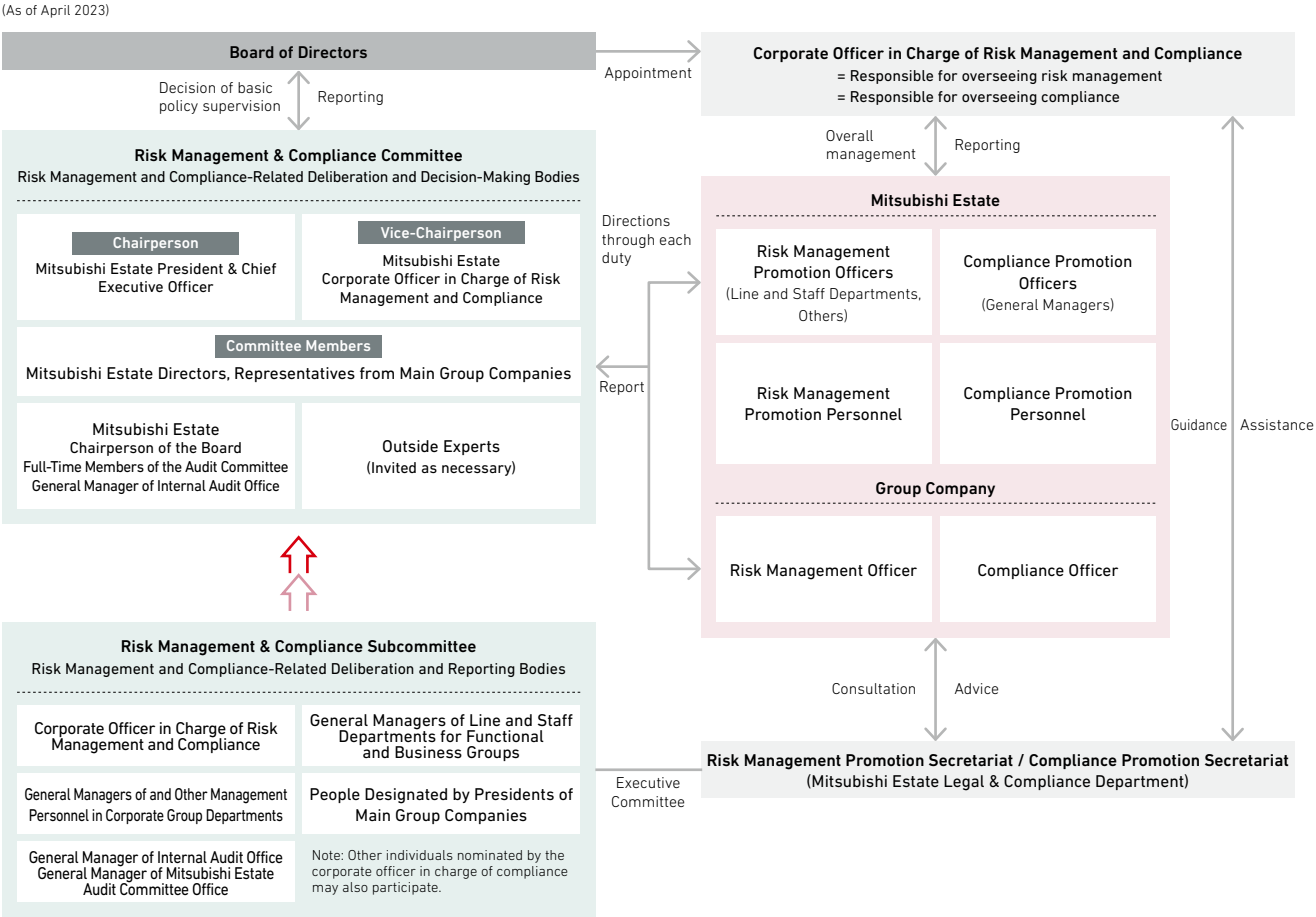


Risk Management

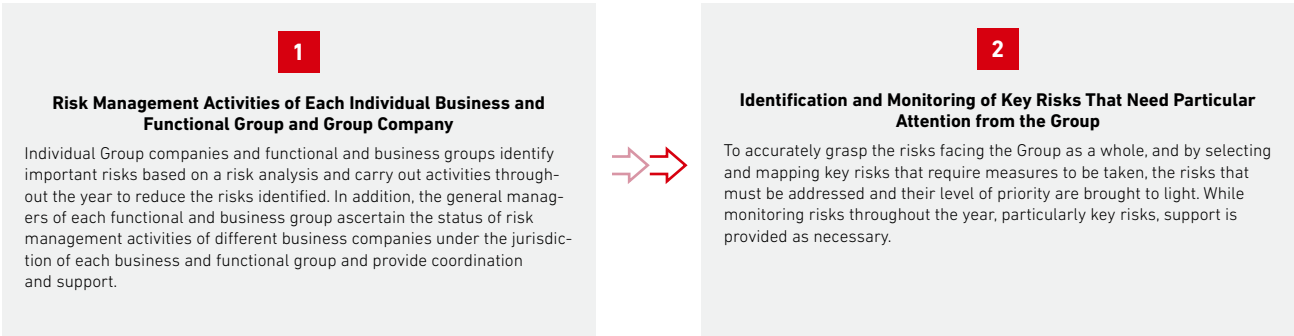
The Mitsubishi Estate Group has established the Mitsubishi Estate Group Risk Management Rules and has set up a risk management system to manage risks in all of its business activities. Mitsubishi Estate has also established the Risk Management & Compliance Committee to oversee the Group's risk management 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 and compliance 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 plans for use in times of crisis.

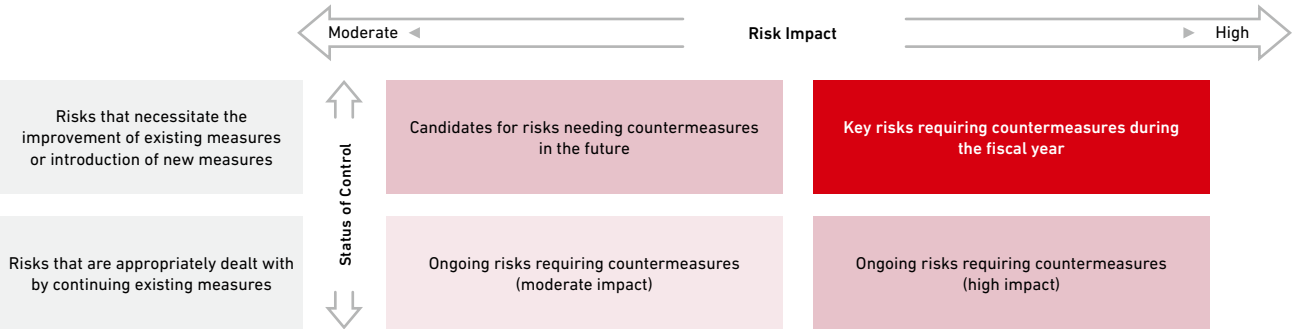
Risk Management and Compliance System



Risk Management Activities



Risk Map



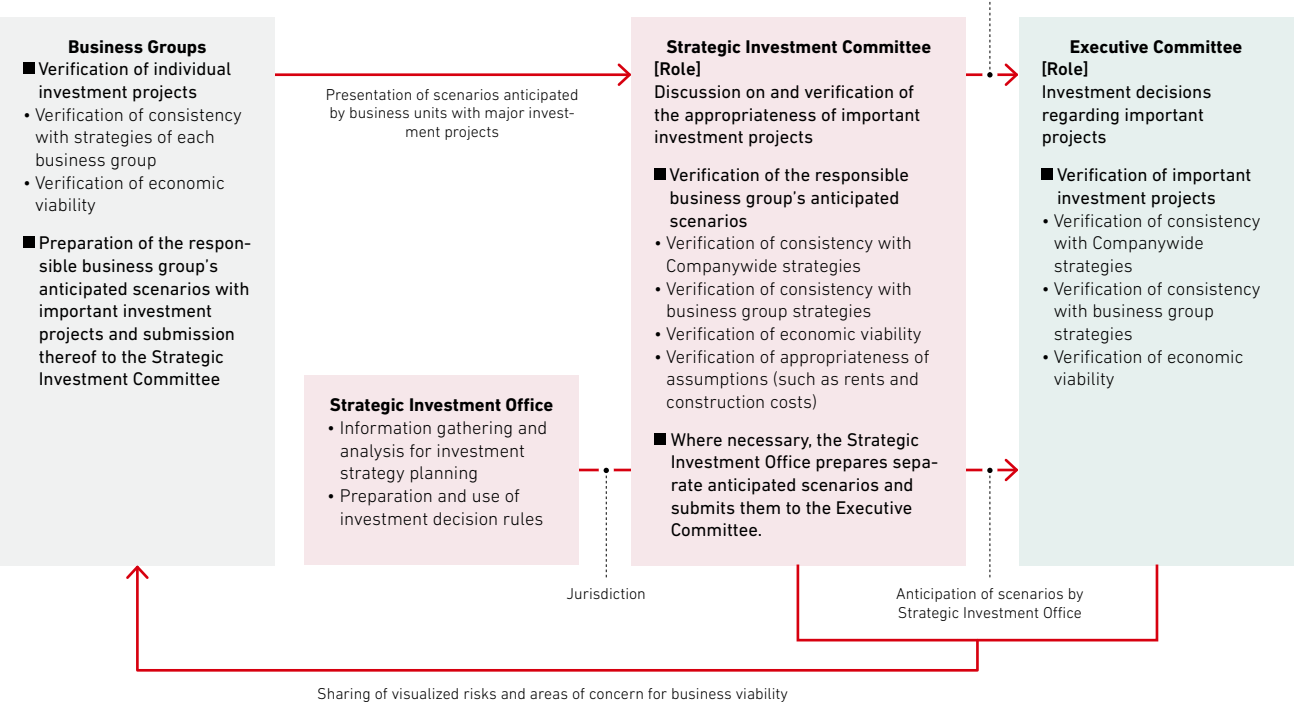
Risk Management Related to Investment Projects

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.	Amid growing social interest in the way companies respond in the event of pandemics and natural disasters, such as typhoons, 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.	At facilities that it owns or operates, the Mitsubishi Estate Group prepares business continuity plans for use in the event of a natural or man-made disaster. In addition, redevelopment projects promoted by the Group put in place advanced disaster-management functions and adopt disaster countermeasures through area management.
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.	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.
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.	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.
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.	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.
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.	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.
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.	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

Status of Shareholdings

Stocks held for purposes other than pure investment, the number of shares, and their total value as of March 31, 2023, recorded on the balance sheet are as follows.

	Number of shares	Total amount booked on balance sheet (¥ million)
Unlisted Shares	106	9,328
Shares Other Than Unlisted Shares	62	253,626

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)
Mitsubishi Corporation	13,088,457	62,183
Mitsubishi UFJ Financial Group, Inc.	27,730,542	23,512
Japan Airport Terminal Co., Ltd.	3,111,400	20,535
HEIWA REAL ESTATE CO., LTD.	4,274,100	16,177
AGC Inc.	3,220,906	15,862
Mitsubishi Heavy Industries, Ltd.	2,346,997	11,443
Mitsubishi Logistics Corporation	3,665,554	11,399
Taisei Corporation	2,426,690	9,937
Mitsubishi Electric Corporation	5,577,294	8,803
Shin-Etsu Chemical Co., Ltd.	1,541,060	6,588
East Japan Railway Company	857,300	6,288
Central Japan Railway Company	367,900	5,816
TOYOTA MOTOR CORPORATION	2,992,310	5,625
NIKON CORPORATION	3,510,000	4,756
TOHO CO., LTD.	794,100	4,026
Kirin Holdings Company, Limited	1,675,538	3,511
Mitsubishi HC Capital Inc.	3,760,000	2,571
Obayashi Corporation	2,404,961	2,436
Mitsubishi Research Institute, Inc.	447,500	2,282
PIA Corporation	680,200	2,183
Mitsubishi Chemical Group Corporation*1	2,723,000	2,139
SHIMIZU CORPORATION	2,738,650	2,053
THE HACHIJUNI BANK, LTD.	3,441,500	1,978
Mitsubishi Materials Corporation	913,100	1,969
Seino Holdings Co., Ltd.	1,275,900	1,862
Fukuoka Financial Group, Inc.	621,600	1,584
Chiba Bank, Ltd.	1,852,000	1,583
Odakyu Electric Railway Co., Ltd.	901,000	1,549
Nissui Corporation*2	2,789,900	1,514

T&D Holdings, Inc.	660,500	1,083
Mitsubishi Gas Chemical Company, Inc.	431,405	846
Shizuoka Financial Group, Inc.*3	886,750	843
Nippon Yusen Kabushiki Kaisha	258,363	798
Mebuki Financial Group, Inc.	2,340,000	758
TOKAI CARBON CO., LTD.	588,250	741
KUBOTA Corporation	359,000	717
NIPPON EXPRESS HOLDINGS, INC.	89,483	713
SHINAGAWA REFRACTORIES CO., LTD.	138,150	631
Matsuya Co., Ltd.	545,300	601
NOHMI BOSAI LTD.	345,000	583
THE HYAKUGO BANK, LTD.	1,509,000	559
Tokyo Kaikan Co., Ltd.	131,140	445
P.S. Mitsubishi Construction Co., Ltd.	496,000	324
RENAISSANCE INCORPORATED	307,100	284
Kodensha Co., Ltd.	58,500	255
GS Yuasa Corporation	73,670	175
The 77 Bank, Ltd.	70,687	152
Mitsubishi Kakoki Kaisha, Ltd.	66,586	148
Kyushu Financial Group, Inc.	256,410	122
NANTO BANK, LTD.	50,440	117
HOTEL NEWGRAND CO., LTD.	24,200	94
Nikki Co., Ltd.	49,300	92
ELEMENTS, Inc.	75,000	85
gooddays Holdings, Inc.	57,000	67
Mitsubishi Steel Mfg. Co., Ltd.	56,272	65
Concordia Financial Group, Ltd.	120,000	58

Deemed Holdings of Equity Shares

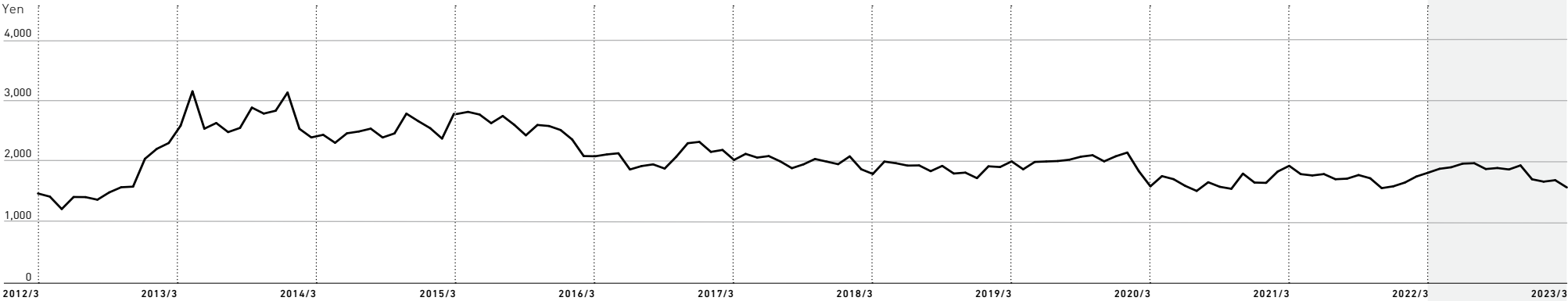
Company	Number of shares	Amount booked on balance sheet (¥ million)
Tokio Marine Holdings, Inc.	20,788,500	52,948
Mitsubishi Electric Corporation	10,656,000	16,820
Mitsubishi UFJ Financial Group, Inc.	4,306,400	3,651
MITSUBISHI MOTORS CORPORATION	700,000	365

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.
*1 Mitsubishi Chemical Holdings Corporation changed its name to Mitsubishi Chemical Group Corporation on July 1, 2022.
*2 Nippon Suisan Kaisha, Ltd., changed its name to Nissui Corporation on December 1, 2022.
*3 The Shizuoka Bank, Ltd., established Shizuoka Financial Group, Inc., as a wholly owned parent company through a share transfer on October 3, 2022. As a result of the share transfer, one share of common stock of Shizuoka Financial Group was allotted for each share of common stock of The Shizuoka Bank.

 Please refer to the Company's website for information on the purpose of holding shares and on business alliances.
<https://www.mec.co.jp/en/ir/governance/others/>

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	¥ 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	¥1,377,827
Operating profit	118,349	161,271	156,332	166,199	192,495	213,047	229,178	240,768	224,394	278,977	296,702
Ordinary profit	92,381	139,638	133,113	144,851	169,851	190,506	206,587	219,572	210,965	253,710	271,819
Profit attributable to owners of parent	45,507	64,297	73,338	83,426	102,681	120,443	134,608	148,451	135,655	155,171	165,343
Financial Position (Millions of yen)											
Total assets	¥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	¥6,871,959
Total equity*1	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	2,157,561
Interest-bearing debt	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	2,871,677
Cash Flows (Millions of yen)											
Cash flows from operating activities	¥ 122,286	¥ 336,489	¥ 200,078	¥ 135,821	¥ 168,527	¥ 293,338	¥ 345,954	¥ 341,766	¥ 207,414	¥ 280,090	¥ 269,914
Of which, depreciation and amortization	73,364	74,805	72,696	74,245	75,974	77,545	80,336	84,941	89,107	91,581	93,459
Cash flows from investing activities	(217,992)	(133,537)	(46,568)	(231,003)	(327,292)	(286,841)	(271,083)	(277,440)	(297,303)	(313,778)	(312,046)
Of which, capital expenditures	(208,135)	(159,677)	(177,331)	(275,316)	(275,372)	(289,570)	(285,089)	(331,857)	(319,841)	(329,115)	(286,523)
Cash flows from financing activities	27,150	(177,514)	(189,109)	309,237	(4,921)	37,203	(192,473)	(28,886)	50,425	90,973	30,457
Cash and cash equivalents at the end of year	191,837	224,739	198,489	412,392	243,341	286,859	179,308	213,008	172,307	234,244	225,772
Per-Share Amounts (Yen)											
Earnings	¥ 32.79	¥ 46.34	¥ 52.85	¥ 60.13	¥ 74.00	¥ 86.78	¥ 96.97	¥ 108.64	¥ 101.34	¥ 116.45	¥ 125.54
Cash dividends	12	12	14	16	20	26	30	33	31	36	38
Principal Financial Indicators											
Business profit*2 (Millions of yen)								¥ 240,998	¥ 224,701	¥ 279,310	¥ 296,962
EBITDA*3 (Millions of yen)	¥ 200,587	¥ 246,332	¥ 239,934	¥ 252,034	¥ 279,718	¥ 302,424	¥ 320,641	336,784	331,821	381,434	402,221
ROA*4	2.6%	3.4%	3.2%	3.3%	3.6%	3.8%	4.0%	4.1%	3.8%	4.4%	4.4%
Interest coverage ratio*5 (ICR) (Times)	5.0	7.5	7.7	8.5	8.7	9.5	10.1	11.3	11.2	13.9	12.2
ROE	3.6%	5.0%	5.2%	5.6%	6.6%	7.3%	7.8%	8.5%	7.6%	8.1%	7.9%
Payout ratio	36.6%	25.9%	26.5%	26.6%	27.0%	30.0%	30.9%	30.4%	30.6%	30.9%	30.3%
Stock Information											
Stock price*6 (Yen)	¥ 2,596	¥ 2,446	¥ 2,787	¥ 2,090.5	¥ 2,030	¥ 1,798.5	¥ 2,005.5	¥ 1,595	¥ 1,932.5	¥ 1,819	¥ 1,576.5
Number of shares issued and outstanding (Thousands of shares)	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	1,324,288
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.
*4 ROA was calculated as operating profit ÷ total assets (average of the amount at the beginning and end of the fiscal period) until FY2018. However, since FY2019 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

To see the consolidated financial statements in full, please refer to the Company's website.
<https://www.mec.co.jp/en/ir/library/>

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 FY2019 • Reduce the total of Scope 1 and Scope 2 emissions by at least 70% and Scope 3 emissions by at least 50% by FY2030 • Achieve net-zero emissions for Scope 1, Scope 2, and Scope 3 by 2050 (Certified by the Science Based Targets (SBT) initiative in June 2022)	2,534,820 t-CO ₂	CO ₂ and Other GHG Emissions: 2,099 thousand t-CO ₂ Ratio of renewable electricity: 51% • Introduced electricity from renewable energy sources at all Company-owned office buildings and retail facilities (50 such buildings and facilities) in the Tokyo metropolitan area and in the city of Yokohama, as well as at Company-owned office buildings and retail facilities in Sendai and Hiroshima	Aim to achieve FY2025 target by accelerating the introduction of renewable electricity at office buildings and retail facilities in locations other than those described on the left	Mitsubishi Estate Group ^{*1}	
		Percentage of power from renewable energy sources	• 100% by FY2025 (Joined RE100 in January 2020)	31%				
	Waste	Waste disposal amount per m ²	20% reduction by 2030, compared with FY2019	5.1 kg/m ²	Waste disposal amount per m ² : 5.6 kg/m ² Waste recycling rate: 59% • Weighed each retail tenant's volume of garbage and promoted awareness among tenants of the importance of reducing and separating their garbage • Continuously improved garbage separation at the Mitsubishi Estate Head Office and strengthened calls for tenants to also improve garbage separation	• Improve each retail facility tenant's awareness of weighing, reducing, and separating garbage • Continuously improve garbage separation at the Mitsubishi Estate Head Office and strengthen calls for tenants to also improve garbage separation	Mitsubishi Estate Group ^{*1}	
		Waste recycling rate	90% by 2030	58%	• Implemented Circular City Marunouchi, a resource-recycling initiative 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. Second phase: Promoted Bottle to Bottle, an activity for recycling plastic bottles Third phase: Reused cooking oil used at restaurants, etc., as sustainable aviation fuel and biodiesel fuel	• Take part in verification tests aimed at building a resource-recycling model for plastics disposed of at offices		
Diversity & Inclusion		Percentage of female managers	Over 20% by FY2030, 30% by FY2040, and 40% by FY2050	6.6% (as of April 1, 2021)	7.2% (as of April 1, 2022) • Strengthened recruitment of women among mid-career and new-graduate hires • Endeavored to create an environment that allows women to continue working • Implemented a survey to promote gender diversity	In addition to continuing to pursue the initiatives described on the left, plan to analyze the results of an internal survey promoting gender diversity and examine possible measures for achieving that goal	Mitsubishi Estate Co., Ltd.	
		Percentage of female employees among new-graduate hires	40% every fiscal year	38.3%	35.7% (as of April 1, 2022) Implemented the following initiatives to raise the percentage of women among new graduates at the application stage: • Held roundtable discussions with women • Organized 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	24.4%	36.5% Implemented the following initiatives to raise the percentage of women among mid-career hires at the application stage: • Arranged for female employees to speak at presentations on Mitsubishi Estate • Featured interviews with female employees in the recruitment section of the Company's website	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 male employees taking childcare leave of absence ^{*1}	Maintain at 100% or higher every year through FY2030	75.5%	110.6% • Disclosed the percentage of male employees taking childcare leave • Encouraged 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 continuing the initiatives described on the left, plan to implement the following initiatives • 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.	
		Rate of female employees taking childcare leave of absence	100% every year through FY2030	98.7%	100% • Provided a handbook offering support regarding pregnancy, childbirth, and reinstatement to work • Carried out consultation sessions • Held platforms (such as roundtable discussions and lectures) offering information helpful to achieving a work-life balance and developing a career • Carried out interviews for employees with their department and with the Human Resources Department when they are reinstated to work following childcare leave	• Hold events and execute other activities to enable women to create networks and navigate life events through a working group for promoting the active participation of women in the workplace • Continue to pursue the initiatives described on the left	Five Mitsubishi Estate Group companies ^{*4}	
		Rate of reinstatement to work after childcare / maternity leave	100% every year through FY2030	100%	100% • Held platforms (such as roundtable discussions and lectures) offering information helpful to achieving a work-life balance and developing a career • Carried out interviews for employees with their department and with the Human Resources Department when they are reinstated to work following childcare or maternity leave	Continue to pursue the initiatives described on the left	Five Mitsubishi Estate Group companies ^{*4}	
		Rate of use of wood equivalent to that in the Sustainable Sourcing Code ^{**} (Certified Wood and Domestically Produced Wood)	100% by FY2030	—	• Confirmed the level of compliance in every Mitsubishi Estate project • Mitsubishi Estate Residence Co., Ltd., established a scheme to develop properties by obtaining Forest Stewardship Council (FSC) project certification.	• Continue to check and implement the operation described on the left	Mitsubishi Estate Group	
	Human Rights	Surveys of suppliers using a questionnaire	—	—	60 companies • Surveyed construction and cleaning companies • Interviewed employees in addition to conducting surveys at some of the construction companies	• Aim to increase the number of companies surveyed by 2025 • Continue to interview construction company employees • Begin interviews of employees at cleaning companies	Mitsubishi Estate, Mitsubishi Estate Residence, Mitsubishi Estate Project Management, Royal Park Hotels and Resorts, and Mitsubishi Estate Community	
Innovation	Operation of Incubation Facilities	Area of facilities	—	Approx. 1,300 m ² (FY2006)	Approx. 13,000 m ² Remodeled EGG JAPAN, Marunouchi's flagship innovation hub, and relaunched it as EGG to attract more domestic and overseas growth companies going forward and create an area with abundant opportunities for companies to promote new technologies and businesses and cooperate and co-create with each other	Further diversify the community by attracting start-up companies engaging in new industries	Mitsubishi Estate Co., Ltd.	
		Number of tenant companies	—	12 companies (as of May 2007)	202 companies			
Resilience	Disaster Preparedness	Percentage of employees with first aid provider qualifications	100% every year through FY2030	72.4%	75.3%	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 ^{*5}	
		Implementation of emergency drills	—	Implemented	• Implement comprehensive emergency drills in the Marunouchi area through public and private sector cooperation, as has been done continuously since 1926 • Carry out verification tests of Disaster Dashboard Beta+, a platform for sharing information among disaster-response agencies and communicating information to stranded commuters during a disaster • Implement disaster prevention drills in cooperation with management and residents' associations at The Park House Harumi Towers condominiums (Mitsubishi Estate Residence and Mitsubishi Estate Community) • Expand drills by individual buildings to ensure the effectiveness of drills (spear-headed by Mitsubishi Estate Project Management)	• Utilize Disaster Dashboard Beta+, a platform for sharing information among disaster-response agencies and communicating information to stranded commuters during a disaster • Implement disaster prevention drills at condominiums in cooperation with management associations and other organizations (Mitsubishi Estate Residence and Mitsubishi Estate Community)	—	
		Percentage of buildings designated as shelters for stranded commuters	—	100%	100%	—	New ^{**} and large-scale ^{**} retail facilities in Japan	

^{*1} Ratio (b/a) of the number of male employees taking childcare leave in a given fiscal year (b) to the number of male employees whose spouse gave birth in the same fiscal year (a) Through FY2020
(b): Covers male employees taking childcare leave in the fiscal year that their spouse gave birth From FY2021
(b): Since the rate of male employees taking childcare leave in a given fiscal year includes those who did not take said leave during the fiscal year in which their spouse gave birth, the rate may exceed 100% in some fiscal years.

^{*2} 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

^{*3} 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.

^{*4} 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.

^{*5} Two Mitsubishi Estate Group companies: Mitsubishi Estate Co., Ltd., and Mitsubishi Jisho Property Management Co., Ltd.

^{*6} New: Completed from 2002 onward

^{*7} Large-scale: Floor area of 100,000 m² and above

Corporate Data

Principal Mitsubishi Estate Group Companies

Commercial Property Business

	Address	Business activities	Share of voting rights (%)
Building development and leasing business			
Sunshine City Corporation	World Import Mart Building, Sunshine City, 1, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-8630	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	Management of Tokyo Kotsu Kaikan and other buildings	50.0
Yokohama Sky Building Co., Ltd.	19-12, Takashima 2-chome, Nishi-ku, Yokohama, Kanagawa Prefecture 220-0011	Management of the Sky Building and the Yokohama Shintoshii Building	62.0
Office Building Management Business			
Mitsubishi Jisho Property Management Co., Ltd.	Marunouchi Nakadori Building, 2-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-0005	Comprehensive operation and management of office buildings and retail facilities	100.0
Parking Business			
Tokyo Garage Co., Ltd.	Sanno Grand Building, 14-2, Nagatacho 2-chome, Chiyoda-ku, Tokyo 100-0014	Operation and management of building garages and sale of various gasoline products	54.9
District Heating and Cooling Business			
Marunouchi Heat Supply Co., Ltd.	Tokiwabashi Tower, 6-4, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-0004	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	Cooling and heating supply business in the Higashi-Ikebukuro district	68.0
Retail facility business			
Mitsubishi Estate • Simon Co., Ltd.	Otemachi Financial City South Tower, 9-7, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004	Management of outlet malls	60.0
Logistics facility business			
Tokyo Ryutsu Center Inc.	1-1, Heiwajima 6-chome, Ota-ku, Tokyo 143-0006	Leasing, operation, and management of logistics and office buildings	60.5
Hotel business			
Royal Park Hotels and Resorts Co., Ltd.	TOKIWA Bridge, 7-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-0004	Comprehensive supervision and management of hotel business	100.0
Marunouchi Hotel Co., Ltd.	6-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005	Management and operation of the Marunouchi Hotel	100.0
Others			
Marunouchi Direct Access Limited	Shin Kokusai Building, 4-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-0005	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	Real estate development, sales, leasing, management, real estate ownership, and management	100.0
URBAN LIFE Co., Ltd.	Meiji Yasuda Seimei Osaka Umeda Building, 3-20, Umeda 3-chome, Kita-ku, Osaka, Osaka Prefecture 530-0001	Leasing business in the Kansai area and real estate sales (sale of renovated condominiums)	100.0
Residence Management Business			
Mitsubishi Jisho Community Holdings Co., Ltd.	6-1, Sanban-cho, Chiyoda-ku, Tokyo 102-0075	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	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	Comprehensive management of Izumi Park Town	100.0

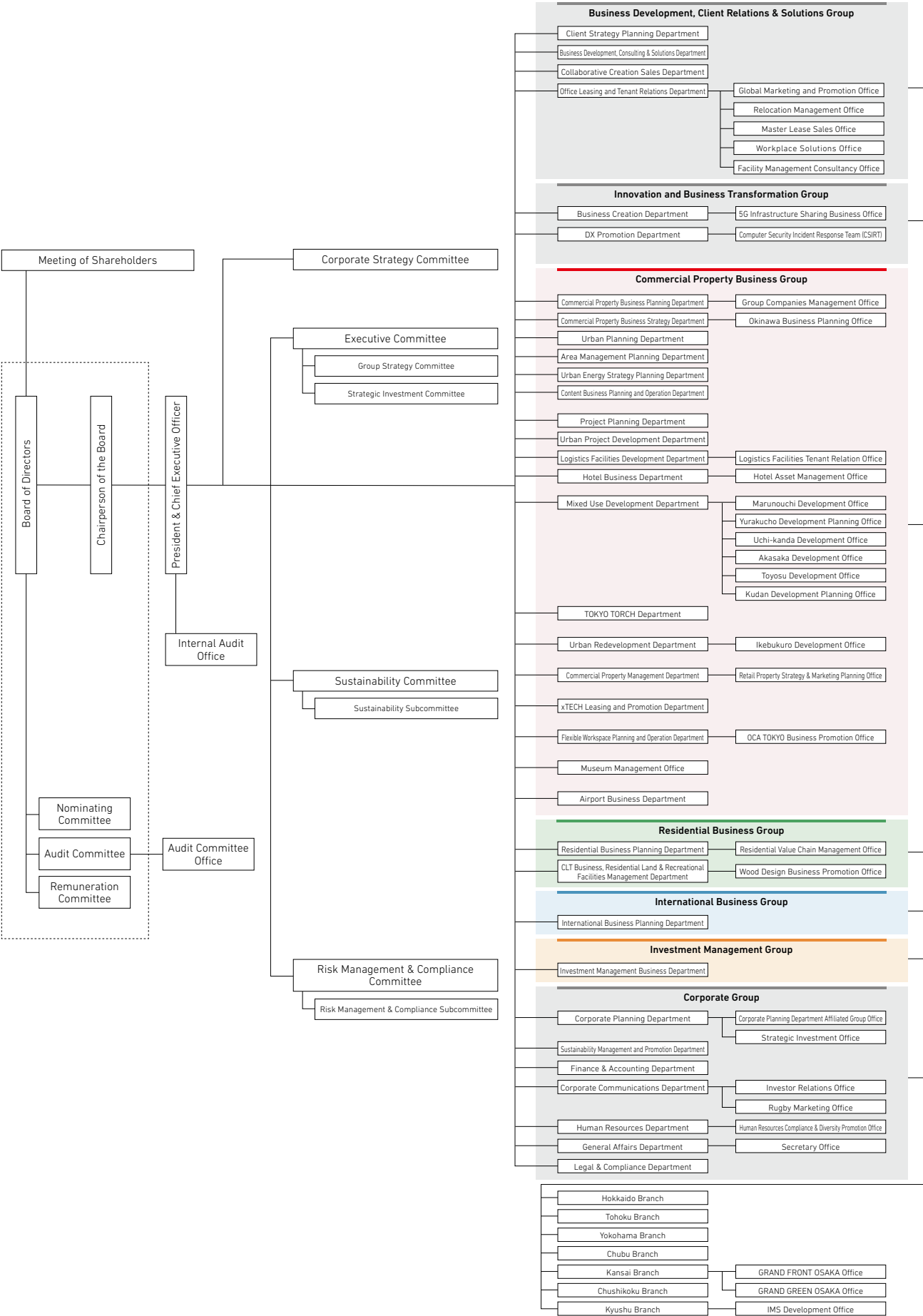
	Address	Business activities	Share of voting rights (%)
Real Estate Brokerage Business			
Mitsubishi Jisho House Net Co., Ltd.	Shinjuku Front Tower, 21-1, Kita-Shinjuku 2-chome, Shinjuku-ku, Tokyo 169-0074	Purchase, sale, and leasing brokerage of homes for individuals and leasing management	100.0
Custom-Built Housing			
Mitsubishi Estate Home Co., Ltd.	Shinjuku East Side Square, 27-30, Shinjuku 6-chome, Shinjuku-ku, Tokyo 160-0022	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	Manufacture, processing, and sale of construction materials	100.0
Recreational Facilities			
Higashi-Fuji Green Co., Ltd.	604-3, Omika, Oyama-cho, Sunto-gun, Shizuoka Prefecture 410-1308	Management and landscaping of the Higashi Fuji Country Club	100.0
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
Ryoei Life Service Co., Ltd.	Royal Life Okusawa, 33-13, Okusawa 3-chome, Setagaya-ku, Tokyo 158-0083	Operation of commercial nursing homes	100.0
International Business			
Rockefeller Group International, Inc.	1271 Avenue of the Americas, 24th Fl. New York, NY 10020 U.S.A.	Real estate operations in the United States	100.0
Mitsubishi Estate London Limited	5 Golden Square London, W1F 9HT, U.K.	Real estate operations in Europe	100.0
Mitsubishi Estate Asia Pte. Ltd.	138 Market Street #27-03 CapitaGreen, Singapore 048946	Real estate operations in Asia	100.0
Investment Management Business			
Mitsubishi Jisho Investment Advisors, Inc.	Marunouchi North Exit Building, 6-5, Marunouchi 1- chome, Chiyoda-ku, Tokyo 100-0005	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	Investment corporation asset management	100.0
TA Realty	One Federal Street, 17th Floor, Boston, MA 02110, U.S.A.	Investment management business in the United States	80.39
Architectural Design & Engineering Business and Real Estate Services Business			
Architectural Design & Engineering Business			
Mitsubishi Jisho Design Inc.	Marunouchi 2-chome Building, 5-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-0005	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	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	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	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	Human resource-related services	100.0
Mitsubishi Jisho IT Solutions Co., Ltd.	Marunouchi Kitaguchi Building, 6-5, Marunouchi 1- chome, Chiyoda-ku, Tokyo 100-0005	System planning, development, maintenance, and operation in addition to services providing support for customer businesses	100.0

Note: Share of voting rights held is as of March 31, 2023. Figures stated are from the Company's securities report for FY2022.

Corporate Data

Organization

As of April 1, 2023



Corporate Information

As of March 31, 2023

Stock Information

Stock Details

Number of authorized shares: 1,980,000,000 shares

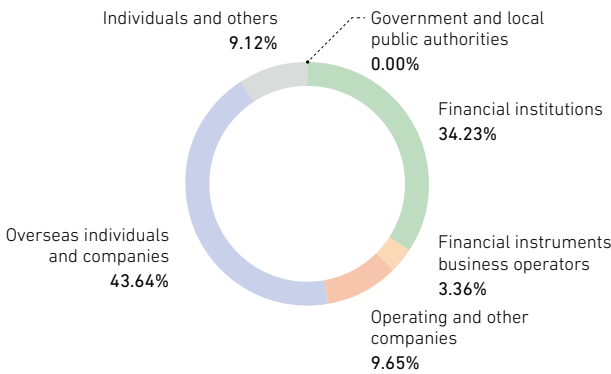
Number of shares issued and outstanding: 1,324,288,306

(67,190,400 decrease in number of shares from the previous fiscal year-end)

Number of shareholders: 99,381

(Increase of 25,779 shareholders compared with the end of the previous fiscal year)

Shareholder Composition (Percentage of number of shares to total)



Major Shareholders

	Number of shares held (Thousands of shares)	Percentage of equity held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	210,705	16.25
Custody Bank of Japan, Ltd. (Trust Account)	71,090	5.48
Meiji Yasuda Life Insurance Company	42,194	3.25
JP MORGAN CHASE BANK 380055	34,158	2.63
SSBTC CLIENT OMNIBUS ACCOUNT	29,951	2.31
STATE STREET BANK WEST CLIENT – TREATY 505234	21,558	1.66
GOVERNMENT OF NORWAY	19,407	1.49
Takenaka Corporation	18,150	1.40
Obayashi Corporation	16,422	1.26
SHIMIZU CORPORATION	16,367	1.26

Note: The percentage of equity held 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: 1,013

Consolidated: 10,655

Website

<https://www.mec.co.jp/en>

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Phone: +81-22-261-1361

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Chubu Branch

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Phone: +81-52-218-7755

Kansai Branch

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