



We contribute to the growth of international society through the unwavering values of urban development while embracing the new challenge of enhancing sustainability-focused management.

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Contributing to society through sustainable urban development

In recent years, large typhoons and storms attributed to climate change have caused devastation across Japan. Meanwhile, in addition to extreme weather, such as high temperatures and heavy rainfall, a series of natural disasters such as large-scale wildfires have struck around the globe. The problems of refugees and poverty resulting from regional conflicts remain unresolved. In view of food and water issues that will come from future global population growth, as well as transport and waste problems caused by urbanization and the emergence of new issues with the COVID-19 pandemic significantly impacting the entire world, it is clear that “sustainability” is an ever more important keyword inside and outside Japan.

There is also growing hope and interest in addressing these issues through the United Nations Sustainable Development Goals (SDGs). Even without the need to cite Goal 17, “partnerships for the goals,” which is about revitalizing the global partnership for sustainable development, corporations are working with diverse stakeholders in Japan and overseas to pursue sustainable business frameworks. This requires companies, both in Japan and the international community, to take on more responsibility than ever.

With urban development as its core business, the Mitsubishi Estate Group is determined to move beyond the confines of a single company, working with government organizations, local companies, and other partners to articulate a vision for sustainable cities. Guided by this determination, we continue to strive to enhance our sustainability management.

Making long-term perspective essential for urban development central to management

We bring awareness of these social and environmental issues to two approaches to management. The first is the promotion of management based on unwavering values and a long-term perspective taking into account the business characteristics and history of urban development.

Drawing on The Spirit of Mitsubishi: The Three Principles of the Mitsubishi Group, the Mitsubishi Estate Group proclaims our mission of contributing to creating a truly meaningful society by building attractive, environmentally sound communities where people can live, work and relax with contentment. In accordance with

this Mission, the Group has been engaged in the development of the Marunouchi area for 130 years and has expanded that area’s spirit and vibrancy to Otemachi and Yurakucho, as well as further afield in Japan and overseas.

Urban development does not only consist of the latest infrastructure in the form of buildings, utilities, and transportation infrastructure. Rather, its value reaches full potential when the unique appeal of time and place, which include creativity, entertainment, and sense of security, take shape. Cities should be places that continue to grow and develop as diverse people come together and interact to create the next facet of appeal.

For example, in the Marunouchi area, in addition to enhancing its functions as a business district, we have continued to focus on embracing the sense of values of the times as we promote urban development. This includes such measures as expanding commercial and cultural facilities to create a vibrant urban neighborhood, strengthening seismic and disaster preparedness functions in light of the Great East Japan Earthquake, and achieving sustainability through energy and resource conservation, utilization of renewable energy, and biodiversity preservation. Marunouchi today is an active venue for a variety of experiments focused on achieving a smart city that utilizes such cutting-edge technologies as AI, IoT, and robotics.

Mitsubishi Estate positions urban development for 2020 onward as “Marunouchi NEXT Stage” and promotes urban development designed both to improve the quality of life for individuals and identify and solve social issues by creating innovation and further strengthening digital infrastructure.

We also take as our ongoing mission providing safe and secure urban functions and services. This includes



establishing a business environment that reflects changing social behavior and the new values emerging from our experiences with the COVID pandemic. It is my deep conviction that urban development is a business sector that will continue to manifest the concept of sustainability.

Long-term vision for sustainability-focused management

Urban development can be described as highly creative work, as it must continue to breathe life into cities over a period of 50 or 100 years, while engaging new people and realizing high value in the areas of society, the environment, and the economy. In order to achieve these aims, we need to incorporate a sustainability vision into daily management and business activities and continually and systematically deepen our efforts using the PDCA cycle based on clear objectives for the long term. This is what our second management approach is about.

In April 2020, the Mitsubishi Estate Group established the Long-Term Management Plan 2030, which set out the Group's strategy to increase both social and shareholder value at the heart of its corporate management. With this plan, we articulated an approach that focuses on sustainability as a value provided through our businesses and emphasizes providing value to all stakeholders.

In order to drive this strategy forward, we have also formulated the Mitsubishi Estate Group 2030 Goals for SDGs. Based on the seven material issues we set out in fiscal 2018, we established the four themes of Environment, Diversity & Inclusion, Innovation, and

Resilience to promote the long-term perspective that is essential for urban development. We aim to be a corporate group that implements world-class initiatives in these areas in 2030. For example, with respect to the environment, we have formulated individual, concrete action plans and KPIs for areas such as greenhouse gas emissions reductions (target approved by the SBT initiative) and waste emission reductions.

Moreover, in order to properly manage these individual initiatives and to strengthen corporate governance, we joined RE100^{*1} and endorsed the recommendations of TCFD.^{*2} We aim to earn more trust and ever better evaluation in capital markets, taking specific steps such as utilizing ESG information in determining the remuneration of officers and considering the matters deliberated by the Strategic Investment Committee.

We have, of course, set targets and formulated action plans for other themes as well, while promoting the development of Group-wide businesses and initiatives in each individual division. Toward this end, we implemented organizational reforms in April 2020, on which we work to raise employee awareness and ensure the highest possible level of sustainability in urban development.

The Mitsubishi Estate Group announced our Mitsubishi Estate Group Sustainability Vision 2050 in February 2020. We formulated this long-term vision to identify what we ought to be today based on what we wish to achieve in 2050 and what we envision our purpose is in society at large. The key to our vision is "ecosystem engineers." We define the spaces and infrastructure in which diverse individuals and corporations are able to coexist sustainably and thrive together in all aspects of the economy, environment, and society as "ecosystems." We aspire to be a Group of "engineers" that leverages our diverse expertise and coordination skills as developers in more conscious and active ways.

^{*1} RE100 is a global corporate initiative led by The Climate Group, an international NGO working to accelerate climate action, in partnership with CDP, an international NGO that provides investors, companies, cities, states and regions with a global disclosure platform to manage their environmental impacts. RE100 brings together influential businesses committed to switching to 100% renewable energy for the electricity they use.

^{*2} The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) based on a G20 request to investigate how to disclose climate-related information and respond to financial institutions. The task force issued its final report in June 2017, encouraging companies and others to disclose climate change-related risks and opportunities.



“We will continue to steadily implement measures related to sustainability-focused management as we strive to enhance corporate value.”



Handing down our corporate credibility and diversity of talent

It is our human resources who play the key role in the Mitsubishi Estate Group's sustainable value creation aimed at achieving our long-term goals by envisioning something from nothing to achieve innovation. To enable each and every one of our human resources to demonstrate their full potential, we have established systems for collaborating with startups and for internal proposals of new businesses.

When we relocated our headquarters in January 2018, we introduced a free address work environment to eliminate departmental boundaries and increased common areas to facilitate casual conversations. The purpose behind this was to create more opportunities for people to come into contact with one another and meet a diverse range of people throughout the office to allow employees with different values and ideas to exchange opinions freely, thereby leading to the creation of new businesses.

In taking measures to respond to the COVID-19 pandemic, we also took the opportunity to strongly promote the use of telework and flextime systems, making it possible to seamlessly integrate a diverse range of work styles through online and offline activities. We believe it to be our role in management to provide a working environment that allows our people to continuously create innovation.

In 2019, we established a system for the reemployment of former employees who had left the company for a variety of reasons, including raising children, caring for family members, changing jobs, or starting a business. In January 2020, we also launched a system for permitting employees to engage in second jobs. We will continue to strive to create a comfortable environment that makes it easy for our diverse pool of talent to work and utilize their skills.

The strengths of the Mitsubishi Estate Group are the corporate credibility it has earned throughout its history and its employment of diverse professionals that allow the Group to realize comprehensive urban development. The greatest mission of management is to foster a corporate culture based on these strengths in which each and every employee is united in the goals of achieving sustainable urban development, creating local communities, and creating international communities through active internal and external interaction, as we work to resolve each of the issues we face. Taking this mission to heart, we will continue to steadily implement measures related to sustainability-focused management as we strive to enhance corporate value.

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