Through the Marunouchi Redevelopment Project, Mitsubishi Estate is committed to creating an attractive and vibrant city center, universally recognized as the global center of dynamic interaction. To this end, Mitsubishi Estate is endeavoring to renew office building specifications, upgrade infrastructure, entice commercial and retail stores, and enhance facilities and services in cooperation with business and academic institutions. Boasting a long history of development experience and the know-how accumulated from the Marunouchi Redevelopment Project, Mitsubishi Estate is working to build attractive new cities in a variety of locations.
forever on the move

1995
Plans for the rebuilding of the Marunouchi Building announced

1998
Work for the first stage of the Marunouchi Redevelopment Project commenced

2008
Work for the second stage of the Marunouchi Redevelopment Project to commence
Marunouchi on the Move

Marunouchi is the first city center in Japan to house predominantly office buildings, and it continues to serve as a hub of real-time global information. In this context, the key feature of the Marunouchi Redevelopment Project is to maximize the potential that the area offers. In a similar vein, the Otemachi/Marunouchi/Yurakucho District City Development Association, made up of representatives from the Tokyo Metropolitan Government, the Chiyoda Ward Government, East Japan Railway Company, local landowners, and leaseholders formulated the “Central Ward Area Development Guidelines,” in 2000, a set of common rules that serve to enhance city development through public and private sector cooperation. As a result of these initiatives, the district has experienced progressive deregulation that has facilitated the redevelopment of certain buildings to increase site use and to transfer unused air rights from other sites in the district to increase floor space. As a forum for the creation of new and innovative ideas, the ultimate goal is to build a rich and dynamic city environment. In addition, plans are in place to restore the red brick station house at Tokyo Station and improve Gyoko Dori, which connects Tokyo Station and the Imperial Palace. As the gateway to Tokyo, this area will serve as the symbol, provide aesthetic appeal, and epitomize plans for redevelopment as a whole. With respect for both the old and the new, plans to redevelop Marunouchi will encompass efforts to maximize the unique features that the area offers. Accordingly, a key issue is to ensure the optimal mix and use of state-of-the-art office buildings and heritage structures spread throughout the district.

Mitsubishi Estate is conscious of its responsibilities in efforts to redevelop the Marunouchi area. Recognizing the treasure that is Marunouchi, and its unlimited potential that extends well beyond business use, we will work to create a city center that caters to workers and visitors. Guided by the keyword, “Interaction,” Mitsubishi Estate is committed to redevelopment in harmony with the environment that delivers a rich and fulfilling experience for all.

Marunouchi Redevelopment Project—A Transition from the First Stage to the Second Stage

Mitsubishi Estate identified the 10-year period beginning in 1998 as the first stage of the Marunouchi Redevelopment Project, and has since continued efforts to create a new cityscape primarily in the areas in front of Tokyo Station. Investment during this 10-year period will total ¥500 billion. Together with the renewal of existing buildings, the plan calls for the reconstruction of six buildings, from the redevelopment of the Marunouchi Building completed in August 2002 to the Shin-Marunouchi Building, scheduled for completion in the fiscal year ending March 31, 2008. The reconstruction will double the leasable floor space of the original buildings, and cash flow will increase by 2.5 times.
The first stage is distinguished by a variety of features, including the concentration of leading corporations that define both their industries and each new era; communications and IT infrastructure upgrade; and measures that address diverse needs related to business and leisure time, and that fulfill environmental concerns such as energy and resource conservation, as well as calls for a green environment. These measures are being undertaken from the perspective of the creation of an urban center suited to the needs of the future. In preserving the unique characteristic of the streets and avenues of Marunouchi, beginning with Naka Dori, we will foster a new flow of workers and visitors, and transform the area adjoining Tokyo Station into an even more vibrant and dynamic space.

The Marunouchi OAZO was opened near the Marunouchi North Exit of Tokyo Station in September 2004, and the Tokyo Building, near the Marunouchi South Exit of Tokyo Station, is scheduled for completion in October 2005. These two buildings offer advanced and luxurious office environments, and also provide the latest in common-use facilities including security and barrier-free facilities that exits in harmony with the environment. Moreover, in order to create a comfortable walking path network in the area from Tokyo Station to both buildings, we are constructing an integrated underground and aboveground walkway featuring free and open spaces, such as...
atriums and halls. These are examples of our efforts toward creating safe and optimal environments.

Mitsubishi Estate is working to enhance the Marunouchi area’s image as “an attractive and vibrant city center, acknowledged throughout the world as a leading global center of dynamic interaction,” and is advancing with this stunning and ambitious urban redevelopment project. While raising the area’s status as a premier business center, we are working to transform the district into a vibrant hub of business, leisure and social exchange that is forever on the move.

The second stage of the Marunouchi Redevelopment Project, which begins in 2008, aims to create a leading center for the knowledge industry in Asia and form an urban tourist attraction representative of Japan. The basic theme of the second stage is to accelerate the broadening and deepening of the Marunouchi Redevelopment Project. While extending the vitality of areas around Tokyo Station, the development focus in the first stage, to the Otemachi, Marunouchi and Yurakucho districts, Mitsubishi Estate plans to comprehensively redevelop the entire area. We aim to create a more active and open urban network by linking together pleasantly designed roads between these areas, and creating a town setting with unique characteristics in each district. During the 10-year period of the second stage, Mitsubishi Estate plans to invest an additional ¥450 billion to rebuild seven or eight buildings and step up improvements to downtown facilities by remodeling existing buildings and upgrading infrastructure.

The first phase of the second stage entails rebuilding and construction work on the site where the Mitsubishi Shoji Building, the Furukawa Building and the Marunouchi Yaesu Building are currently located, which includes a multi-function high-rise building and rebuilding the historical Mitsubishi No. 1 Building on its original 1894 site in Marunouchi. Designed by the English architect Josiah Conder, who bestowed Japan with many Western-style buildings, the Mitsubishi No. 1 Building was the first tenant building in Marunouchi. In light of its historical significance as the wellspring for Marunouchi over the past century, and as a place that can bring people together by connecting Marunouchi and Yurakucho, we aim to restore the site to its original splendor, creating a state-of-the-art office building and area management center for disseminating information about its history and cultural activities such as the fine arts.

Marunouchi is changing into a downtown area that is attractive for its businesses, retailers and residences, and more generally, for interaction, education, culture and tourism. Leveraging every one of these qualities, we aim to create value that is only available in Marunouchi, by providing a rich and fulfilling urban lifestyle through the establishment of an area management structure and network that integrates public and private services.
Marunouchi and Other Areas—Asset and Non-Asset Businesses

In addition to owning select properties in the Marunouchi area, Mitsubishi Estate is engaged in asset management activities with the aim of maximizing asset values. Against the background of significant change in the business environment, such as the launch in Japan of a real estate investment trust (J-REIT) market, Mitsubishi Estate is also active in non-asset businesses, buoyed by increased liquidity in real estate markets. Leveraging our longstanding experience in property development, we are pursuing projects in areas outside Marunouchi, and broadening activities to include properties in which the Company has no ownership. As part of its overall activities, Mitsubishi Estate is engaged in property development earmarked for future income generation. We limit risk by engaging in developments earmarked for sale. These comprise limited fund-type developments from which the Company enjoys income gains through rental income and fees and capital gains from property sale in line with market circumstances. Maintaining this stance into the future, the Mitsubishi Estate Group will work to further enhance its value by continuing to build an optimal asset portfolio with a best-fit mix of stable cash flows from asset businesses and non-asset businesses that involve income-generating real estate developments utilizing third-party capital.

In the area of office buildings and retail facilities regarded as income-generating real estate, Mitsubishi Estate has participated in projects such as Somerset Azabu East, a serviced apartment complex, GENTO YOKOHAMA, a comprehensive entertainment facility located in the Minato Mirai district of Yokohama, and kurax, a commercial facility that opened in Aoba-ku, Sendai City. Among its many activities are properties such as Nibancho Garden a project for which an end-purchaser has been confirmed.

As part of Mitsubishi Estate’s asset solution business, construction of the Osaki Front Tower was completed in June 2005. The Osaki Front Tower is an example of an office building project that has utilized development securitization methods to meet the owner’s needs. Under this method, a special purpose company in which Mitsubishi Estate maintains an equity interest effectively utilizes leasehold land. In addition, benefits accrue throughout the Group. Mitsubishi Estate’s project management and architectural design and engineering activities were all involved in this project. Following construction completion, the property has been sublet and the Company commissioned to provide asset and property management services.

Furthermore, Mitsubishi Estate is pushing forward with a number of projects including the Kudan-Kita Project (tentative name), the Nagoya Nishiki 2-chome Project (tentative name) and Shiodome Stage I-2 Area Project (tentative name), a large-scale project located in the 31-hectare mixed commercial zone I-2 area, which is the last of the large-scale Shiodome Shiosite redevelopment projects. In the future, along with office building, retail facility and rental housing activities, Mitsubishi Estate will actively work to expand its development menu.
in directions leading to the creation of new business opportunities.

Overseas, Mitsubishi Estate has commenced a second redevelopment project in London, following completion in 2003 of the Paternoster Square Redevelopment Project. The Bow Bells (House) Redevelopment Project is a joint venture between Mitsubishi Corporation and Mitsubishi Estate. Utilizing the land and existing building owned by Mitsubishi Corporation, plans call for the construction of a new commercial development in a central London area conducive to office and retail use, and serviced by Bank Station, St. Paul’s Station and Cheapside. The project is adjacent to the historical St. Mary-Le-Bow Church and is attracting considerable attention. Construction will commence in Autumn 2005 with scheduled completion in the beginning of 2007. At present, we are adopting the stance to promptly sell the property on completion, thereby recovering substantial funds. Based on the success of the Paternoster project and plans for this new development, we are continuing to cement our position as a leading developer in London.

Underpinned by the know-how accumulated through the Marunouchi Redevelopment Project, Mitsubishi Estate is endeavoring to further enhance its capabilities in building and facility development, as well as in the amenities that support property development, and to realize true value in its fields of operation.