

ESG promotional content  
produced by The Japan Times Cube

# sustainable japan

## Mitsubishi Estate nurtures Marunouchi with new values

### Unraveling Japanese companies

HIROKO NAKATA  
CONTRIBUTING WRITER

Marunouchi is a well-known business district in the heart of Japan's capital. But not many people know that the land was a vast expanse of wild plain more than a century ago.

The history of the business zone between Tokyo Station and the Imperial Palace started in 1890 when, at the request of the Meiji government, the Mitsubishi group decided to buy a 350,000-square-meter site owned by the Army Ministry and make it the country's first business center, one that could vie with those in London and New York.

"We had a goal of building a business district that would lead Japan in the future," said Mitsubishi Estate Co. President and CEO Junichi Yoshida. "But our work does not end when we create a town. We need to nurture it with people living, working and visiting there, while taking care of the historic background."

Mitsubishi Estate is one of the biggest land developers in Japan, notably owning

about 30 buildings in the Marunouchi district, which comprises the Marunouchi area proper and the surrounding areas of Otemachi and Yurakucho.

Yoshida said the most important part of developing a town is to cooperate with the original landowners, the central and local governments, and the many other people involved. "We have been doing it for many years," he said.

When the Japanese economy entered the postwar growth period starting in the 1950s, the real estate developer kicked off a wide-scale project in the Marunouchi district, demolishing 30 old buildings to construct 13 larger ones over the following decade. The company also started to redevelop a wider area, including the north side of Tokyo Station, the Akasaka, Aoyama and Ikebukuro districts elsewhere in Tokyo, and the Minatomirai area in Yokohama. By the middle of the 1970s, Marunouchi was thriving as one of the largest business centers in the world.

The story of Marunouchi continued. In the 1990s, Mitsubishi Estate decided to renew aging concrete buildings and turn the plain business district into a more sophisticated business center where downtown workers could interact with others — residents, shoppers, and travelers. Above all, it reconstructed the old 31-meter-tall landmark Marunouchi Building into a 180-meter tower in 2002, with shopping, restaurants and interactive zones added to the office floors. It also constructed the Shin-Marunouchi Building, whose height is nearly 200 meters, and a series of others. In 2007, the Peninsula Tokyo luxury hotel opened in the district. As a result, the numbers of stores and weekend pedestrians almost tripled in 2018, from the days before the Marunouchi Building was renovated.

Developing a town or a community is not easy, especially because it involves a vast variety of stakeholder interests. Yoshida said what is the most important is to think about what can be handed over to our



HIROMICHI MATONO

descendants.

"We need to discuss what should be left for our future generations. We should renew the characteristics in each area and cultivate them further in the discussions," the president said, adding that the government has the role of leading such dialogues.

In the case of the overall Marunouchi district, its components — Otemachi, Marunouchi and Yurakucho — have a common role in that they represent the whole country. But the land developer knows each area also has its own color.

For example, Otemachi has historically been the national financial center, where the headquarters of Japan's megabanks are located. There is also a membership community for financial technology startups, called Finolab. The Tokyo Metropolitan Government also sees Otemachi as one of Japan's international financial centers, together with the Nihonbashi and Kabu-

tocho districts, where the Tokyo Stock Exchange and securities houses are based.

Meanwhile Marunouchi, facing Tokyo Station and extending toward the Imperial Palace, is the gateway to the capital, Yoshida said. The station's more than century-old facade of red brick and stone was revived as a historic landmark when East Japan Railway Co. renovated the major commuter hub in 2012. It is also a place where leading Japanese companies with long histories have their home bases.

Yurakucho has a more cultural flavor. The area is near the luxurious Ginza and Hibiya shopping streets and where the Tokyo International Forum hosts conventions and art events and the Imperial Theatre attracts theatergoers. "Historically, the area has had an element of culture, entertainment and the arts. It is a place that we need to make attractive to not only businesspeople but also other people, including

artists," Yoshida said.

The real estate developer also aims to promote digital transformation in the district. In this project, applications it develops provide Marunouchi visitors not only with information about the commercial complexes and accommodation facilities that are owned by the company in the area but also other information, all based on visitors' location and payment data. "We should keep on searching for cutting-edge functions and the attractiveness of a city," Yoshida said.

While Mitsubishi Estate's slogan is "A Love for People, A Love for the City," the president said it needs to increase its "love for the planet" as well. He added that in nurturing a community, integrity and alliances are key to creating new values. Mitsubishi Estate has already been working with local committees consisting of original landowners to discuss how to redevelop and manage their towns. For event projects, the developer allies with companies such as the arts ticket seller Pia Corp. It also cooperates with academics such as the University of Tokyo, Tokyo Medical and Dental University, and Tokyo University of the Arts. The art university holds an annual event for music, painting and sculpture at halls in the Marunouchi Building. Also, music students and professional musicians hold small free classical concerts during late spring's Golden Week in spaces and streets in the Marunouchi area.

Inside its own office, Mitsubishi Estate four years ago created a floor without any walls to facilitate interaction among its workers. It also encourages young workers to propose new business ideas.

Yoshida said he hopes the Marunouchi district, including Otemachi and Yurakucho, will play the role of Japan's front hallway. "Like Fifth Avenue in New York or Bond Street in London, I hope the Marunouchi district will grow as a place that people around the world come to know and are attracted to," he said.



NAONORI KIMURA  
INDUSTRIAL GROWTH PLATFORM INC.  
(IGPI) PARTNER



At the request of the Meiji government, Mitsubishi Estate Co. started to develop the Marunouchi district in 1890. Over the following 130 years, the real estate developer

has transformed the area — which encompasses Marunouchi, Otemachi and Yurakucho — into one of the world's business centers.

With "A Love for People, A Love for the City" as its slogan, Mitsubishi Estate has taken a long-term perspective, thinking about how people live and work in the places it develops.

Recently stressing the importance of "love for the planet," Mitsubishi Estate is conducting business with the future of the planet in mind because that is the basis for our society.

"To build a town from scratch, we need various innovative ideas, and that is what we have to deal with," President and CEO Junichi Yoshida said in the interview. I felt the spirit of the challenge of creating innovation in his words.

Moreover, Mitsubishi Estate is actively building alliances with various business partners to seek optimum solutions. There is no doubt that its long-term vision attracts partners, making cooperation successful. I expect to see the company creating more new business values with an innovative mindset and make populations, cities and the planet more attractive. That is the way of Mitsubishi Estate's sustainable business management.

### Times Gallery



Jamaican Ambassador Shorna-Kay Richards (center) engages with Masami Nakamura, chairman of the board of the Japan Management Association (second from right), and Jamaica's delegation to Foodex Japan 2023 at the opening reception. EMBASSY OF JAMAICA



Ambassador of Panama Carlos Pere and Foreign Minister Yoshimasa Hayashi stand with their wives, Elizabeth Heurtematte and Yuko Hayashi, at a reception in commemoration of the birthday of Emperor Naruhito. EMBASSY OF PANAMA



The ambassador of Brazil, Octavio Henrique Cortes (center), stands with the counselor and former CEO of Mitsui, Masami Iijima (second from right), to whom he awarded the Order of Rio Branco in a ceremony at the ambassador's official residence, and other business leaders on March 1. EMBASSY OF BRAZIL



Cuban Ambassador Miguel A. Ramirez (center) stands with the managers of the Cuban baseball team and the Chunichi Dragons at a preparatory game in Okinawa. YUHKI OHBOSHI



Ambassador Aleksandra Kovac (rear) and the diplomatic staff of the Embassy of Serbia meet with female executives within the J-Win Executive Network mentorship program to exchange views on gender equality in Japan's corporate culture on Feb. 20. EMBASSY OF SERBIA



The Tokyo Marathon 2023, affiliated with the metropolitan government, was held on March 5. Ambassador Raul Florentin Antola participated along with 10 other Paraguayans. Standing here are Florentin and Rumiko Kusu. EMBASSY OF PARAGUAY



At the Lithuania National Day reception on March 2, Ambassador Aurelijus Zykas (right) presents the honorary consul general of Lithuania in Fukuyama, Shigehiro Komaru (second from right), with the original Visa for Life issued by Japanese diplomat Chiune Sugihara and Dutch diplomat Jan Zwartendijk in Kaunas in 1940. EMBASSY OF LITHUANIA



South African Ambassador Lulama Smuts Ngonyama (center, in green shirt) invited 19 South African professional rugby players based in Japan to a traditional barbecue on Feb. 16. CUSTOM MEDIA

## Sustainability-oriented company recycling sweet potatoes

### Mission: Sustainability

OSAMU INOUE  
RENEWS

There is no shortage of initiatives to manufacture biogas from waste materials or water containing organic compounds, such as food waste and sewage. But efforts to recycle huge amounts of sweet potato waste into energy used to manufacture alcoholic beverages are rare. Such a large-scale initiative by a Japanese company is probably unique on a global level. It should be held in high regard.

Founded 107 years ago, Kirishima Shuzo Co. is a well-established distillery whose *shochu* spirit has been the bestseller in Japan for 10 consecutive years. *Shochu*, typically distilled from rice, barley or sweet potatoes, is a popular drink loved by Japanese, along with sake. Kirishima's *shochu* is a *honkaku*, or authentic, grade of product distilled from sweet potatoes using pot stills.

Kirishima has an annual output of 50 million bottles of *shochu*. The company daily consumes about 400 tons of sweet potatoes. The figure is probably one of the world's largest for a single company.

In the *shochu* production process, sweet potatoes are steamed, crushed and then distilled. The alcohol and umami contained in the steam are extracted to become *shochu*, resulting in a byproduct of *shochukasu* lees containing water and yeast. Nearly all such waste products are now recycled at a plant the company spent several billion yen (tens of millions of dollars) to build.

### Energy for 22,000 homes

The company began the initiative to recycle waste from sweet potatoes in earnest in 2005. The *shochukasu* left over from distillation has a high temperature. If it is subjected to fermentation using methanogen microorganisms, it generates biogas whose main component is methane. However, typical methanogens are sensitive to high temperatures.

Then Kajima Corp., a major Japanese general contractor and Kirishima's research partner, discovered in a French submarine volcano a unique methanogen that is activated at around 55 degrees Celsius and does not die even at 60 to 70 degrees. In 2005, Kirishima began the construction of a recy-

cling plant using this methanogen, which was completed in December 2006. Currently, the amount of energy generated from this biogas is enough to meet the daily power requirements of about 22,000 households.

The methane is sent to gas boilers and used to generate heat, mainly for *shochu* production. Biogas now represents 65% of the fuel consumed at a plant attached to the company headquarters.

In 2014, Kirishima began an initiative to generate power using biogas. Some of the biogas-generated power is used at the recycling plant and since 2021, some is also used to power electric vehicles that the company uses. Kirishima's efforts to recycle sweet potato waste also help reduce its overall energy costs and contribute to cutting emissions of greenhouse gases. By 2021, Kirishima had reduced its overall emissions of carbon dioxide by 33% from the level in 2013.

### Collecting food waste

In November 2021, Kirishima pledged to reduce the amount of carbon dioxide emissions from its plants and offices to net-zero by fiscal 2030, an ambitious goal even by global standards.

Kirishima's existing initiatives are not sufficient to achieve that goal, however, according to Executive Managing Director Takuzo Enatsu. "By 2030, we would be able to halve CO2 emissions at best even if we used the entire amount of biogas from our *shochukasu* and did all we could," said Yoshikazu Higashimori, a section chief belonging to Kirishima's green energy department. "So there's a limit there."

That is why Kirishima decided to collect materials to feed the recycling plant from other companies and use them to boost its biogas output. For this purpose, Kirishima obtained the business license required to process industrial waste.

### Solar energy

Kirishima is thus working to use natural energy sources to offset its carbon emissions so it can achieve net-zero emissions. Enatsu thinks solar energy is a viable option for this purpose.

"Solar energy is a strong candidate, as we have many plants that face south and are fully exposed to sunlight," Enatsu said. "We are making calculations to determine how much power we will be able to generate. But



Kurokirishima and other flagship brands of Kirishima shochu distilled liquor SHUZO CO., LTD.

we have other options as well."

Already, Kirishima has installed solar panels at the plant attached to the company headquarters. These can generate up to 100 kilowatts per hour. The electricity from them is used at the plant.

Although Kirishima's reduction target currently involves only Scope 1 and 2 emissions, it is considering options for reducing carbon emissions from its supply chains, including Scope 3 emissions, in the future.

### Waste as treasure

In January 2023, Kirishima announced it had worked out an action plan dubbed "Kirishima Environmental Action 2030." In this plan, the company said conserving the natural environment is as important as measures to address climate change.

Already in 2010, the company joined a "companies' forest creation project" promoted by the Miyazaki prefectural government and began activities to plant broadleaf trees, including *keyaki* (Japanese zelkova) and *kunugi* (Japanese chestnut oak). Through regional forest-conservation activities like this and other initiatives, Kirishima aims to help maintain forests' multifaceted functions.

Kirishima's growth has always been supported by the blessings of nature. That is why the company appreciates what nature means to it. And its appreciation of nature was evident in these words from Enatsu: "Sweet potatoes are a blessing of nature, and *shochukasu* is a treasure."

Scan the QR code to read the full article about Kirishima Shuzo's leading commitments and initiatives toward the environment.

