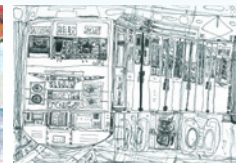
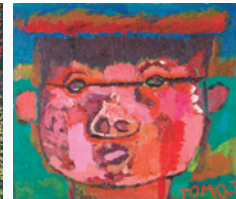


The Mitsubishi Estate Group
CSR Report 2007





A Love for People A Love for the City

—Forever Taking on New Challenges—The Mitsubishi Estate Group

Our wish is to provide people who live in, work in and visit the city
with enriching and fulfilling lives,
full of stimulating opportunities to meet.

The Mitsubishi Estate Group
has always pursued the genuine value sought by people
in the environments and services it provides.
With an eye to the future,
we carefully listen to each and every customer,
and create the true value they seek.

We wish to share with our customers
the inspiration and passion we derive from our work.
We will constantly take on new challenges to achieve this vision,
and through it, we will continuously evolve.

This aspiration will always drive our growth.



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Message from the President



Keiji Kimura

Keiji Kimura
President & CEO
Mitsubishi Estate Co., Ltd.

Building Next-generation Urban Communities with Proud Heritage and Bold Innovation

Urban Development—Delivering Both Social Value and Profitability

The Mitsubishi Estate Group is a general real estate company in the urban development business. Our integrated operations extend across the building, residential, design management, asset development and hotel sectors. Our mission is to contribute to society through urban development, and we do this by adhering to our Code of Conduct, which expresses our commitment to act with integrity, earn the trust of our clients and create a vibrant workplace. We are doing our utmost to respect the diverse voices of our stakeholders as we strive to make a positive impact on society. The essence of our social responsibility, we believe, is precisely to accomplish our mission: urban development that creates dramatically new forms of social capital. It is through this very effort that we most effectively make a difference in the world.

A good example of this sort of social contribution will be the 2009 completion of the restoration of Mitsubishi Ichigokan, Japan's original office building, built in 1894. Having preserved the blueprints and working diagrams, Mitsubishi Estate is consulting them in order to ensure that the restored building will be a testimony to the proud development heritage of Japan's famous Marunouchi area.

Mitsubishi Estate plans to make the restored Mitsubishi Ichigokan a museum, in light of the building's historical, social and cultural significance. With economic efficiency in mind, the Mitsubishi Ichigokan is being restored in tandem with the integrated renovation project for the Mitsubishi Shoji Building, Furukawa Building and Marunouchi Yaesu Building. This restoration project aims to create and give voice to a unique urban culture, going far beyond merely providing office-building functionality. This ambition—urban development that focuses on generating both social value and profitability—expresses the character and personality of the Mitsubishi Estate Group. We like to say it runs in our genes.

The Marunouchi area, where Mitsubishi Ichigokan is located, is now well into a third historical era of development, after the first in the Meiji and Taisho periods, from 1868 to 1925, and the second in the post-war period of rapid economic growth. In the redevelopment taking place today, we are working to create an area offering the world's most dynamic interaction. The goal is to transform the area from its traditional focus on business into an attractive and vibrant urban center that welcomes people from all walks of life and encourages genuine human interaction.

In the development process, we are working to build consensus among local landowners and public officials on a single vision for how best to develop the Otemachi, Marunouchi and Yurakucho district, which stretches across about 120 hectares. The Mitsubishi Estate Group owns approximately one-third of the land and buildings in this district, the only case like this in the world where a private firm manages such a massive area. We believe that the idea of developing the district with such extensive public and private collaboration itself expresses our commitment to truly innovative urban development.

Compliance—Starting Place for Creating a Truly Meaningful Society

Simply put, we are in the business of building the urban communities that will be the pride of the future. No small task, this endeavor by definition requires extensive collaboration. To gain the cooperation of our many stakeholders, we listen carefully until we understand exactly what they need, and then do everything we can to ensure that the communities we are developing fully meet those needs. Of course, the foundation for all of this is compliance, where trust begins.

At the Mitsubishi Estate Group, "compliance" means much more than observing laws and regulations. Of course, legal compliance is absolutely essential, but we pursue a broader,

deeper commitment to compliance: while following internal rules and respecting corporate ethics, we strive to ensure that our business delivers what society truly needs and also provide support for outside activities that meet social needs.

Dedicated to good corporate citizenship, we recognize that compliance is the foundation of our ability to fulfill social responsibilities, earn the trust of stakeholders, and succeed in business. It should come as no surprise, then, that strengthening compliance is the most important issue for our management. Among other steps, we recently significantly revised the way we approach and explain key issues to customers during the property purchase process to ensure that we completely satisfy each customer. Our new system ensures that buyers of condominiums are fully informed every step of the way.

We are dedicated to giving back to society not only through our business itself but also through far-reaching social contributions in areas not directly related to it. We recognize that demonstrating steady support for social progress will generate trust in our company and reap significant rewards in the future, even when there is no immediate profit in doing so. I believe that companies which lose sight of this long-term view will always have trouble fulfilling the demands of compliance and CSR.

Once a city is developed, it will be used for a long time. In a very real sense, then, urban development represents a gift to future generations. This makes our obligation to protect the environment while building the most amenable cityscape we can even more serious—and our work equally meaningful.

No one company can singlehandedly identify and implement all the initiatives needed to create an environmentally friendly urban community. It takes a large team working together to determine what needs to be done and find ways to do it wisely and effectively. Our role as a leading urban developer is to keep working to push this process forward. At the Mitsubishi Estate Group, we believe that the key to creating better urban environments for future generations is close



cooperation and consensus building. We take this approach not only in the redevelopment of the Otemachi, Marunouchi and Yurakucho district, but also in our environmental initiatives on all projects, which are carefully tailored for each site's location and scale.

New Brand Slogan—“A Love for People” and “A Love for the City”

The Mitsubishi Estate Group began to reinforce its corporate brand this year to further strengthen its competitiveness as a corporate group. Our brand slogan and brand statement (refer to page 1) are meant to convey our vision and aspirations to all of our diverse stakeholders.

The “Love for People” part of our brand slogan succinctly expresses our desire to continuously search for new ways to satisfy all of our stakeholders. We want to inspire, motivate, and astonish the people we work with and serve. The “Love for the City” part sums up our aim to create new value and ensure harmony with the environment in all of the cities where the Mitsubishi Estate Group does business.

Our love for people and for cities is the passion that drives us to continuously improve ourselves and our company, and we are confident that this effort will ensure that the Mitsubishi Estate Group earns the trust and support of future generations.

The Spirit of Mitsubishi: The Three Principles

***Shoki
Hoko***

Corporate Responsibility to Society

Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.

***Shoji
Komei***

Integrity and Fairness

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

***Ritsugyo
Boeki***

International Understanding through Trade

Expand business, based on an all-encompassing global perspective.

The Three Principles enshrine the founding spirit of Mitsubishi, and serve as management guidelines shared by the Mitsubishi companies.



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 creating a truly meaningful society.

The Mitsubishi Estate Group Code of Conduct

**In order to carry out the Group 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 the diversity of opinion of others, and increase our creativity and professionalism while displaying our collective strengths as a team.

Established: December 1, 1997 Revised: August 1, 2002; January 1, 2006

Highlight

Second Stage of the Marunouchi Redevelopment Project A New Approach to Community and Environmental Harmony



The first stage of the Marunouchi redevelopment project ended with the completion of the Shin-Marunouchi Building in April 2007, 20 years after feasibility studies were first initiated and 10 years after the project was launched.

The second stage of the redevelopment project, now underway, is focused on the Otemachi, Marunouchi and Yurakucho district, rather than the area in front of Tokyo Station, which was the priority in the first stage.

This Highlight section presents Mitsubishi Estate's vision for the future of urban development, featuring innovative ways for community residents to live in harmony with the environment.

The development of Marunouchi, the first site to see truly modern urban development in Japan, began in 1890, about 120 years ago. With the aim of creating a business center to spearhead Japan's modernization, the Mitsubishi Company bought the site from Japan's then-Ministry of War when it sold the land for private use. That same year brought with it other signs that Japan was indeed becoming a modern nation—the first House of Representatives election was held, the Imperial Diet was convened, and telephone service started.

Mitsubishi Ichigokan, the first office building in Marunouchi, was completed four years later in 1894. Since then, the row of red brick buildings extending for approximately 200 meters along Babasaki-Dori Avenue has been known as the London Block for its European style.

The Otemachi, Marunouchi and Yurakucho district has a long development history. The first development took place during the Meiji and Taisho periods (1868-1925), and the second during the period of rapid growth that followed World War II. Today, the district is Japan's landmark business center, now covering about 120 hectares and home to approximately 4,000 companies employing about 214,000 people. This includes 81 companies listed on the first section of the Tokyo Stock Exchange, which alone boast a total of approximately 114 trillion yen in annual sales and account for about 20% of Japan's GDP.

Since the Meiji and Taisho periods, Mitsubishi Estate has been one of the major landowners driving development, holding about one-third of the buildings in the Otemachi, Marunouchi and Yurakucho district. Now, more than half a century since development began anew after World War II, Mitsubishi Estate is improving Marunouchi yet again in the redevelopment

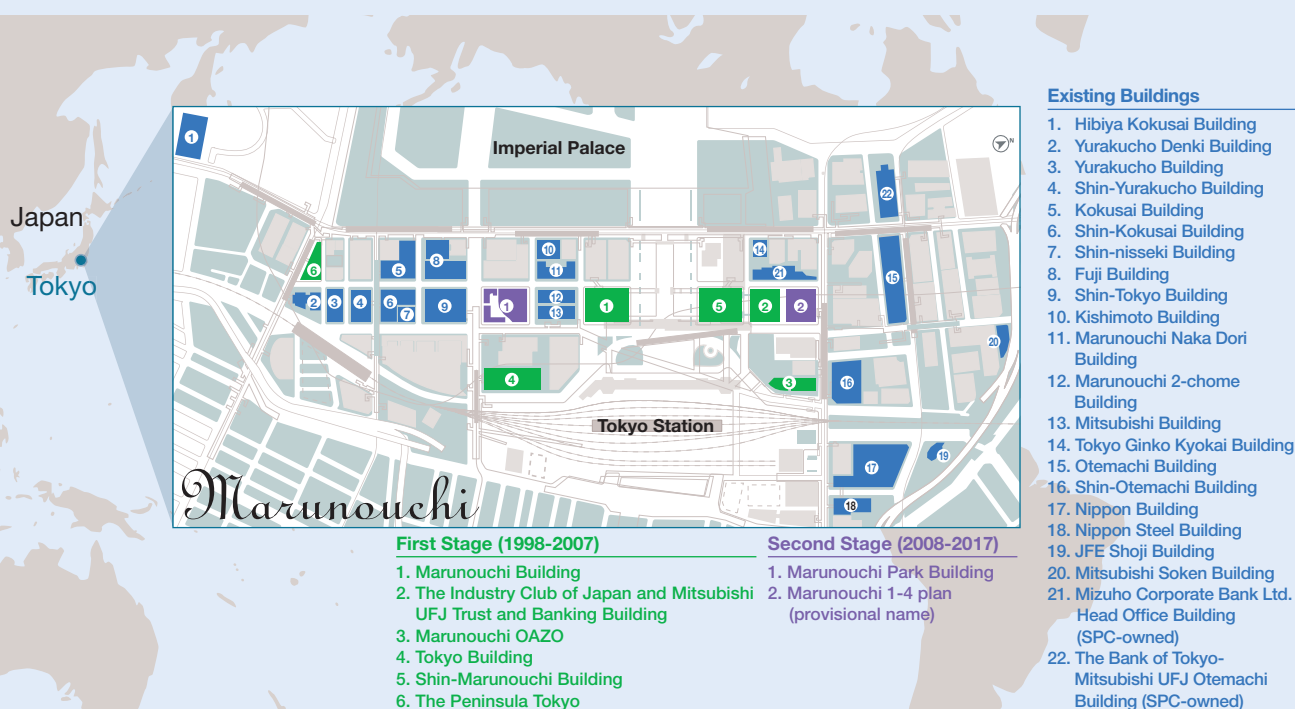
project, representing another major era in the district's development history. The project provides Mitsubishi Estate with an ideal opportunity to demonstrate its innovative vision for the urban development of the future.

Urban development that preserves heritage while embracing the future

The Marunouchi redevelopment project began in 1998.

Mitsubishi Estate's basic policy for this development called for a transformation of the current district, which is focused on business, to a diverse area that is open to the outside world and encourages human interaction. Toshio Nagashima, Mitsubishi Estate's executive vice president, stated, "When I initially discussed the idea of a new redevelopment plan with top business leaders, they told me they wanted to create a business center that would also serve as a great place to relax or take a stroll. Their comments helped to inspire our vision of the Marunouchi we should build for the next generation."

Mitsubishi Estate renovated seven buildings during the first 10 years of the project, starting with the Marunouchi Building completed in August 2002 and followed by the Industry Club of Japan, the Mitsubishi UFJ Trust and Banking Building, Marunouchi OAZO (Marunouchi Kitaguchi Building), the Tokyo Building, the Peninsula Tokyo and the Shin-Marunouchi Building. The Shin-Marunouchi Building, completed in April 2007, was the crowning achievement of the first stage of the Marunouchi redevelopment project.





Toshio Nagashima
Representative Director,
Executive Vice President
Mitsubishi Estate Co., Ltd.

The Shin-Marunouchi Building not only provides a comfortable, high-quality office environment, but also encourages friendly interaction among its users. The building incorporates a wealth of innovations and structures that create an entirely new appeal for this modern urban area.

■ Mitsubishi Estate's Redevelopment Achievements in the Otemachi, Marunouchi and Yurakucho District

Stage	Name of building	Construction schedule for new building projects	
		Start	Completion
First	Marunouchi Building	April 1999	August 2002
	The Industry Club of Japan/ Mitsubishi UFJ Trust and Banking Building	December 2000	March 2003
	Marunouchi OAZO (Marunouchi Kitaguchi Building)	June 2001	September 2004
	Tokyo Building	October 2003	October 2005
	Shin-Marunouchi Building	March 2005	April 2007
	The Peninsula Tokyo	October 2004	May 2007
Second	Marunouchi Park Building/ Mitsubishi Ichigokan	February 2007	Spring 2009
	Marunouchi 1-4 Plan (Provisional name)	FY08	FY11

The Marunouchi redevelopment project aims to create an urban area boasting the world's most dynamic interaction. The project serves as a base for creating a new culture and business style, bringing together a sophisticated commercial zone with 153 unique stores—an area where both men and women can enjoy quality time—as well as facilities encouraging interaction between office users. The project also provides a home for the Entrepreneur Group for Growing Japan (EGG Japan), an “incubation office” that supports new business startups (refer to page 12), and Ecozzeria, an environmental strategy hub.

The concept for the Shin-Marunouchi Building, with four levels underground and 38 floors above ground, was created by Sir Michael Hopkins of London, one of the world's most distinguished architects. The design concept integrates cutting-edge images and a classical British style, creating an urban landscape based on the image of a gate to represent the entrance to Tokyo, along with the Marunouchi Building.

Hiroo Minamino, deputy general manager of Mitsubishi Estate's Commercial Development Department, Building Business Division, who also served as construction project leader for the Shin-Marunouchi Building, had this to say: “This building was not designed in isolation; rather, we tried to achieve a balance that would make it a twin tower to the Marunouchi Building, and create an elegant urban landscape befitting the hub of the area in front of Tokyo Station. The building is 198 meters high, and at the 31 meter point, a line was left to mark the height of the former Marunouchi Building, thus preserving a piece of Marunouchi heritage.”

Diverse environmental initiatives: Going beyond awareness to action

Mitsubishi Estate is not only committed to providing environmentally friendly design and facilities, but also takes initiatives to move the public from environmental awareness to action. The Group holds seminars and events to equip people to start protecting the environment, and also supports permanent installations like the Ecozzeria office in the Shin-Marunouchi Building.

The concept of harmony with the environment is a vital part of the Marunouchi redevelopment project. The Shin-Marunouchi Building has rooflines planted with trees at the seventh floor and the thirty-fourth floor, and solar panels that make the most of natural energy. The building uses an intermediary water supply system, including rain water, as well as a variety of other environmental innovations, such as micro-misters that emit nanosized mist along Marunouchi Naka-Dori Avenue's sidewalk to ease the heat island phenomenon and atrium floor heating using exhaust heat.

An essential part of the Shin-Marunouchi Building's commitment to proactive environmental measures is Ecozzeria, the environmental strategy hub located on the tenth floor. The word "ecozzeria" was coined from Italian to mean a gathering place for generating environmental awareness. This office is tasked with proposing new technologies, systems and lifestyles that will increase harmony with the environment through interaction between various people, things, objects and information on the environment.

Mitsubishi Estate provides various forums in which people can carefully consider harmonious coexistence between cities and the environment, including the Nature Info Plaza, which features photography exhibits, tours and seminars on living with nature, and the Otemachi Café, which promotes the concept of sustainability for Marunouchi and holds exhibits and seminars on the environment. Ecozzeria was originated in a desire to take this concept one step further, based on Mitsubishi Estate's experiences operating these two forums.

Ecozzeria consists of an open space in which environment-related visuals can be displayed, a salon space for conferences and symposiums on environment symbiosis technology and the "Touch the World Room," in which visitors can observe past and future changes in the global environment on a digital globe

1.28 meters in diameter. Another system also provides real-time information on the Otemachi, Marunouchi and Yurakucho district.

Mitsubishi Estate also took the environment into consideration when it dismantled the previous building. For example, some of the approximately 10,000 pine piles that formed the foundation of the building were reused as flooring in the Shin-Marunouchi Building's Ecozzeria, while others were reused as raw material for paper and other purposes. In addition, about 78,000 m³ in scrap concrete was recycled to make high-quality aggregates after pulverization at a special plant and removal of impurities, and then cast as concrete for the slab in the first floor of the Shin-Marunouchi Building.

The Otemachi Marunouchi Yurakucho District Redevelopment Project Council has addressed various issues with public collaboration for 20 years now. The Otemachi Marunouchi Yurakucho District Environmental Vision was established in fiscal 2007 to lay out a vision for a sustainable city that emphasizes harmony with the environment.

Shigeru Inoue, deputy general manager of Mitsubishi Estate's Area Planning Office, Building Business Division, who deals with environmental issues and is also Ecozzeria's producer, explained, "We need a good balance between the economy, culture, society and the environment to achieve a sustainable society, and Ecozzeria addresses the environmental component of this. Ecozzeria must not only adopt cutting-edge, environmentally friendly facilities, but must also reach out to people who work and shop in this district to inspire them to action."

Stakeholder OPINION

Recycling rate increased by collaboration

We set up a support center at the Shin-Marunouchi Building in coordination with our Tokyo head office to promote on-site recycling during construction, and achieved a 98% recycling rate for demolition and new construction. The demolition work had a nearly 100% recycling rate.

Kiyoto Masumura

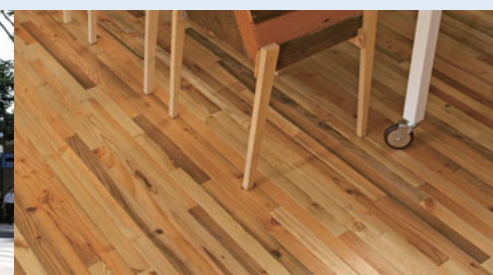
Work site project manager for new construction of the Shin-Marunouchi Building
Takenaka Corporation



Greening the walls of the Shin-Marunouchi Building



Micro-misters at the Shin-Marunouchi Building



Ecozzeria's flooring (using pine piles from previous building)

Next-generation neighborhoods: Built on community consensus

The first stage of the Marunouchi redevelopment project ended with the completion of the Shin-Marunouchi Building, and the second stage is now underway. It will include completion of the Marunouchi Park Building, scheduled for spring 2009, and the reconstruction of the Mitsubishi Ichigokan.

The first stage of the project drastically transformed Marunouchi. Name-brand stores have been attracted to the streets around Marunouchi Naka-Dori Avenue, and the commercial facilities in the renovated building have been expanded to develop the commercial area. This has increased the number of stores in the Otemachi, Marunouchi and Yurakucho district from about 290 before the Marunouchi Building was rebuilt to about 740 when the Shin-Marunouchi Building opened its doors.

It is not just the buildings and streets that have changed. The district has offered many events featuring street performers such as Heaven Artist and art events like Cow Parade and La Folle Journee au Japon, “A Day of Enthusiasm” Music Festival 2007. Educational events have also been held, including “Family Field Trips” and the “Summer Eco Kids Expedition in Otemachi Marunouchi Yurakucho.” These events have transformed Marunouchi from an area focused only on business to a real community that encourages lively interaction among a wide variety of people.

Previously, only businesspeople visited this district, but the redevelopment project has brought folks from all walks of life to enjoy Marunouchi.

In the second stage of the project, Mitsubishi Estate plans to invest approximately 450 billion yen in rebuilding and renovating seven or eight buildings. The first stage was focused on developing the area in front of Tokyo Station, but this second stage will expand and build upon the redevelopment of Marunouchi achieved thus far. In other words, the interaction generated in the first stage will now spread throughout the entire Otemachi, Marunouchi and Yurakucho district.

It is crucial that the appeal of the entire area be strengthened. In addition to augmenting and upgrading business-related functions, other aspects such as cultural arts and urban tourism will also be introduced so that the area functions as an integrated whole. Area management and harmony with the environment will also be improved. For example, we believe that urban design that incorporates techniques for preventing the heat island phenomenon, such as rooftop greening, water-retaining



Shigeru Inoue
Deputy General Manager,
Area Planning Office,
Building Business Division
Mitsubishi Estate Co., Ltd.

pavements and sprinkler devices, should be considered for the entire area.

The Marunouchi redevelopment project is characterized by collaboration among public and private sectors. When public officials and landowners share goals and have a system that encourages collaboration, it facilitates high-quality redevelopment. The project owes its great progress to the teamwork of the Otemachi Marunouchi Yurakucho District Redevelopment Project Council, composed of about 95 private organizations of landowners and others, and the Advisory Committee on Otemachi-Marunouchi-Yurakucho Area Development, a public body led by the Chiyoda Ward Office. The OMY Area Management Association, an NPO that supports urban management, also provides valuable collaboration to the project. Working together, these organizations are ensuring that the city is developed in a way that respects the environment and ensures sustainable development.

Mr. Nagashima stated, “It has already been 20 years since the council was formed, signaling the start of redevelopment in the Otemachi, Marunouchi and Yurakucho district. This district is the pride of Japan, and for this reason we have taken our time in redeveloping the area, ensuring an open process and inviting the opinions of many people. This process generated an original, new consensus on urban living that governed Mitsubishi Estate’s approach to urban development.”



Hiroo Minamino
Deputy General Manager,
Commercial Development
Department,
Building Business Division
Mitsubishi Estate Co., Ltd.

Stakeholder
OPINION

The need to share environmental data throughout the district

The NPO OMY Area Management Association*¹ has been working to invigorate neighborhoods, companies and people and to promote interaction for five years now. Its activities aim to ensure the safety and security of the area, raise land values and address long-standing environmental and other issues. The association has made many valuable contributions to the area, such as introducing a district heating and cooling system, cyclical water use, recycling of kitchen waste, greening of roofs and walls, and collaborative transport. As organizations with different histories are currently acting independently, it will be essential to develop systems for data sharing to ensure sound performance analysis.

*¹ This NPO serves primarily to bring greater vitality to neighborhoods and create opportunities for wide-ranging human participation and interaction in the Otemachi, Marunouchi and Yurakucho district. The Otemachi Marunouchi Yurakucho District Redevelopment Project Council is its parent organization, and it is made up of companies, groups, academics and lawyers involved in the district.



Shigetaka Kobayashi
Professor, Graduate School of Engineering, Yokohama National University
Administrative Director, OMY Area Management Association

Entrepreneur Group
for Growing Japan

Supporting new businesses with a diverse network

The Marunouchi redevelopment project is now fulfilling a new function, serving as a community that supports the development of new businesses for Japan's future. In 2000, at Mitsubishi Estate's request, Marunouchi Frontier was established as a support organization connecting large companies and venture capital companies, and in 2002, the Tokyo 21c Club was located in the Marunouchi Building. The club, a center for innovation that brings together businesspeople motivated to create new businesses that will shape Japan, serves as the base for Marunouchi Frontier. The Entrepreneur Group for Growing Japan (EGG Japan), which brings together the Tokyo 21c Club and 17 other "incubation offices," was set up in the Shin-Marunouchi Building.

EGG Japan does more than just provide rental space to venture capital companies. Tokyo 21c Club members develop new businesses by discussing cooperatives and conducting joint research in groups focused on one of more than 25 subjects and matching the needs and technological potential of large companies with those of venture capital companies. EGG Japan facilitates this work, and is also equipped with IT equip-

ment, a café and a meeting space which can be used by members without offices in Tokyo for business meetings.

Yumiko Nishimura, president and CEO of "e CONSERUVO," runs a new business in personal information management which has an "incubation office" at EGG Japan. She said, "EGG Japan is a high-quality support system that is easy to use and provides access to a large network of resources."

EGG Japan not only aims to help revitalize Japan's economy, but also to expand the number of companies that may lease from Mitsubishi Estate in the future by developing companies with growth potential. Katsunori Tanaka, deputy general manager of Mitsubishi Estate's Area Brand Management Department, Building Business Division, stated, "Offices supporting entrepreneurs in the Marunouchi Building were previously broken up into small, isolated segments. By engineering opportunities for many businesses to meet, we hope to enhance the intellectual assets of the Otemachi, Marunouchi and Yurakucho district."



Katsunori Tanaka
Deputy General Manager,
Area Brand Management Department,
Building Business Division,
Mitsubishi Estate Co., Ltd.



Yumiko Nishimura
President and CEO, e CONSERUVO

CSR Vision

In expanding its general real estate business, the Mitsubishi Estate Group is involved in a wide range of urban development projects. The Group's mission is, "By building attractive, environmentally sound communities where people can live, work and relax with contentment, we contribute to creating a truly meaningful society." Carrying out this mission is Mitsubishi Estate's corporate social responsibility.

The Mitsubishi Estate Group ensures that its mission is put into practice by declaring its commitment to act with integrity, earn the trust of clients and create a vibrant workplace in its Code of Conduct. The Group takes an active approach to ensure that it retains society's trust.

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 creating a truly meaningful society.



CSR at the Mitsubishi Estate Group

Operational Framework for CSR

Mitsubishi Estate takes an active, group-wide approach to CSR. In 2005, the company established the CSR Department to set up and manage the framework for its CSR efforts. Then, Mitsubishi Estate set up the CSR Committee in September of the same year, chaired by the president, to ensure group-wide implementation of CSR. In addition, the Compliance Subcommittee, the Risk Management Subcommittee and the Environmental Subcommittee were established as forums for discussion before the CSR Committee meets.

Operational Framework for CSR



Overview of CSR Committee Meetings Held in Fiscal 2006

- **First meeting (July 2006)**
 - Establishment of risk management system
 - Progress made on specific measures on which the Compliance Advisory Committee advised and other issues
- **Second meeting (February 2007)**
 - Revision to Compliance Subcommittee regulations
 - Future CSR activity goals and action guidelines and other issues

* On the advice of the Compliance Advisory Committee, two external advisers have participated as advisers since the CSR Committee meeting held in February 2007.

Compliance Advisory Committee

This committee, under the direct supervision of the president and made up of external experts, met from July to December 2005. The committee strengthened the compliance system to prevent a repeat of the soil and groundwater problem at the OAP Residence Tower and provided advice on ways to reinforce and improve the system, as well as ways to strengthen the corporate organization.

Stakeholder OPINION

Views of external advisers on CSR Committee



Iwao Taka
Professor, International School of Economic and Business Administration, Reitaku University

The Committee is an effective and substantial forum in which members can honestly express their opinions. We not only identify risks, but also examine and provide feedback on outcomes. This ensures that the PDCA cycle functions. I'm looking forward to our future work.



Setsuko Egami
Visiting Professor, Okuma School of Public Management, Waseda University

Mitsubishi Estate executives as well as those of its group companies have high hopes for the Committee, and expect it to seriously discuss business promotion and corporate management from the customer's point of view. The Committee also considers the affinities between CSR activities and business, plans for realistic growth and examines the continuity of future efforts and the prospects for good outcomes.

Response

We will promote CSR in tandem with Group objectives



Nobuyuki Iizuka
Representative Director, Deputy President (Vice Chairman, CSR Committee)

Mr. Taka and Ms. Egami participate as external advisers so that we can benefit from the frank opinions of individuals from outside the company. They seem impressed with the Group's motivation to pursue CSR. Our next task is to promote effective, concrete efforts that fit in with the business divisions' activities, and continue to use the PDCA cycle to achieve the Group's overall objectives.

Promoting CSR by Implementing the Code of Conduct

The Mitsubishi Estate Group has established the Mitsubishi Estate Group Code of Conduct, which lays out the corporate ethics held in common by the Group, as the foundation for putting its mission into practice. Going one step further, the Behavior Guidelines stipulate the specific standards for behavior in daily work.

Mitsubishi Estate takes seriously the recommendations it receives from the Compliance Advisory Committee, which were compiled in January 2006. The company will continue to take measures to improve its system, fulfill its social responsibilities including environmental consideration and social contribution, and stay in constant dialogue with its stakeholders.



We will act with integrity.

The Mitsubishi Estate Group places a premium on communication with society. We strive to communicate with stakeholders and meet society's demands by ensuring compliance, delivering transparent management and corporate governance, and disclosing information. This allows us to fulfill our responsibilities as an urban developer with sincerity and modesty. We are actively involved in protecting the environment and giving back to the community so that we can pass on a truly meaningful society to the next generation.

Report I

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21	Environmental Management
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Corporate Governance

Pursuing Highly Transparent Management

Under the executive officer system introduced in April 2003, Mitsubishi Estate has more clearly defined the oversight and business execution functions, further enhancing management efficiency and expediting decision-making. At the General Meeting of Shareholders in June 2006, the company also appointed three outside directors to its Board of Directors and added one more at its June 2007 meeting. These steps were intended to reinforce the management and oversight functions of the Board of Directors.

Managerial Decision-Making Process

Mitsubishi Estate has established committees and consultative bodies to make management decisions commensurate with the scale and importance of the various types of decisions. The Strategic Planning Committee was formed to deliberate on overall management strategies for the Mitsubishi Estate Group. This committee is attended by the president's appointees and either internal directors or executive officers above the executive director level, depending on their relevance to the decision at hand. The Executive Committee meets, as a general rule, once a week with the president, the executives of each business division, standing statutory auditors and other persons designated by the president to make important operational decisions. The Strategic Investment Committee, which functions as a subordinate body to the Executive Committee, gathers to discuss important investment proposals and summarize the points at issue before the Executive Committee meets.

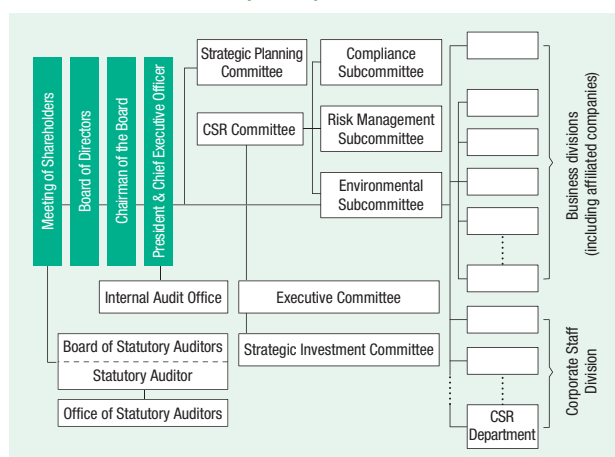
Management Oversight Structure

The Board of Directors makes decisions on important operations and legal matters, and works with the Board of Statutory Auditors to oversee and audit the business and affairs of the company. The Board of Directors meets once a month, more often when necessary. Thorough auditing is ensured by auditors attending Board of Directors' meetings, standing statutory auditors participating in the Executive Committee, and the Board of Auditors itself meeting to discuss business execution status. In addition, the Office of Statutory Auditors has been established to assist the work of the auditors. The Internal Audit Office, an organization under the direct jurisdiction of the president, conducts internal audits in accordance with an annual audit plan devised based on risk analysis.

Risk Management

Mitsubishi Estate has established Group Management Rules for the management of business and other types of risk. This risk management system applies to all of the Group's business activities. The company has reinforced this system by establishing the CSR Committee, tasked with risk management, and the Risk Management Subcommittee as a working-level consultative body. The executive in charge of the CSR Department has been given overall responsibility for risk management, and general managers of each division and general managers in the Corporate Staff Division have been given the title of "risk management officer" and overall control and responsibility for the management of risk within their departments.

Mitsubishi Estate Group's Corporate Governance Structure



Ensuring reliable functionality in daily operations

Mitsubishi Estate has developed a corporate governance structure founded on its vision for the future. However, the structure is meaningful precisely because it works on the job site. The issue now is the extent to which the structure can function reliably in daily work. Mitsubishi Estate is an urban developer, not a company restricted to renting buildings and selling condominiums. It encourages each employee to work with a firm sense of ethics as well as an understanding of the company's social responsibilities and mission.



Fumikatsu Tokiwa
External Director

Compliance

Compliance Framework

The Mitsubishi Estate Group defines compliance not merely as adherence to legal standards, but also as inclusive of the observance of internal company rules and ethical corporate standards.

Mitsubishi Estate's compliance system has its roots in the determination of its executives and employees to improve their awareness and reform the organization after the company was found in violation of some stipulations of the Commercial Code of Japan in 1997. In that year, the Operations Management Committee (now the CSR Committee) and the External Affairs Team were established, and the Code of Corporate Conduct was formulated to define the company's basic commitment to reform. Group-wide reform was implemented, with all employees sharing the sense of urgency.

Subsequently, in April 2005, the CSR Department was established, and in July of that year a Compliance Advisory Committee made up of external experts was formed on a temporary basis to objectively review the compliance system in light of the soil and groundwater contamination problems discovered at Osaka Amenity Park. This committee worked to improve the corporate culture, for example by revising the Code of Conduct.

Further, a compliance director has been appointed by decision of Mitsubishi Estate's Board of Directors, and given responsibility for overseeing and ensuring compliance. The Compliance Subcommittee, which meets as a forum for discussing compliance issues before the CSR Committee is held, is made up of members including the compliance director, executives in charge of Corporate Staff departments, general managers, the general manager of the Internal Audit Office, and others appointed by presidents of major Group companies.

Rigorous Information Management

In light of society's growing concern over the protection of personal information and information management, the Mitsubishi Estate Group devised a system for managing personal information based on its concept of "information management compliance" in 2003.

In May of the same year, the Mitsubishi Estate Group's Basic Regulations on Information Management Compliance and the Mitsubishi Estate Group's Policy on Personal Information Protection were established—two years before Japan's Act on the Protection of Personal Information went into effect in April 2005. Coupled with thorough monitoring and oversight, the company has reinforced its management of personal information.

Mitsubishi Estate makes every effort to ensure all of its information is properly obtained and managed. In accordance with the law, the company scrupulously manages confidential information and the business confidences it obtains in the course of operations, and is committed to preventing any external leaks.

Incidents and Countermeasures related to Protection of Personal Information

In April 2006, it was discovered that personal customer information (names, addresses and phone numbers for about 2,500 people) had been leaked via the file-sharing software "Winny" by a subcontractor responsible for the advertising of a condominium that Mitsubishi Estate and four other companies had sold.

To address this issue, the company carried out an emergency review to determine how the subcontractors handling customers' personal information were storing data and whether file-sharing software was being used. The company has reinforced internal and external information security to prevent a reoccurrence, and now carefully confirms each subcontractor's information management practices.

Mitsubishi Real Estate Services Co., Ltd., the Group's real estate services business, handles customers' personal information frequently in its operations. Accordingly, this company has received Privacy Mark certification, and formulated its own Regulations on Protecting Personal Information and Outsourcing Management, which spell out the conditions and regulations applicable when outsourcing operations and work that could involve personal information. With such efforts, the Group is ensuring that subcontractors protect personal information.

Measures against Criminal Elements

The Mitsubishi Estate Group clearly stipulates its refusal to countenance any relationship whatsoever with organized criminal elements in its Behavior Guidelines. The company also established a special department to take resolute measures for the Group in the event of any contact from criminal elements, while consulting with those involved.

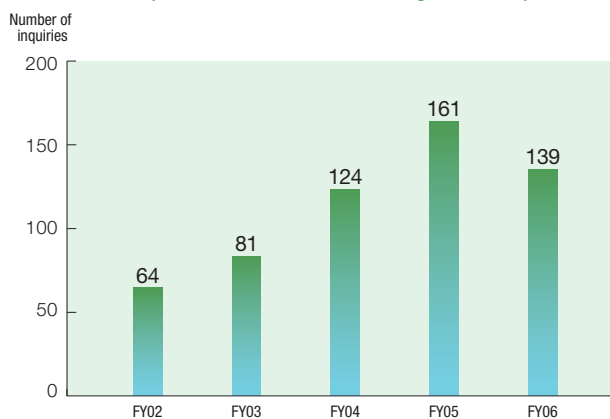
Building a Deep Understanding of Compliance

Augmenting the help line

The Mitsubishi Estate Group has established a help line to receive inquiries and consultations on compliance issues. The help line has both internal and external contact points and can be used by Group employees, temporary employees, part-time employees and various other part-time staff, and even the business partners of Group companies. All inquiries are guaranteed anonymity, and there were 139 contacts in fiscal 2006.

Mitsubishi Estate is working to familiarize its employees with Japan's Whistleblower Protection Act, which went into effect in April 2006, by describing its key points on the company's intranet and providing this information to Group companies' compliance managers.

Number of inquiries and contacts, including use of help line



Distribution of compliance tools

A self-check card and the Mitsubishi Estate Group Compliance Guidebook have been distributed to all employees with the aim of deepening awareness of compliance issues. Posters presenting the Code of Conduct and training videos are also being circulated to disseminate information about compliance throughout the Group.



Self-check card

Compliance training

Since 1999, the Group has been training all Mitsubishi Estate executives to raise awareness about compliance. In November 2006, this training was extended to all employees, with an external lecturer invited to do the training using case studies. The participants are divided into small groups for discussion with the aim of further enhancing understanding of compliance.

Compliance is also discussed at training for new hires, training for new senior managers, and training for Group company managers and employees to provide constructive opportunities to think about compliance.

Stakeholder OPINION

Young employees think earnestly about compliance

I am an instructor in the compliance training program that Mitsubishi Estate started in November 2006 for all employees. So far, I've given compliance training mainly to younger employees. It seems that a number of incidents, including the events of the previous four years, have made the trainees take compliance issues very seriously. The recent trainees' perspectives on compliance issues generally seemed much broader than those of earlier trainees. This was clear in the many comments I received from them on other issues like the environment, social contribution, and the local community while we were looking at case studies on compliance during the training.



Mitsuhiro Umezu
Associate Professor
in Faculty of Business
and Commerce, Keio
University

Initiatives with Business Partners

Equitable and Conscientious Approach to Business Partners

The Mitsubishi Estate Group's Behavior Guidelines advocate fair transactions and encourage equitable and sincere relationships with business partners.

Based on its commitment to building an equitable, trusting relationship with every business partner, the Group ensures that its transactions are fair and transparent, pursuing growth for both parties and building bonds of trust. Dedicated to ensuring that all transactions are founded on free, fair and transparent market principles, the Group's main goal is to earn society's trust in its transactions.

Establishment of Order Placement Protocol

Mitsubishi Estate places impartial orders in accordance with its Order Placement Protocol, which all executive officers placing orders with business partners must follow.

Now that the business organization and order placement organization have been clearly separated under the protocol, appropriate order placement is ensured by requiring employees to use a check sheet to self-verify compliance at each stage of the order process, and the results are confirmed by the CSR Department. The protocol also stipulates that, when selecting a vendor, the authorization forms and records must describe the efforts made to ensure quality, secure objectivity and economic rationality based on a fair market price, and conduct a fair and equitable screening and assessment, as well as the reasons, basis and process for selecting the particular vendor.

The protocol also requires that the vendor have appropriate information management and environmental protection measures in place, that the vendor has no relationship with criminal elements, and that the relationship with the vendor be on an equal footing, and also forbids any personal conflicts of interest related to the order.

Communication with Business Partners

Mitsubishi Estate believes that close communication and information sharing with business partners is absolutely essential, given that they are equal partners with which the company must build trusting relationships. Mitsubishi Estate is well aware that the customer's assessment of its business partners often carries over into its assessment of the Mitsubishi Estate Group, and accordingly all the companies of the Mitsubishi Estate Group emphasize discussion and interaction with their business partners.

Mitsubishi Estate's Building Business Division has set up an Outsourcing Evaluation System to augment communication opportunities with business partners. Under this system, at the start of the fiscal year Mitsubishi Estate meets with managers at its subcontractors to set plans and goals for that fiscal year, after which they hold regular operational meetings every week. This provides them with plenty of opportunities to exchange information, share opinions and verify issues, all of which lead to improved quality. In addition, Mitsubishi Estate and the management at its subcontractors hold meetings to thoroughly discuss subcontractors' conditions, the working environment on-site at the building, and operational issues. This creates an environment in which the on-site staff can work to their full potential with peace of mind and customers can be satisfied.

Information Disclosure and IR Activities

Prompt, Accurate and Impartial Disclosure

In March 2006, Mitsubishi Estate began to enforce its own Disclosure Regulations. As a result, the company set up a system for timely and appropriate disclosure of corporate information under which it strives to provide the public with information that is prompt, accurate and impartial from the shareholders and investors' point of view.

Information that falls under the regulations governing timely disclosure is published via Timely Disclosure Network, or TD-net (transmission system for timely information disclosure), offered by the Tokyo Stock Exchange, and is also released on Mitsubishi Estate's website.

The company also promptly releases other objective information that would be useful to shareholders and investors, but to which the regulations governing timely disclosure do not apply, on the Mitsubishi Estate website.

Senior Management Briefings for Shareholders, Investors and Analysts

In addition to the information provided on the "Investor Relations" page at Mitsubishi Estate's website, company executives and general managers give briefings on financial statements at conferences with analysts held twice a year. These opportunities for direct dialogue with shareholders and investors help to deepen their understanding of management strategies, and also help the public's views to be incorporated into the management of the company. Opinions from shareholders, investors and analysts are distributed to executive officers and relevant departments in the form of the "IR Office Report." These views from the market also provide useful feedback for management.

Further Information

For shareholders, investors and analysts interested in learning more about the Mitsubishi Estate Group, the company hosts tours and also gives over 200 interviews a year to analysts and investors, in addition to the activities just listed. In September 2006, the company also participated in a briefing for individual investors (sponsored by the Nagoya Stock Exchange).

IR Tools

- Corporate profile
- Annual reports (English)
- Financial statements (quarterly)
- Financial reports and interim reports
- "To Our Shareholders" (twice a year)
- CSR report
- Reports on corporate governance
- Fact Book (English)
- "Investor Relations" page at Mitsubishi Estate website (English) <http://www.mec.co.jp/e/investor/index.html>
- Other

Quarterly information is published on the Mitsubishi Estate website. The "IR Office Report" is issued as an internal publication providing feedback from investors.



External Appraisals

- Included on the DJSI for seven consecutive years

In September 2006, Mitsubishi Estate was selected for inclusion on the Dow Jones Sustainability Indexes (DJSI) for the seventh year in a row. Dow Jones selects companies with potential for sustainable growth out of 2,500 reputable companies in 26 countries around the world for inclusion in its index.



- Mitsubishi Estate selected for FTSE4Good Global Index for sixth straight year

In March 2007, Mitsubishi Estate was selected for inclusion in the FTSE4Good Global Index by the FTSE for the sixth straight year. FTSE4Good selects companies that meet corporate responsibility criteria and is highly praised as a global investment rating index based on CSR.



Environmental Management

Basic Stance on Environmental Management

The Mitsubishi Estate Group has clearly articulated its mission: "By building attractive, environmentally sound communities where people can live, work and relax with contentment, we contribute to creating a truly meaningful society." Consideration for the global environment is one of the most important issues for the management of Mitsubishi Estate.

Based on this mission, the company has established the Mitsubishi Estate Group Basic Environmental Policy, and has also established Mitsubishi Estate Group Environmental Management Regulations to put this policy into practice. The Basic Environmental Policy is shared by all the Group's companies in Japan, and calls for environmental conservation across the entire life cycle of buildings, from planning and design to management and eventual dismantlement.

Mitsubishi Estate Group Basic Environmental Policy

The Mitsubishi Estate Group strives to consider the environment and reduce environmental impact as it works to create a truly meaningful society through its unique style of urban development.

1. Observe environmental laws and regulations

We observe environmental laws and regulations and endeavor to protect the environment.

2. Promote resource and energy conservation

We actively promote the efficient use of resources and energy and use renewable energy.

3. Contribute to building a society committed to recycling

We strive to reduce waste, reuse and recycle at all stages of urban development, including planning, development, design, construction, management and dismantlement, in order to contribute to building a society committed to recycling.

4. Develop an environmental management system

We develop an environmental management system to ensure continuous improvements to our environmental activities.

5. Provide environmental education and awareness programs

We provide environmental education and awareness programs to improve employees' awareness of environmental conservation issues and ensure highly effective environmental activities.

6. Disclose environmental information

We disclose the Mitsubishi Estate Group Basic Environmental Policy as well as other environment-related information.

Established on May 1, 2004
Revised on January 1, 2006

Environmental Management Operational Framework

The Mitsubishi Estate Group has set up the CSR Committee (see page 14) chaired by the president of the company to undertake overall CSR initiatives, including environmental issues, and has also formed the Environmental Subcommittee, a subordinate organization that meets in advance to discuss environment-related issues due for deliberation. General managers from major business fields, including Group companies, are members in these committees.

In addition, an environment director is appointed to take responsibility for the promotion of environmental management in the Group, and environmental management officers are appointed for each of Mitsubishi Estate's business areas and Group companies.

Environmental Education and Awareness Programs

Mitsubishi Estate offers environmental education as an e-learning experience every year to foster its employees' environmental awareness. Employees gain basic knowledge about environmental problems, as well as the environmental impact of Mitsubishi Estate's business activities. In fiscal 2006, a total of 171 promoted employees, transferred employees and new hires participated in the training.

An environmental campaign directed at the Mitsubishi Estate Group's executives and employees is also held every year. In fiscal 2006, Hideki Nakahara, chair of the Green Purchasing Network, was invited to give a speech to a total of 85 executives and employees on the subject of "green purchasing to lower temperatures by 2 °C" on World Environment Day (June 5). In addition, 18 employees participated in a tour of the Tokyo Bay Central Pier Landfill Disposal Area given by the Tokyo Environmental Public Service Corporation.



Hideki Nakahara speaks during the environmental campaign.

Development of Environmental Management System

The Mitsubishi Estate Group has developed an environmental management system with the aims of acquiring ISO14001 certification for organizations with significant environmental impact, and introducing an independent Environmental Management System (EMS) corresponding to ISO14001 at small organizations.

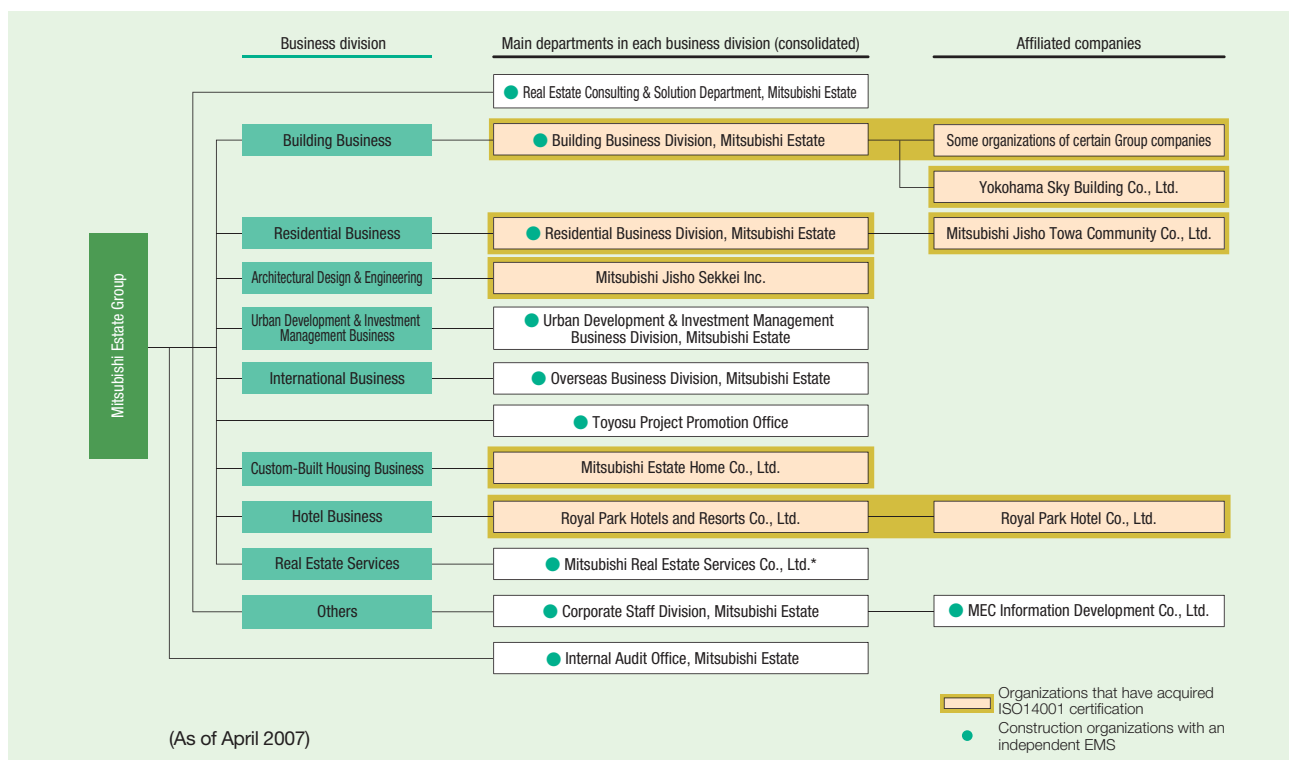
As of April 2007, Mitsubishi Estate's Building Business Division and Residential Business Division had acquired ISO14001 certification, as had seven Group companies—Yokohama Sky Building Co., Ltd., Mitsubishi Jisho Towa

Community Co., Ltd., Mitsubishi Jisho Sekkei Inc., Mitsubishi Estate Home Co., Ltd., Royal Park Hotels and Resorts Co., Ltd., and Royal Park Hotel Co., Ltd. With such accomplishments, the company is promoting its environmental conservation activities.

Mitsubishi Estate, Mitsubishi Estate Real Estate Services and MEC Information Development Co., Ltd., each operate an independent EMS which applies to office activities.

The figure below shows the status of the development of the environmental management system.

Development of Mitsubishi Estate Group's Environmental Management System



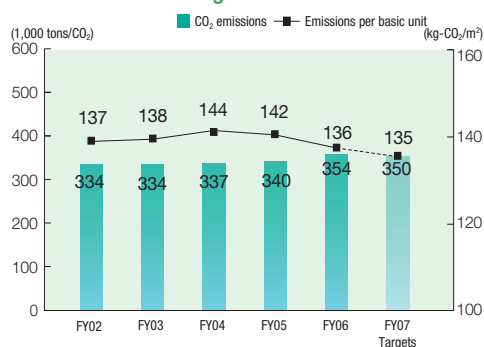
Environmental Initiatives

Efforts to Restrain Global Warming CO₂ Emissions and Energy Consumption in Buildings

In fiscal 2006, CO₂ emissions from Mitsubishi Estate's ISO-certified buildings totaled about 354,000 tons, a 4.1% increase over fiscal 2005. Moreover, energy consumption stood at approximately 6,515,000 GJ, up 8.8% over fiscal 2005. This is partly because the Tokyo Building, after being rebuilt, is now being operated throughout the fiscal year and the scope of ISO14001 has expanded from 29 to 32 applicable buildings. When calculated using floor space as the basic unit, CO₂ emissions decreased 4.2% compared to fiscal 2005, to 136 kg-CO₂/m².

Mitsubishi Estate will continue to address global warming, and aims to reduce both CO₂ emissions and energy consumption in all buildings by 1.0% compared to fiscal 2006 levels in fiscal 2007.

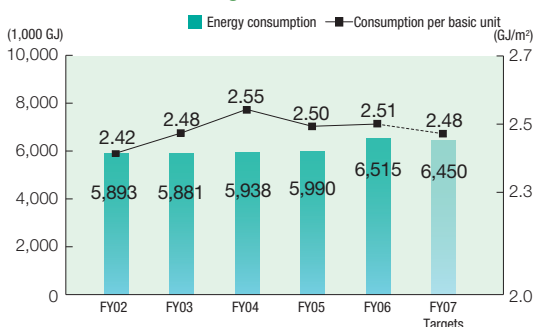
■ Per Unit CO₂ Emissions from Mitsubishi Estate's ISO-certified Buildings



* The emissions coefficient stipulated in Japan's Law Concerning the Promotion of the Measures to Cope with Global Warming was used when calculating CO₂.

* The number of applicable buildings changes depending on the fiscal year due to renovations and sales/purchases.

■ Per Unit Energy Consumption in Mitsubishi Estate's ISO-certified Buildings

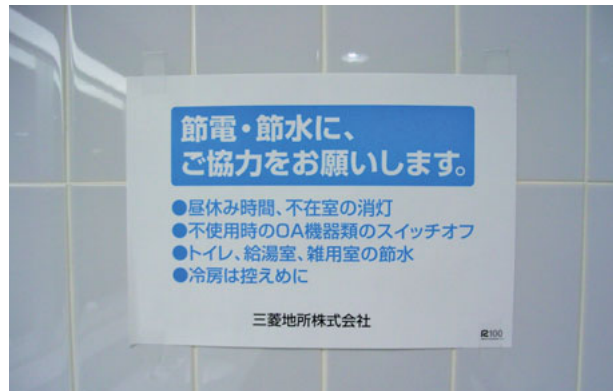


* The number of applicable buildings changes depending on the fiscal year due to renovations and sales/purchases.

Efforts to Restrain Global Warming Building Management

Appeals to tenants

Tenants account for more than 40% of the energy consumed in buildings. Mitsubishi Estate regularly requests tenants' cooperation in conserving energy, for instance, by providing educational posters for tenants. To join the Cool Biz campaign advocated by Japan's Ministry of the Environment in the summer months, Mitsubishi Estate raised the temperature settings for air conditioners by 1-2 °C for interested tenants. The company also participated in the Ministry's Lights Down campaign to build environmental awareness.



Educational poster appealing to people to help save electricity and water

Upgrades to energy-conserving equipment

Mitsubishi Estate proactively adopts energy-conserving equipment for its buildings' refrigerators, cooling water pumps, coolant pumps and hot water pumps, air conditioners, light fixtures, and elevators whenever conducting equipment upgrades. In fiscal 2006, the company carried out wide-scale renovations at the Hibiya Kokusai Building and the Mita Kokusai Building. The adoption of energy-conserving equipment has decreased energy consumption by approximately 4% compared to fiscal 2005 levels.

Optimum use of equipment

In managing its buildings, Mitsubishi Estate sets temperature and relative humidity at optimum levels, operates the appropriate number of cooling devices and pumps, and carries out daily checks to confirm that heating equipment is working efficiently. In addition, some lights are extinguished in entranceways, shared hallways, washrooms and hot-water service rooms; toilet flushing water and water in hot-water service rooms are conserved, the hot water supply is turned off in the summer in bathrooms and hot-water service rooms, and the settings for water and toilet seat temperatures are adjusted in the summer on hot-water flush toilets. In fiscal 2006, lights and air conditioning were used for shorter periods on Saturdays in some buildings.

Efforts to Restrain Global Warming Development and Sale of Condominiums and Homes

Standard specifications for environmental symbiosis technology

The following environmental symbiosis technology has been made standard for Mitsubishi Estate's condominiums in the Tokyo metropolitan region.

Standard Specifications for Environmental Symbiosis Technology

- Non-CFC heat insulating materials**
 Mitsubishi Estate uses carbon dioxide gas as the foaming agent in urethane-coated, heat-insulating materials, and uses non-CFC heat-insulating materials made without any CFCs or CFC substitutes.
- Latent heat-recovery gas supply equipment**
 Latent heat-recovery gas supply equipment that utilizes energy efficiently is used for gas supply.
- Heat insulation magnitude: 3 or above**
 The heat insulation magnitude of all residences exceeds heat insulation magnitude 3 of the Japanese Housing Performance Certification System, the new energy conservation standard, in performance (use of double glass, overlapping edges of heat insulation materials, etc.).
- Formaldehyde absorption and decomposition board**
 Boards that can absorb and break down formaldehyde, which causes sick house syndrome, are used in the wall and ceiling foundations.

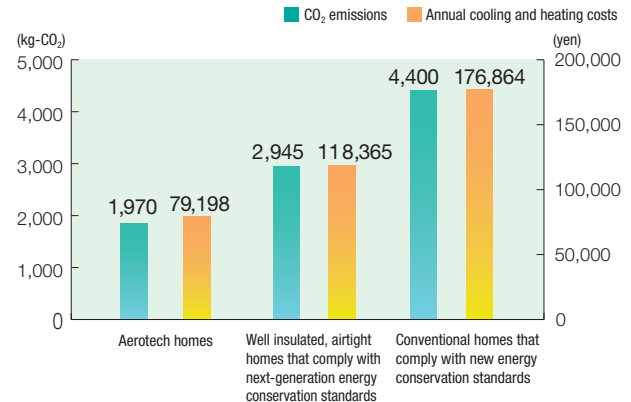
Working to popularize Aerotech air-conditioning systems in homes

Aerotech is a 24-hour central heating, cooling and ventilation system that Mitsubishi Estate Home Co., Ltd., developed jointly with Mitsubishi Electric Corporation for its Custom-Built Housing business.

The CO₂ emissions of an Aerotech house are less than half that of a conventional house. For this reason, Mitsubishi Estate Home believes that popularizing its Aerotech homes is one way it can help the environment through its business, and has made the spread of Aerotech homes an environmental goal.

As part of the Japanese Ministry of Land, Infrastructure and Transport's Program for the Support of Advanced Technology in Housing and Construction, Mitsubishi Estate built two Aerotech homes and is measuring their effect from fiscal 2005 through fiscal 2007. The company aims to use the technology developments adopted in these houses and the measured effects to further popularize Aerotech homes.

Comparison of CO₂ Emissions and Annual Cooling and Heating Costs



Region: Tokyo
 Floor area: 149.05 m²
 Heat source: Electricity
 Cooling and heating source: Heat pump air-conditioner
 Scope of heating, cooling and central ventilation: Entire building
 Time and duration of heating and cooling: 24 hours a day, 365 days a year
 Temperature settings: 26 °C in summer and 20 °C in winter

* Calculated using "SMASH for Windows," the Institute for Building Environment and Energy Conservation's program for calculating heat load.

* Calculated based on 22.31 yen per 1kWh of electricity consumed.

* The emissions coefficient of 0.555 kg-CO₂/kWh stipulated in the Law Concerning the Promotion of the Measures to Cope with Global Warming was used to calculate CO₂ equivalent.

Efforts to Restrain Global Warming Using Natural Energy

Mitsubishi Estate encourages the use of natural energy by participating in the Green Power Certification System, which supports wind power. In fiscal 2006, wind-power electricity (900,000 kWh) accounted for 62.2% of total electricity (1,446,002 kWh) used in the Mitsubishi Estate offices in its headquarters in the Otemachi Building.

Mitsubishi Estate also sponsors the Yokohama Wind Energy Project operated by Yokohama City at Mizuho Pier on the Yokohama Harbor waterfront (the contract begins in April 2007).



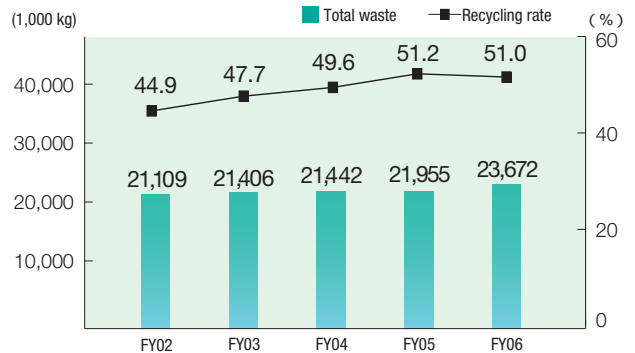
Ceremony to recognize Mitsubishi Estate as a company sponsoring the Yokohama Wind Energy Project

Helping to Build a Society Committed to Recycling Recycling Initiatives in Building Management

Efforts to improve recycling rate for waste

In managing and operating its buildings, Mitsubishi Estate educates all of its tenants on how to sort waste, and also strives to improve the recycling rate by, for example, recycling kitchen waste as pet food and fertilizer. Also, when designing and developing buildings, Mitsubishi Estate plans spaces that make it easy for tenants to sort their garbage.

Total Waste and Recycling Rate for Mitsubishi Estate's ISO-certified Buildings



* The number of applicable buildings changes depending on the fiscal year due to redevelopment projects and sales/purchases.

Individual Waste Amounts and Recycling End-points at Mitsubishi Estate's ISO-certified Buildings

(Unit: kg)

Type	FY06	Main recycling end-points
Paper suitable for reuse	9,958,569	Toilet paper, cardboard boxes
Bottles and cans	1,168,166	Glass, metal
Fluorescent lights	25,361	Glass, aluminum
Polystyrene foam	40,931	Plastic processed goods
PET bottles	389,726	Plastic processed goods
Kitchen waste	488,171	Organic fertilizer, feed
Kitchen waste, scraps ^{*1}	10,912,599	—
Industrial waste ^{*2}	688,889	—
Total	23,672,411	

The data above is for buildings that have acquired ISO14001 certification (32 buildings in fiscal 2006).

^{*1} Kitchen waste and scraps are ultimately incinerated, so this also includes paper garbage not suited for reuse (295,900 kg in fiscal 2006).

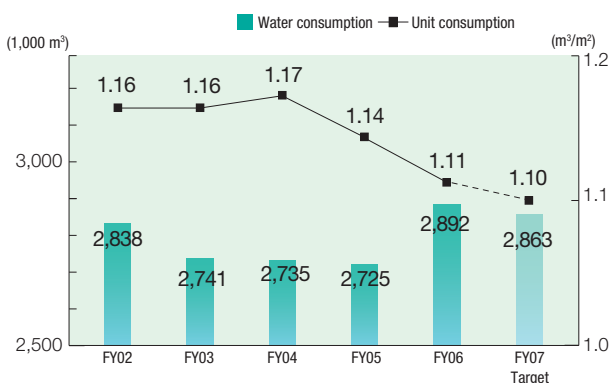
^{*2} Industrial waste includes plastic products, metal scraps, ceramics, vinyl and other items that are ultimately buried in landfill.

Efficient use of water resources

Mitsubishi Estate measures water consumption at all the buildings it manages, considers ways to reduce consumption such as regulating the volume of water used in toilets and hot water supply rooms, and endeavors to rationalize use. In fiscal 2006, water consumption at Mitsubishi Estate's ISO14001-certified buildings totaled about 2,892,000 m³, a 6.1% increase over fiscal 2005. This rise in total use was partly because the renovated Tokyo Building is now being operated throughout the fiscal year and the scope of ISO14001 has expanded from 29 to 32 applicable buildings, but the basic usage per unit of floor area decreased 0.03 m³ compared to fiscal 2005.

Mitsubishi Estate will continue to focus on efficient use of water resources, and aims to reduce water consumption at each building by 1.0% from fiscal 2006 levels in fiscal 2007.

■ Per Unit Water Consumption at Mitsubishi Estate's ISO14001-certified Buildings



* The number of applicable buildings changes depending on the fiscal year due to redevelopment projects and sales/purchases.

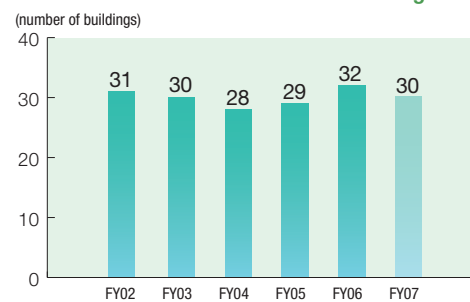
Reuse of waste water

Mitsubishi Estate reuses waste water. For example, cooling tower blow water and kitchen waste water can be purified and reused as toilet flush water. As of March 2007, the Landmark Tower Yokohama, Akasaka Park Building, Marunouchi Building, Mitsubishi UFJ Trust and Banking Building, Marunouchi Kitaguchi Building, Tokyo Building, Shin-Aoyama Building, Hibiya Kokusai Building and Hokkaido Building all reuse waste water, a total of about 424,000 m³ per year, thus helping to conserve water resources.

Number of Applicable Buildings When Calculating Figures

ISO14001-certified buildings are used to calculate figures for Mitsubishi Estate's Building Business Division, and as a result, the number of applicable buildings differs depending on the fiscal year. For convenience, comparable per-unit figures are also included here. Please keep this in mind when reviewing data from different years on pages 23 to 26.

■ Number of ISO14001-certified Buildings



■ ISO14001-certified Buildings in Fiscal 2006 (32 Buildings)

Ministry of Education, Culture, Sports, Science and Technology Building	New Harumi Park Building
Marunouchi-Nakadori Building	Aoyama Building
Mitsubishi Building	Mita Kokusai Building
Togin Building	Shin-Aoyama Building
Shin-Tokyo Building	Akasaka Park Building
Fuji Building	Marunouchi Building
Shin-Kokusai Building	Mitsubishi UFJ Trust and Banking Building
Kokusai Building	Marunouchi Kitaguchi Building
Shin-Yurakucho Building	Tokyo Building
Yurakucho Building	Hokkaido Building
Hibiya Kokusai Building	Kakyoin Square
Nippon Building	The Landmark Tower Yokohama
Nippon Steel Corporation Building	Dai Nagoya Building
Otemachi Building	Umeda Shinmichi Building
Shin-Otemachi Building	Hiroshima Park Building
JFE Shoji Building	Dai Nagoya Building
Harumi Park Building	Umeda Shinmichi Building
	Hiroshima Park Building

General Environmental Issues Building Planning and Development

Ensuring that construction has low environmental impact, and that buildings are then managed as environmentally friendly properties, requires a collaborative system with various parties involved in the design and construction from the planning and development stage. In developing a new building, Mitsubishi Estate's Building Business Division, Mitsubishi Jisho Sekkei and the construction companies work closely together to ensure that the construction and building planning and design considers energy and resource conservation as well as waste reduction issues.

Mitsubishi Estate's Building Business Division requests that the design company and construction company propose environmentally friendly technologies, and Mitsubishi Jisho Sekkei, in its role in charge of design management, recommends environmental symbiosis technology.

In this way, Mitsubishi Estate actively shares information and develops buildings that play a vital role in environmentally friendly urban development. (Refer to the Highlight section on pages 9 to 14 for more information on environmental initiatives at the Shin-Marunouchi Building.)

General Environmental Issues Efforts in Design Management

Mitsubishi Jisho Sekkei, which is in charge of design management, feels that conserving the global environment is important, and constructively addresses environmental issues in the belief that the environmental impact generated during a building's lifecycle can be reduced at the planning stage. In particular, proposals to outsourcers for environmental symbiosis technology are at the core of the ISO14001 environmental management system.

Environmental Symbiosis Technology Recommended by Mitsubishi Jisho Sekkei

● Technology with a long life

Technology that ensures greater latitude and reinforces earthquake resistance to ensure that the building can be used for a long time, etc.

● Technology conducive to living in harmony with nature and environmental protection

Greening the roof and walls, permeable pavement, biotopes, preservation of historical buildings, etc.

● Technology facilitating energy conservation

Natural light, natural ventilation, night purge, solar power generation, thermal storage system, building energy management systems (BEMS), more efficient lighting and air conditioning systems, air-flow windows, localized heating and cooling, etc.

● Technology leading to resource conservation and waste reduction

Reusable materials, reuse of rain water, resource-conserving technology such as unit construction for toilets, garbage disposal systems, etc.



Greening the Walls



Biotope

Other Efforts

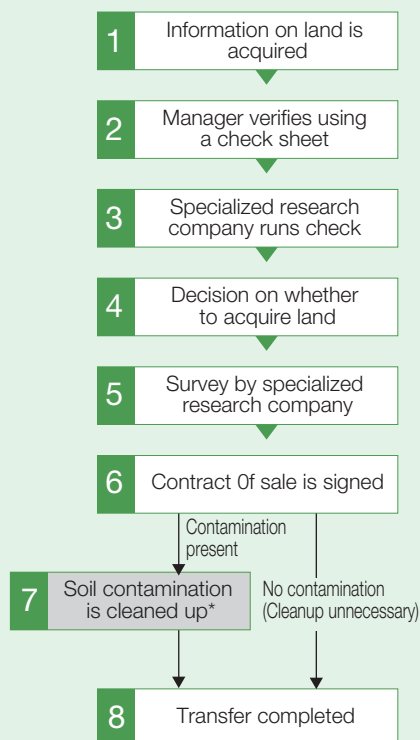
Soil Contamination Countermeasures

Mitsubishi Estate's Residential Business Division pre-surveys the soil of all land acquired for development to check for possible contamination, and takes whatever measures are needed.

Before a site is acquired, the manager uses a check sheet (step 2 below) to examine it, and a specialized research company examines the survey (step 3 below). A survey report from the specialized research company must be attached and submitted when acquiring land (step 4 below), and this company must also carry out a detailed survey (step 5 below) after a decision is made on the land acquisition regardless of whether dangerous contaminants are present.

When the contract of sale is signed, the seller's responsibility and obligations for any contamination is specified (step 6 below), and the seller takes ameliorative measures as necessary.

■ Process from Soil Contamination Survey to Transfer of Land



* In some cases, cleanup takes place after the land is transferred.

Other Efforts

Removing Asbestos from Existing Buildings

The Mitsubishi Estate's Building Business Division conducted surveys on the use of asbestos and provided all tenants with information on the status of asbestos use. In accordance with the 2004 revision of Japan's Guidelines on Measures for Asbestos in Existing Buildings, which were originally established in 1989, the division manages asbestos by making modifications, conducting regular inspections and measuring the concentration of the air quality. Inspections and surveys have verified that areas in which asbestos were used are currently stable.

Report 2



We will strive to earn the trust of our clients.

The Mitsubishi Estate Group takes every opportunity to listen to clients' views and strives to ensure close communication. The Group's mission is to respond to clients' wishes and needs faithfully and promptly while offering high-quality products and services. Mitsubishi Estate believes that its business is a way of giving back to the community. The company provides clients with greater satisfaction and pleasure in terms of safety, security and comfort, and always strives to think and act from the perspective of clients in order to earn their trust and achieve results.

Report 2

30 Safe and Secure Urban Development

Safe and Secure Urban Development

Countermeasures for Disasters and Emergencies

Devising measures to prevent and counteract disasters

The main objective of the Mitsubishi Estate Group's disaster countermeasures is to ensure everything possible is done to preserve human life and relevant facilities in the event of a natural disaster such as a major earthquake or fire or other emergency, and to ensure recovery measures are carried out appropriately and rapidly after such a disaster strikes.

The Mitsubishi Estate Group has a long history of disaster prevention measures, starting with the 1923 Great Kanto Earthquake when the Group distributed drinking water and meals at the former Marunouchi Building and its environs and set up an emergency medical center.

Since 1926, every September Mitsubishi Estate holds emergency drills with the participation of all of its executives and employees and many other related individuals.

Disaster action manual

Mitsubishi Estate has its own disaster prevention manual, Overview of Disaster Countermeasures (first issued in 1981), which stipulates the regular preventative measures and job divisions in all departments, describes disaster prevention education, training plans, the system for stock-piling food and equipment, plans for rapid response in the event of a disaster as well as recovery measures, and also provides cautionary information on a Tokai earthquake and rapid response plans in the event that a warning is issued. This manual is updated and augmented as necessary. A brief publication, *Mitsubishi Estate Disaster Countermeasures: Digest Edition*, was prepared to foster broad awareness among all employees, who are required to carry it with them at all times.

A Disaster Countermeasure Committee was formed to take steps in line with the Overview of Disaster Countermeasures smoothly and promptly. When a disaster occurs, the emergency system is announced, and at the same time the Disaster Countermeasure Headquarters, headed by the Mitsubishi Estate president, is set up to direct the company-wide emergency response.



Mitsubishi Estate Disaster Countermeasures: Digest Edition

Emergency Response Guidelines

A company's crisis management system ensures rapid response in the event of a disaster, and also ensures

business continuity. As such, the preparedness of such a system is an important issue for modern-day companies. In October 2005, the Mitsubishi Estate Group established its Emergency Response Guidelines to serve as its basic policy in the event of various types of emergencies. These guidelines lay out ways to transmit information rapidly, trigger the initial response system and take organized responses that prioritize preserving human life.

In addition to the emergency network set up in each division, wallet-size emergency contact cards have been prepared to ensure that all employees are familiar with procedures.

Devising Guidelines for Business Continuity Plan

The Mitsubishi Estate Group began preparing its Business Continuity Plan (BCP) in earnest in fiscal 2006 to augment its disaster countermeasures and crisis management system. The company considered ways to devise a plan based on the perspectives of a variety of stakeholders, such as clients and business partners, and the result was the Guidelines for the Mitsubishi Estate Group's Business Continuity Plan in October 2006.

All divisions are in the process of establishing specific measures designed to continue and restore the most vital operations. The Mitsubishi Estate Group believes that it must ensure the safety of its customers and employees and the continuity of its business in the event of a natural disaster, such as a major earthquake, or an accident, damage incurred from infrastructure failures interrupting communications and electricity, an information system failure, or a threat such as crime or a terrorist act.

Building Safety and Security

Establishment of proprietary Building Safety Design Guidelines

Mitsubishi Estate has established its Building Safety Design Guidelines, which set standards that are more rigorous than Japan's Building Standards Law and other standards. The guidelines ensure that accident prevention begins at the building's design stage. Following these guidelines, the company reviews progress at every stage from planning and design to management and operations and strives to resolve any issues identified.

The company also continuously reviews its safety management system, with a focus on preparing for accidents and response system readiness.

Integrated management of safety information by the Building Safety Management Office

Mitsubishi Estate has set up a Building Safety Management Office in its Property Management Department to provide integrated management of activities and information at all work sites and offer direction and support, such as inspecting and repairing hazardous areas and areas that users are worried about at all buildings that the company manages nationwide. In addition to daily inspections of all buildings, this office regularly conducts safety inspections.

The Building Safety Management Office compiles information on accidents at buildings, including those not managed by the Mitsubishi Estate Group, examines the cause and determines the need for action. With this office taking the central role in the company's analysis of accident information and its safety check system, accidents are prevented and the company is prepared for disasters.

Building safety and security examples

- **Fall prevention measures**

Height of railings is raised to prevent falls and drops from atriums and other areas.

- **Shatterproof film for glass**

Mitsubishi Estate is aggressively carrying out work to apply shatterproof film on glass to minimize glass breakage and dropping in buildings in the event of an earthquake or other disaster.

- **Exterior inspections**

A visual check of building exteriors is conducted more than once a year, including signs posted on the exterior, to prevent accidents caused by the fall of exterior wall materials.

Residential Safety and Security

Setting safety design standards for residences

Safety design for Mitsubishi Estate's condominiums (partial)

- **Measures to prevent objects from falling from balconies and bay windows**

Safety specifications are prepared and measures to prevent falling objects and measures to prevent falls are decided in detail.

- **Measures to prevent entrance door sensor actuation by illicit means**

The sensor's positioning and the structure of the automatic door's lower portion are designed so that the sensor will not be activated through illicit means.

- **Sick house countermeasures**

Mitsubishi Estate uses construction materials that meet the highest grade under Japan's Housing Quality Assurance Act, and has made it standard procedure to use materials that absorb and break down formaldehyde in all wall and ceiling framing.

Mitsubishi Estate has always built residences that take safety and security into account, but in light of the growing safety concerns of today's homeowners, the company has also established safety design standards for condominiums that integrate cautionary points and various general issues.

Safety design checks from design conditions to move-in

Mitsubishi Estate instructs and guides construction companies and design offices in implementing its standards governing every stage of development, beginning with the initial design phase, and carries out rigorous checks throughout the process from design to move-in.

For example, Mitsubishi Estate's structural staff check the design strength of pillars, crossbeam sections and rebar placements, verify various issues such as the size of the structure's shape and the rebar volume, and ensure a sound structural design after a series of discussions and revisions made with the designers.

After these repeated design checks and revisions, a third-party institution grants the residence design functionality statement. Customers are notified of this in the "Check Eyes Book." "Check Eyes Patrols" are conducted during construction to screen basic functions and important construction areas.



"Check Eyes Patrol"

Intelligible Sign Design

Mitsubishi Estate is working hard to develop both equipment and services that meet its customers' growing needs for barrier-free and universal design as the population ages and society becomes increasingly international. The company has been using universal design in buildings and residences, and is currently adopting universal design for signs (providing directions for parking lots and restrooms) involved in its urban development in the Otemachi, Marunouchi and Yurakucho district.

A wide variety of people come and go in this district, which is rapidly gaining attention as a tourist destination while remaining one of Japan's foremost business centers. This makes it crucial that the design be easy to understand for overseas tourists, people with disabilities, and individuals of all ages.

The design must also be sophisticated so that it does not mar the landscape of this district, which serves as one of the first introductions to Japan as well as a beautiful area.

Mitsubishi Estate has prepared a Sign Design Book stipulating the specifications for sign preparation and

including the basic policy and concepts for sign design as well as specific rules. The new sign designs are being adopted at the Shin-Marunouchi Building, as well as within the Otemachi, Marunouchi and Yurakucho district, to ensure that the redevelopment makes life easier for everyone in the area.



Guide signs in Shin-Marunouchi Building (from left, restroom with baby changing area, restroom with access for people with disabilities, restroom)

Tokyo Central Station Commuter Corps

In January 2004, approximately 60 companies in the Otemachi, Marunouchi, Yurakucho and Uchisaiwaicho area around Tokyo Station formed the Tokyo Central Station Commuter Corps, a volunteer disaster prevention organization. Mitsubishi Estate is one of the core members of this group.

The Tokyo Station Neighborhood Association for Disaster Prevention received the Ministry of Internal Affairs and Communications Award (January 2007), the Fire Chief's Award (January 2007) and the Prime Minister's Award (September 2007) in recognition of the rarity of mutual-aid disaster prevention initiatives undertaken by companies in Japan and its usefulness as a model for other regions.

● Main activities

Drills are held with Tokyo's Chiyoda City every year in January based on the concept of "disaster prevention suitable to a business district" and "mutual aid between companies." In addition, the Association introduces disaster prevention information systems, and develops fire prevention educational programs, plans for assisting those who cannot return home in the event of a disaster, and responses to new threats such as terrorist attacks.

● District Continuity (DC) efforts

In addition to encouraging the establishment of BCPs, the Association advocates District Continuity (DC) as a project for this district, and also collaborates with the public sector to ensure access to electricity and communication, drinking water, food and toilets, and encourage alliances with disaster prevention groups nationwide.

DC reinforces the foundation of individual companies' BCPs and enables more effective BCPs to be established. Mitsubishi Estate contributes to regional disaster prevention, which is its social responsibility, by participating in DC activities.



Training in installing direct-coupled toilet in manhole on road



Evacuation training for non-Japanese people as part of training

Report 3



We will strive to create a vibrant workplace.

The Mitsubishi Estate Group is committed to building a work environment that empowers employees to develop their expertise, skills and creativity and gives them opportunities to create new value. This is the key not only to fostering a dedicated workforce, but also to strengthening the Group as a whole. With the aim of providing all employees with motivating workplaces and inspiring work, the Group constantly strives to improve its training, evaluation and hiring programs. In addition, the Group respects individual values and lifestyles, supports employees' life plans and works to safeguard their health.

Report 3

34 Building Workplaces that Maximize Employee Potential

36 Building Safe, Healthy Workplaces

Building Workplaces that Maximize Employee Potential

HR Systems for Enhancing Employee Motivation and Skills

To create new value, companies must provide a work environment that allows employees to focus on their work and provides them with challenges that lead to the achievement of personal and professional goals. Mitsubishi Estate has introduced a monthly wage system based on performance, a compensation system linked to a management by objective (MBO) system based on results, and an open evaluation and promotion system, all of which have been warmly welcomed by employees.

Mitsubishi Estate strives to enhance the professionalism of its employees and to increase their motivation by clearly identifying each employee's personal strengths, assigning people to the right job, and encouraging each person to make the most of his or her unique abilities.

Encouraging Communication among Employees

Mitsubishi Estate adopted the 360-Degree Feedback System beginning with its 2006 rank-specific deputy general manager and employee training programs. This system gives employees a chance to take a more objective look at aspects of their performance which they may not usually be aware of by providing feedback from other participants in the training, including supervisors, subordinates and colleagues.

The 360-Degree Feedback System not only encourages employees to review their own work and use what they learn in future work, but also helps to build closer relationships among employees and fosters communication on a deeper level.

Education and Training for Developing True Professionals

Mitsubishi Estate's education and training programs prioritize the following two key goals, in accordance with the Medium-Term Management Plan for fiscal 2005-2007.

- Fostering employees with strong skills in organization management and operations management
- Building a corporate culture and organization that prioritize the development of people

Mitsubishi Estate believes that skill development is at the very core of rank-specific training commensurate with qualifications and positions such as junior staff, mid-level staff and senior managers. The company strives to ensure that employees are well aware of their own roles and career paths at every stage. Moreover, it has built a program that encourages employees to make independent efforts to educate themselves by taking optional training courses via its My Select Program. Mitsubishi Estate has also expanded the training originally offered in each division to include younger employees, with the aim of giving a broad range of real estate knowledge and skills to a greater number of employees.

Interviews with All Employees

Mitsubishi Estate's Personnel Planning Department conducts annual interviews with all career track and administrative employees, excluding general managers, from October through the start of the new year.

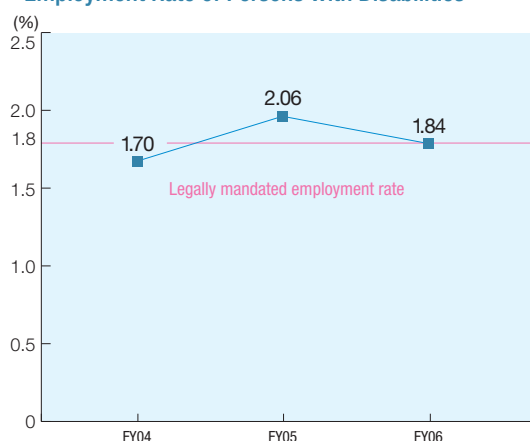
In these interviews, the Personnel Planning Department asks employees about their interest in a transfer and invites their requests and recommendations on human resource programs. The company does all it can to satisfy employee requests when making transfers.

Respect for Human Rights and Diversity

The Mitsubishi Estate Group does not discriminate on the basis of nationality, race, religion, beliefs, gender, age, or physical ability, and also endeavors to foster a workplace free of harassment such as non-consensual acts and any and all actions or words that cause discomfort.

Mitsubishi Estate has set up a Human Rights Education Committee to ensure that employees' awareness of human rights issues is raised through regular training on human rights and distribution of pamphlets. The company actively promotes the hiring of persons with disabilities, in accordance with the normalization concept advocated by the United Nations. As of the end of fiscal 2006, people with disabilities accounted for 1.84% of Mitsubishi Estate's workforce, surpassing Japan's legally mandated rate of 1.8%. The company plans to continue such hiring practices.

■ Employment Rate of Persons with Disabilities



Efforts to Prevent Sexual Harassment and Abuse of Authority

Mitsubishi Estate has established a consultation point for employees concerned about sexual harassment or abuse of authority by a superior. In the event of an employee allegation, the company responds thoroughly in cooperation with the Human Rights Education Committee.

Executive officers and all other employees also receive training to prevent sexual harassment and abuse of authority throughout the Group.

Helping Employees Make Work Fit Lifestyle

At Mitsubishi Estate, all employees, regardless of gender or lifestyle, can choose their preferred work style and optimize their skills. Many take advantage of the company's support programs for childcare leave, shortened work hours for childcare and family care leave.

In response to Japan's Next Generation Nurturing Support Measures Promotion Law, which went into effect in April 2005, Mitsubishi Estate has established a general action plan that enables employees to balance work and childcare responsibilities. Overviews and explanations of related programs are summarized in the *Childbirth and Childcare Guidebook* on the company's internal intranet. Previously, employees had been eligible for a system of shortened work hours for childcare until the end of March after the child turns three, but beginning in January 2007, the program was extended to cover until the child starts elementary school.

■ Number of Employees Using Childcare Leave and Family Care Leave

	FY04	FY05	FY06
Childcare leave	11	9	8
Shortened work hours for childcare	6	10	7
Family care leave	1	0	0
Shortened work hours for family care	0	0	1

Building Safe, Healthy Workplaces

Proactive Protection of Employee Health

Mitsubishi Estate's Health Committee is made up of the general manager of the Personnel Planning Department, the industrial physician, the health manager and employees recommended by the labor union. The committee meets to consider various programs to ensure that employees stay as healthy as they can. The Mitsubishi Estate Health and Insurance Association provides complete physical examinations, helps cover health examination costs and pharmaceutical costs, and subsidizes gym costs.

Mitsubishi Estate has also established strict rules on smoking in the recognition that responsible practices on this issue are essential for a healthy workplace. The company has set aside smoking rooms in order to separate facilities for smokers and non-smokers, and has appointed employees responsible for smoking countermeasures in each department.

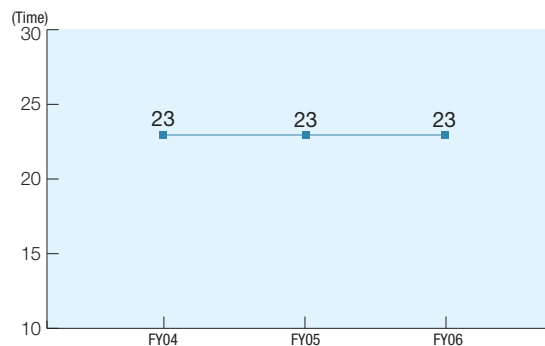


Smoking room

Prevention of Long Work Hours and Overwork

Mitsubishi Estate has made Wednesdays “no overtime days” to prevent long work hours and overwork. Through daily communication, supervisors and subordinates discuss individual employees' work volume, its difficulty and their physical condition. In situations of overwork, warnings are given and other steps taken to improve the situation.

■ Average Overtime Hours Worked per Month per Person (Career Track and Administrative Employees)



Editorial Policy

The Mitsubishi Estate Group began publishing its Environmental Report in December 2000. Since fiscal 2005, the company has issued the CSR Report, which builds on the former Environmental Report by covering not only environmental issues, but also corporate social responsibility (CSR). The report you are reading right now is the company's first English language CSR Report.

This year's report has been formatted for improved readability. It includes a "Highlight" section on Mitsubishi Estate's innovative approach to urban development, featuring the Shin-Marunouchi Building in Tokyo's Marunouchi district, which opened to the public on April 27, 2007.

* In this report, "Mitsubishi Estate" refers to "Mitsubishi Estate Co., Ltd.," and "Mitsubishi Estate Group" refers to Mitsubishi Estate and its group companies located in Japan.

● Organizations covered in this report

The organizations covered in this report are Mitsubishi Estate and the following 40 Group companies located in Japan.

Building Business

Mitsubishi Estate Building Management Co., Ltd.
Mitsubishi Jisho Property Management Co., Ltd.
MEC Building Facilities Co., Ltd.
Hokuryo City Service Co., Ltd.
Hibiya City Co., Ltd.
Grand Parking Center Co., Ltd.
Yuden Building Kanri Co., Ltd.
Mitsubishi Jisho Retail Property Management Co., Ltd.*¹
Hokuriku City Management Co., Ltd.*²
MJ Building Service Co., Ltd.
Marunouchi Heat Supply Co., Ltd.
Yokohama Sky Building Co., Ltd.
Yokohama Swimming Center Co., Ltd.*³
Yoko Building Service Co., Ltd.*³
IMS Co., Ltd.
Marunouchi Direct Access Limited
Tokyo Garage Co., Ltd.

Residential Business

Ryoei Life Service Co., Ltd.
Mitsubishi Jisho Towa Community Co., Ltd.
MT Community Staff Co., Ltd.
Izumi Park Town Service Co., Ltd.
MEC Urban Resort Tohoku Co., Ltd.
Higashinihon Kaihatsu Co., Ltd.
Liv Sports Co., Ltd.

Urban Development & Investment Management

Mitsubishi Jisho Investment Advisors, Inc.

Architectural Design & Engineering

Mitsubishi Jisho Sekkei Inc.
MEC Design International Corporation

Custom-Built Housing

Mitsubishi Estate Home Co., Ltd.
Mitsubishi Estate Housing Components Co., Ltd.

Hotel Business

Royal Park Hotels and Resorts Co., Ltd.
Royal Park Hotel Co., Ltd.
Yokohama Royal Park Hotel Co., Ltd.
Royal Park Inn Nagoya Co., Ltd.
Tohoku Royal Park Hotel Co., Ltd.
Royal Park Shiodome Tower Co., Ltd.

Real Estate Service

Mitsubishi Real Estate Services Co., Ltd.

Others

Shiki Resorts Co., Ltd.
MEC Information Development Co., Ltd.
MEC Human Resources, Inc.
Keiyo Tochi Kaihatsu Co., Ltd.

● Period covered in report

This report covers fiscal 2006 (April 1, 2006 to March 31, 2007), but also includes information pertaining to other fiscal years.

● Reference guidelines

- *GRI Sustainability Reporting Guidelines 2002*, Global Reporting Initiative (GRI)
- *Environmental Reporting Guidelines* (2007 edition), Ministry of the Environment, Japan

● Next issue

Tentatively September 2008

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*1 This company's name was changed from AQUACITY PROPERTIES, LTD., on July 1, 2007.

*2 This company merged with Mitsubishi Jisho Property Management Co., Ltd., on April 1, 2007, and was liquidated in the process.


*3 Not included in scope of consolidation.

Environmental performance data primarily covers the following organizations, which are among those companies covered in this report that have acquired the ISO14001 certification.

Building Business Division, Mitsubishi Estate Co., Ltd.
Yokohama Sky Building Co., Ltd.
Residential Business Division, Mitsubishi Estate Co., Ltd.
Mitsubishi Jisho Towa Community Co., Ltd.
Mitsubishi Jisho Sekkei Inc.
Mitsubishi Estate Home Co., Ltd.
Royal Park Hotels and Resorts Co., Ltd.
Royal Park Hotel Co., Ltd.



The works of art shown on the front and back covers were among those which received awards for excellence in fiscal 2006 at the fifth annual art contest held by Mitsubishi Estate for children with disabilities.

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