



## 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.

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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.

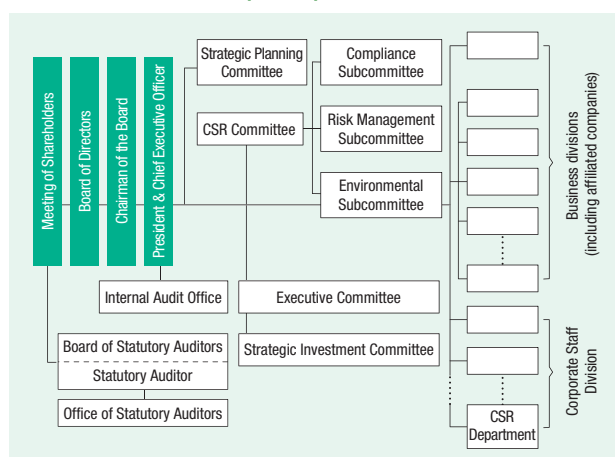
## Management Oversight Structure

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.

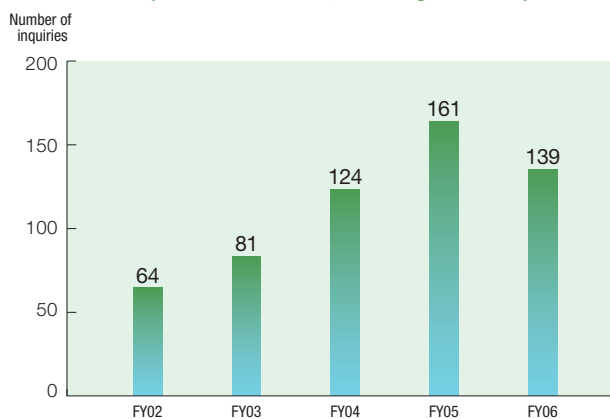
## Building a Deep Understanding of Compliance

### 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

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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

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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

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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.

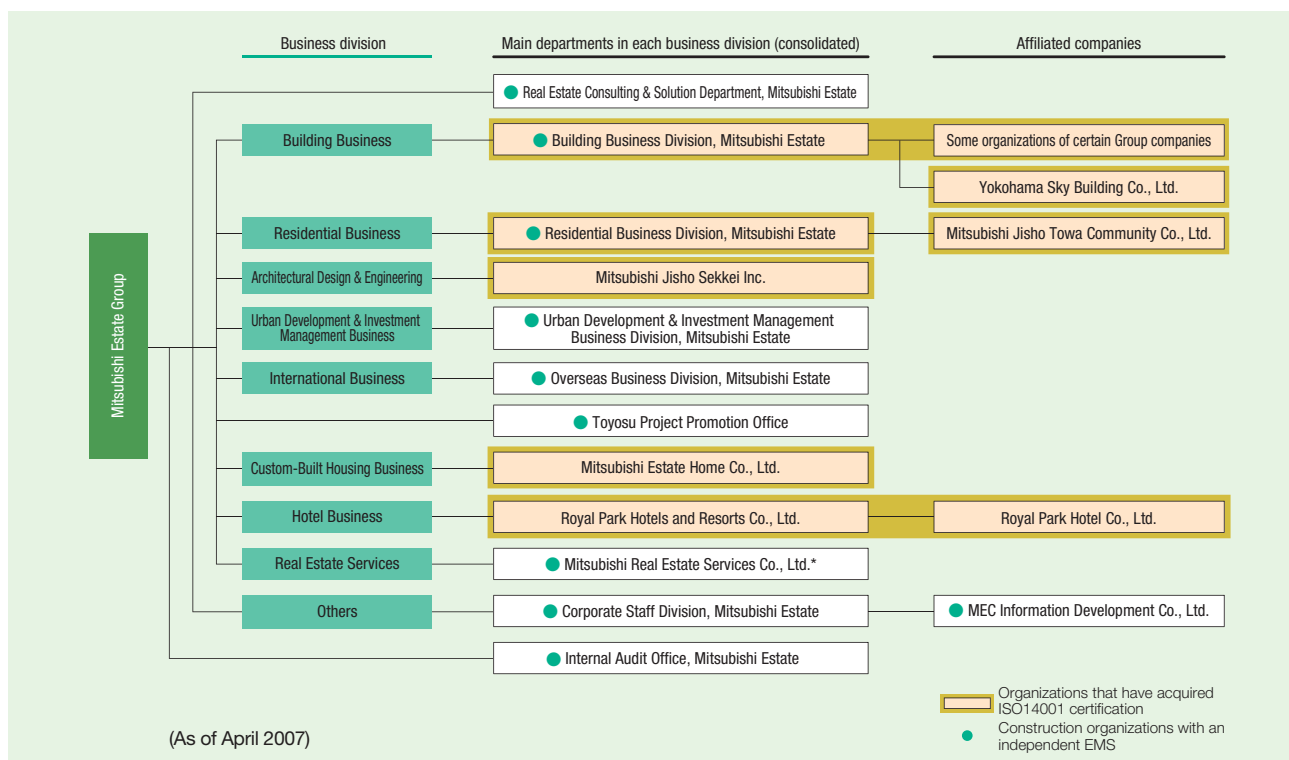
As of April 2007, Mitsubishi Estate's Building Business Division and Residential Business Division had acquired ISO14001 certification, as had seven Group companies—Yokohama Sky Building Co., Ltd., Mitsubishi Jisho Towa

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





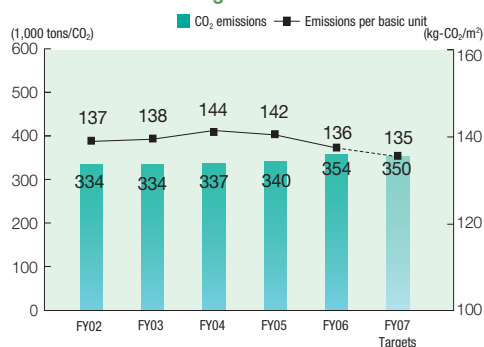
## Environmental Initiatives

### Efforts to Restrain Global Warming CO<sub>2</sub> Emissions and Energy Consumption in Buildings

In fiscal 2006, CO<sub>2</sub> 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, CO<sub>2</sub> emissions decreased 4.2% compared to fiscal 2005, to 136 kg-CO<sub>2</sub>/m<sup>2</sup>.

Mitsubishi Estate will continue to address global warming, and aims to reduce both CO<sub>2</sub> emissions and energy consumption in all buildings by 1.0% compared to fiscal 2006 levels in fiscal 2007.

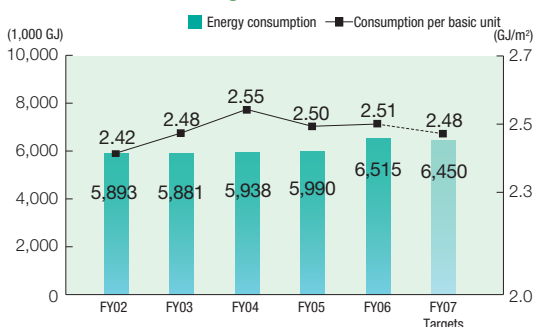
#### ■ Per Unit CO<sub>2</sub> Emissions from Mitsubishi Estate's ISO-certified Buildings



\* The emissions coefficient stipulated in Japan's Law Concerning the Promotion of the Measures to Cope with Global Warming was used when calculating CO<sub>2</sub>.

\* 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

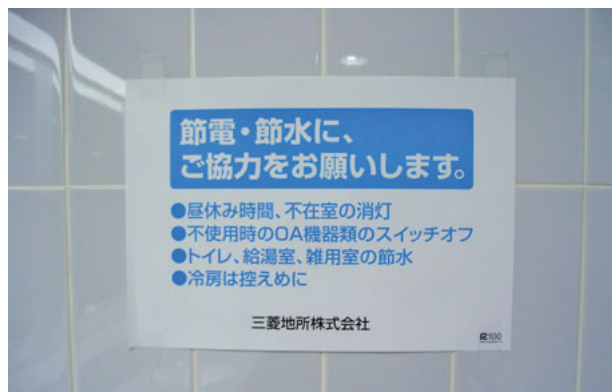


\* The number of applicable buildings changes depending on the fiscal year due to renovations and sales/purchases.

### 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.

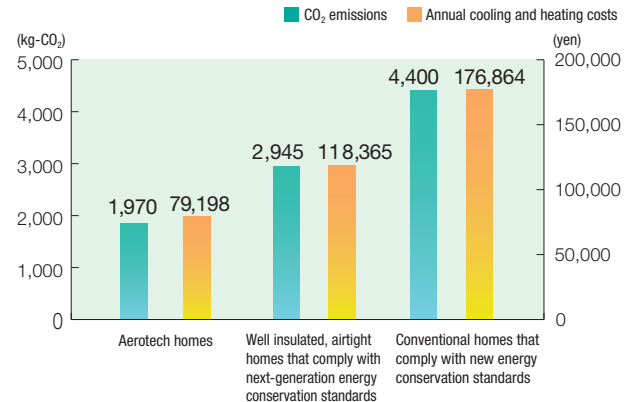
### Working to popularize Aerotech air-conditioning systems in homes

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 CO<sub>2</sub> 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 CO<sub>2</sub> Emissions and Annual Cooling and Heating Costs



Region: Tokyo  
 Floor area: 149.05 m<sup>2</sup>  
 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-CO<sub>2</sub>/kWh stipulated in the Law Concerning the Promotion of the Measures to Cope with Global Warming was used to calculate CO<sub>2</sub> 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).



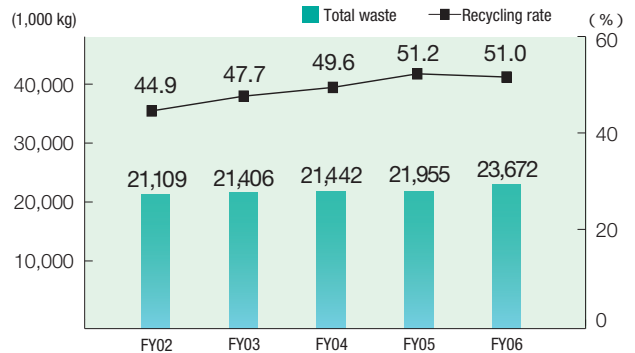
Ceremony to recognize Mitsubishi Estate as a company sponsoring the Yokohama Wind Energy Project

## 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 <sup>*1</sup>	10,912,599	—
Industrial waste <sup>*2</sup>	688,889	—
<b>Total</b>	<b>23,672,411</b>	

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

<sup>\*1</sup> Kitchen waste and scraps are ultimately incinerated, so this also includes paper garbage not suited for reuse (295,900 kg in fiscal 2006).

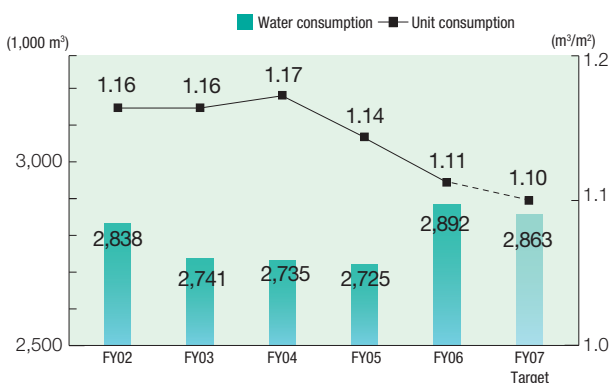
<sup>\*2</sup> Industrial waste includes plastic products, metal scraps, ceramics, vinyl and other items that are ultimately buried in landfill.

### 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 m<sup>3</sup>, 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 m<sup>3</sup> 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.

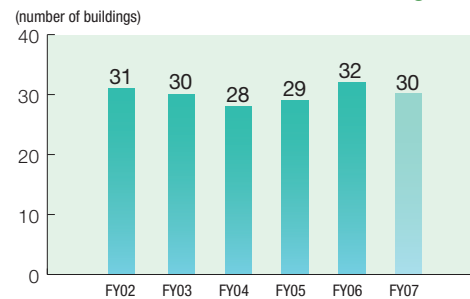
### Reuse of waste water

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 m<sup>3</sup> 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

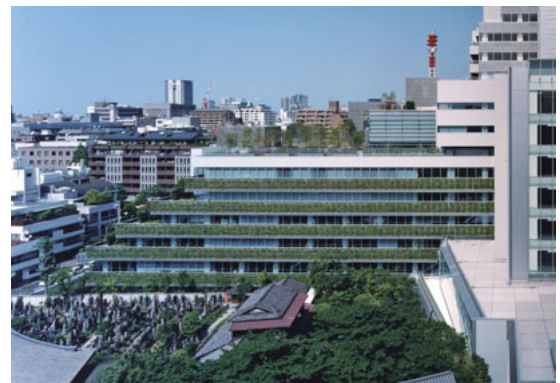
Greening the roof and walls, permeable pavement, biotopes, preservation of historical buildings, etc.

### ● 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

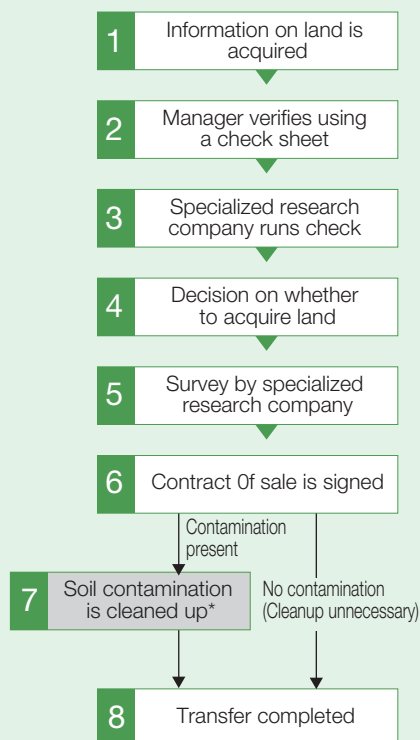
### Soil Contamination Countermeasures

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



## 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.