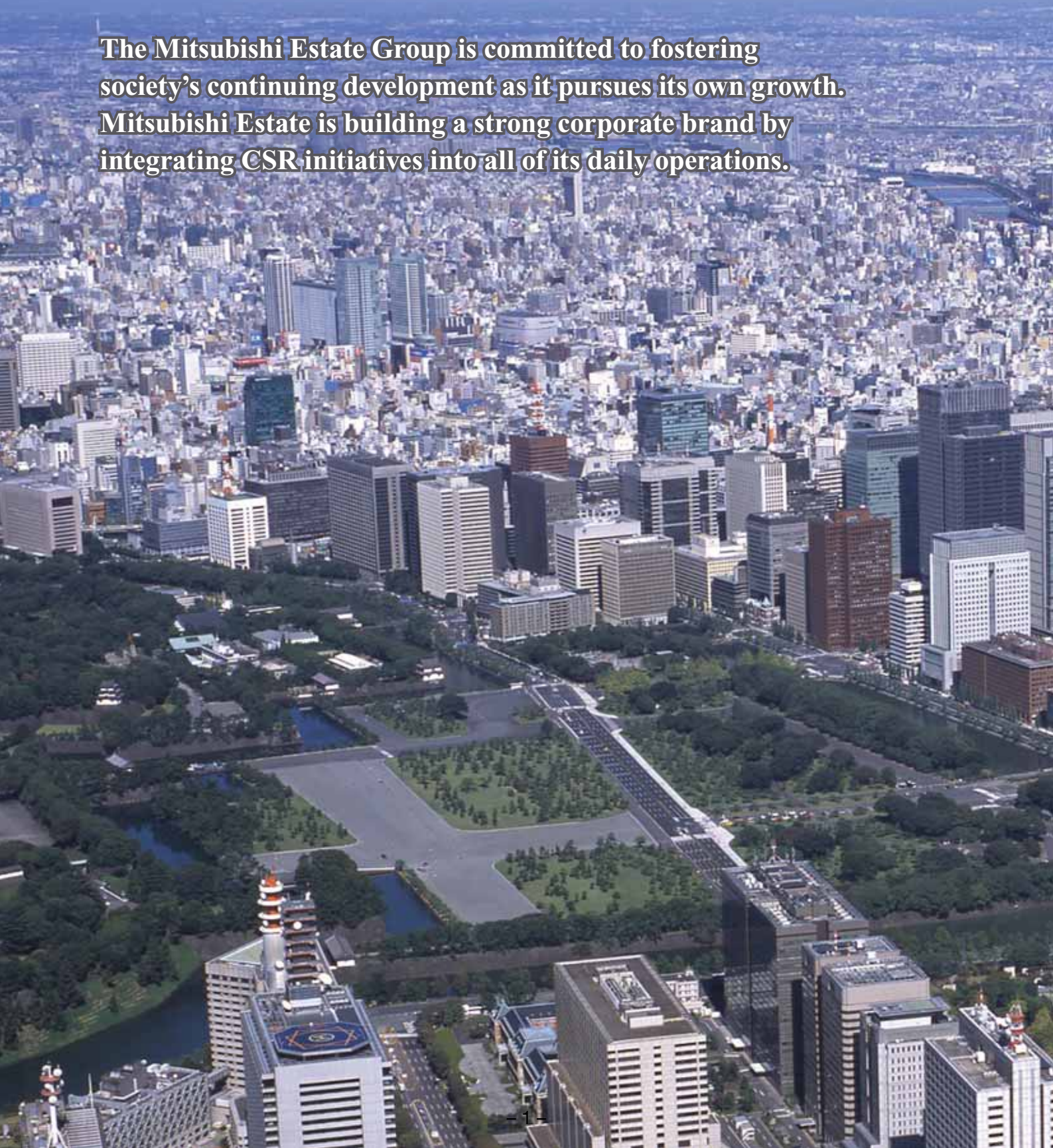




A Love for People A Love for the City

Forever Taking on New Challenges—The Mitsubishi Estate Group

The Mitsubishi Estate Group is committed to fostering society's continuing development as it pursues its own growth. Mitsubishi Estate is building a strong corporate brand by integrating CSR initiatives into all of its daily operations.



The Mitsubishi Estate Group CSR Report 2008

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Message from the President



“Our unique brand of urban development delivers both new value and superior environmental performance, all the while aiming to create cities with timeless appeal.”

Keiji Kimura

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

Wonder and dreams, confidence and security — for everyone in every community

At the Mitsubishi Estate Group, we constantly strive to fulfill the three basic commitments of our mission—to act with integrity, to earn the trust of our clients and to create a vibrant workplace—as stipulated in our Code of Conduct, revised in 2005. Social responsibility is at the heart of our corporate management, and our most important task now and in years to come is to demonstrate this in all of our business activities. This is the key to strengthening our bonds with customers and all other Mitsubishi Estate Group stakeholders.

In September 2007, the Mitsubishi Estate Group made a clear declaration of its corporate commitment with its new brand slogan, “A Love for People and A Love for the City.” Corporate social responsibility (CSR) is at the heart of this slogan, which expresses the added value that our firm offers.

“A Love for People” conveys the Mitsubishi Estate Group’s desire to inspire love and wonder and to offer confidence and security to all of its stakeholders. “A Love for the City” illustrates the company’s basic commitment to raising overall community value, not just the value of individual buildings.

At Mitsubishi Estate, we wholeheartedly embrace the challenge of increasing a city’s intrinsic value. The many years that Mitsubishi Estate has spent on urban development projects in the Otemachi, Marunouchi and Yurakucho district, which stretches across about 120 hectares, offer a perfect example of these efforts. We consider all of the people who work, shop and dine in the district to be stakeholders of the Mitsubishi Estate Group. We recognize that the appeal of the city will only continue to grow if it keeps offering new value. Naturally, in planning or coordinating community development, it is essential for us to be mindful of people’s desire to live in harmony with the environment. Mitsubishi Estate cooperates with local landowners and government agencies to find ways to link individual environmental efforts together for the total progress of the greater community.

Leveraging the Group’s overall management expertise to foster eminently livable communities

The Mitsubishi Estate Group’s new Medium-Term Management Plan, launched in fiscal 2008, addresses four changes in the business environment: globalization, the securitization of real estate, the accelerated pace of informatization and harmonious environmental co-existence. As the real estate industry changes at an ever faster speed, we understand how important it is to be dynamic, innovative and ready for every challenge. It is also, of course, vital to take the customer’s perspective. We are determined to integrate CSR into all of our business activities, and our mindset about responsibility is shaped by our vision of becoming a real estate company for the new age: “a global real estate solutions provider—development as a core driver.” This is the

Mitsubishi Estate Group’s goal for the future. Total urban development means that the developer’s job does not stop with the infrastructure; the evolving knowledge and management aspects are crucial. Our various internal functions and all Group companies are involved in this process. The entire Group works as one team, with each person acting with an open mind and contributing to our collective strength.

The Izumi Park Town in Miyagi Prefecture’s Sendai City, a development project that the Mitsubishi Estate Group has been involved with for more than 30 years, demonstrates this sort of teamwork. Starting with new ideas for urban functions and ways for residents to relax, we have continuously worked to develop a community that is convenient and full of amenities such as workplaces, hospitals, schools, recreation facilities and waterfront sanctuaries. Through Izumi Park Town Service Co., Ltd., the town management company that acts as intermediary for resident activities and maintains and manages the town’s environment, Mitsubishi Estate today is still creating a community and an environment that continue to grow and change with the needs of residents.

Sharing environmental awareness with users while raising the environmental quality of buildings

The Mitsubishi Estate Group has made a clear commitment to proactively address environmental problems in its new Medium-Term Management Plan. Measures to counteract global warming are one of the most important issues for the Group. We have proactively implemented energy-saving specifications in buildings in our recent redevelopment projects around the Marunouchi area. The culmination of these efforts, the Shin-Marunouchi Building which opened in 2007, brings together all these specifications, including rooftop greening, solar panels, the use of Low-E glass which impedes heat transmission, and automatic blinds to block outdoor heat. Combined, these innovations have succeeded in dramatically reducing CO₂ emissions. Notably, the company is also working closely with tenants of existing buildings on energy-saving initiatives. At the Mitsubishi Estate Group, revitalizing a community and reducing its environmental impact are one and the same thing.

These efforts to address environmental problems also extend to Mitsubishi Estate’s residential business, where the company is moving into the eco-housing market to better respond to customers’ rising environmental awareness. There are many promising technologies available, such as solar heat generation and heat pumps, although these raise the initial costs of homeownership. To help customers understand the benefits of these technologies over the lifetime of their home, Mitsubishi Estate carefully explains how they can help reduce environmental impact and lower electricity and gas bills.

Creating a vibrant workplace

Article 3 of the Mitsubishi Estate Group's Code of Conduct commits the company to creating a vibrant workplace. The company's managers play a vital role in creating an environment in which motivated employees can perform to the best of their abilities. In meeting the needs of a diverse society, it is essential to promote internal communication and provide an environment in which employees can demonstrate their collective strength. As outlined in the new Medium-Term Management Plan, "as one team" is a key phrase in realizing the Group's vision for the future. Mitsubishi Estate will continue to foster a vibrant workplace by improving both the facility and systemic aspects of the work environment.

Compliance at the Mitsubishi Estate Group: Acting with integrity for the customer and the community

The majority of Mitsubishi Estate's social contributions are made through its core business, but I believe that companies must care for social needs even in areas not

directly related to their business. The difficult economic environment in Japan today has led to a tendency for this sort of compassion to be forgotten by corporate management, but even supporting modest civic programs and providing a place for children to express themselves can have a major effect in changing society for the better.

As part of this belief, the Mitsubishi Estate Group has sponsored an art contest for disabled children since 2002, and hopes to continue this program supporting children's talents for many years to come.

Needless to say, management that prioritizes compliance is essential in earning the trust of a wide range of stakeholders and building strong relationships with everyone with an interest in our company. As we have continued to assert, the Mitsubishi Estate Group believes that compliance is not simply a matter of obeying the law, but rather fully meeting the needs of its customers and the larger society. Toward this end, we will keep working to ensure profound communication with our customers by striving to see things from their point of view. Urban development is a never-ending enterprise, and thus the Mitsubishi Estate Group's relationship with its customers and society will always have a bright future. I hope to impress this on all employees, and ensure that we always develop communities that leave significant value to future generations.

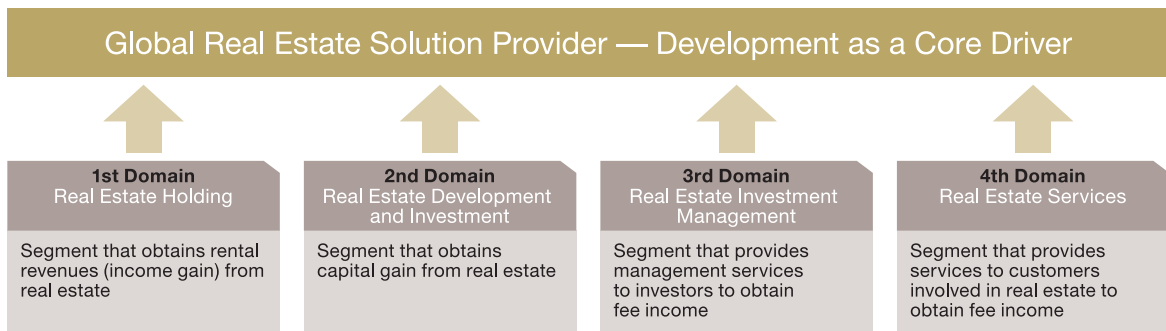


New Medium-Term Management Plan “Action 2010” (2008-2010)

■ Changes in the business environment affect the Group

Globalization	Real Estate Securitization	Growth in the Pace of Informatization	Harmonious Environmental Co-Existence
Globalization of real estate investors (funds), customers and competition	Growth in asset management needs such as pensions, government funds, etc., and diversification of real estate players	Due to IT innovations, accelerating speed and greater degree of change in markets, etc.	Increasing global awareness of the need to tackle environmental problems

■ Mitsubishi Estate’s Future Visions and Four Business Domains in “Action 2010”



■ Keywords for Helping to Realize Future Visions

Innovative	Eco-conscious	Global
For an innovative and creative Mitsubishi Estate Group	Symbolizing harmonious environmental co-existence in which the Mitsubishi Estate Group is proactively involved	Meaning the global Mitsubishi Estate Group
As one team	For the Mitsubishi Estate Group united as one in pursuit of future targets	

■ Practical Action Items

	1st Domain Real Estate Holding	2nd Domain Real Estate Development and Investment	3rd Domain Real Estate Investment Management	4th Domain Real Estate Services
I Action Items for Each Business Domain	I. 1. Maximizing asset value held in Marunouchi and other locations	I. 2. Reinforcing development and risk-management capability	I. 3. Building global platform	I. 4. Aiming to be a leading service provider that contributes to advancing development
II Action Items for Strengthening Segment / Cross-Sectional Competitiveness	II. 1. Globalize Each Segment			
	II. 2. Strengthen Each Segment, Leveraging Development Capabilities			
	II. 3. Further Develop Company-Wide, Proposal-Based Marketing			
III Management Infrastructure Action Items	III. 1. Reinforcing Management, People and Organization Infrastructure			
	III. 2. Active Measures toward Harmonious Environmental Co-Existence			

CSR Concept

For the Mitsubishi Estate Group, CSR is epitomized by the Group's Mission, which is to help create a truly meaningful society by working to build attractive, environmentally sound communities where people can live, work and relax with contentment. To realize this mission, the Group puts into practice the three core elements of its Code of Conduct: acting with integrity, earning the trust of clients and creating a vibrant workplace. The Group strives to maintain an ongoing dialogue with the public by pursuing thorough communication with stakeholders.

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 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.

Mitsubishi Estate Group Guidelines for Conduct

Web Full text available at: <http://www.mec.co.jp/e/company/charter/index.html>

CSR at the Mitsubishi Estate Group

Mitsubishi Estate Group's Relationships with Stakeholders

The Mitsubishi Estate Group's business is premised on its relationships with a wide variety of stakeholders, including customers, the local community, government and local administrations, business partners, and executives, employees and their family members.

Business activities in urban development involve many stakeholders by their very nature, and the Mitsubishi Estate Group has the responsibility to pursue its business activities while living up to the trust placed in it by these stakeholders. The Group holds dialogue with stakeholders in a variety of formats, and carries out many programs to reflect these opinions in its management.

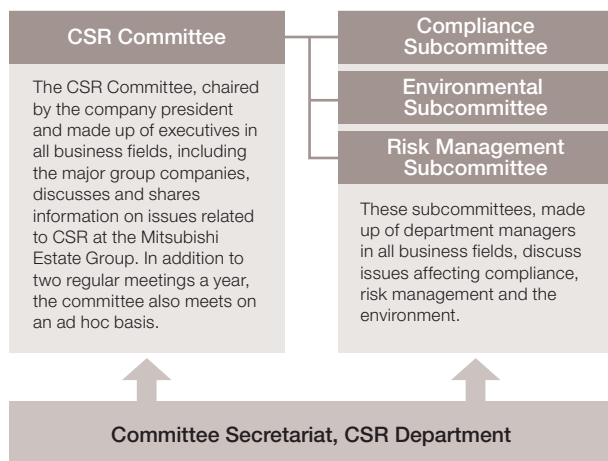
■ Mitsubishi Estate Group's ties with stakeholders



Operational Framework for CSR

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

■ Operational framework for CSR



Overview of CSR committee meetings held in fiscal 2007

First meeting (July 2007: Regular meeting)

- Revisions to environmental management regulations
- Current status of CSR activities and issues (medium-term CSR objectives, etc.)
- Establishment of Group's environmental objectives
- Policies for social contribution activities (draft), and others

Second meeting (January 2008: Regular meeting)

- Revisions to regulations on conflict of interest and other issues related to fund operations
- Basic policy for social contribution activities, and others

Third meeting (March 2008: Extraordinary meeting)

- Revisions to CSR Committee regulations

The following two external experts participate as advisers in the regularly scheduled CSR Committee meetings.

Iwao Taka

Professor, C. Hiroike Graduate School, Reitaku University

Setsuko Egami

Visiting Professor, Okuma School of Public Management, Waseda University

Results of Mitsubishi Estate Group's CSR Activities in Fiscal 2007 and Fiscal 2008 Objectives

The results of the Mitsubishi Estate Group's CSR activities in fiscal 2007 and its initiatives for fiscal 2008 based on these fiscal 2007 results are listed on these pages.

CSR initiatives		Achievements in fiscal 2007
Corporate governance	Reinforcement of corporate governance	Reenergized board of directors meetings by appointing four external directors; shortened the length of directors' appointments from two years to one year; introduced anti-takeover measures
	Establishment and operation of internal control system	Implemented internal control system and made improvements through monitoring
	Strengthening of risk management system	Identified and addressed potential risks posed by Group companies
Compliance	Compliance remains priority	Identified problems by carrying out Group-wide compliance surveys; continued to offer compliance training programs in a group format
Corporate brand	Establishment and strengthening of corporate brand	Established corporate brand, and ensured familiarity both inside and outside the Group; devised action plan
Initiatives with business partners	Implementing Order Placement Protocol	Placed orders appropriately in accordance with the Order Placement Protocol; conducted deliberations on orders for large projects in Orders Committee
Information disclosure and IR activities	Commitment to accountability	Administered Information Disclosure Regulations appropriately; held financial results briefings reflecting the needs of analysts and investors; published CSR report in English
Social contribution activities	New social contributions taken on by entire Group	Established Mitsubishi Estate Group Guidelines on Social Contribution Activities
Promotion of environmental management	Environmental management overall	Organized a working group to establish long-term environmental vision and held deliberations; devised framework for environmental management vision; opened Ecozeria and established environmental vision for the Otemachi, Marunouchi and Yurakucho district
	Promotion of measures combating global warming	Launched CO ₂ -Reduction Urban Structure Committee; promoted roof greenery, including holding competition
	Creation of a society committed to recycling	Carried out initiatives such as waste recycling in the building business, residential business and other business areas
	Reducing overall environmental impact	Implemented programs such as soil contamination and asbestos control measures
	Promotion of communication on environmental issues	Entered exhibit in Eco Products 2007; held stakeholder meetings with external experts on the housing environment
Safe and secure urban development	Promotion of efforts ensuring safety and security	Ongoing implementation and strengthening of horizontal expansion of information on building safety management; continued efforts to develop a business continuity plan (BCP) and emergency responses
Urban development from the customer's perspective	Taking the customer's perspective	Brought after-purchase maintenance services in Residential Division's metropolitan business under direct control and set up customer center in the Product Planning Division
Vibrant workplaces	Creating a workplace in which employees are motivated and able to exercise their skills	Carried out new management training for immediate managers; offered training to educate human resources at each division
	Creating a workplace respectful of human rights and diversity	Provided education through human rights training; gave childcare and nursing care support; promoted the employment of disabled people
	Remaining an open-minded organization	Established the Cross Sectional Task Force as a discussion forum for young, middle-ranking employees from all divisions (one executive officer member participates as an adviser to each task force)

CSR at the Mitsubishi Estate Group

CSR initiatives		Fiscal 2008 initiatives
Corporate governance	Reinforcement of corporate governance	Ongoing review of measures to strengthen corporate governance
	Establishment and operation of internal control system	Improve operations of internal control system; comply with internal control measures (J-SOX) related to financial report in this fiscal year
	Strengthening of risk management system	Begin Group-wide risk management using risk analysis forms; provide practical training on emergency response in the event of a crisis, and prepare working-level manual
Compliance	Compliance remains priority	Review measures in light of results of Group compliance survey and continue carrying out survey; ongoing implementation of compliance training in group format
Corporate brand	Establishment and strengthening of corporate brand	Develop and promote a company-wide PDCA cycle through an annual plan and fixed-point observational survey
Initiatives with business partners	Implementing Order Placement Protocol	Continue to place orders appropriately in accordance with the Order Placement Protocol
Information disclosure and IR activities	Commitment to accountability	Continue to administer Information Disclosure Regulations appropriately; hold financial results briefings reflecting the needs of analysts and investors
Social contribution activities	New social contributions taken on by entire Group	Carry out a new activity, the Project to Promote Urban and Rural Interaction (provisional name), through external and internal tie-ups making use of the Group's management resources
Promotion of environmental management	Environmental management overall	Establish action plan based on long-term environmental vision (including numerical targets); carry out specific initiatives in residences
	Promotion of measures combating global warming	Review development of cooperative system with tenants to reduce CO ₂
	Creation of a society committed to recycling	Reduce amount of waste sent to landfill in all business areas
	Reducing overall environmental impact	Continue to implement programs such as soil contamination and asbestos control measures
	Promotion of communication on environmental issues	Carry out measures based on results of stakeholder meetings and communicate with customers
Safe and secure urban development	Promotion of efforts ensuring safety and security	Carry out safety management activities in affiliation with building property management companies and support these companies' efforts to standardize on-site operations; augment disaster response while compiling external information
Urban development from the customer's perspective	Taking the customer's perspective	Bring the Residential Development Group's after-purchase maintenance services outside the metropolitan area under direct management in stages; specify management objectives for customer satisfaction at all hotels
Vibrant workplaces	Creating a workplace in which employees are motivated and able to exercise their skills	Based on policy in new Medium-Term Management Plan, redefine human resource image, review career path and discuss possibility of system revision; working group on human resource training system is currently reviewing clarification of the type of human resource the company needs and human resource training measures
	Creating a workplace respectful of human rights and diversity	Provide education through human rights training; give childcare and nursing care support; promote the employment of disabled people
	Remaining an open-minded organization	Continue to hold the Cross Sectional Task Force; top management to visit work sites and exchange opinions

Highlights of Mitsubishi Estate Group's CSR Activities in Fiscal 2007

CSR Promotion Month

Beginning in fiscal 2007, Mitsubishi Estate made October its CSR Promotion Month to deepen Group an understanding of CSR and ensure that it was entrenched in daily activities. In 2007, this month was commemorated with lectures and participatory events on CSR, such as a briefing on the CSR report, a showing of the film "An Inconvenient Truth," a risk management lecture presentation and internal screening panel for the annual art contest for disabled children. Mitsubishi Estate plans to continue holding these activities.



Included in the DJSI for eight consecutive years

In September 2007, Mitsubishi Estate was selected for inclusion on the Dow Jones Sustainability Indexes (DJSI) for the eighth 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 seventh straight year

In March 2008, Mitsubishi Estate was selected for inclusion in the FTSE4Good Global Index by the FTSE for the seventh straight year. FTSE4Good selects companies that meet corporate responsibility criteria, and is highly praised as a global investment rating index based on CSR.



Ecozzeria, a center for environmental strategy, opened on tenth floor of Shin-Marunouchi Building

In May 2007, Mitsubishi Estate opened Ecozzeria on the tenth floor of the Shin-Marunouchi Building. This center for the development of environmental strategies will carry out and expand environmental initiatives in Marunouchi's urban development throughout the area in terms of both infrastructure and knowledge base. This institution's management has been entrusted to the Association for Creating Sustainability in Urban Development of the Otemachi, Marunouchi and Yurakucho District. Mitsubishi



Estates hopes that the Marunouchi area becomes a global model for eco-friendly urban development.

Promoting introduction of natural energy



See P29



Mitsubishi Estate has been using the Green Power Certification System as part of its efforts to promote the use of natural energy, and is also now participating in the Yokohama Wind Energy Project, administered by Yokohama City. Mitsubishi Estate will receive its allocation from power generation in fiscal 2007.

2008 Building Management Ladies' Day Forum held

In March 2008, Mitsubishi Estate Building Management Co., Ltd., held a forum as proposed by its female employees on the subject of life cycle design based on individual values, providing an opportunity to rethink the meaning of work and approaches to it.



See P44

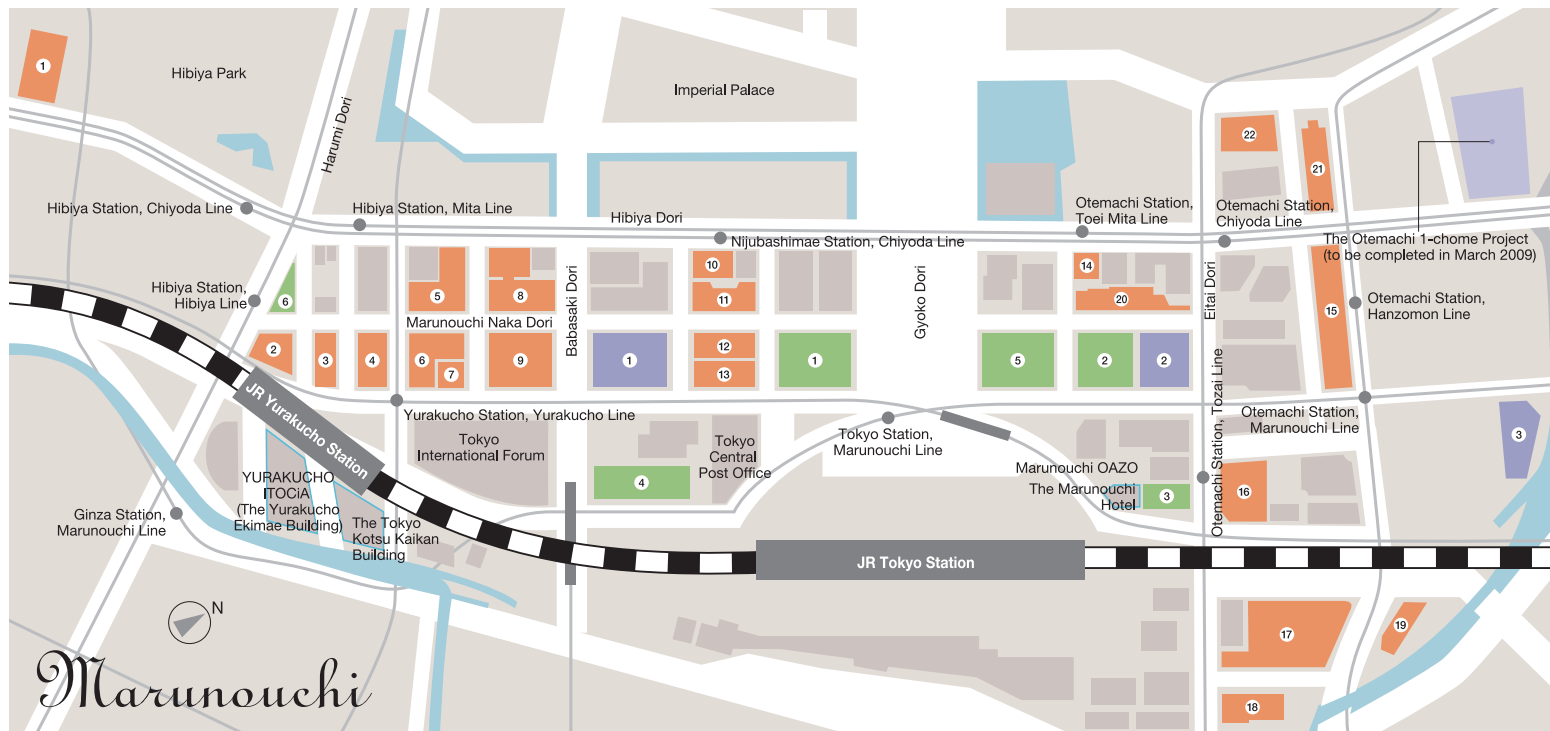


Creating Communities Known for Their Environmental Harmony

Environmental initiatives in the Otemachi, Marunouchi and Yurakucho district to build a community with lower environmental impact

Mitsubishi Estate holds about one-third of the land in the Otemachi, Marunouchi and Yurakucho district, Japan's landmark business center. This area has a history stretching back to the start of the Edo period and is known around the world for its concentration of major Japanese and international companies. Mitsubishi Estate has always looked to the future in its urban development projects in

this district. With today's focus on sustainable cities, the Group is taking a comprehensive, integrated approach to urban development, characterized by the conviction that the needs of the economy and the environment are compatible. Mitsubishi Estate aspires to develop a new urban model where economy and environment come together to change the face of the world's cities.



Existing Buildings Owned by Mitsubishi Estate			First Stage (1998 – 2007)		Second Stage (2008 – 2017)	
1. Hibiya Kokusai Building	10. Kishimoto Building	19. JFE Shoji Building	1. Marunouchi Building	Completed in August 2002	1. Marunouchi Park Building and Mitsubishi Ichigokan Building (to be completed in April 2009)	
2. Yurakucho Denki Building	11. Marunouchi Nakadori Building	20. Mizuho Corporate Bank Ltd. Head Office Building (owned by a special-purpose company)	2. The Industry Club of Japan and Mitsubishi UFJ Trust and Banking Building	Completed in March 2003	2. The Marunouchi 1-4 Project (tentative name), a project to reconstruct the Tugin Building (to be completed in April 2009) and other buildings	
3. Yurakucho Building	12. Marunouchi 2-chome Building	21. The Bank of Tokyo-Mitsubishi UFJ Otemachi Building (owned by a special-purpose company)	3. Marunouchi Kitaguchi Building (Marunouchi OAZO)	Completed in August 2004	3. Mitsubishi Soken Building (to be completed in 2011)	
4. Shin-Yurakucho Building	13. Mitsubishi Building	22. Resona Maruha Building (owned by a special-purpose company)	4. Tokyo Building	Completed in October 2005		
5. Kokusai Building	14. Tokyo Ginko Kyokai Building		5. Shin-Marunouchi Building	Completed in April 2007		
6. Shin-Kokusai Building	15. Otemachi Building		6. The Peninsula Tokyo	Completed in May 2007 (opened in September)		
7. Shin-Nisseki Building	16. Shin-Otemachi Building					
8. Fuji Building	17. Nippon Building					
9. Shin-Tokyo Building	18. Nippon Steel Corporation Building					

Building on a heritage of environmental harmony

Mitsubishi Estate's close ties to the Otemachi, Marunouchi and Yurakucho district began in 1890 with the acquisition of Marunouchi from Japan's then-Ministry of War. This was the first step in developing the district that would become the heart of the rapid economic growth Japan experienced as it began to modernize. The area's history of harmony with the environment, however, stretches back almost 400 years to the start of the Edo government.

At the start of the eighteenth century, Edo had a population exceeding 1 million, making it one of the largest urban economic centers, surpassing Paris and London at that time. Simultaneously, it was an eco-city traversed by a network of canals. Man-made facilities and nature thrived side-by-side there, and this legacy still serves as a model for today's environmentally friendly cities. The legacy of Edo lives on in the Otemachi, Marunouchi and Yurakucho district alongside the rich greenery of the Imperial Palace.

The Otemachi, Marunouchi and Yurakucho district has seen dramatic changes over the years. Once the site of feudal estates, after the Meiji Restoration in 1968 the streets were lined with red brick buildings—which gave it the name, “London Block.” Then, after World War II, it became a modern office district. Today, it is Japan's most important business center, covering about 120 hectares and home to approximately 4,100 companies employing 231,000 people. The area's approach to making social contributions and its environmental initiatives have been a beacon for others around the world. As the main property owner in the district, Mitsubishi Estate offers a model for sustainable cities integrating the environment and the economy, promoting its initiatives hand-in-hand with its many stakeholders.

The Environmental Vision for the Otemachi, Marunouchi and Yurakucho district

Companies must work together as one with a shared vision for the future, rather than acting alone, to efficiently reduce environmental impact in the Otemachi, Marunouchi and Yurakucho district, which houses approximately 4,100 companies. In 1988, Mitsubishi Estate and about 60 other companies and organizations joined together to launch the Otemachi Marunouchi Yurakucho District Redevelopment Project Council (OMY Council). In 1996, the OMY Council, the Tokyo Metropolitan Government, Chiyoda Ward and JR East formed the Advisory Committee on Otemachi-Marunouchi-Yurakucho Area Development as a forum

for the private and public sectors to openly debate the district's future. These groups have



Urban development that lasts 1,000 years: Meeting practical local needs while inspiring the world



Tomonari Yashiro

Professor, Ph.D. in Engineering
Deputy Director, Institute of Industrial Science,
The University of Tokyo

The Environmental Vision for the Otemachi, Marunouchi and Yurakucho District, released in May 2007, reflects the voluntary intentions of the various stakeholders involved with this district. I accepted the position of chairman of the study group as an independent facilitator tasked with bringing together diverse views. In preparing the plan, we considered how our current development projects would affect the future over a long time span, such as 100 years or even 1,000 years, just as the decisions made by the Edo and Meiji governments still influence the district today. We thought about how this district could be a sterling example for other cities, so that we could help reduce environmental impact worldwide, not just locally. Moreover, we introduced the concept of “physical exams” for urban areas. This idea represents a new point of view in environmental management: a building's “habits” are identified by monitoring climatic conditions and energy use to enable sharing of heat facilities by neighboring buildings in the future.

accumulated significant amounts of wisdom and knowledge about forming consensus in public-private collaboration.

In May 2007, the OMY Council presented its design for an eco-city model and announced its Environmental Vision for the Otemachi, Marunouchi and Yurakucho District, outlining its reconstruction plan for the district to the wider community. The roadmap for its specific initiatives can be broken down into several themes: (1) Sensing, Storage and Application of Environmental Data; (2) Activities and Information That Extend Beyond OMY; (3) Construction of an Environmental and Energy Management System; (4) Creation of New Transport and Logistics Systems With Low Environmental Impacts; (5) Revitalizing the “Water City” With Bioregion Drainage System; (6) Systematic Use of Outdoor and Public Spaces; (7) Multistage Water Reuse System; (8) Mitigating Environmental Impacts from and Reducing Vulnerability to Major Disasters; and (9) Creating and Developing New Environmental Businesses. Mitsubishi Estate is collaborating with a diverse group of stakeholders in industry, government, academia and the private sector to develop these initiatives sequentially and across sectors.



Entire community adopts measures to address heat island effect

Cities face major environmental problems, including the increase in the CO₂ emissions that cause global warming, and the heat island effect, when temperatures rise due to concrete covering most of the ground and concentrated heat exhaust. Mitsubishi Estate Co., Ltd., has introduced environmental measures both to enhance the environmental features of each building in its individual development projects as well as to improve the overall environment in the Otemachi, Marunouchi and Yurakucho district.

With the completion of the Shin-Marunouchi Building and the Peninsula Tokyo hotel building in 2007, Mitsubishi Estate completed the first stage of its Marunouchi Redevelopment Project, which had gotten off the ground with the Marunouchi Building (completed in 2002). In the process, Mitsubishi Estate helped to reduce environmental impact by introducing cutting-edge environmental technology such as solar energy generation and greening rooftops and walls. The company proactively adopted measures to reduce air-conditioning requirements, such as air barrier systems that create a curtain of air along window glass and Low-E glass (low-emissivity, super-insulated multi-layer glass).

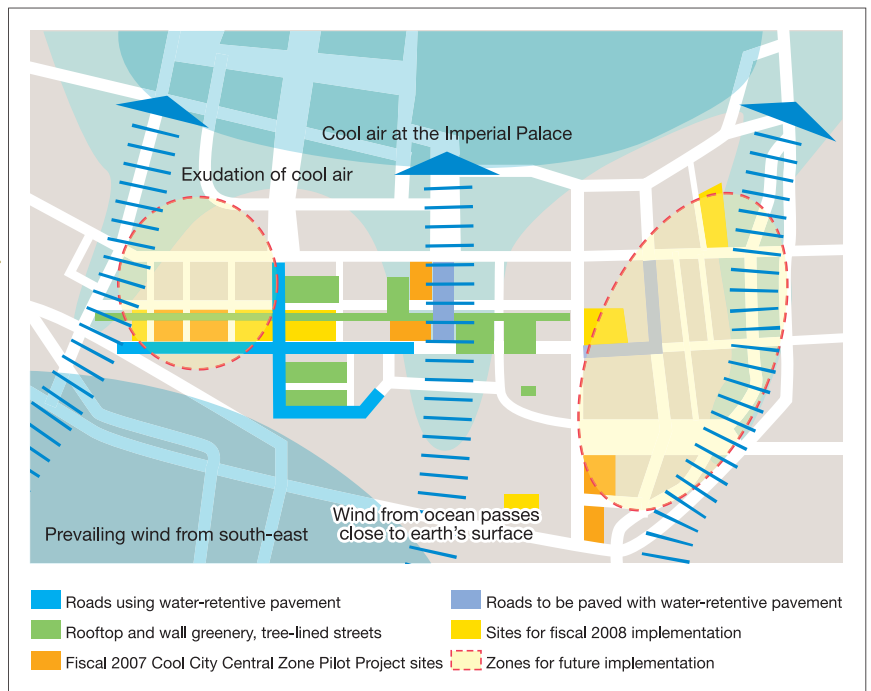
Enhancing energy efficiency with district heating and cooling

Cities consume massive amounts of energy, and for this very reason energy efficiency and environmental conservation can be enhanced by consolidating supply functions in cities. In the Otemachi, Marunouchi and Yurakucho district, 65 buildings are serviced by district heating and cooling systems that supply cold water and steam from central thermal plants to provide cooling and heating as well as hot water, thus reducing energy use.

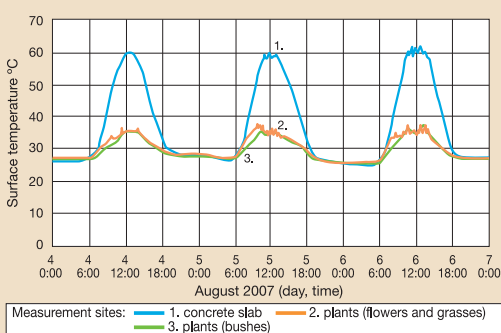
Transportation and distribution infrastructure has also been made more eco-friendly with the operation of a free Marunouchi shuttle bus that circles through the Marunouchi area every 15 minutes. The bus is Japan's first low-pollutant bus combining electric and micro-gas turbines. In addition, the Marunouchi Building and Shin-Marunouchi Building employ a joint freight distribution system to reduce CO₂ emitted during transport and enhance operational efficiency.

Measures to prevent heat absorption: Greening roofs to lower the surface temperature by more than 25°C

The Otemachi, Marunouchi and Yurakucho district was designated as one of the model zones under the Ministry of the Environment's Model Projects to Disseminate the Measures of Reducing Urban Heat Island Effects and Greenhouse Gas Emissions from Buildings. These zones call for intensive introduction of measures to combat the heat island effect to improve the outdoor environment. Rooftop greening has been applied to a total of seven buildings in the district: the Peninsula Tokyo (rooftop greening and water features), Marunouchi Building, Yusen Building, Shin-Kokusai Building, Yurakucho Building (rooftop greening), Nippon Building and Nippon Steel Corporation Building (rooftop greening and high-reflectivity paint).



Surface temperature on roofs of commercial buildings in Otemachi, Marunouchi and Yurakucho district in thermal image measurements



Evaluating this initiative, it was found that the surface temperature of greened rooftops was sometimes more than 25°C lower than that of concrete surfaces with no greenery. Moreover, CO₂ emissions were reduced by 1.60 tons in the Marunouchi Building over the period from July 18 to October 4, 2007 during daytime (8:00 am – 8:00 pm), when the thermal environment study was conducted. In addition to improving the surface coverage, rooftop greening is also expected to cool the air passing through this area.

Measures to release heat: Cooling communities using micro-misters

Mitsubishi Estate has found ways to release stored-up heat and keep urban communities cooler using the cooling effect created through the process of water vaporization. One such method is the micro-mister—a special atomizer that sprays water in an ultra-fine mist into the air, making it easier for vaporization to occur. These micro-misters have been installed in certain locations in the district, and they automatically produce mist once the temperature reaches certain levels.

In addition, roadbed materials with high water retention have been used in some roads and sidewalks. The water-retentive pavements store up water when it rains, which then evaporates gradually, cooling the air.



Cutting-edge technology reduces air-conditioning requirements

Since using them in the Marunouchi Building, Mitsubishi Estate has actively adopted cutting-edge technologies to lower the energy consumed by air-conditioning its buildings. These measures include a cooling system using external air, where the building's ability to take in external air is reinforced by 250% to actively pull in external air during the winter and intermediate seasons, as well as the Air Barrier System, a method where ventilation is used to discharge the air near the windows to create a curtain of warm or cool air and lessen heat transmission from the outer environment. The use of Low-E glass (low-emissivity, super-insulated multi-layer glass) to improve windows' heat-shield and thermal-insulation functions is also intended to reduce air-conditioning requirements.

Energy consumption cut 12-16% by centralizing the heat source with district heating and cooling system

District heating and cooling systems supply cold water and steam to multiple buildings within a specific area through pipes from a thermal plant to provide cooling and heating as well as hot water. Consolidating management of the heat source dramatically reduces NOx and SOx emissions, which cause air pollution and acid rain, and has reduced energy consumption in the district by 12-16% compared to separate heat sources. Moreover, by using nighttime power and storing cold energy in a thermal storage tank, peak electricity use is equalized for day and night. A cogeneration system has also been adopted, combining the heat and power systems.

In addition, Mitsubishi Estate expects to conserve even more energy through its ongoing efforts with unutilized energy. This approach has substantial merits in protecting the urban environment such as preventing pollution, saving energy, improving the beauty of the urban landscape and effectively using building space.



We cooperate closely on shared concerns such as recycling waste and optimizing room temperature settings

Chitoshi Nakagawa

Manager, Corporate Administration Division
Mitsubishi UFJ Trust and Banking Corporation



In August 2007, Mitsubishi UFJ Trust and Banking Corporation's headquarters building received ISO14001 certification. We are working to lower the environmental impact of our offices by using less copy paper, recycling waste, reducing energy use and purchasing environmentally friendly supplies (green procurement). In addition, the company is carrying out its "Eco Mission for All Employees" campaign in the headquarters building, providing three different types of stickers to employees based on how their divisions are doing in this area. Reducing paper and electricity use is an important issue for the financial industry. In addition to working to achieve carbon neutral status, cutting conference printouts and holding meetings via the Internet, Mitsubishi UFJ Trust and Banking cooperates with Mitsubishi Estate Building Management Co., Ltd., to promote sharing of waste recycling results, reposition garbage cans to raise the recycling rate, and optimize room temperature settings in the headquarters building. As a company with its headquarters in the Otemachi, Marunouchi and Yurakucho district, we look forward to further collaboration with Mitsubishi Estate, for example in publicizing information on the environment.

We fully support the programs to create a model eco-city for the world while remaining true to Tokyo's distinctive personality.

Masashi Ohara

Director for Environmental Policy Division,
Bureau of Environment
Tokyo Metropolitan Government

In its urban strategy "Tokyo in Ten Years," established in December 2006, the Tokyo Metropolitan Government set a target of reducing the city's greenhouse gas emissions by 25% of 2000 levels by 2020. This strategy presents the international community with a versatile urban model for preventing global warming in the form of a package of measures. Urgent measures must be taken to address the real estate that has a long-term impact on cities. In recognition of this, the Tokyo Metropolitan Government plans to introduce mandated CO₂ emissions cuts at large offices in fiscal 2010, while also offering a balanced scheme for emissions trading. The Tokyo Metropolitan Government sees a shared philosophy in the Otemachi, Marunouchi and Yurakucho district's initiatives promoting not only enhanced efficiency but also an attractive urban environment. We endorse the goal of becoming a model eco-city for the world while remaining true to the distinctive personality of the district. The district represents the cutting edge in energy conservation, and we expect to see bold use of reusable energy in the future.

Providing a venue for networking and developing environmental initiatives

Otemachi Café Linking people, the community and the environment

Mitsubishi Estate Co., Ltd., is also involved with initiatives to raise the environmental awareness of the people who work in the Otemachi, Marunouchi and Yurakucho district and the people who gather there for fun and information. The Otemachi Café, which closed on April 25, 2008, fulfilled this role as one of the pioneering programs for two years and eight months.

The Otemachi Café opened on the first floor of the Otemachi Building, and was designed by the landscape designer Shigechiyo Suzuki with advice from the environmental journalist Manabu Akaike and the cultural anthropologist Shinichi Takemura. The café was decorated with plants that can grow indoors and the walls covered with greenery, with the hope that the café's free interaction would create an eco-community and appealing schemes. The café was also home to a model for a subcritical water treatment plant whereby high-pressure, high-temperature subcritical conditions broke down kitchen garbage, and the methane gases emitted in this process were used to generate electricity. During the decomposition process, lactic acid and liquid fertilizers were also extracted. The café's leftover food could be used to generate electricity, and the café offered vegetables that had been grown using the extracted liquid fertilizer. The café thus attracted attention for its empirical demonstration of the waste cycle. The café's menu featured domestically-produced, organic foods that are good for the environment and its customers' health. The total of 307 seminars and exhibits that it hosted stimulated the creation of a wide variety of networks.



Ecozzeria Environmental strategy monitoring center for the Otemachi, Marunouchi and Yurakucho district



Otemachi Café's initiatives are being continued by Ecozzeria, a hub for environmental strategy that opened on the tenth floor of the Shin-Marunouchi Building in May 2007. This will expand the scope of activities from the café to the entire district. Ecozzeria is a space in which everyone can think together to devise environmental measures for the future.

Ecozzeria's major initiatives include reusing and recycling the materials used in rebuilding the Shin-Marunouchi building in which Ecozzeria is located, as well as promoting the district's rooftop and wall greening and water-retentive pavements that ameliorate the heat island effect, the district heating and cooling systems, the intermediate water network to recycle used water, and mechanisms to monitor building energy management. Ecozzeria also hosts a

variety of events. These include: the Morning Expo, a series of workshops and talk shows held at various venues in the district on the theme of designing your own morning time; Eco Kids Expedition for children to learn about environmental issues during their summer vacations; and the Watering Project, which adopts the Edo practice of sprinkling the streets with water to lower the temperature.

In addition, in October 2007 the Otemachi, Marunouchi, Yurakucho Eco Point was tested. This system allows those working and visiting the district and using the Suica rechargeable fare card on a daily basis to accumulate Eco Points. Once participants register, a portion of their payments go to the Eco Fund every time they use their Suica card. Ecozzeria also prepared the *Community Social Responsibility Report 2008*, a CSR report for the entire district that provides detailed information on the contributions made by the district to tomorrow's global environment and their results, as well as future plans.



The Marunouchi Club for Global Sustainability



丸の内池袋環境
倶楽部

The Marunouchi Club for Global Sustainability is a "think and do tank" that aims to make the Otemachi, Marunouchi and Yurakucho district, one of the world's premier business centers, a sustainable eco-city that will lead Asia and the rest of the world. A loose-knit collective of environment-conscious people and companies, the club thinks and learns about promoting environmental and socially responsible activities as well as technology development, and then puts what it learns into action in the community. With



Ecozzeria as its hub, this interdisciplinary, organic network serves as the basis for efforts to translate environmental measures into reality in urban development, and supports efforts to protect the environment for everyone.



It is important to change people's thoughts and actions, by bringing people together to share their thoughts.

Naka Inoue

Publicity and PR, Environmental Events Director
Ecozzeria Association

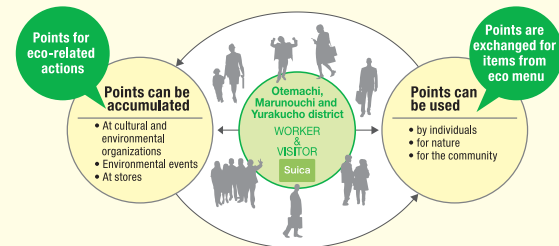
I plan and administer events at Ecozzeria and direct public relations. Changing people's thinking and actions is crucial to spurring environmental measures in the Otemachi, Marunouchi and Yurakucho district. The Morning Expo, in which people working in Marunouchi design their mornings, the Eco-kids Exploration Party for children on summer vacation, and the Water Sprinkling Project, which adopts Edo practices, are different in content, but they are all intended to invite the participation of as many people as possible and create opportunities for them to really wake up to environmental issues. The Otemachi Café, whose role ended in April 2008, and Ecozzeria are very well known among environmental activists, and are thriving forums for the exchange of information through communication with no lack of new ideas. I hope to involve artists and cultural figures active in fields other than the environment in the future, while creating a network among environmentally aware women and getting more information out to the public.

Education activities through environmental events

Otemachi, Marunouchi, Yurakucho Eco Points

People working and visiting this community help to create an eco-city

Otemachi, Marunouchi, Yurakucho Eco Points is a new system that started in the Otemachi, Marunouchi and Yurakucho district to promote the development of an eco-city. In this scheme to create an eco-city in a joint effort made by all those who visit or work in the area, points accumulate when the Suica rechargeable fare card is used at participating stores, institutions and events. The accumulated points can then be used for nature conservation activities and the community through an exchange menu. The participating organizations and point exchange menu will be expanded in the future with the aim of increasing the number of registrants.



Approximately 31,000 kWh in energy consumption for illumination changed into green energy

The illumination that beautifies the Marunouchi area delights the eye, but it consumes electricity and is one cause of global warming. For this reason, green electricity was used for approximately 31,000 kWh of the total electricity consumed in the events that took place during the period from November 16, 2007 to February 17, 2008, namely Marunouchi Illumination 2007, Shining City Tokyo: LIGHTOPIA 2007 and Harmonia 2007-2008: TIF Harmony of Illumination and Music. A green power certificate



Shining City Tokyo: LIGHTOPIA 2007
Approximately 6,700kWh

HARMONIA
Approximately 4,500kWh

Marunouchi Illumination 2007
Approximately 19,800kWh

Total of about 31,000kWh



▲ Solar version
PV Owner Network
Non-Profit Organization



▲ Wind power version
Energy Green, Inc.

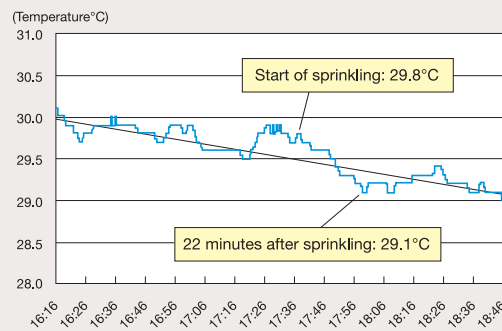
is issued with the purchase of the “environmental value” of power generated from natural energy sources such as solar, wind power, water power and biomass; the amount of electricity stated on the certificate is deemed to have been provided through natural energy sources. With their participation in the program to purchase green power certificates, the people who work and visit the district as well as the companies located here have succeeded in changing the power source used to light up the streets into green power from natural energy sources.

Water Sprinkling Project

Sprinkling water on pavement on hot summer days lowers the surface temperature by releasing heat through water vaporization, and can even lower the air's temperature. Differences in air temperature create a breeze, making the air feel cooler than the actual temperature. In the Water Sprinkling Project, anybody in the Otemachi, Marunouchi and Yurakucho district can join in and sprinkle water to lower the temperature, easing the heat island phenomenon specific to urban areas.



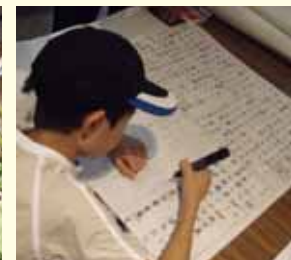
Temperature changes before and after water sprinkling event on Nakadori Road (August 1, 2007)



Eco-kids Exploration Party

A program offering real experiences to city children, representing the hopes of the next generation

Children living in urban areas who will be the leaders of the next generation are invited to participate in various activities in the Otemachi, Marunouchi and Yurakucho district, which has one of the highest densities of corporations in Japan. These include workshops on participating companies' environmental conservation projects and visits to companies taking on cutting-edge environmental projects and facilities that function harmoniously with the environment. Programs give real-life experiences to children, who enjoy themselves while learning about the heat island phenomenon confronting urban areas with large energy demands, global warming and resource recycling.



Pursuing Transparent Management

The Mitsubishi Estate Group earns stakeholders' trust by pursuing highly transparent management.

Committed to Highly Transparent Management

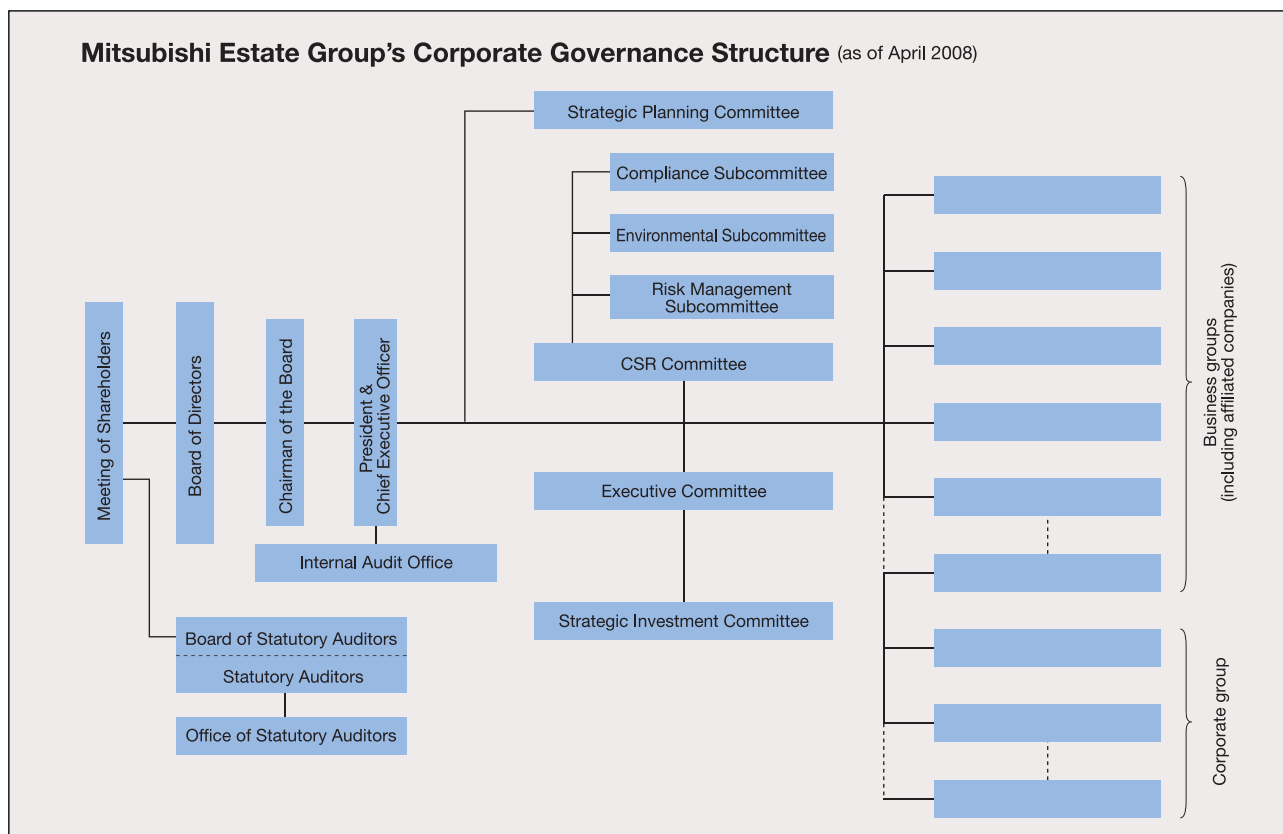
Mitsubishi Estate has developed a highly transparent management system, with an executive officer system that clearly defines the oversight and business execution functions. In addition, the three outside directors originally selected to reinforce the management and oversight functions of the Board of Directors were augmented by an additional director for a total of four from June 2007, and the term of appointment for directors was shortened to one year.

Managerial Decision-Making Process

The Mitsubishi Estate Group has established the Strategic Planning Committee, made up of the president's appointees and directors above the executive director level, to discuss the Group's

management strategies. In fiscal 2007, the Committee met 11 times, primarily to hold deliberations on the new Medium-Term Management Plan, "Action 2010," which started in fiscal 2008.

Moreover, the Group has set up the Executive Committee, consisting of the president, the executives of each business group, standing statutory auditors and other persons designated by the president. The committee meets, as a general rule, once a week under the president to make important operational decisions, and met 49 times in fiscal 2007. 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, which enables the Executive Committee to discuss and make management decisions at a more sophisticated level.



Reinforcing Internal Controls

The Mitsubishi Estate Group's Board of Directors adopted the Basic Policy on Internal Control Systems, regularly confirms that operations are consistent with the policy, and makes improvements whenever necessary. In March 2008, the Mitsubishi Estate Group's Basic Policy on Internal Controls for Financial Reporting (Basic Regulations) was established to ensure compliance with Japan's new Financial Instruments and Exchange Act, which went into effect on September 30, 2007. This policy documents internal controls and evaluations for financial reporting, and at the same time improves operational efficiency and augments risk management activities.

The three Group companies that handle financial instruments (Mitsubishi Real Estate Services Co., Ltd., Mitsubishi Jisho Investment Advisors, Inc., and Towa Real Estate Brokerage Co., Ltd.) have also established their own systems and legal provisions to comply with the new law. Mitsubishi Estate also held briefings for divisions affected by the law.

Risk Management

The Mitsubishi Estate Group has established the Mitsubishi Estate Group Risk Management Rules to manage risk in all its business activities. The company has reinforced its risk management system by setting up the CSR Committee, which discusses CSR issues in general including the Group's risk management, and the Risk Management Subcommittee, a working-level consultative body made up of department managers including major Group companies. The executive in charge of the CSR Department at Mitsubishi Estate Co., Ltd., has been given overall responsibility for risk management, and general managers of each business group and general managers in the Corporate Staff Departments have been named "risk management officers" and given overall control and responsibility for the management of risk within their business groups.

Management Oversight Structure

The Board of Directors works with the Board of Statutory Auditors to oversee and audit the business affairs of the company. The Board of Directors meets once a month, and more often when necessary, to make decisions on important operations and legal matters, and also oversees business execution. In addition, the attendance of auditors at the Board of Directors' meetings and standing statutory auditors at the Executive Committee ensures that the status of operations is audited in each division, while the establishment of the Office of Statutory Auditors has also enhanced audits.

The Internal Audit Office has been set up to reinforce the internal audit function, and reports directly to the president, which serves to emphasize its objectivity and independence from any business group. Internal audits are conducted in accordance with the audit plan (which also covers Group companies) established on a risk basis to confirm that internal controls are established and administered appropriately. All audit results are reported to the president, and are then shared with the standing statutory auditors, with an overview provided to the Board of Directors.

The company also emphasizes follow-up after audits, confirming that problems indicated in internal audit results have been improved.

Practicing Strong Corporate Ethics

The management of the Mitsubishi Estate Group is intently focused on strengthening compliance to secure the trust of stakeholders and ensure the continuing development of the company and overall society.

Progress in Promoting Compliance, and the Compliance System

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 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.

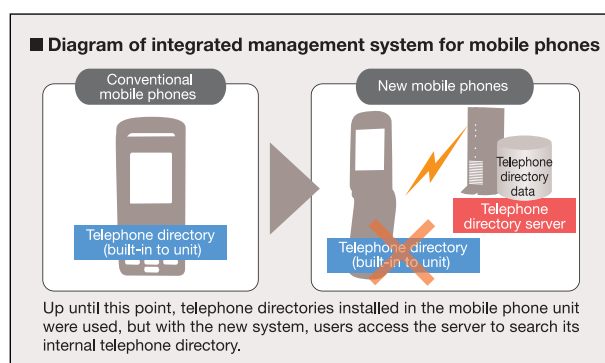
In July 2005, a Compliance Advisory Committee made up of external experts was formed on a temporary basis to objectively review the compliance system in light of the soil and groundwater contamination problems discovered at Osaka Amenity Park. This committee worked to improve the corporate culture, for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

The current compliance promotion system is administered by the CSR Committee, which discusses CSR issues in general, including Group compliance, and the Compliance Subcommittee, a body made up of department managers, including major Group companies, that holds discussions before the CSR Committee meets. In addition, a compliance director (Mitsubishi Estate's vice president and executive officer) has been appointed by decision of the Board of Directors, and given responsibility for overseeing and ensuring compliance. All Mitsubishi Estate departments and Group companies are working closely with the CSR Department to pursue compliance in a coordinated manner.

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 continues to reinforce its management of personal

information. In May 2008, Mitsubishi Estate introduced an integrated management system for storing telephone numbers on an external server so that personal information is no longer stored in the mobile phone handsets that it leases. This has improved its personal information management.



Providing Compliance Training

Since 1999, Mitsubishi Estate has been training all of its executives and employees in compliance issues. Beginning in November 2006, the company has invited an external lecturer, Mitsuhiro Umezu, Associate Professor, Faculty of Business and Commerce, Keio University, to provide training on an ongoing basis. At each session, approximately 30 participants are divided into small groups for discussions using case studies. In fiscal 2007, a total of 33 training sessions were given to a total of 1,073 participants (approximately 72% of the roughly 1,500 eligible employees). The company also takes advantage of various other opportunities to provide compliance training, including training sessions for new hires and new senior managers.

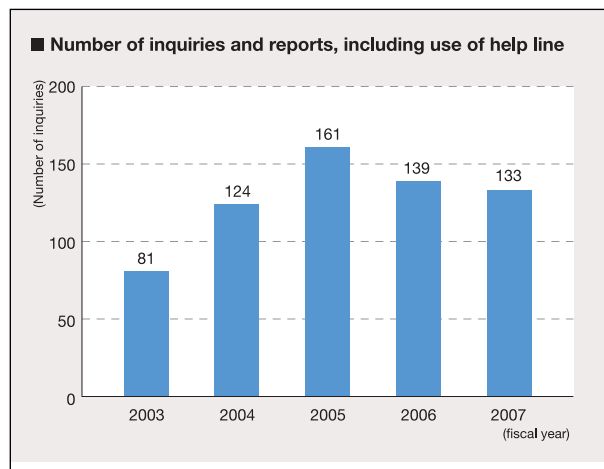
Measures against Criminal Elements

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

Augmenting the Help Line

The Mitsubishi Estate Group has established a compliance 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 133 consultations and reports related to compliance, including those received via the help line, in fiscal 2007.

In addition, the Rockefeller Group, a Mitsubishi Estate subsidiary with headquarters in the U.S., launched the RGI Integrity Hotline in October 2007 so that employees can call to get advice on compliance problems.



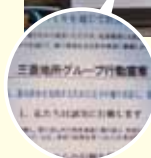
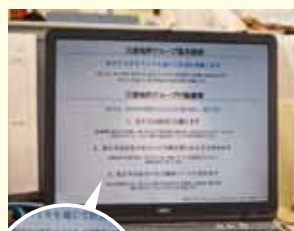
Feature

Educating for compliance awareness

One of the things Mitsubishi Estate does to build a deep understanding of compliance is to carry out a compliance survey* to ascertain the compliance awareness of Group employees and reflect this information in future programs. Based on questionnaire results, the company carries out a wide range of measures to raise understanding of compliance issues, encompassing Group companies as well. Mitsubishi Estate plans to conduct this survey every year.

* Date of implementation: August 1-15, 2007
 Subjects: All employees at Mitsubishi Estate and 37 Group companies (including contract employees and temporary employees)
 Out of 9,898 employees, 8,382 responded (response rate of 84.7%)

Example of measures to build a deeper understanding of compliance (including examples from Group companies)



- Building deeper understanding of compliance
 - Compliance month
 - Presentation of simple cases via intranet
- Familiarizing employees with Code of Conduct
 - Code of Conduct displayed on PC screen savers and wallpaper
 - Copies of Code of Conduct posted in employee cafeterias and break rooms
- Familiarizing employees with help line system
 - Posters issued
 - Briefing session held for all employees

Building Strong Relationships with Business Partners

The Mitsubishi Estate Group has spelled out its expectations for appropriate transactions and mutual trust in its Guidelines for Conduct. In all of its business activities, the Group works to grow side-by-side with its business partners, based on its commitment to building an equitable, trusting relationship with every business partner.

Compliance in the Order Process

In accordance with the Mitsubishi Estate Group’s Mission and Code of Conduct, Mitsubishi Estate has established the Order Placement Protocol, which all executive officers placing orders with business partners must follow, to ensure that orders are made with transparency and impartiality. The Protocol is intended to ensure objectivity and economic rationality, but also includes guidelines on environmental conservation measures, information management and blocking any involvement from organized criminal elements.

The business organization and order placement organization are clearly separated under the Protocol, and appropriate order placement is ensured by requiring employees to use a check sheet to self-verify compliance at each stage of the order process. The results are then confirmed by Mitsubishi Estate’s CSR Department. The Orders Surveillance Committee, chaired by the president, meets when orders for large projects are placed (met four times in fiscal 2007) and holds discussions to ensure total compliance in the order process.

Awards for Distinguished Condominium Construction Companies

Mitsubishi Estate has established award programs for construction companies that it contracts with for condominium construction projects. These programs encourage construction companies’ own initiatives, while also ensuring that Mitsubishi Estate continues to offer high-quality condominiums.

Mitsubishi Estate gives construction companies that have demonstrated outstanding construction work a Gold Card, based on construction conditions during the work and a completion inspection, as well as the handling of private viewings before the condominium is transferred to the customer. To improve the quality of post-purchase services as well, Mitsubishi Estate has sought opportunities to maintain communications with construction companies and recognize those delivering outstanding services.

In addition to these project-specific awards, in fiscal 2008 Mitsubishi Estate launched a program giving Corporate Awards to construction companies that have earned many awards for individual projects. This is yet another example of its efforts to further enhance quality.

Feature

Initiatives of Royal Park Hotel Co., Ltd.

The Royal Park Hotel, operated by Mitsubishi Estate’s hotel business, has a Basic Purchasing Policy, under which it publicizes information on the products and services it wants to purchase via a web purchase system. The hotel can respond to estimates submitted by registered members and send out notifications.

Example of measures to build a deeper understanding of compliance

The Royal Park Hotel has made the following points part of its basic purchasing policy to provide quality products and services at low costs, all based on sound management.

- 1 The purchasing process is open to all business partners; we offer an opportunity for open and fair competition regardless of whether the Hotel has a track record of transactions with the business partner in question.
- 2 The Hotel selects the product and business partner after a comprehensive assessment based on quality, price, stable supply, delivery time, consideration of the environment and after-services.
- 3 The Hotel strives to act in good faith and build mutual relationships of trust with its business partners when making purchases.
- 4 The Hotel conducts transactions in accordance with all laws and sound business customs.

Proactive Information Disclosure and Creative IR

The Mitsubishi Estate Group maintains good communication with all of its many different stakeholders by appropriately disclosing corporate information in a timely manner.



Briefing on new Medium-Term Management Plan for analysts

Committed to Prompt, Accurate and Impartial Disclosure

In March 2006, Mitsubishi Estate put in place its own Disclosure Regulations. In accordance with these regulations, the information that the Security Listing Regulations mandate for timely release is released through the Tokyo Stock Exchange system. Mitsubishi Estate strives to ensure the prompt, accurate and impartial disclosure of information for all of its shareholders and investors.

Senior Management Briefings for Shareholders, Investors and Analysts

The IR Office has been set up within Mitsubishi Estate's Corporate Communication Department as a specialized unit with a mission to disclose appropriate information in a timely manner, publicize management strategies, and provide feedback to views expressed in the capital market. The IR Office provides accurate and impartial information to customers and the mass media, as well as to shareholders, investors and analysts.

The IR Office's main IR activities consist of updating the "Investor Relations" page on Mitsubishi Estate's website, holding earnings briefings twice a year as well as conferences with analysts, giving facility tours, and actively meeting with institutional investors in and outside Japan. In fiscal 2007, the IR Office held over 300 such meetings. Company executives and general managers are also active participants in earnings briefings and analyst conferences. These opportunities for direct dialogue with shareholders and investors help

to ensure that the views of the public are incorporated into the management of the company.

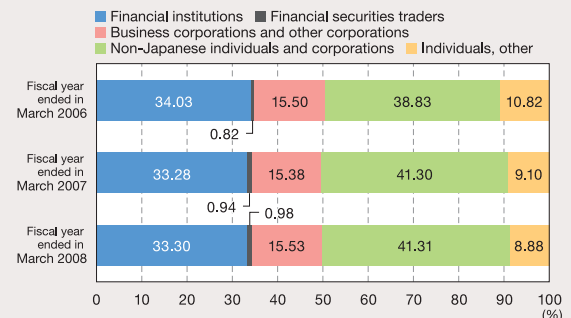
In September 2007, Mitsubishi Estate overhauled its website and created a new "Individual Investors" page for Japanese individual investors providing information in a more visitor-friendly format. Materials were posted on the new Medium-Term Management Plan, "Action 2010," released in February 2008, and a video of the plan briefing made available with narration in either English or Japanese.

In addition, IR information is published in English and the company's Fact Book has been augmented to improve communication with investors outside Japan.

■ Stock information (as of March 31, 2008)

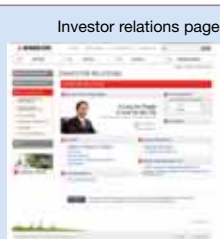
Total number of shares issued:	1,980,000,000 shares
Total outstanding shares:	1,382,518,351 shares (no change from end of previous fiscal year)
Total number of shareholders:	67,997 (1,502 decrease from end of previous fiscal year)

■ Stock distribution



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)
[Web http://www.mec.co.jp/e/investor/index.html](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.



Feature

External Appraisals

Mitsubishi Estate wins first place in Awards for Excellence in Corporate Disclosure

In October 2007, the Security Analysts Association of Japan ranked Mitsubishi Estate first in its Awards for Excellence in Corporate Disclosure in the construction category. Research analysts evaluate 175 companies in 11 industries for their voluntary, proactive disclosure activities and choose the best companies in each business category. Mitsubishi Estate received high praise for its managements' stance on IR, as demonstrated by its president's attendance at earnings briefings and regular meetings to engage in substantive discussions.

Committed to Good Corporate Citizenship

As a good corporate citizen, the Mitsubishi Estate Group values social harmony and is involved with a variety of social contribution activities. The Group pursues a broad range of activities, making the most of its unique capacities to give back to the community, particularly through urban development.

Mitsubishi Estate Group Guidelines on Social Contribution Activities

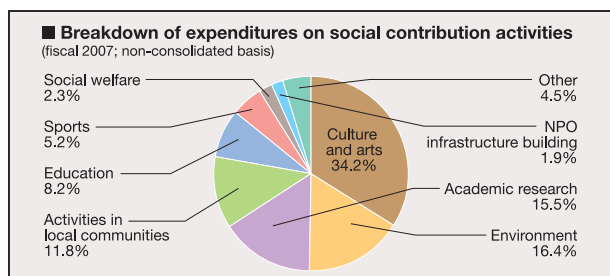
In April 2008, Mitsubishi Estate Co., Ltd., established the Mitsubishi Estate Group Guidelines on Social Contribution Activities, revising its philosophy on social contribution activities established in 1994 to reflect changes in the issues facing society and the need for the entire Group to take up initiatives.

Mitsubishi Estate Group Guidelines on Social Contribution Activities

1. **Solutions to social issues together with corporate growth**
As a good corporate citizen, Mitsubishi Estate works to resolve social issues with the added benefit of achieving corporate growth through such activities.
2. **Development of activities characteristic of the Mitsubishi Estate Group**
Mitsubishi Estate carries out unique social contribution activities, both within and outside its business spheres, which are characteristic of the Group and utilize its management resources.
3. **Ties with community**
The Group engages in transparent and fair activities in affiliation with various groups, based on equal footing, trust and dialogue.
4. **Priority areas**
Mitsubishi Estate's priority areas are harmony with the local community, support for culture and the arts, environmental conservation and social welfare.

Mitsubishi Estate Group Guidelines on Social Contribution Activities

In accordance with its Basic Policy on Social Contribution Activities, the Mitsubishi Estate Group conducts social contribution activities that capitalize on the Group's unique characteristics, primarily in its priority areas. In fiscal 2007, Mitsubishi Estate spent approximately 1,009 million yen on social contribution activities on a non-consolidated basis, accounting for 0.89% of its ordinary income.



Examples of Key Social Contributions

■ Administering the Secretariat of the Otemachi and Marunouchi Neighborhood Association

Administering the Secretariat of the Otemachi and Marunouchi Neighborhood Association

Mitsubishi Estate has served as the secretariat for the Otemachi and Marunouchi Neighborhood Association since it was established in 1957. The association is formed by companies, groups and stores in the Otemachi and Marunouchi area, which has no residents. In addition to a variety of social activities strengthening relations between members, the organization plays a role in reflecting members' collective opinion in administrative policies and carries out activities with local government in public security, disaster prevention and environmental improvements. In particular, the Mitsubishi Estate Group and many members of the organization participate in the monthly patrols in accordance with the Ordinance on Maintaining a Safe and Pleasant Living Environment in Chiyoda Ward.



Clean-up project near Tokyo Station

Assistance for United Way

The Rockefeller Group, a Mitsubishi Estate subsidiary with headquarters in the U.S., has supported the United Way (the largest charitable fundraising group in the U.S., which distributes personal donations that it receives to non-profit organizations) for more than 40 years.

The United Way works with government institutions and local companies in a wide range of activities to improve the quality of life in local communities.

■ Environmental conservation

Operation of Nature Info Plaza Marunouchi Saezurikan

An information center operated by Mitsubishi Estate, this facility educates and provides information on nature conservation and environmental protection through exhibits, seminars and events in affiliation with environmental NPOs and NGOs. The visitors range from workers at nearby offices to tourists, and the facility provides them with a place to learn and think about the environment while enjoying their immediate natural surroundings.



Event at Nature Info Plaza Marunouchi Saezurikan

■ Support for culture and the arts

Mitsubishi Estate holds Art Award Tokyo

Art Award Tokyo brings together outstanding artists' work selected from the exhibits of students graduating from Japan's major art colleges and universities for display in the Gyoko Underground Gallery, adjacent to the Marunouchi Building and Shin Marunouchi Building. The Grand Prix is selected through a public jury session. Inaugurated in 2007, the award held its second round in 2008 with 70 artworks that passed the final screening going on exhibit from April 4 to May 6. Mitsubishi Estate serves as a special corporate sponsor to support young artists.



Art Award Tokyo 2008

■ Social welfare

Recognition received from Caravan of One Million Supporters of People with Dementia

Mitsubishi Jisho Towa Community Co., Ltd., and MT Community Staff Co., Ltd., which provide comprehensive condominium management and operations, train employees to treat people with dementia with respect in their work managing condominiums, and strive to create an environment in which residents with dementia can lead a normal life. In recognition of their achievements, these two companies were given an award at the debriefing session on the activities of the Caravan of One Million Supporters of People with Dementia* in October 2007.

* This activity is part of a Ministry of Health, Labour and Welfare campaign started in 2005 to create communities knowledgeable about dementia.



Award ceremony at the debriefing session

Cooperation with "Live" campaign for fighting childhood cancer

The Yokohama Royal Park Hotel has cooperated with the Mainichi Shimbun's campaign to support the fight against childhood cancer since fiscal 2002, by co-sponsoring programs that give patients a chance to get together. Every year, the company invites children fighting against cancer and their families to Sky Lounge Sirius restaurants on the hotel's 70th floor for a buffet lunch and a short concert.

■ Support for Employee Volunteer Activities

Mitsubishi Estate Co., Ltd., endeavors to foster an environment conducive to volunteer activities by holding volunteer seminars for all Group employees, supporting transliteration and sign language circles and setting up a volunteer support program.

Mitsubishi Estate also assigns an employee responsible for social contribution in all company divisions and Group companies and works to share information on social contributions.

Environmental Management

The Mitsubishi Estate Group gives full respect to the global environment in its Mission and believes that it is a critical agenda item for management. In addition, the company's new Medium-Term Management Plan, "Action 2010," launched in February 2008, clearly mandates the company to contribute to society by reducing environmental impact in all aspects of its business.

Together with its customers, Mitsubishi Estate is actively engaged in sustainable urban development, applying its good understanding of climate change issues and playing a constructive role in building a low-carbon, recycling-oriented society.

Basic Environmental Policy

The Mitsubishi Estate Group has established the Mitsubishi Estate Group Basic Environmental Policy, based on its fundamental mission. This policy mandates environmental conservation activities in terms of a building's entire life cycle, from planning to management through dismantling, and commits the Group to reduce the environmental impact of its business activities in all areas.

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

Operational Framework for Environmental Management

The Mitsubishi Estate Group has tasked the Environmental Subcommittee with conducting deliberations prior to meetings of the CSR Committee, which discusses the environment and other CSR issues. This subcommittee met in July 2007 and January 2008 to discuss the status of organizations' environmental initiatives and environmental objectives.

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

Development and Administration of the Environmental Management System

The Mitsubishi Estate Group has acquired ISO14001 certification for organizations with relatively significant environmental impact, and has also developed and is administering an independent Environmental Management System (EMS) corresponding to ISO14001 at organizations with relatively small environmental impact. As of April 2008, a total of seven organizations have earned the ISO14001 certification: Mitsubishi Estate's Property Management and Office Leasing Group and Commercial Asset Management and Development Group (concurrent certification with Mitsubishi Estate Building Management Co., Ltd., Mitsubishi Jisho Property Management Co., Ltd., MEC Building Facilities Co., Ltd., and Hokuryo City Service Co., Ltd.); its Residential Development Group along with its core consolidated subsidiaries; Mitsubishi Jisho Sekkei Inc.; Mitsubishi Estate Home Co., Ltd.; Royal Park Hotels and Resorts Co., Ltd. (concurrent certification with Royal Park Hotel Co., Ltd.); Yokohama Sky Building Co., Ltd.; and Mitsubishi Jisho Towa Community Co., Ltd., the last two of which are responsible for their own earnings.

The independent EMS is administered primarily for offices at Mitsubishi Estate Co., Ltd. (office activities), Mitsubishi Real Estate Services Co., Ltd., and MEC Information Development Co., Ltd. The figure on the next page shows the status of the environmental management system as of April 2008.

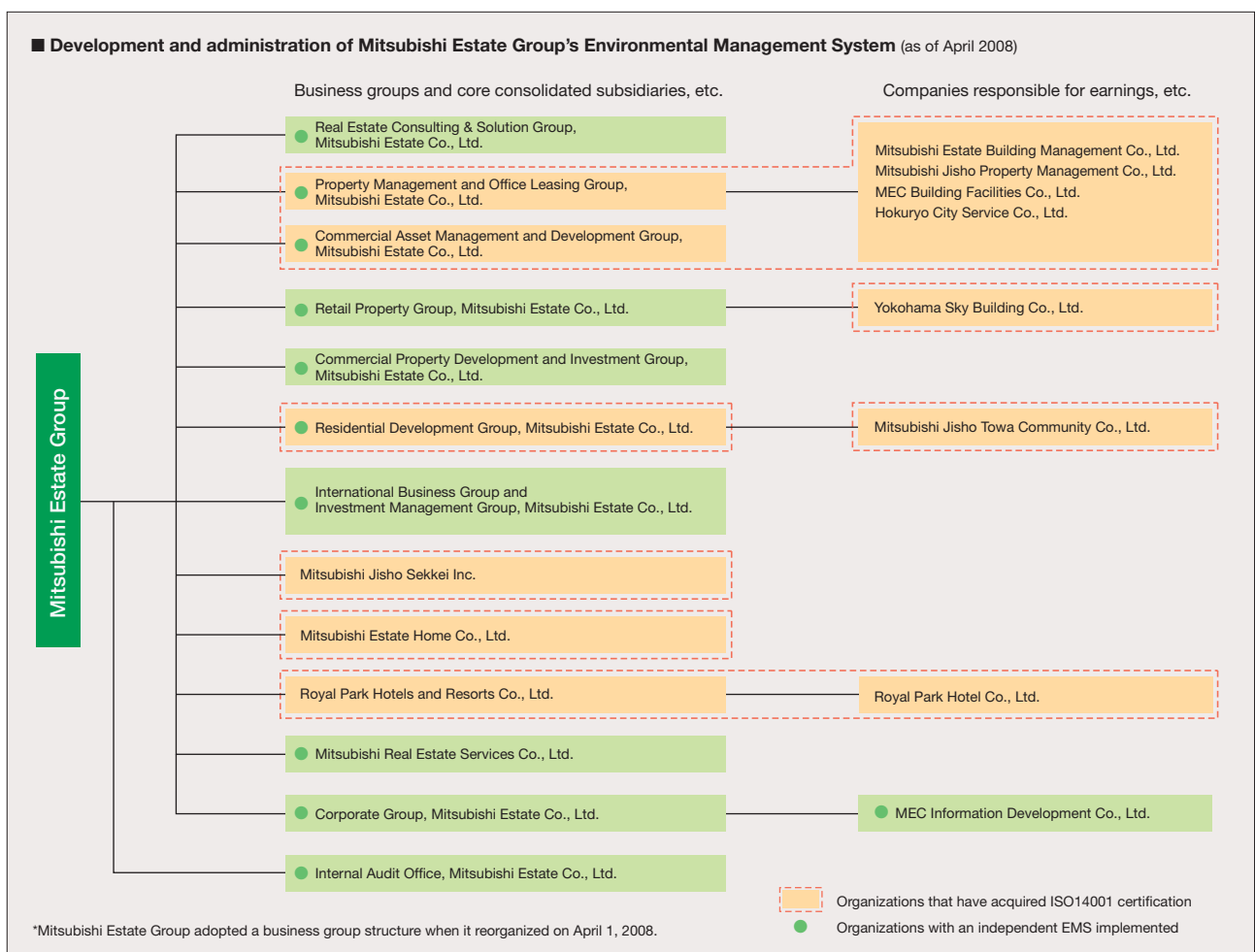
Environmental Education and Awareness Programs

The Mitsubishi Estate Group invited Dr. Mika Takaoka, associate professor at Rikkyo University's College of Business, to give a lecture on the popularization of sustainable consumer behavior in an IT society. Many employees attended this environmental lecture program, which was intended to foster employees' environmental awareness.

In addition, on October 9, 2007 Takejiro Sueyoshi, special advisor to the UNEP Finance Initiatives in the Asia Pacific Region, was invited to give a lecture to the Group's directors on climate change and the future of corporate management.



Takejiro Sueyoshi's lecture



Contributing to the Fight against Global Warming

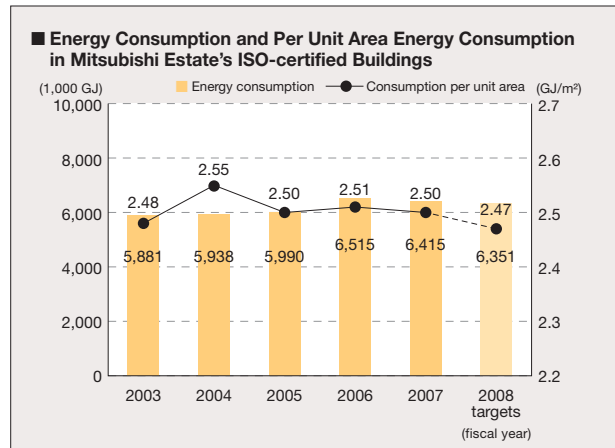
Building Management

CO₂ Emissions and Energy Consumption in Buildings

In fiscal 2007, the energy consumption of Mitsubishi Estate's ISO-certified buildings stood at approximately 6,415,000 GJ, and CO₂ emissions* totaled about 276,000 tons-CO₂. Compared to fiscal 2006 results, the buildings' energy use decreased by 100,000 GJ, and CO₂ emissions increased by 4,000 tons-CO₂.

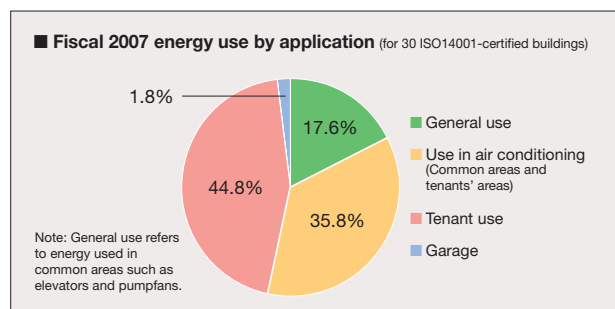
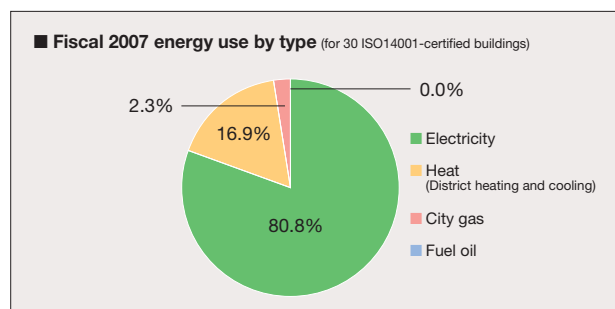
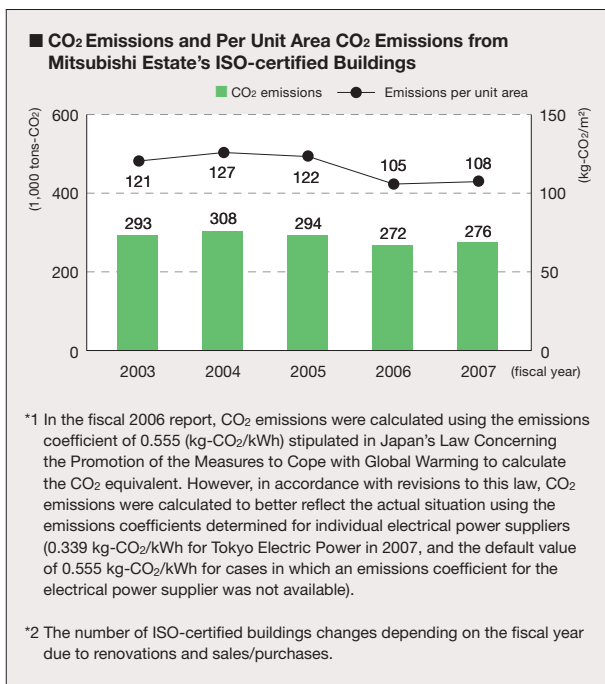
In fiscal 2006, the company had 32 ISO-certified buildings, but in 2007 the number decreased by two with the removal of the Harumi Park Building and the New Harumi Park Building. As a result, energy use and CO₂ emissions decreased compared to fiscal 2006. However, when comparing fiscal 2007 results to fiscal 2006 results for the same 30 buildings, energy use increased 0.08%. In the summer, the company promoted the Cool Biz campaign and other initiatives to meet its target for the building business of a 1.0% decline in energy use in fiscal 2007 from the previous fiscal year. Despite these efforts, however, energy use was almost unchanged as the 2007 summer temperatures were higher and the winter colder than in 2006 (1.5°C higher in August and 1.7°C higher in September, and 1.7°C lower in January and 3.1°C lower in February). When calculated using floor space as the basic unit, energy use decreased from 2.51GJ/m² to 2.50GJ/m².

The company will renew its target of reducing energy consumption by 1.0% of fiscal 2007 levels in fiscal 2008, working together with tenants to reduce energy consumption and help to fight global warming.



Working With Tenants to Conserve Energy

By type, electricity was the energy source used the most in Mitsubishi Estate's 30 ISO-certified buildings, whereas by application, tenant use accounted for the majority of energy use. Given this, Mitsubishi Estate distributed a pamphlet on energy conservation entitled ECOBLDG STYLE to promote energy conservation initiatives with tenants.



Using Natural Energy

Mitsubishi Estate has encouraged the use of natural energy by introducing the Green Power Certification System, which supports wind power. In fiscal 2007, wind-power electricity procured through this system totaled 925,000 kWh, which is equivalent to 62.8% of the total electricity (1,472,772 kWh) used in the Mitsubishi Estate offices at its headquarters in the Otemachi Building.

Since April 2007, Mitsubishi Estate has also sponsored the Yokohama Wind Energy Project operated by Yokohama City at Mizuho Pier on the Yokohama Harbor waterfront.

Power generation in fiscal 2007 (the portion allotted to Mitsubishi Estate) was 101,866 kWh, and was allocated toward Yokohama Landmark Tower's electricity use.



Power-generating windmill operated by the Yokohama Wind Energy Project (rated power output of 1,980 kW)

Initiatives in the Residential Business

Standard Specifications for Environmental Technologies in Condominiums

The following environmental technologies come standard with Mitsubishi Estate's condominiums in the Tokyo metropolitan region

Standard specifications for environmental technologies

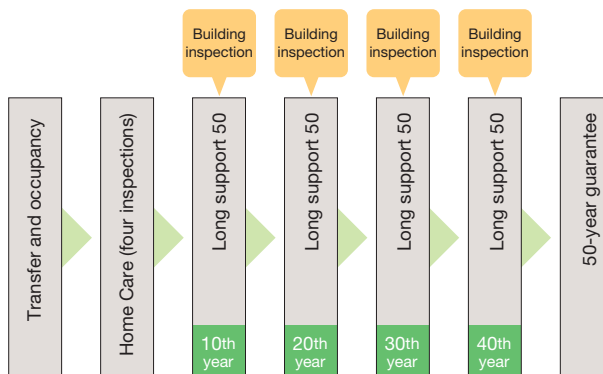
- Non-CFC heat insulating materials**
 Mitsubishi Estate uses non-CFC heat-insulating materials by substituting CFCs with carbon dioxide gas, which is used as the foaming agent in the urethane-coated, heat-insulating materials.
- Latent heat-recovery gas-heated hot water supply equipment**
 Latent heat-recovery gas-heated hot water supply equipment that utilizes energy efficiently is used for hot water supply.
- Heat insulation grade: 3 or above**
 The heat insulation grade of all residences exceeds heat insulation grade 3 of the Japanese Housing Performance Certification System, the new energy conservation standard, in performance (use of double glass, reinforced application 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 walls and ceilings.

Initiatives in Custom-Built Housing Business

Mitsubishi Estate Begins Offering Long-Term Guarantee Program

In recognition of the trend toward a lower birthrate and an aging population, Mitsubishi Estate Home Co., Ltd., which runs the Group's custom-built housing business, is working to extend the life of homes in a shift toward a society that prioritizes its existing housing stock. Mitsubishi Estate introduced the Long Support 50 program in May 2008. Building upon its highly-durable Super 2x4 Aerotech housing, this program guarantees the structural durability of a home's major structural components as well as the water resistance of roofs and exteriors for up to 50 years. After regular inspections at four months, one year, two years and seven years, buildings are inspected four times after each ten-year period. By providing suitable maintenance (for a fee) at the right times, highly durable homes are always kept in prime condition, which leads to lower costs over the home's lifecycle.

■ Long support 50



As part of its efforts to reduce energy consumption in its custom-built homes, the company is also working to expand use of Aerotech, a central heating and cooling ventilation system that has been proven to dramatically reduce CO₂ emissions and heating and cooling costs. The company has extended its Aerotech guarantee and the period for free regular inspections from five years to ten years.

Mitsubishi Estate Home is also using Aerotech in its renovation construction. This is an example of the way in which Mitsubishi Estate Group considers the environment and builds more pleasant, secure homes that last for a lifetime.



Helping to Build a Society Committed to Recycling

Initiatives in the Custom-Built Home Business

Japanese Coniferous Trees Used For Structural Plywood in Homes

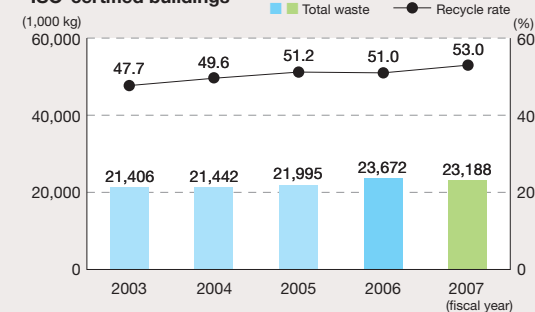
Mitsubishi Estate Home, which runs the Group's custom-built home business, began using structural plywood made of 100% domestically grown coniferous trees as its primary material for floors, walls and roofs in May 2008. Japan's forests are maintained with the necessary logging and replanting, and the company is thus committed to effectively using the raw timber (Sakhalin fir and Japanese larch from Hokkaido) that is logged. This has become the standard specification for custom-built homes. By promoting the use of structural plywood made of Japan's conifers in this way, urban development helps to maintain the health of Japan's forests. Moreover, softwood plywood used for walls is stronger than its imported counterpart, and softwood plywood used for floor and roof bases has improved durability.

Recycling Initiatives in Building Management

Efforts to Improve Recycle Rate for Waste

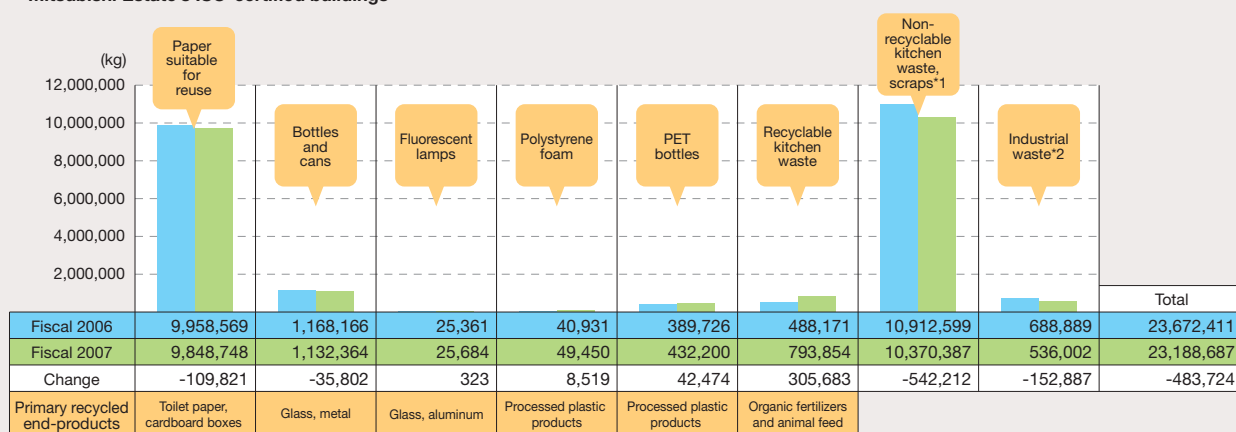
Mitsubishi Estate strives to improve the waste recycling rate while managing and operating its buildings. Its efforts include educating tenants on how to sort waste, as well as recycling kitchen waste as pet food and fertilizer.

■ Total waste and recycle rates for Mitsubishi Estate's ISO-certified buildings



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

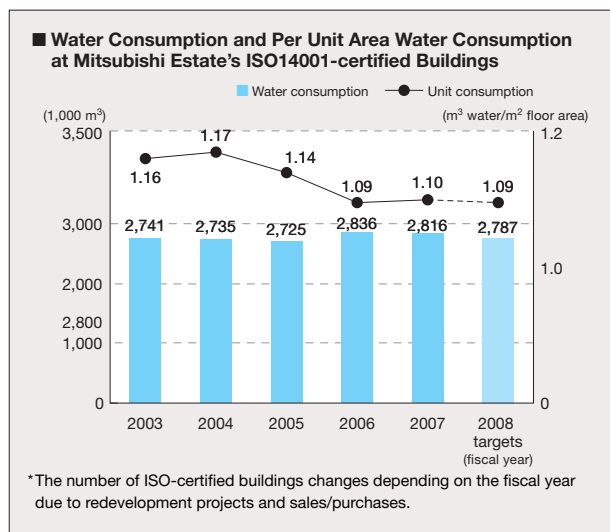
■ Total waste by type and primary recycling end-points at Mitsubishi Estate's ISO-certified buildings



*1 Non-recyclable kitchen waste and scraps includes paper and lunch boxes that are not suitable for reuse, and are ultimately incinerated.
 *2 Industrial waste includes plastic products, metal scraps, ceramics and plastics that are ultimately buried in landfill.

Efficient Use of Water Resources

Mitsubishi Estate considers measures to curb its buildings' water use such as controlling the volume of water used in toilets and hot water supply rooms and other endeavors to rationalize use. In fiscal 2007, water use at Mitsubishi Estate's ISO14001-certified buildings totaled about 2,816,000 m³, or 1.10 m³ per square meter of floor space. This is a 0.7% decrease in total volume compared to fiscal 2006 results, and an increase of 0.01 m³ per square meter of floor area. In 2007 the number of ISO-certified buildings decreased by two with the elimination of Harumi Park Building and New Harumi Park Building, so this accounted for some of the decreased water use. When comparing the same 30 buildings, water consumption was shown to have decreased by 0.1%, falling short of the fiscal 2007 goal of a 1.0% reduction compared to fiscal 2006. Mitsubishi Estate will continue to make improvements.



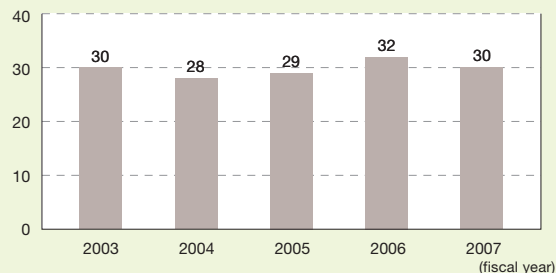
Reuse of Wastewater

Mitsubishi Estate reuses wastewater. For example, cooling tower blow water and kitchen wastewater can be purified and reused as toilet flush water. As of March 2008, 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, Shin-Marunouchi Building, and Hokkaido Building all reuse waste water, a total of about 520,041 m³ per year, thus helping to conserve water resources.

Number of ISO-certified buildings used to calculate figures

ISO14001-certified buildings are used to calculate environmental performance of Mitsubishi Estate's buildings, and as a result, the number of buildings differs depending on the fiscal year. For convenience, comparable per unit area figures have also been calculated.

Number of ISO-certified Buildings



ISO14001-certified Buildings in Fiscal 2007 (30 Buildings)

Total floor area under management: 2,566,063.14m²

- | | |
|-----------------------------------|---|
| Marunouchi 2-chome Building* | Aoyama Building |
| Marunouchi-Nakadori Building | Mita Kokusai Building |
| Mitsubishi Building | Shin-Aoyama Building |
| Togin Building | Akasaka Park Building |
| Shin-Tokyo Building | Marunouchi Building |
| Fuji Building | Mitsubishi UFJ Trust and Banking Building |
| Shin-Kokusai Building | Marunouchi Kitaguchi Building |
| Kokusai Building | Tokyo Building |
| Shin-Yurakucho Building | Hokkaido Building |
| Yurakucho Building | Kakyoin Square |
| Hibiya Kokusai Building | The Landmark Tower Yokohama |
| Nippon Building | Dai Nagoya Building |
| Nippon Steel Corporation Building | Umeda Shinmichi Building |
| Otemachi Building | Hiroshima Park Building |
| Shin-Otemachi Building | |
| JFE Shoji Building | |

*The Ministry of Education, Culture, Sports, Science and Technology Building was renamed the Marunouchi 2-chome Building in January 2008.

*The Shin Marunouchi Building, which opened in April 2007, did not operate during the full fiscal year and is thus not included in the ISO-certified buildings for the year.

Efforts to Reduce Environmental Impact

Initiatives in Building Planning and Development

Environmentally-Conscious Building Planning and Development

In constructing development projects, Mitsubishi Estate's Commercial Asset Management and Development Group involves all stakeholders in a cooperative system of business owners, architects and construction workers to ensure that plans and designs minimize the environmental impact after completion and that the environment is considered to the maximum extent possible during construction.

Efforts to reduce environmental impact at the planning development stage, such as energy conservation measures (adoption of district heating and cooling systems, efficient use of unused energy, adoption of highly efficient equipment), resources recycling and waste reduction (collection of separated garbage, use of recycled materials, reuse of waste and water resources), creation of green spaces and prevention of heat islands (roof and wall greenery, cool roofs, water-retaining pavement), are carried out in building management after completion using an integrated system.

As a developer striving to be the choice of an eco-friendly society, Mitsubishi Estate's Commercial Asset Management and Development Group is committed to sustainable urban development.

Initiatives in Design Management

Proposals Using Environmental Technologies

Mitsubishi Jisho Sekkei Inc., which is in charge of design and construction management, considers it vital to conserve the global environment and is proactively addressing environmental issues in the conviction that the environmental impact generated during a building's lifecycle can be reduced at the planning stage.

In particular, environmental technology proposals to clients are at the core of the firm's ISO14001 environmental management system.

Environmental technologies recommended by Mitsubishi Jisho Sekkei

- **Technology for long building life**
Building design with greater flexibility for long-term use, seismic reinforcement, 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 systems, building energy management systems (BEMS), more efficient lighting and air conditioning systems, air-flow windows, district heating and cooling, etc.
- **Technology facilitating resource conservation and waste reduction**
Reusable materials, reuse of rain water, resource-conserving technology such as unit construction for toilets, garbage disposal systems, etc.

Other Efforts

Removing Asbestos from Existing Buildings

Mitsubishi Estate conducts surveys on the use of asbestos and has 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, the company implements renovations and manages asbestos by conducting regular inspections and monitoring ambient air concentration.

In 2007, the company conducted on-site visual inspections of 14 buildings and took countermeasures at 12 buildings. Inspections and surveys have verified that risk has been neutralized in all areas in which asbestos was used.

In February 2008, the company began surveying an additional three types of asbestos, including tremolite, an asbestos material that was recently confirmed to have been used at one point in Japan.

Exhibit at Eco-Products 2007

The Mitsubishi Estate Group put on an exhibit at Eco-Products 2007, Japan's largest environmental exhibition, in December 2007 at the Tokyo Big Sight. The exhibit included a video-aided presentation of the company's environmental programs in the Otemachi, Marunouchi and Yurakucho district, as well as initiatives at its condominiums, custom-built housing business and design and construction management business. The exhibit welcomed many visitors and served as an excellent opportunity for interaction and communication.



Eco-Products 2007, Mitsubishi Estate Group booth

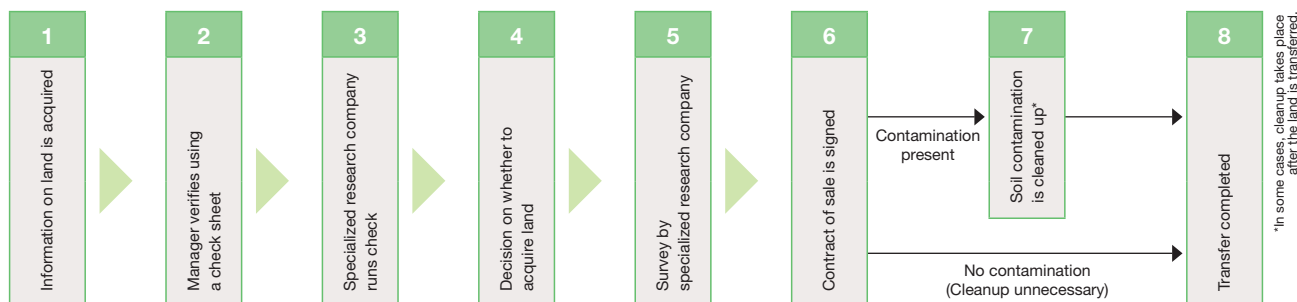
Soil Contamination Countermeasures at Condominiums

Mitsubishi Estate's Residential Development Group 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 to examine it (step 2 below), and a specialized research company examines the site (step 3 below). A survey report from the specialized research company must be attached and submitted when acquiring land (step 4 below), and after a decision is made on the land acquisition, a detailed survey is carried out by the specialized research company regardless of whether contamination risks are present (step 5 below).

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

■ Process from Soil Contamination Survey to Transfer of Land



Feature

Stakeholder Meetings

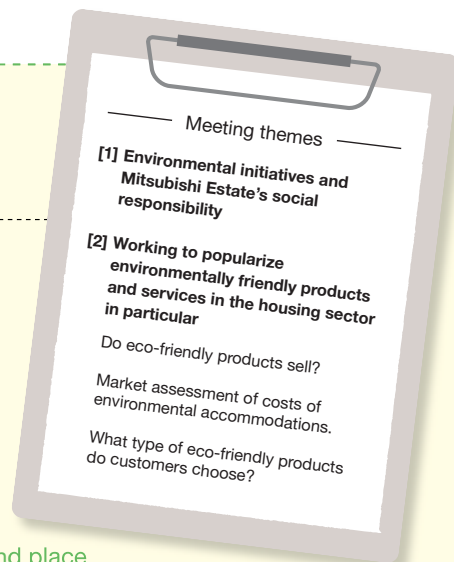
Environmental initiatives and Mitsubishi Estate's social responsibility

The Mitsubishi Estate Group is committed to developing environmental strategies befitting a comprehensive real estate company. The Group is determined to provide eco-friendly products and services to society.

In the residential business, the company is moving ahead with environmental initiatives such as enhancing the heat insulation properties of its buildings. However, customers today still tend to prioritize comfort and convenience over pure environmental performance. Given that the environment is not yet the highest priority for many customers, the Group held a stakeholders meeting to get input on how it can still find ways to provide more eco-friendly homes.



The meeting followed a tour of a model house.



■ Time and place

January 15, 2008 (Tuesday) 15:00-18:00
Hiroo Garden Forest Gallery (1 Minami Aoyama, Minato-ku, Tokyo)

■ Members (position and office current as of meeting date)

(External)
Kikuko Tatsumi (moderator)
Board Member, Nippon Association of Consumer Specialists

Mariko Kawaguchi
Senior Analyst, Management Strategy Research Department, Daiwa Institute of Research Ltd.

Nobuo Taniguchi
Deputy Director, Environmental Policy Division, Bureau of Environment, Tokyo Metropolitan Government

Kiyotaka Nakanishi
Senior Manager, EcoManagement Forum, and Editor of *Nikkei Ecology*, Nikkei Business Publications Inc.

Masayo Hasegawa
General Manager, CSR Dept., CSR & Environmental Affairs Div., Toyota Motor Corporation

(Internal)
Atsuo Kyono, General Manager, Residential Development Promotion Department, Mitsubishi Estate Co., Ltd.
Saburo Nakata, contracted employee in the Residential Development Promotion Department, Mitsubishi Estate Co., Ltd.
Shinichi Hirao, General Manager, Residential Design Planning and Marketing Department, Mitsubishi Estate Co., Ltd.
Makoto Koyasu, Executive Officer, Mitsubishi Estate Home Co., Ltd.
Tomonori Uegaki, General Manager, CSR Department, Mitsubishi Estate Co., Ltd.

Excerpts of opinions



Tatsumi: Mitsubishi Estate must provide information to help clients consider the whole building lifecycle when buying homes. Homes have a major environmental impact. Knowing that our homes are not hurting the environment with their CO₂ emissions would be reassuring, and we would be even happier if the homes helped our lifestyles to reduce environmental impact, as well.



Kawaguchi: In the next five to ten years, we will stop using air conditioners indiscriminately. I myself live in a condominium, and it is often the case that we cannot replace the equipment installed in them at will. I would like to see initial designs that are more eco-friendly.



Taniguchi: This is all about how to capture a generation's demands, and not harming the environment is at the heart of this. Energy conservation alone is not enough, and there is a call for plans combining both passive and active technologies. You should set higher targets.



Nakanishi: In condominium sales there is a need to offer more practical lifestyle proposals, rather than something distant from real life. Also, condominiums incorporating biodiversity plans would be a good idea. This can be done if conditions are met in light of customer needs.



Hasegawa: There isn't just one answer. Toyota is not focusing exclusively on hybrid cars, but is trying to offer a variety of models to meet diverse needs. One idea would be for Mitsubishi Estate to build the ultimate eco-condominium reflecting the views of environmentalists.

Response from Mitsubishi Estate



We have been supplying comfortable, high-quality homes that are also eco-friendly, but this meeting shows that we need to deepen our understanding of changes in clients' environmental awareness and more actively publicize our initiatives. In light of the opinions provided, we have started to develop a system for researching eco-friendly housing design.
Atsuo Kyono, General Manager, Residential Development Planning Department (General Manager, Residential Development Promotion Department, at time of meeting), Mitsubishi Estate Co., Ltd.

Safe and Secure Urban Development

The Mitsubishi Estate Group is committed to its Mission of creating a truly meaningful society through its unique approach to urban development. The Group believes that pursuing initiatives designed to ensure a community's safety and security so that it can respond swiftly in the event of unforeseen disasters and accidents is a vital responsibility.

Ongoing Efforts to Prevent and Counteract Disasters

Mitsubishi Estate has a long history of disaster prevention measures, starting with the 1923 Great Kanto Earthquake when Mitsubishi Goshi Kaisha, as the company was then known, distributed drinking water and meals at the former Marunouchi Building and its environs and set up an emergency medical center. Every September, Mitsubishi Estate holds emergency drills with the participation of all of its executives and employees and many other related individuals.

In 1981, Mitsubishi Estate prepared a disaster prevention manual, Overview of Disaster Countermeasures, to ensure that necessary measures are taken to preserve human life and infrastructure in the event of a natural disaster, such as a major earthquake or fire or other emergency, and to take appropriate and prompt recovery measures. The manual is updated on an ongoing basis and sets out detailed and wide-ranging measures. It includes items such as standard precautionary measures and assignment of divisions' responsibilities, plans for disaster prevention education and emergency drills, a storage system for food and equipment, a plan for prompt emergency steps and recovery measures in the event of a disaster, and a plan for emergency measures in the event of cautions and warnings of a Tokai earthquake. In the event of a disaster, a Disaster Countermeasure Committee will be set up, chaired by Mitsubishi Estate's president, to take steps in accordance with the Overview of Disaster Countermeasures. In addition, an emergency system has been prepared to ensure the whole company works as one in the event of a disaster to respond to emergency situations.



Comprehensive emergency drills

Emergency Response Guidelines Established

In the event of a crisis, a prompt and accurate response to the crisis would be essential to the sound continuation of the Mitsubishi Estate Group's business,

which is an important part of the company's social responsibility. In October 2005, the Mitsubishi Estate Group established Emergency Response Guidelines to address emergency situations. These guidelines lay out the initial response system in the event of an emergency, as well as basic policies for crisis management and a code of conduct that prioritize the preservation of human life. In accordance with these guidelines, the Group established an emergency contact tree in each business group and published and distributed wallet-size emergency contact cards to familiarize all employees with procedures. In April 2008, these guidelines were partially revised to reflect the introduction of the business group structure, and the compliance system of individual responsibility was also adjusted in part.



Emergency contact cards

Guidelines for Business Continuity Plan

In October 2006, the Mitsubishi Estate Group created the Guidelines for the Mitsubishi Estate Group's Business Continuity Plan as part of its efforts to establish a business continuity plan (BCP). Taking the perspectives of diverse stakeholders such as clients and business partners, the BCP lays out the steps for preventing any interruption of important operations in the event of a disaster or accident and resuming important functions within an acceptable period in the event that these operations are unavoidably interrupted. Based on the Group's Mission, the BCP provides a guide for scrupulously preparing both facility and system infrastructure on a daily basis to ensure the survival and safety of the Group's clients and employees and the continuation and recovery of the clients' and Group's business, with priority given to the most important operational aspects. The BCP facilitates the fulfillment of the Group's social responsibilities. The company is working to establish a specific, sequential plan premised on an earthquake in the northern area of Tokyo Bay that builds on the aforementioned disaster response measures.

Initiatives in the Building Business

Building Safety Design Guidelines Implemented

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 ensure that the Group provides integrated management of activities and information at all work sites and offers direction and support, such as inspections and repairs at all buildings that the company manages nationwide. This office facilitates information sharing across the Group regarding accidents within the Group and at other companies, and gives guidance and support for countermeasures as needed.

This office regularly conducts safety inspections as well as daily inspections of buildings.

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 better 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

Shatterproof film is installed 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 building materials.

● Standardizing signs

Mitsubishi Estate is preparing a Sign Design Book so that its informational signs are easy to understand and warning signs are standardized. In particular, the company is revising its signs displaying instructions on escalator use to prevent accidents.



Signs displaying instructions on escalator use

Initiatives in the Residential Business

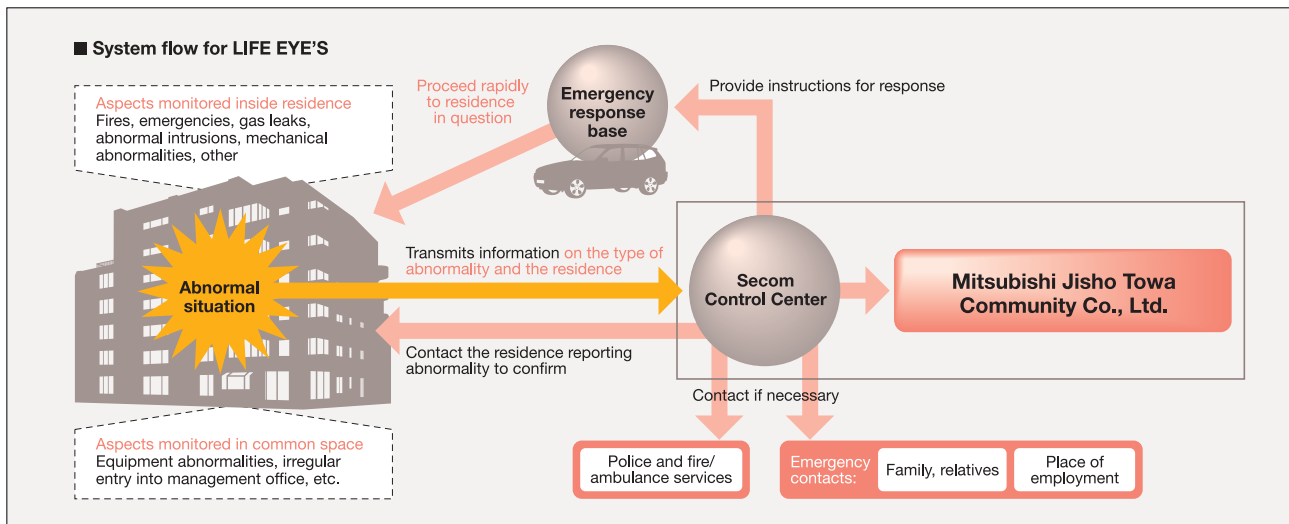
Ensuring the Safety and Security of Condominium Clients

In January 2008, Mitsubishi Estate and Towa Real Estate Development Co., Ltd., jointly developed a new security system for condominiums called LIFE EYE'S, together with Mitsubishi Jisho Towa Community Co., Ltd., which provides comprehensive management for condominiums, and security company Secom Co., Ltd. Since spring 2008, the system has been installed in practically all of both companies' individual projects and joint developments sold in the Tokyo metropolitan area.

This security system includes individual residence security features for sending alerts in the case of anything abnormal happening in each residence, which ensures that the companies' response to clients is detailed and precise at each independent development project.



Magnetic sensor on a window



Urban Development from the Client's Perspective

Mitsubishi Estate takes advantage of every opportunity it has to communicate with clients to ensure that the living spaces it provides are satisfying. The Mitsubishi Estate Group always strives to respond to clients' views sincerely and promptly, and is committed to urban development that delivers great satisfaction and delight.

Initiatives in the Building Business

Initiatives in the Marunouchi Area

The Otemachi, Marunouchi and Yurakucho district is home to approximately 4,100 businesses in which more than 230,000 people work, and these businesses attract three times as many visitors. The redevelopment of the Marunouchi area in recent years has led to a dramatic increase in the number of people visiting the area for pleasure, in addition to the business people.

In a collaboration between the government and private sector, Mitsubishi Estate is constructing an underground pedestrian network to improve access to public transportation in the area. In 2007, the Tokyo Station Marunouchi Underground Plaza and the Gyoko Dori Underground Passage were completed during the renovation of the Shin-Marunouchi Building. The company is currently expanding the underground

pedestrian spaces near Tokyo Station, and ensuring that more infrastructure is barrier-free. Glass showcases were put up along the Gyoko Dori Underground Passage for use as a gallery displaying art work, making this area into a venue for popularizing art and culture.

Mitsubishi Estate is integrating pedestrian space above ground as well, including space along Marunouchi Naka Dori Road and the open spaces of buildings' outdoor facilities. The company is endeavoring to enhance the city's comforts and amenities through daily management as well by sponsoring special events.

Initiatives in the Hotel Business

Ensuring That Guests are Always Delighted

The Royal Park Hotels and Resorts Co., Ltd., a Mitsubishi Estate subsidiary, has been carrying out company-wide programs since 2005 to enhance guest delight, an essential factor in overall customer satisfaction, in accordance with its management philosophy "the best for the guest."

Guests demand that hotels offer even better service—in other words, a higher level of hospitality—and these programs enable the Royal Park Hotels chain to satisfy their expectations.

To achieve guest delight, top-level meetings attended by the president, directors and hotel managers, core leader meetings attended by core leaders in the divisions, and regular meetings attended by the hotels' administrators are held to identify service issues and decide on improvement measures, and take steps to redress problems. Examples of situations that were improved thanks to customer comments are shared with the group and reflected in operations.



Tokyo Station Marunouchi Underground Plaza

■ Initiatives at hotels

The Royal Park Shiodome Tower provides an example of these initiatives. Every two months, this hotel identifies an issue related to better serving guests and holds activities designed to improve guest delight. The Yokohama Royal Park Hotel holds Smile Leader Meetings every month with the aim of enhancing care for guests by emphasizing the importance of smiling in the workplace. Further, the Royal Park Hotel has an internal trainer run practical training sessions on guest services once a month with an emphasis on accurately gauging guests' feelings. The hotel staff also engages in an ongoing service improvement initiative, where each person proposes ways to improve care that reflect the opinions offered by guests in conversations every day. These ideas for improvements are then adopted throughout the hotel. One of the things the Sendai Royal Park Hotel has done to delight guests, on its tenth anniversary in 2005, was to set up an anniversary desk to accommodate guests celebrating their anniversaries there. An anniversary designer, a staff member dedicated to this purpose, plans celebrations for the guests' anniversaries.

Voice

Programs by Royal Park Hotel's Quality Improvement Committee



Mika Shimizu

Front Reception Assistant Manager
Front Rooms Division
Royal Park Hotel Co., Ltd.

The Royal Park Hotel strives to improve service by setting up subcommittees within the Quality Improvement Committee on the three issues of taste, atmosphere and service. The hotel staff themselves propose ideas on ways to improve service, based on customer opinions, to the Quality Improvement Committee, and the committee considers service improvements based on these proposals.

One example of a way in which we improved service is the change in the bell staff's uniform. Customers felt that the bell staff greeting customers in the entrance and lobby should change their uniforms in the summer, so we proposed that the bell staff wear summer uniforms to give a better sense of the season. In summer 2008, our guests were greeted by staff in summer uniforms.

Feature

Royal Park Hotels takes first place in J.D. Power Asia Pacific 2007 Japan Hotel Guest Satisfaction Index Survey

In December 2007, the international customer satisfaction research and consulting firm, J.D. Power Asia Pacific, Inc., ranked Royal Park Hotels highest overall (a ranking shared with Associa Hotel & Resorts) in the J.D. Power Asia Pacific 2007 Japan Hotel Guest Satisfaction Index Survey in the category of hotels in the 15,000 yen to less than 35,000 yen/overnight stay range, among 24 hotel brands in this category. This survey was based on responses to a survey given on the Internet to 12,070 people over the age of 18 throughout Japan in September – October 2007 regarding their level of satisfaction with experiences and service at hotel group chains in Japan.

Source: J.D. Power Asia Pacific 2007 Japan Hotel Guest Satisfaction Index Survey

Category of hotels in the 15,000 yen to less than 35,000 yen/overnight stay range; results based on responses from 12,070 people regarding their experiences at hotels over the past year.

Web http://www.jdpower.co.jp/jdp_e/index.html

Communication with Clients

The Mitsubishi Estate Group communicates with a diverse range of customers in its extensive urban development efforts, including its building business and residential business. The Group not only strives to satisfy its clients' demands, but also incorporates their views into the way it does business.

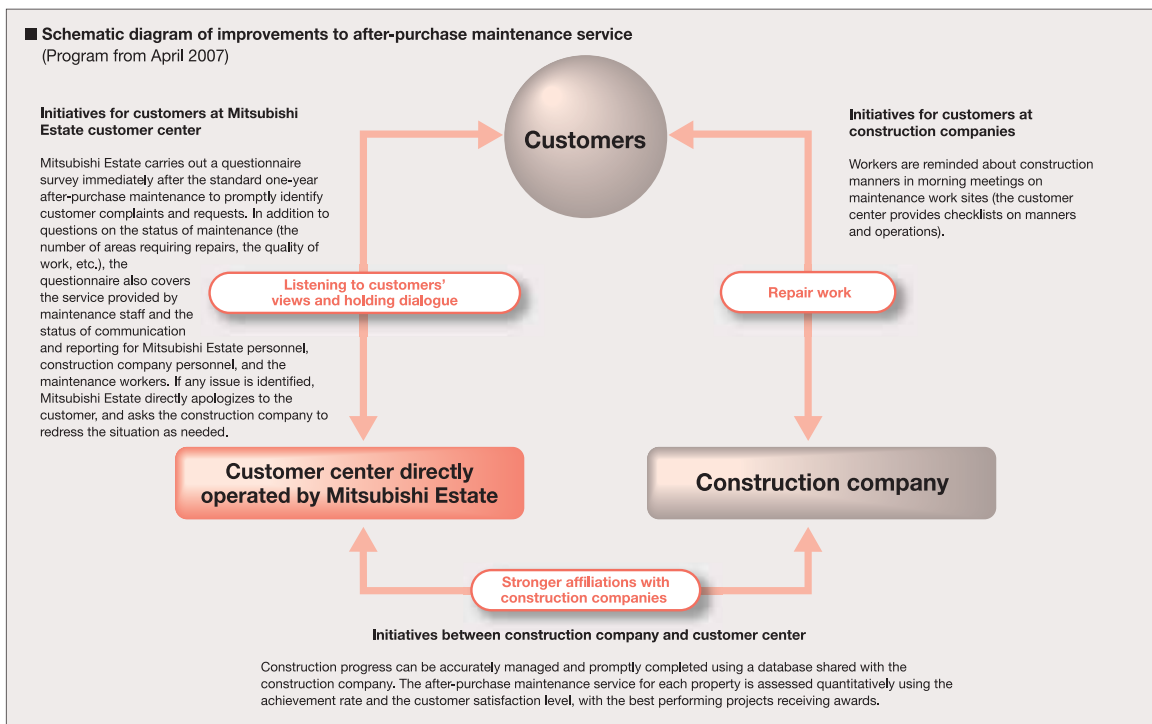
Initiatives in the Residential Business

Programs to Improve After-Purchase Maintenance Services for Condominiums

Mitsubishi Estate actively listens to the views of buyers who have purchased its condominium units, to improve its services and better respond to their needs. In addition, by strengthening affiliations with construction companies, the company is working to improve after-purchase maintenance services (see the diagram below).



Morning meeting before after-purchase maintenance work



Feature

Customer satisfaction survey based on guidelines

The Rockefeller Group, a Mitsubishi Estate subsidiary with headquarters in the U.S., actively communicates with its tenants to ensure that its 80 years of experience in real estate ownership and management delivers the maximum level of satisfaction. The Property Management Office (PMO) carries out surveys to solicit tenant feedback on their satisfaction with air conditioning and heating, lights, cleanliness and security, based on the guidelines shown to the right.

Overview of PMO Tenant Relation Guidelines (excerpt)

- Property Manager (OM) and Assistant Property Manager (APM) meet all tenant representatives upon first assuming duties at the building and contact them at least every two weeks to maintain relations.
- Tenant representatives are encouraged to visit the Property Management Office (PMO) on occasion to "put a face to the name" of the people they deal with regularly via e-mail and telephone.
- Tenant handbooks are available and distributed by the PMO staff appropriately or upon request.
- Tenant Satisfaction Surveys are distributed quarterly soliciting opinions regarding Building Services. Surveys are collected, reviewed and areas of concern are addressed.

Creating Workplaces that Enhance Employee Motivation and Skills

An environment in which all employees can perform their jobs in health and vigor and build on their skills to achieve personal goals is the key to a company's dynamism and growth. The Mitsubishi Estate Group has established a variety of programs that help its employees to develop into true professionals.

Initiatives in Human Resource Development

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 diverse individual values and lifestyles, supports employees' life plans and works to safeguard their health.

Initiatives in Accordance with "Action 2010"—Global Human Resource Development

The Mitsubishi Estate Group's new Medium-Term Management Plan, "Action 2010," which runs from fiscal 2008 to fiscal 2010, spells out the following as its basic policies for management infrastructure development: (1) dissemination of management policy throughout the company; (2) fostering a corporate culture that promotes a spirit of taking on challenges; and (3) globalization of management and personnel. Based on these policies, the Group is fostering human resources with a global mindset.

Moreover, in each expanding, diversifying and increasingly advancing Group segment, Mitsubishi Estate is working to reinforce and raise awareness of the corporate governance system, including risk management, compliance and internal controls.

Currently, the company is specifically formulating a vision of the types of employees it needs, establishing adequate training measures in light of its goals of encouraging employees to take up challenges and pursue innovation, and strategically re-assigning employees as advocated in "Action 2010." A working group has been formed to facilitate discussion among employees on the front line, including employees assigned to Group companies.

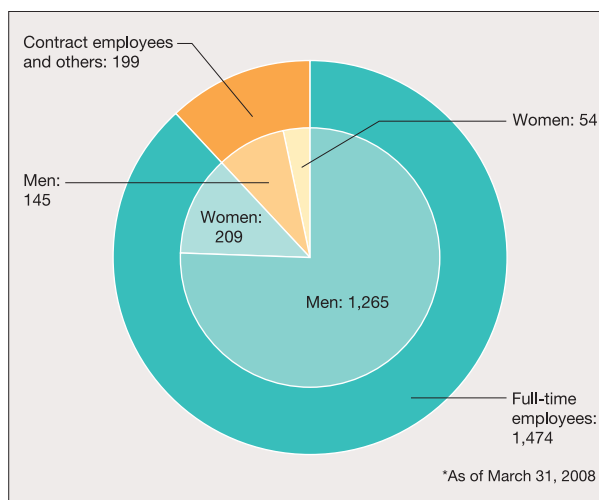
Education and Training System

In its new Medium-Term Management Plan, "Action 2010," the Mitsubishi Estate Group declares its intention of becoming "a global real estate solution provider—with development at its core," a vision for the future addressing the recent changes in the business environment. To train the employees it will need to realize this vision, Mitsubishi Estate is overhauling its skill development system with an emphasis on: (1) strategic assignment of employees; (2) training employees with a global mindset; and (3) building a common awareness of the need to foster employees within the Group.

At the very core of Mitsubishi Estate's skill development is rank-specific training tailored to the qualifications and positions of its employees, such as junior staff, mid-level staff and senior managers. The company strives to ensure that all employees are aware of their own roles and career paths at every stage.

Workforce Profile

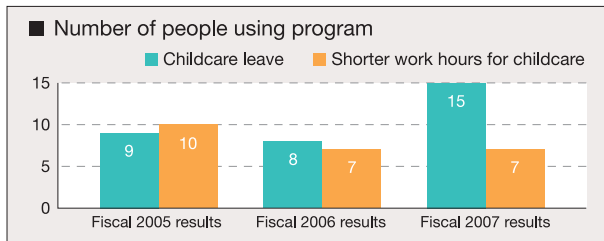
This graph shows the workforce of Mitsubishi Estate Co., Ltd.



(Including employees seconded to Group companies)

Specific Programs for Work-Life Balance

Mitsubishi Estate has established programs for childcare leave, shorter work hours for childcare, and family care leave so that its employees can choose the work schedule that best fits their lifestyle and achieve a balance between work and home life.



*No employees took nursing care leave.

Communication between Employees and Communication with Senior Management

As part of its efforts to create an open workplace, Mitsubishi Estate is actively pursuing communication between management and employees, as well as among employees. The president of Mitsubishi Estate holds meetings with small groups of junior staff to ascertain younger employees' opinions and foster an open atmosphere. The company has also set up a task force consisting of mid-level staff and junior staff to provide a forum for the mid-level staff to share their experiences as leaders and to encourage communication among them. Directors serve as mentors to the task force.

Revisions to Merit-based Evaluation for Administrative Employees

Mitsubishi Estate Co., Ltd., revised its merit-based evaluation tables for determining bonuses and pay raises in September 2007. The company's current priorities (as listed below) were reflected in the evaluation tables, in accordance with the corporate brand and the company's current orientation.

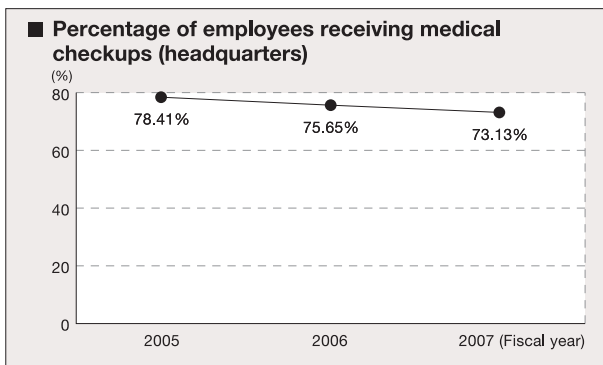
1. Employee training
2. Overall optimization and team work
3. Open mindedness
4. Interest in challenges
5. Compliance and customers as first priority
6. Integrity

These revisions were made so that the company's vision would be shared by employees and become firmly rooted throughout the workforce.

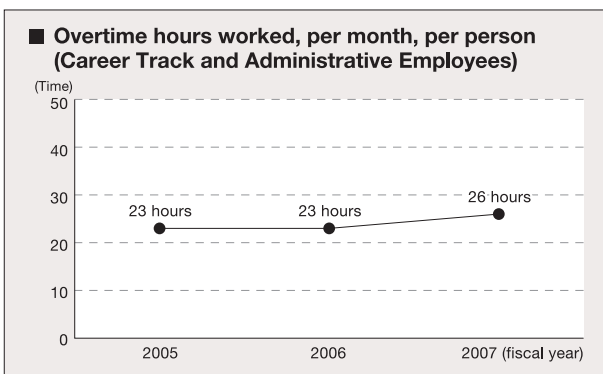
Specifically, some of the evaluation components were replaced by position and qualification, and other evaluation components were set for overall optimization, teamwork and employee training. In addition, definitions and observation points were revised for each evaluation component. As a result, efforts to address the above priority issues are moving forward with greater energy.

Employee Health Management

Mitsubishi Estate encourages all employees to take a regular health checkup once a year to protect and improve its employees' health. The checkup includes an enhanced examination for symptoms of adult-onset diseases, and follow-up checkups and checkups for people needing extra care are also available according to each individual's checkup results. In fiscal 2006, the company also added abdominal circumference measurements to the examination items for those who wish to diagnose metabolic syndromes. The company works hard to have as many employees as possible to take the checkup. The company has extended the checkup period to three months since 2005, and sends reminders for employees who missed their checkups so that they can schedule new appointments.



Mitsubishi Estate is striving to improve its measures for optimizing work hours. The company has made Wednesdays "no overtime days" to help prevent long work hours and overwork. In addition, all supervisors meet one-on-one with their subordinates to discuss workload and task difficulty as well as their health. Any employees with a tendency to overwork (more than 80 hours of overtime per month) are cautioned, while those working long hours are given checkups with industrial physicians.



Feature

Examples of efforts by Group companies

● Working to build trusting relationships with the company and families

In August 2007, Mitsubishi Estate Building Management Co., Ltd., which provides comprehensive building management and administration, invited its employees' children to visit the company for 2007 Building Management Kid's Day, held in the Marunouchi area and the Yokohama area. This event gave the children a work experience and was intended to remind them of the significance of working, foster work values and reinforce communication between parents and their children and among employees. The children helped their parents with their work, received an exploratory tour of the Marunouchi Building and sprinkled some water to cool the sidewalk. In the Marunouchi area, a total of 33 parents and children participated. This program will be offered again in August 2008 in the Marunouchi area.



● Support for employees' skill development

The Rockefeller Group, a Mitsubishi Estate subsidiary with headquarters in the U.S., has set up programs to support employees' skill development by paying the tuition for training to enhance employee skills and also covering the cost of individual educational seminars.

Creating Workplaces that Ensure Respect for Human Rights and Diversity

The Mitsubishi Estate Group Guidelines for Conduct clearly mandate respect for human rights. The Group works together as one to ensure that this commitment is put into practice everywhere.

Encouraging Respect for Human Rights and Diversity

Mitsubishi Estate holds a meeting of its Human Rights Education Committee (chaired by the deputy president) once a year to look at the status of its human rights initiatives in daily operations and human rights training, exchange views on ways to improve programs and discuss that fiscal year's activity plan and reports on recent human rights conditions.

Human Rights Training for All Employees

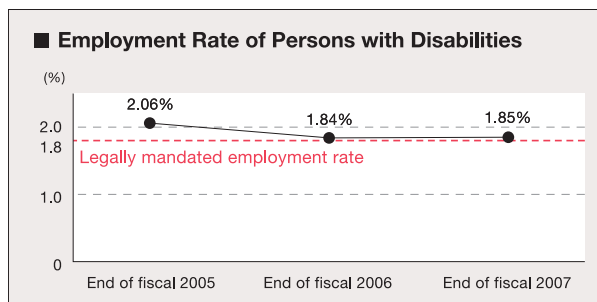
Mitsubishi Estate provides training on human rights during its annual rank-specific training for new hires and new senior staff. In fiscal 2007, the company also started to give all employees, including contract employees, theme-specific group training. Sexual harassment prevention was the theme in the first fiscal year, and will again be offered to all employees in fiscal 2008. Moreover, during human rights week in December every year, senior staff such as directors under the level of president and division managers as well as Group company employees attended a human rights lecture. In fiscal 2007, the theme was the company's responsibility to address social issues such as death from overwork and suicide related to overwork.



Hiring People with Disabilities and Re-Hiring Retirees

Mitsubishi Estate 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 2007, people with disabilities accounted for 1.85% of Mitsubishi Estate's workforce, surpassing Japan's legally mandated employment rate. The company plans to continue such hiring practices.

In accordance with the intent of Japan's revised Law Concerning Stabilization of the Employment of Older Persons, which went into effect on April 1, 2006, the company has introduced a job matching program allowing employees approaching mandatory retirement age who meet certain criteria to continuing working



even after retirement age if they wish. By keeping veteran employees active even after retirement age, this program is intended to help maintain high-quality service by passing down the knowledge, skills, know-how and human networks they have accumulated. As of March 31, 2008, there were 43 re-hired employees (41 men and two women).

Feature

Examples of initiatives by Group companies

- Female employees propose and pursue their own life plans

In March 2008, Mitsubishi Estate Building Management Co., Ltd., which provides comprehensive building management and administration, held the 2008 Building Management Lady's Day Forum: "Thinking about the Life I Want" in the Marunouchi Building's hall. This event, planned and carried out by female employees, provided an opportunity for them to rethink the meaning of work and their approach to it, as well as to consider their own life career design in terms of their personal values. The event drew 87 female employees. Prior to the event, a survey was conducted about thoughts on work and life among all employees. The results were presented at the event, and they demonstrated the wide variety of values and lifestyle beliefs. Lecturers spoke at the event, and group discussions were held.



2008 Building Management Lady's Day Forum

- Ongoing training on respect for human rights and diversity

The Rockefeller Group plans and holds training programs every year to create an environment with zero tolerance for discrimination and harassment. This training strengthens awareness among managers and employees.

Editorial Policy

The Mitsubishi Estate Group began publishing its *Environmental Report* in fiscal 2000 to provide an overview of its environmental initiatives. Beginning in fiscal 2005, the Group expanded the coverage of the report to include corporate social responsibility (CSR) and began calling it the *CSR Report*. This year's report addresses the relationship between CSR activities and the company's corporate brand slogan, and also includes a special feature section on Mitsubishi Estate's environmental programs in the Otemachi, Marunouchi and Yurakucho district in Tokyo. The report also introduces some overseas initiatives.

Organizations Covered by This Report

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

Business Groups	Names of Group companies	Segments
Property Management and Office Leasing Group	Mitsubishi Estate Building Management Co., Ltd.	Building Business
	MEC Building Facilities Co., Ltd.	
	Mitsubishi Jisho Property Management Co., Ltd.	
	Hokuryo City Service Co., Ltd.	
	Yuden Building Kanri Co., Ltd.	
	Grand Parking Center Co., Ltd.	
Tokyo Garage Co., Ltd.		
Commercial Asset Management and Development Group	Marunouchi Heat Supply Co., Ltd.	
	Tokyo Kotsu Kaikan Co., Ltd.	
	Marunouchi Direct Access Limited	
Retail Property Group	Mitsubishi Jisho Retail Property Management Co., Ltd.	
	Yokohama Sky Building Co., Ltd.	
	Yokohama Swimming Center Co., Ltd.*	
	Yoko Building Service Co., Ltd.*	
Residential Development Group	IMS Co., Ltd.	Residential Business
	Izumi Park Town Service Co., Ltd.	
	Mitsubishi Jisho Towa Community Co., Ltd.	
	MT Community Staff Co., Ltd.	
	Ryoei Life Service Co., Ltd.	
	Higashinohon Kaihatsu Co., Ltd.	
	MEC Urban Resort Tohoku Co., Ltd.	
International Business Group	Mitsubishi Estate New York Inc.	International Business
	MEC UK Limited	
Investment Management Group	Mitsubishi Jisho Investment Advisors, Inc.	Urban Development & Investment Management
Architectural Design & Engineering Business Group	Mitsubishi Jisho Sekkei Inc.	Architectural Design & Engineering
	MEC Design International Corporation	
Custom-Built Housing Group	Mitsubishi Estate Home Co., Ltd.	Custom-Built Housing
	Mitsubishi Estate Housing Components Co., Ltd.	
Hotel Business Group	Royal Park Hotels and Resorts Co., Ltd.	Hotel Business
	Yokohama Royal Park Hotel Co., Ltd.	
	Tohoku Royal Park Hotel Co., Ltd.	
	Royal Park Inn Nagoya Co., Ltd.	
	Royal Park Shiodome Tower Co., Ltd.	
	Royal Park Hotel Co., Ltd.	
Real Estate Services Group	Mitsubishi Real Estate Services Co., Ltd.	Real Estate Services
Corporate Group	MEC Information Development Co., Ltd.	Other
	Shiki Resorts Co., Ltd.	
	Keiyo Tochi Kaihatsu Co., Ltd.	
	MEC Human Resources, Inc.	

The Mitsubishi Estate Group's overseas initiatives include those of the Rockefeller Group, in addition to the companies listed to the left.

Liv Sports Co., Ltd., was dissolved effective August 1, 2008.

* Yokohama Swimming Center Co., Ltd., and Yoko Building Service Co., Ltd., are outside of the scope of consolidation.

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

Building Business Division, Mitsubishi Estate Co., Ltd.*
Residential Business Division, Mitsubishi Estate Co., Ltd.*
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.
Royal Park Hotel Co., Ltd.

* In April 2008, Mitsubishi Estate replaced its business division structure with a business group structure. As a result, the Building Business Division was divided into the Property Management and Office Leasing Group, the Commercial Asset Management and Development Group, and the Retail Property Group. The Residential Business Division was renamed the Residential Development Group.

Period Covered by Report

This report covers fiscal 2007 (April 1, 2007 to March 31, 2008), but also includes information pertaining to other fiscal years.

Reference Guidelines

- *Sustainability Reporting Guidelines 2006*, Global Reporting Initiative (GRI)
- *Environmental Reporting Guidelines* (2007 edition), Ministry of the Environment, Japan

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■ Next issue
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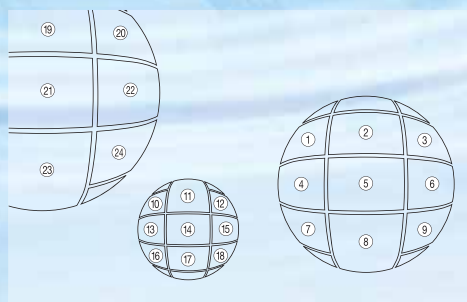


 A Love for People. A Love for the City.
Mitsubishi Estate Company, Limited

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 Chiyoda-ku, Tokyo 100-8133, Japan
www.mec.co.jp/index_e.html

Published December 2008

The works of art shown on the front and back covers were among those which received awards for excellence in fiscal 2007 at the sixth annual art contest held by Mitsubishi Estate for children with disabilities.



- | | |
|---|--|
| ① "Me Learning in the Field" by Akihiro Shimo | ⑬ "Dusk Scene" by Hirotohi Aramaki |
| ② "I'm Swimming the Crawl!" by Yutaka Kondo | ⑭ "Colorful Flowers" by Sachiyo Toyoshima |
| ③ "Time to Eat" by Aika Takeshita | ⑮ "My Farm" by Ryo Ohtsuka |
| ④ "Colorful Field Mustards" by Sho Yoshikawa | ⑯ "The Lion and the Scarlet Flower" by Takaaki Tanaka |
| ⑤ "Silent Majesty" by Yoshiki Saeki | ⑰ "The Happy American Crawfish" by Isao Sugieue |
| ⑥ "Big Shrimp" by Emi Ohtani | ⑱ "Work Training (Service Group)" by Yoshifumi Hashimoto |
| ⑦ "Natsu Kitty, Be My Friend!" by Natsuko Saisu | ⑲ "The Zoo" by Ryo Takinoue |
| ⑧ "Dream World of the Bugs" by Erina Kawasaki | ⑳ "Flowers in Bloom" by Shunichi Sano |
| ⑨ "Hero of the Beautiful Forest" by Daiki Tsuzaki | ㉑ "Warm Walk" by Yuki Miyamoto |
| ⑩ "Living Creatures" by Hitomi Yamane | ㉒ "Lion Fish" by Takumi Hamano |
| ⑪ "Me in a Dream" by Risato Takaoka | ㉓ "My Friend's Face" by Hiroaki Ito |
| ⑫ "Potato Sprouts" by Yuh Sasaki | ㉔ "Ariel's First Love" by Kaori Kodera |