

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. The four outside directors were selected to reinforce the management and oversight functions of the Board of Directors. In June 2007, 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, which is chaired by the president and consists of the directors (excluding outside directors), the deputy president, the executive vice presidents, and the president's appointees, to discuss the Group's management strategies. In fiscal 2010, the committee met 11 times.

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, and met 49 times in fiscal 2010. 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.

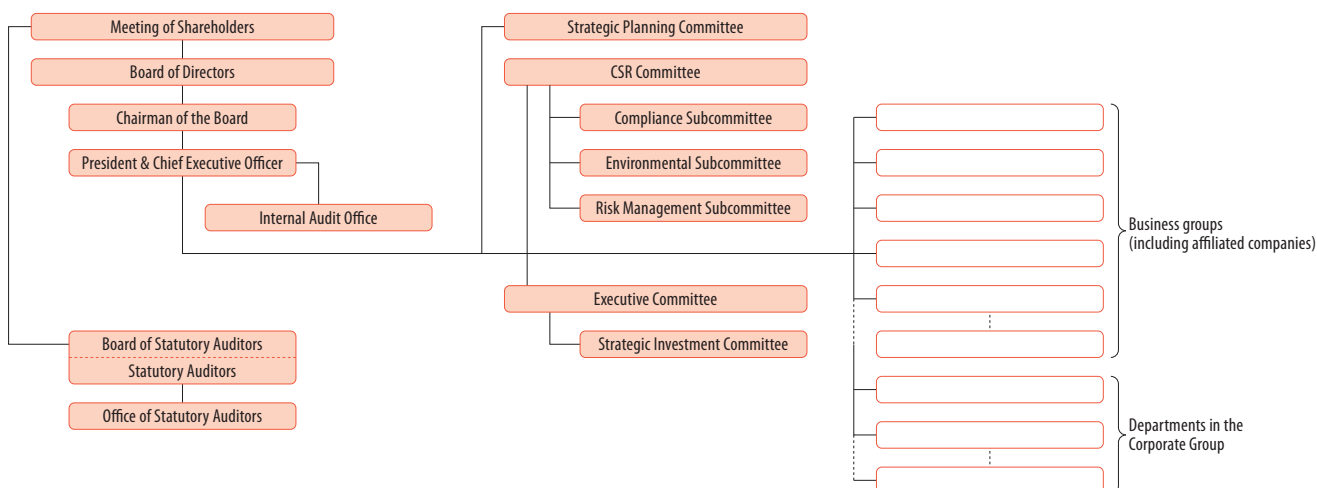
Risk management

The Mitsubishi Estate Group has established the Mitsubishi Estate Group Risk Management Rules and has set up a risk management system 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 consisting of department managers including major Group companies. The executive heading the CSR Department at Mitsubishi Estate has been designated as Executive Director of Risk Management and given overall responsibility for risk management, and general managers of each business group and general managers in the Corporate Staff Departments have been designated as Risk Management Officers and given overall control and responsibility for the management of risk within their business groups. The Group is enhancing its systematic risk management activities by thoroughly identifying risks at the job site and using the plan-do-check-act (PDCA) cycle for everything from planning and implementing reform measures to monitoring by the Risk Management Subcommittee.

Mitsubishi Estate Group's corporate governance structure (as of April 2011)



Reinforcing internal controls

The Mitsubishi Estate Group's Board of Directors adopted the Basic Policy on Internal Control Systems, as required by Japan's Companies Act, regularly confirms that operations are consistent with the policy, and makes improvements whenever necessary.

The Group also upgraded, administered and evaluated its internal control system in line with the internal controls over financial reporting which were adopted by listed companies in April 2008 as mandated by Japan's Financial Instruments and Exchange Act. The Internal Control Report concluding that the Group's internal controls over financial reporting were effective as of March 31, 2011 was submitted to the Kanto Local Finance Bureau of the Ministry of Finance on June 29. The Internal Control Audit Report confirmed that auditors had ascertained that this report was presented fairly.

The four Group companies* that handle financial instruments have established and continue to operate their own systems. Relevant divisions in Mitsubishi Estate also strengthened their internal control systems to address compliance problems related to this law.

* Mitsubishi Jisho Investment Advisors, Inc. (real estate investment and management), Japan Real Estate Asset Management Co., Ltd. (real estate investment and management), Mitsubishi Real Estate Services Co., Ltd. (real estate consulting and solutions, brokerage, sales and leasing), Mitsubishi Jisho House Net Co., Ltd. (real estate sales and brokerage)

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 it also oversees business execution. In addition, the attendance of auditors

at the Board of Directors' meetings and standing statutory auditors at the Executive Committee ensure that the status of operations is audited in each division and Group company, 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. This 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 set up 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.

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

System for promoting compliance

The Mitsubishi Estate Group believes that compliance does not simply involve legal compliance, but is also defined as adherence to internal rules and corporate ethics.

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 consisting 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 consisting of general managers, including major Group companies, that holds discussions before the CSR Committee meets. In addition, an executive director has been appointed by decision of the Board of Directors to take 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.

Compliance surveys

The Mitsubishi Estate Group regularly gives compliance surveys to its approximately 12,000 executive officers and employees (including temporary employees) to ascertain the extent to which they are aware of compliance issues.

The Group uses the results, after

analyzing them to identify overall trends and characteristics of each company, to plan activities to improve compliance.

Measures against organized criminal elements

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

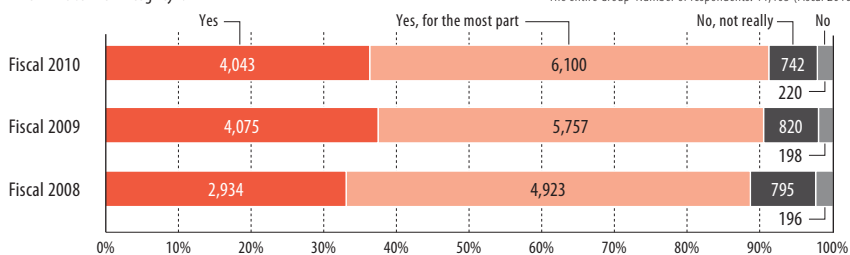
Augmenting the help line

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. Inquiries can be made anonymously. There were 44 consultations and reports via the help line in fiscal 2010.

Fiscal 2010 results for the entire Group

Question: Do you think that your company has achieved the first tenet of the Mitsubishi Estate Group Code of Conduct, "We will act with integrity"?

The entire Group Number of respondents: 11,105 (Fiscal 2010)



* Implementation dates for fiscal 2010 survey: June 28–July 9, 2010

Subjects: All employees and executive officers at Mitsubishi Estate and 44 Group companies
Out of 11,840 executive officers/employees, 11,164 responded (response rate of 94.3%)