

December 14, 2007

To whom it may concern:

Company Name:	Mitsubishi Estate Co., Ltd.
Representative:	Keiji Kimura, President and Chief Executive Officer
Securities Code:	8802
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**Notice Concerning Underwriting of New Share Issue of TOWA REAL
ESTATE DEVELOPMENT CO., LTD.**

Based on a resolution reached in a meeting of the Board of Directors today, Mitsubishi Estate Co., Ltd. (hereafter "Mitsubishi Estate") has decided to underwrite the third-party allocation of new shares by TOWA REAL ESTATE DEVELOPMENT CO., LTD. (Securities code: 8834; Headquarters: Chuo-ku, Tokyo; President: Shigeatsu Sugiura; hereafter "TOWA REAL ESTATE DEVELOPMENT"). Furthermore, TOWA REAL ESTATE DEVELOPMENT will become a subsidiary of Mitsubishi Estate as a result of underwriting this new share increase.

1. Reason for Underwriting New Share Increase

In December 2004, Mitsubishi Estate and TOWA REAL ESTATE DEVELOPMENT agreed to establish a strategic partnership and enter into a capital alliance. The joint enterprise, which leverages the strengths of each company, has achieved some progress, such as higher earnings from synergistic effects.

In order to achieve even greater synergies in the years ahead and to strengthen the management base of TOWA REAL ESTATE DEVELOPMENT, we have become aware of the need to take further steps to fortify the relationship between both companies and have

therefore decided to underwrite the third-party allocation of new shares by TOWA REAL ESTATE DEVELOPMENT. As a result, TOWA REAL ESTATE DEVELOPMENT will become a subsidiary of Mitsubishi Estate.

2. Overview of TOWA REAL ESTATE DEVELOPMENT CO., LTD. (the company issuing new shares)

- (1) Name: TOWA REAL ESTATE DEVELOPMENT CO., LTD.
- (2) Representative: President and Representative Director—Shigeatsu Sugiura
- (3) Head office: 2-3-13, Yaesu, Chuo-ku, Tokyo
- (4) Established: June 1, 1957
- (5) Principal areas of business: Sales, brokerage and lease of real estate, and building construction work under contract.
- (6) Fiscal period: March 31st of each year
- (7) Employees: 629 (as of March 31, 2007)
- (8) Principal offices: Tokyo Headquarters, Nagoya Branch, Osaka Branch and Hiroshima Branch
- (9) Paid-in capital: ¥12,641 million (as of March 31, 2007)
- (10) Total shares outstanding: 111,258,791 common shares
- (11) Primary shareholders and shareholding ratio

Common Shares (as of September 30, 2007)	
Mitsubishi Estate Co., Ltd.	33.40%
Hitachi Capital Corporation	5.69%
Osaka Gas Co., Ltd.	3.74%
Tepco Home Service Co., Ltd.	3.74%
The Master Trust Bank of Japan, Ltd.	3.63%

(12) Earnings Trends in Most Recent Fiscal Years

(Millions of yen)

Fiscal Period	Year Ended March 31, 2005	Year Ended March 31, 2006	Year Ended March 31, 2007
Net sales (all figures in table are consolidated)	206,315	150,105	143,809
Operating income	17,868	16,421	18,343
Ordinary income	15,586	12,632	16,161
Net income	(34,138)	13,279	11,885
Total assets	187,809	264,234	250,509
Net assets	9,432	22,801	33,179

3. Number and Value of Underwritten Shares and Percentage of Shares Held before and after Underwriting

(1) Percentage of shares held before underwriting (as of December 14, 2007)

Common shares	37,161,000 (percentage of shares held: 33.40%, number of shares for voting right: 74,322)
A-preferred shares	5,243,000 (percentage of shares held: 62.92%)
C-preferred shares	16,667,000 (percentage of shares held: 100.00%)
D-preferred shares	16,667,000 (percentage of shares held: 100.00%)
E-preferred shares	4,132,065 (percentage of shares held: 33.35%)

(2) Number of underwritten shares

Common shares	42,735,000 shares (acquisition value: ¥9,999,990,000)
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(3) Percentage of shares held after underwriting

Common shares	79,896,000 (percentage of shares held: 51.88%, number of shares for voting right: 159,792)
A-preferred shares	5,243,000 (percentage of shares held: 62.92%)
C-preferred shares	16,667,000 (percentage of shares held: 100.00%)
D-preferred shares	16,667,000 (percentage of shares held: 100.00%)

E-preferred shares 4,132,065 (percentage of shares held: 33.35%)

* Percentage of shares held is the ratio between the number of common shares and preferred shares held by Mitsubishi Estate to total outstanding shares.

4. Schedule

December 14, 2007	Board of Directors' resolution
January 7, 2008	Payment (scheduled)

5. Outlook

The abovementioned event will have no material impact on the consolidated earnings forecast for the fiscal year ending March 31, 2008. In addition, the equity-method subsidiary, TOWA REAL ESTATE DEVELOPMENT will become a consolidated subsidiary from the fiscal year ending March 31, 2008.