

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.

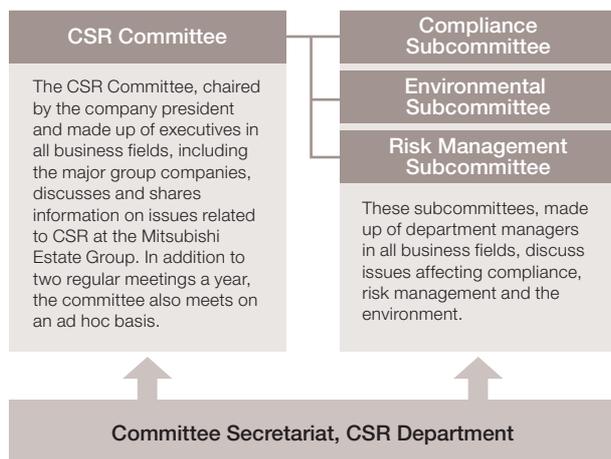
■ Mitsubishi Estate Group's ties with stakeholders



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.

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.



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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.