

Pursuing Transparent Management

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

Committed to Highly Transparent Management

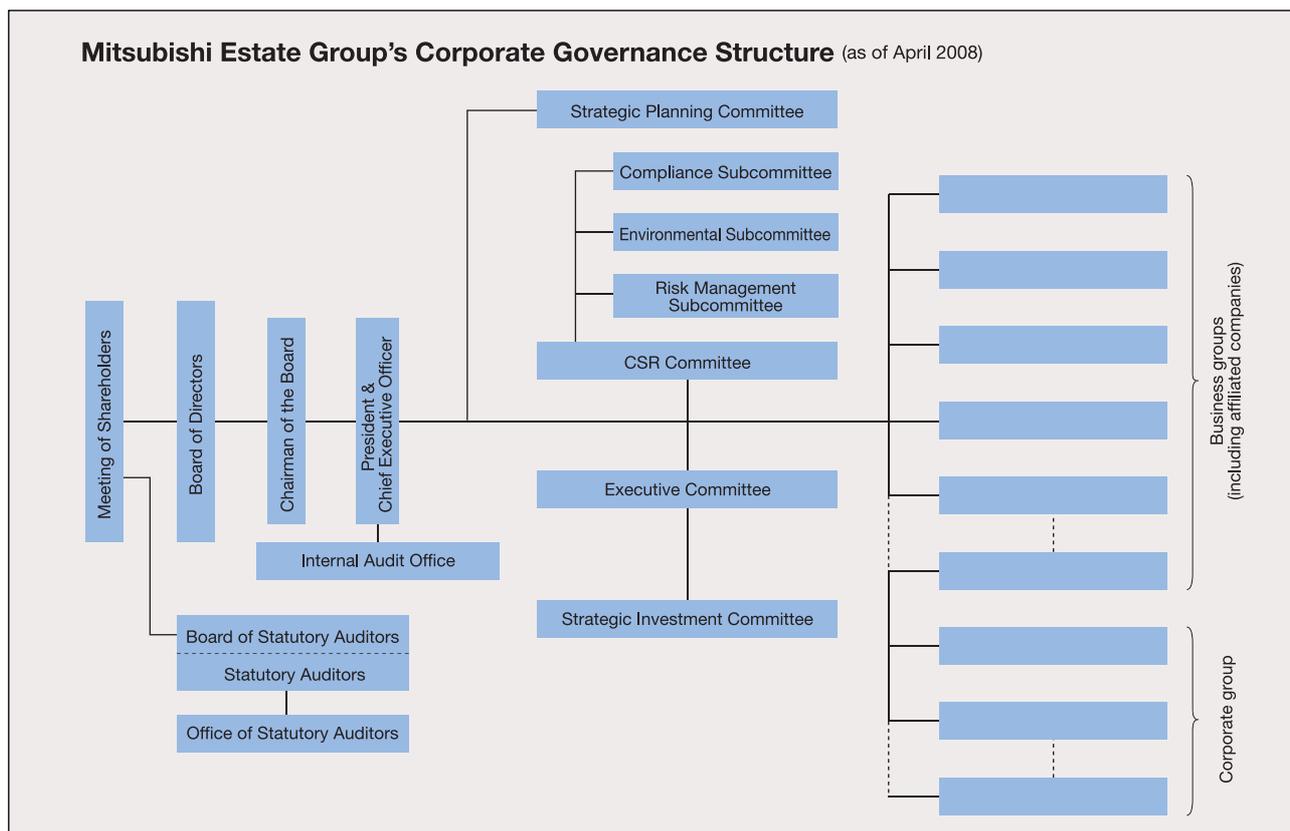
Mitsubishi Estate has developed a highly transparent management system, with an executive officer system that clearly defines the oversight and business execution functions. In addition, the three outside directors originally selected to reinforce the management and oversight functions of the Board of 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.

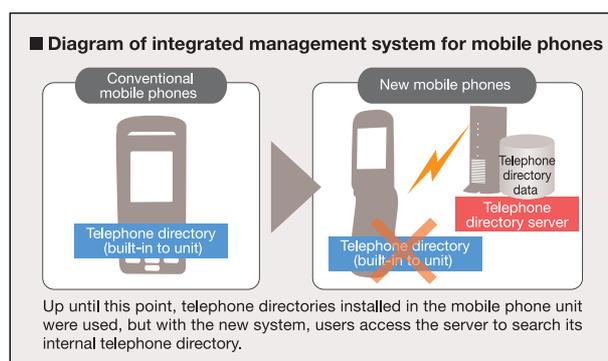
In July 2005, a Compliance Advisory Committee made up of external experts was formed on a temporary basis to objectively review the compliance system in light of the soil and groundwater contamination problems discovered at Osaka Amenity Park. This committee worked to improve the corporate culture, for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

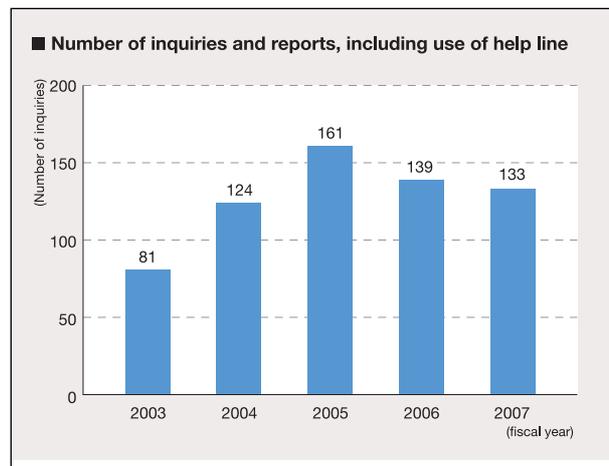
Measures against Criminal Elements

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.



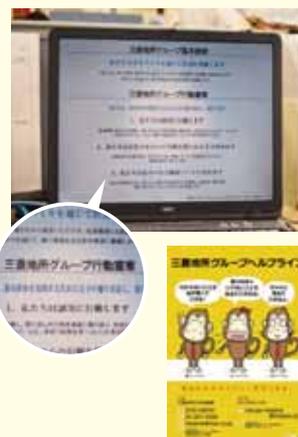
Feature

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.

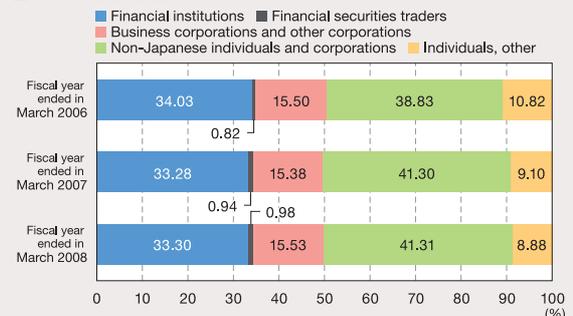
In September 2007, Mitsubishi Estate overhauled its website and created a new "Individual Investors" page for Japanese individual investors providing information in a more visitor-friendly format. Materials were posted on the new Medium-Term Management Plan, "Action 2010," released in February 2008, 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)
<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.