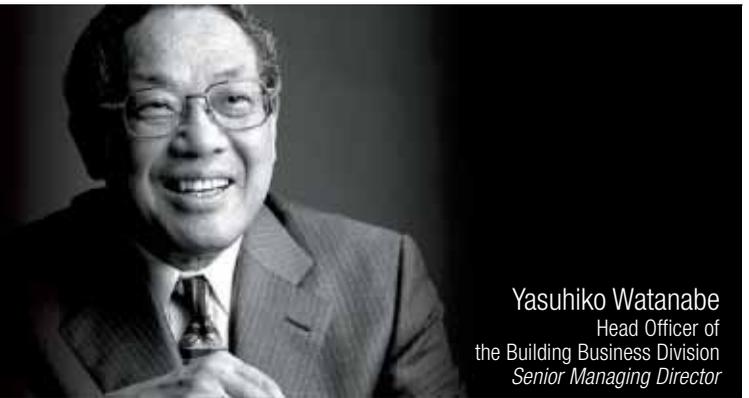


Business Information

Building Business Operations

Advancement of
Marunouchi District Redevelopment and
Profit Restructuring



Yasuhiko Watanabe
Head Officer of
the Building Business Division
Senior Managing Director

The operations of Mitsubishi Estate Co., Ltd.'s Building Business Division are centered on the leasing and property management of office buildings, as well as management of large-scale shopping centers, parking lot operations and district heating and cooling in key metropolitan areas nationwide. The Group also aims to enrich urban functionality from a town management perspective.

Two important issues facing the Division are building an optimal portfolio and honing professional expertise in each area, including development, operations and management. From these perspectives, we are currently focusing most of our efforts on advancing redevelopment of the Marunouchi district and reorganization of the profit structure.

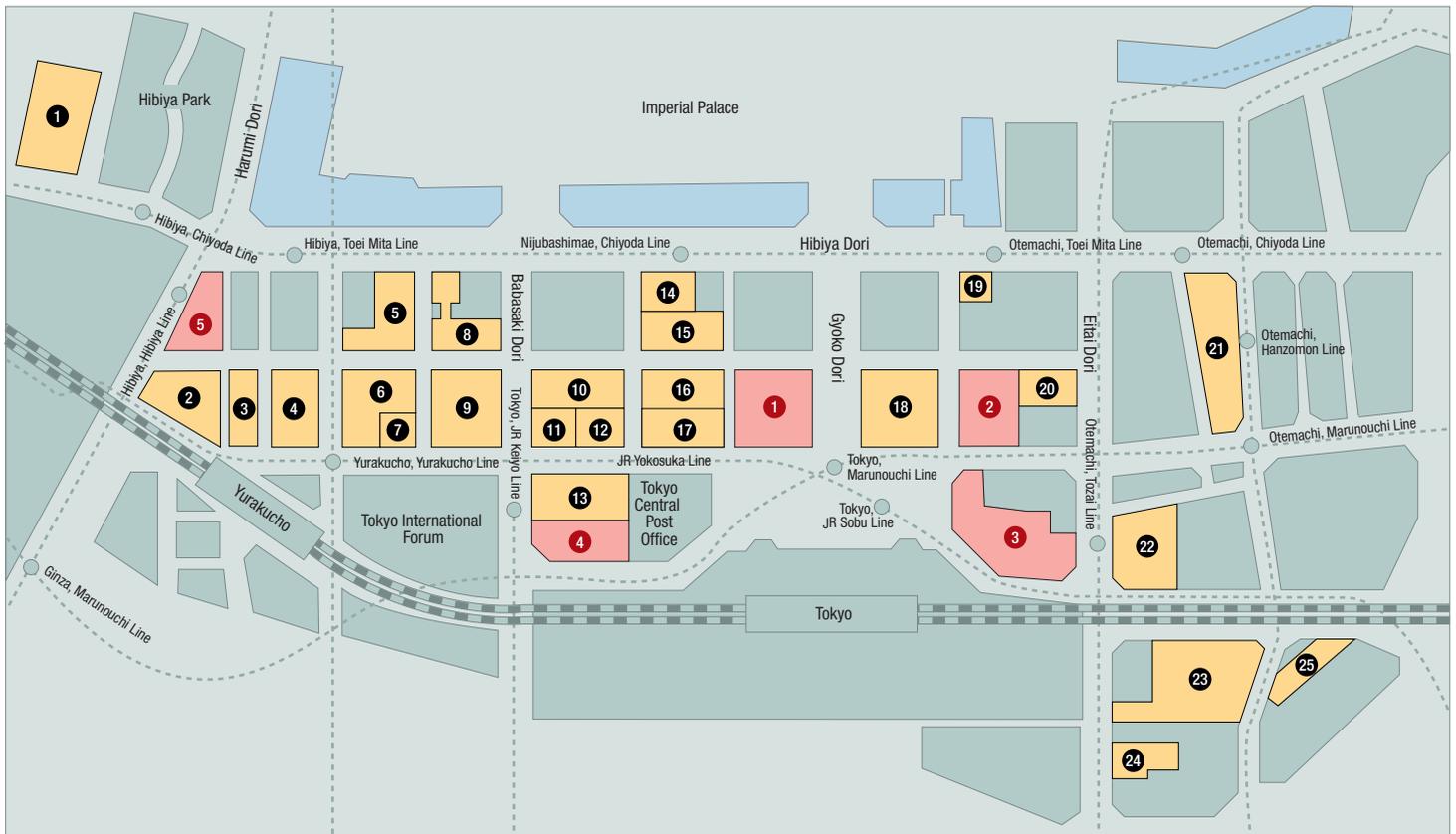
Mitsubishi Estate's redevelopment of the Marunouchi district, Japan's premier business center that has grown successfully for many years, is a major project for the 21st century and a core asset of the Group. Investing ¥500 billion over the course of 10

years from 1998, we are advancing business function and amenity upgrades for our buildings through reconstruction and renewal projects and plan to speed up redevelopment through such means as shortening construction schedules and engaging in joint projects.

As the first stage of the redevelopment project, reconstruction of the Marunouchi Building is proceeding smoothly toward completion in August 2002. Construction schedules have been shortened by about one year for the joint reconstruction of the Eiraku Building and the adjacent hall owned by the Japan Industrial Club, which was initiated in December 2000 along with the Tokyo Station Marunouchi North Entrance Development Project, which began in June 2001.

In addition to the reconstruction of the Marunouchi Building, we unveiled reconstruction plans in March 2001 for the Tokyo Building and Hibiya Park Building. The Tokyo Building is

Redevelopment of the Marunouchi District



Leasing Buildings

1	Hibiya Kokusai Building
2	Yurakucho Denki Building
3	Yurakucho Building
4	New Yurakucho Building
5	Kokusai Building
6	New Kokusai Building
7	New Nisseki Building
8	Fuji Building
9	New Tokyo Building

10	Furukawa Building
11	Mitsubishi Shoji Building
12	Marunouchi Yaesu Building
13	Bank of Tokyo Mitsubishi, Headquarters
14	Kishimoto Building
15	Mitsubishi Denki Building
16	Mitsubishi Heavy Industries Building
17	Mitsubishi Building
18	New Marunouchi Building

19	Tokyo Ginko Kyokai Building
20	Togin Building
21	Otemachi Building
22	New Otemachi Building
23	Nippon Building
24	Nippon Steel Building
25	Kawatetsu Shoji Building

Reconstruction Projects

	Start of Construction	Completion
1	April 1999	August 2002
2	December 2000	February 2003
3	June 2001	August 2004
4	2003	2006
5	2003	2006

to be reconstructed into a highly functional office building and the Hibiya Park Building transformed into a luxurious world-class hotel in a joint project with Peninsula Hotel. Both projects will begin in 2003 and be completed in 2006. In addition, one more building reconstruction is currently being planned.

While reconstruction continues, plans are being made for bolstering communications infrastructure and improving amenities in the district. To accelerate the advancement of IT and the expansion of e-commerce, the joint venture Marunouchi Direct Access Co., Ltd. was established by Mitsubishi Estate and Marubeni Corporation for the construction of a large-capacity high-speed communications network infrastructure to provide tenants of the Otemachi, Marunouchi and Yurakucho areas with fiber optic connections using heating utility tunnels and the Ministry of Land, Infrastructure and Transport's underground electric wire tunnels. The new company has acquired a type-1 telecommunications business license and began operations in July 2001.

With the movement toward retail electric power liberalization as a result of deregulation, the Group is making full use of the advantages of the number of buildings that are concentrated in the Marunouchi district by receiving low-cost electric power from new providers.

To enrich the amenities of Marunouchi and to create a flow

of new people through the area, we are attracting brand-name stores, cafes and restaurants to Nakadori Avenue, the main street running through the district. We are putting substantial efforts into creating a brand that popularizes a new urban image for the district.

In our efforts to reorganize the profit structure, improving the earnings power of existing buildings, starting new operations and engaging in such fee-based businesses as the management of leased buildings are the most important. As a result of our efforts in strengthening marketing capabilities and aggressive leasing activities, we significantly improved the vacancy rate of our leased office buildings to 4.8% by the end of March 2001. We are considering to establish a more efficient profit structure, steadily implementing cost reductions that leverage Marunouchi's economies of scale and outsourcing building management operations. With the completion of the Marunouchi Building next summer, we plan to improve the efficiency of office building management by reviewing new management systems.

Through the above measures, the Company is reorganizing its assets to increase portfolio profitability in current building operations. In March 2001, the beneficiary rights of Mitsubishi Research Institute, Inc. Building were transferred to a special purpose company (SPC). We acquired a joint ownership stake

in the centrally located Sanno Park Tower in Nagatacho, Tokyo and the Aoyama Building in Minato-ku, Tokyo, both of which have strong earnings power.

In the future, we aim to increase our portfolio profitability and foster Group professionalism as a developer.



Tokyo Station Marunouchi North Entrance Development Project

This project is a joint venture between Mitsubishi Estate and The Marunouchi Hotel Co., Ltd., Nippon Life Insurance Company, Chuo Real Estate Co., Ltd., and Asahi Mutual Life Insurance Company. While maintaining the fine urban environment characteristic of the area, we have already started construction of three office buildings and one building with hotel and shopping facilities in June 2001 and will complete construction in August 2004.



Marunouchi City Campus

One part of the redevelopment plans for the Marunouchi district, to enrich the educational functionality of the business area, was the opening of a joint collaboration with Keio University in April 2001 called Marunouchi City Campus. The research and development of innovative programs in continuing and adult education at Marunouchi City Campus are unseen anywhere else.

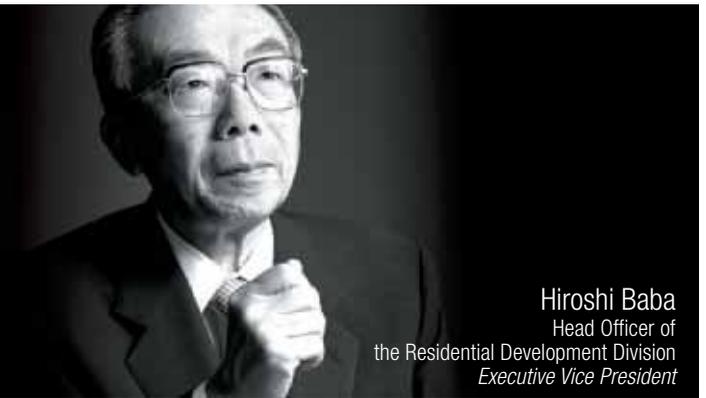


Outlet Mall Development

In 2000, Chelsea Japan Co., Ltd., a joint venture between Chelsea Property Group, Inc. of the United States, and Nissho Iwai Corporation, opened one of the most successful outlet malls in Japan-Gotemba Premium Outlets in Shizuoka Prefecture. This was followed by the opening of Rinku Premium Outlets near Osaka in the Kansai region. The possibility of opening a third and fourth premium outlet mall is currently under examination.

Residential Development Operations

Providing well-planned,
spacious condominiums



Hiroshi Baba
Head Officer of
the Residential Development Division
Executive Vice President

To provide high-quality residential environments that address diverse customer needs, the Residential Development Division develops and markets condominiums, single-unit homes and residential land from the customer's perspective. We also provide consulting services for the effective use of real estate and management of condominiums.

As favorable conditions in the market for the condominium business continue, sales of new residences totaled approximately 2,300 units for the fiscal year ended March 31, 2001. From April 2000, development periods have been further shortened and costs were reduced by moving to a new system in which each development team takes charge of every phase of a project, from land purchase to condominium sales, thereby improving the condominium business's gross profit margin to 19%.

The Group's condominiums have remained highly competitive for their high-added value and careful planning that reflects the

increasing interest in durable residences. We have focused efforts on providing high-rise condominiums in convenient urban locations with pleasant surroundings and sweeping views. In the fiscal year ending March 31, 2002, while continuing to provide these amenities, we aim to increase the size of every residence we build. Currently, we are planning to build condominiums in Ginza and another centrally located area with an average size of roughly 90 square meters per unit and keeping prices down by using fixed-term land leaseholds. In the future, we intend to continue supplying affordable, spacious and well-planned housing.

We introduced our own housing performance quality indication system in fall 2000. Backed by strict quality management in design and construction for basic performance standards the Group has developed, Mitsubishi Estate's original system is promoted in each of the centrally-located condominiums we develop independently. Through our new system, condominium quality is explained

to our customers in easy-to-understand information.

In the Residential Development Division, Mitsubishi Estate is making concerted efforts to foster fee-based businesses, provide



Izumi Park Town

The Izumi Park Town project has been under development since 1972 in Sendai, Miyagi Prefecture. The area measures 1,070 hectares and is one of the largest private multifunctional developments in Japan, with a population of approximately 50,000 residents. Through Mitsubishi Estate's community building efforts, Izumi Park Town provides convenient, comfortable living with the perfect balance among "living, working, resting, learning, gathering and enjoying."



M.M. Towers

M.M. Towers, located in Minato Mirai 21, Yokohama, consists of three high-rise towers with a total of 862 condominiums. From the opening of sales in April 2001, the condominiums quickly sold out. Various new technologies have been implemented, including the introduction of a registration application system over the Internet and the installation of fiber optic cables to each residence in addition to a variety of marketing tools and housing plans.

contract and consulting services for the effective use of real estate and expand orders for due diligence services.



Fixed-Term Land Leasehold Condominiums

Currently planned for Funabashi, Chiba, Park House Prescia is a large-scale metropolitan fixed-term land leasehold project housing 325 condominiums. We aim to provide condominiums that make full and active living easier in a partnership with the Afternoon Tea brand. Approximately 40% of the condominiums will be larger than 100 square meters with an average size of 93 square meters.

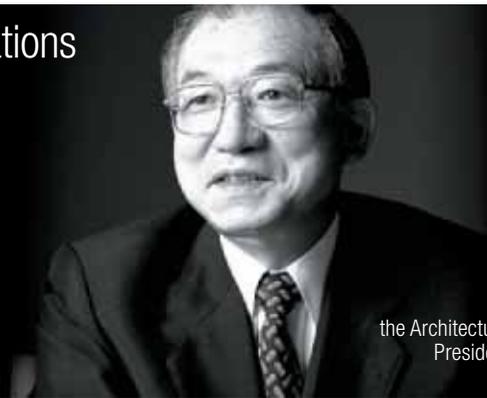


Partner Program

With an emphasis on effective land use, we provide a wide range of know-how in such areas as leased condominiums for foreigners, commercial buildings and hotel development. In the fiscal year under review, the Company's projects included leased condominiums in Daikanyama, leased condominiums for foreigners in Omotesando, the Ito-Yokado store in Musashisakai, and a business hotel in Shin-Yokohama.

Architectural Design & Engineering Operations

Mitsubishi Jisho Sekkei Inc. is aiming to become the forerunner in the architecture industry.

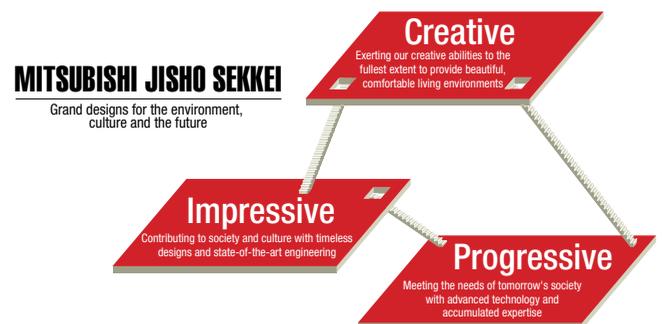


Katsuhisa Shimada
Head Officer of
the Architectural Design & Engineering Division
President of Mitsubishi Jisho Sekkei Inc.
Senior Managing Director

Mitsubishi Estate's Architectural Design & Engineering Division was transferred to the subsidiary Mitsubishi Jisho Sekkei Inc. and began operations in June 2001. As expressed in the company slogan, "Grand designs for the environment, culture and the future," our employees aim to secure new customers and improve competitiveness with the spirit and excitement of entrepreneurship. By accumulating successes, we aim to become the world leader in architecture.

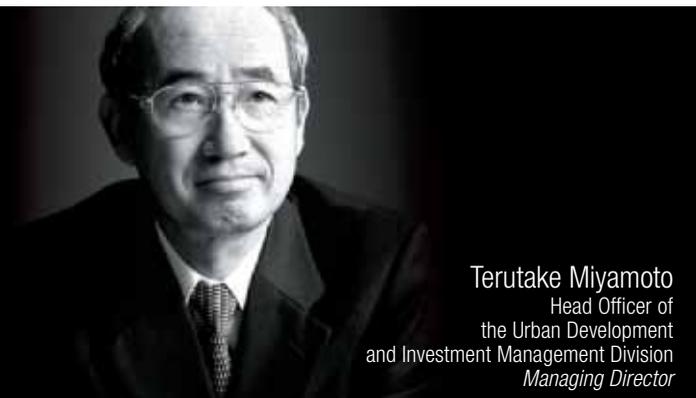
The new company will be divided into four divisions comprising the Design Division, Engineering Division, Consulting Division, and Interior Division. We plan to further strengthen the Design Division and Engineering Division, one of Japan's leading organizations boasting an impressive record of historical achievements. The newly established Consulting Division will be responsible for fostering Mitsubishi Estate's in-house urban development, construction management, environment and energy-related know-how to generate new sources of revenue. MEC Design International Corporation, a wholly owned subsidiary of

Mitsubishi Jisho Sekkei, not only provides interior design services, but also is a strategic asset in the field of facility management to form an optimized Group structure. Until now, the Architectural Design & Engineering Division used its technological capabilities to support the Mitsubishi Estate Group's business as a comprehensive real estate developer. The Division covers a wide range of activities such as the design of buildings and civil-engineering structures, building renovation, urban planning and a variety of consulting services.



Urban Development and Investment Management Operations

We aim to create a real estate investment trust that meets investor needs.



Terutake Miyamoto
Head Officer of
the Urban Development
and Investment Management Division
Managing Director

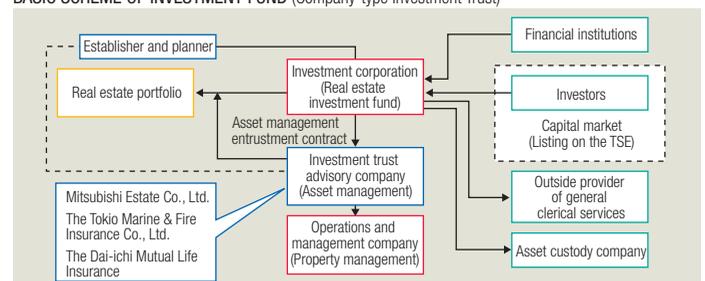
The Urban Development and Investment Management Division handles such fee-based businesses as consulting, project management, asset management, property management and real estate appraisal in each stage of planning, implementation and management in the development business. The Division also develops high-quality real estate for the real estate investment market while applying such new techniques as the securitization of real estate.

Full-fledged real estate funds began to appear in fiscal 2001 and we can expect more expansion in the real estate investment trust market. Mitsubishi Estate, Tokio Marine and Fire Insurance Co., Ltd. and The Dai-ichi Mutual Life Insurance Company formed Japan Real Estate Asset Management Co., Ltd. to undertake fund operations. The fund portfolio contains high-quality office buildings located in the heart of Tokyo and other centrally located urban areas with an estimated value of ¥100 billion. We aim for steady growth while bolstering investor confidence with fair, transparent operations.

We have launched projects in several Tokyo locations for development and management of real estate for the real estate investment market. Furthermore, we established the Urban Development Promotion Office in December 2000 as a specialized office with the purpose of unifying information gathering and customer relations for new large-scale multi-purpose projects.

Through the development and management of real estate in line with investor needs, we aim to contribute to the development of the real estate investment market and the securitization of prime real estate.

BASIC SCHEME OF INVESTMENT FUND (Company-type Investment Trust)



International Business Operations

Full-scale redevelopment has begun on Paternoster Square



Takayuki Hara
Head Officer of
the International Business Division
Senior Managing Director

The International Business Division manages office buildings in the United States through the Rockefeller Group, Inc., headquartered in New York, and participates in the real estate brokerage business through a global network organized by real estate services provider Cushman & Wakefield, Inc.

In the fiscal year under review, construction work has begun on the common areas of the Paternoster Square Redevelopment Project in London, England. Plans for this project, located on a 15,000-square-meter site in the City of London next to St. Paul's Cathedral, consist of offices and retail outlets in four complexes. Construction of the buildings will begin when lease agreements with the major tenants are signed.

In a comprehensive alliance with Singapore-based CapitaLand Limited, joint projects in Tokyo and Singapore real estate investment and development have been agreed on and periodic information exchanges have already begun.

We are also looking forward to the completion of our midtown New York property on 745 Seventh Avenue in spring 2002.

While preserving the United States as our prime location, we intend to expand operations in Europe and Asia, and carry out developments tailored to each location's individual characteristics.



[Paternoster Square Redevelopment Project](#)

The Paternoster Square Redevelopment Project in London's financial district commenced in May 1999. The master plan, designed by the U.K. architect Sir William Whitfield, blends the beauty of the adjoining St. Paul's Cathedral with four complexes consisting of offices and retail outlets located around a central open space. Based on the concept of the master plan, we have designated different architects for each building to create a distinguished square.

Custom-Built Housing Operations

Kicking off the new brand
“Mitsubishi Home”



Taketo Yamazaki
Head Officer of
the Custom-Built Housing Division
President of
Mitsubishi Estate Home Co., Ltd.
Director

The Custom-Built Housing Division aims to provide high-quality housing to support a full life with operations in the construction and marketing of custom-built homes conducted principally by Mitsubishi Estate Home Co., Ltd. Our mainstay product is two-by-four single-unit houses. While maintaining close communication with our customers from the order to after-sales service, we strive to provide full satisfaction in home construction.

We have been selling the Eco-Feel brand of environmentally oriented homes since April 2000, and have expanded our ISO 14001 activities. We are also working hard to strengthen customer confidence and have started a 50-year building examination system, Home Dock 50.

In January 2001, Mitsubishi Estate Home kicked off its new brand “Mitsubishi Home.” By adopting the brand “Mitsubishi Home,” we have decided to represent the Mitsubishi Group in the manufacture of housing and help our customers realize their

dreams in home building.

In spite of a cool down in the market in the current fiscal year, we were able to secure the usual number of orders through the successful implementation of the measures mentioned above.

Although severe operating conditions continue, by making efforts to elevate brand status, expand orders and enhance cost management, we are establishing a foundation for management structure able to respond to the housing market.



Launching a New Brand

In January 2001, we changed the brand name for open design 2 X 4 homes from ASSET to Mitsubishi Home.

Hotel Business Operations

Expanding hotel chain
development by creating an
integrated company



Yutaka Nakamura
Head Officer of the Hotel Business Division
President of Royal Park Hotels
and Resorts Co., Ltd.
Director

The Hotel Business Division is expanding the 2,054-room Royal Park Hotels chain in eight locations. In November 2000, the hotel management company, Royal Park Hotels and Resorts Co., Ltd., was established. Plans call for enhancing efficiency, accumulating management expertise and improving the level of operations through the integration of management and operations.

We plan to focus efforts on expanding fee-based businesses by improving the operational efficiency of existing hotels and by consulting and consignment of management activities through a new company. In March 2001, we received requests for consulting services for two hotels and in May 2001, we were contracted to manage the 131-room Hotel the Manhattan in Makuhari, Chiba.

Although competition in the hotel industry has intensified, by securing clients for our consulting services, we plan to

expand our development of the Royal Park Hotels and Resorts chain while making significant efforts to bolster each hotel's specialization and competitiveness.



Yokohama Royal Park Hotel

Yokohama Royal Park Hotel is located in the high-rise Yokohama Landmark Tower in the Minato Mirai 21 district. Along with the Yokohama Royal Park Hotel Co., Ltd. becoming a wholly-owned subsidiary, the hotel's technical support contract with JAL Hotels Co., Ltd. ended in April 2001. We will actively use the Royal Park brand as the centerpiece of our hotel operations.

Recreational Facility Operations

Providing attractive recreational facilities centered on fitness operations



Kaoru Kohno
Head Officer of
the Recreational Facility Division
Senior Managing Director

While operating fitness and golf clubs, the Recreational Facility Division is developing operations to address the issues of increased leisure time and the aging of the population.

We are developing the fitness club chain Liv Sports Co., Ltd. by opening new large-scale suburban clubs where we can expect increased demand from families. We opened a second club in suburban Tokyo in December 2000 and a third opening is scheduled for August 2001 with plans for more club openings.

In our golf club operations and sales of resort villas, we aim to enhance operational efficiency and stability in the entire Group despite widespread severe operating conditions. For golf courses, we are proposing improvements to make the play environment more casual.

In December 2000, Toyota Motor Corporation took managerial control of Fuji International Speedway Co., Ltd. Toyota

will take the leading role in its operation while aggressively renovating the facilities.



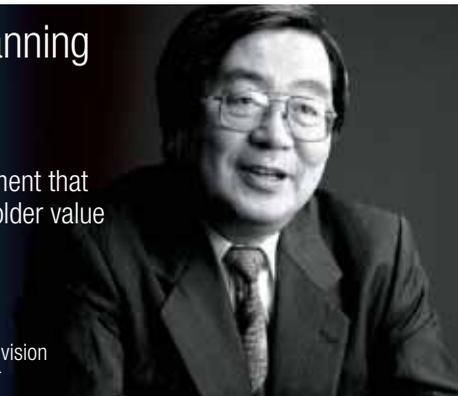
Liv Fitness Club in Hibarigaoka

Opened in December 2000, the Liv Fitness Club in Hibarigaoka is our second large-scale suburban fitness club.

Corporate Planning Operations

Promoting management that emphasizes shareholder value

Eiji Tan
Head Officer of
the Corporate Planning Division
Senior Managing Director



The Corporate Planning Division is responsible for the general management strategy of the Mitsubishi Estate Group. The division's principal duties include Group strategic planning, medium- and long-term policy-making, organizational and personnel-system design, performance management, investor and public relations and philanthropy.

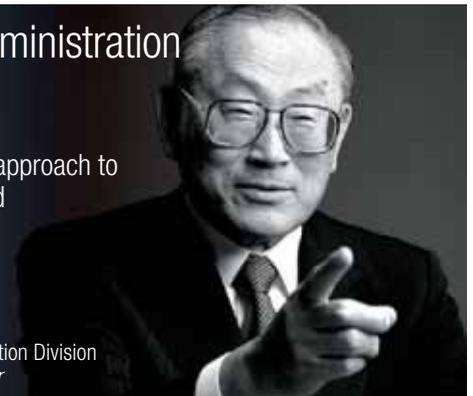
To foster a business mindset in employees at Mitsubishi Estate, we are introducing an assistance fund of ¥100 million to support an intracompany venture system. As the first step in putting this system in motion, in February 2001, we established the Shiki Resort Co., Ltd. to effectively utilize company-owned resorts.

As part of our plans to strengthen investor relations, we set up the Investor Relations Office in April 2001 to promote management that emphasizes shareholder value and reflects investor concerns more than ever before.

Corporate Administration Operations

Taking a hands-on approach to service, support and business ethics

Hirofumi Okuizumi
Head Officer of
the Corporate Administration Division
Senior Managing Director



The Corporate Administration Division is responsible for service and support functions in operational activities and compliance with business ethics.

We provide service and support functions in legal matters, matters relating to stocks, liaison service, facility management, large-scale construction orders and secretarial work.

To promote business ethics, we have laid out the Code of Corporate Conduct expressing our basic mission to create a truly meaningful society through urban development and strive toward following the eight principles set forth in the Code to cultivate communication with society and act as a good corporate citizen.

In addition, we focus efforts on disaster prevention planning and have set up our own disaster countermeasures, which are practiced every September by all employees.