Caution regarding forward-looking statements

Statements made in this annual report with respect to the Mitsubishi Estate Group’s current plans, estimates and strategies are forward-looking statements about the future performance of the Mitsubishi Estate Group. These statements are based on management’s assumptions, which are founded on currently available information and therefore should not be unduly relied upon. The Mitsubishi Estate Group cautions that a number of significant factors could cause future results to differ from forecasts in the forward-looking statements.

A Love for People
A Love for the City

—Forever Taking on New Challenges—The Mitsubishi Estate Group
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A Love for People
A Love for the City

—Forever Taking on New Challenges—The Mitsubishi Estate Group
FINANCIAL RESULTS
A Year of Record Results
During the fiscal year ended March 31, 2007, Mitsubishi Estate Co., Ltd. ("Mitsubishi Estate" or the "Company") and its consolidated subsidiaries (collectively, the "Mitsubishi Estate Group" or the "Group") recorded revenue from operations of ¥947,641 million, an increase of 12.3% from the previous fiscal year. Operating income also climbed 20.7% year on year to ¥168,165 million. Supporting these results were a full period’s contribution from new buildings in the Building Business; capital gains from the reshuffling of assets, as well as higher condominium sales in the Residential Business; and capital gains from the sale of large development properties in the Urban Development & Investment Management business. Collectively, these factors were the principal cause for the increase in revenues and earnings. In the fiscal year under review, Mitsubishi Estate recorded a gain on the sale of shares of affiliated company Cushman & Wakefield, a Rockefeller Group subsidiary, exceeding the loss related to the retirement of fixed assets associated with building demolition as part of the Marunouchi Redevelopment Project. As a result of the above factors, net income for the period under review surged 74.9% to ¥97,662 million.

OPERATING ENVIRONMENT
Continued Strong Real Estate Market
In the office building leasing market, there is an increasing shortage of space resulting from office relocations to prime facilities due to a stronger economy and burgeoning demand. In central Tokyo, with vacancy rates at below 3%, demand is especially tight for large office building space in prime locations. The supply of new office buildings in Japan temporarily increased from the previous year through the current year, but as tenants have already leased a majority of the available space, the outlook is for continued tight vacancy rates at below 3%, demand is especially tight for large office building space in prime locations. The supply of new office buildings in Japan temporarily increased from the previous year through the current year, but as tenants have already leased a majority of the available space, the outlook is for continued tight demand and rising rental rates, especially in central Tokyo. In the residential market, condominium supply in the Tokyo Metropolitan area dropped below 80,000 units for the first time in eight years, due to postponement of sales by owners in an environment marked by rising prices and intensifying competition for land acquisition. Meanwhile, despite such concerns as rising interest rates, with a continuing population influx into large metropolitan areas, especially Tokyo, demand remains brisk. In the wake of rising land acquisition and construction costs, the outlook is for sales prices to trend upward. However, whether sales of condominiums will be favorable or not based on location and product planning should become clearer as we move ahead.

In the real estate investment market, with a low-interest rate policy triggering an inflow of investment funds, competition for the acquisition of property intensified with real estate prices for some properties rising sharply, resulting in an accelerating increase in land prices primarily in Japan’s three major metropolitan areas. Land prices of prime real estate in urban centers that has become more profitable as a result of redevelopment are rising at a rapid rate. While the impact of interest rates bears watching, higher rental rates are expected to boost profitability and real estate prices in urban centers are likely to firm up.

Consequently, the Mitsubishi Estate Group has continued to respond quickly and unerringly to business environment and market changes, as it enhances management efficiency, improves earnings power and takes steps to raise corporate value.

BUSINESS STRATEGIES
Maintaining Balance between Asset Development Businesses that Have Holding Strategies with those that Have Exit Strategies
With development as its core, the Mitsubishi Estate Group will strike a good balance between its "develop and hold" business, which involves increasing cash flow (income gains) and raising asset value while maintaining its holdings, and its "develop and exit" business, which involves leveraging real estate securitization and non-recourse loans and increasing capital gains through property sales. This strategy will then serve as our growth engine.

Mitsubishi Estate’s earnings are steadily growing in the midst of continuing brisk activity in the real estate market. From this point forward, we will pursue even greater management efficiency and stronger earning capacity to increase corporate value. Furthermore, we have created a brand slogan and brand statement that express the direction of the Mitsubishi Estate Group’s vision and our promise to all of our stakeholders. Guided by this slogan and statement, we will continue our efforts with an eye toward further growth.
TO OUR SHAREHOLDERS

FINANCIAL RESULTS
A Year of Record Results

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Corporate Value

The Mitsubishi Estate Group places a high degree of importance on the maximization of corporate value. In light of this, our efforts with an eye toward further growth.

In the real estate investment market, with a low-interest rate policy forcing an inflow of investment funds, competition for the acquisition of property intensified with real estate prices for some properties rising sharply, resulting in an accelerating increase in land prices primarily in Japan’s three major metropolitan areas. Land prices of prime real estate in urban centers that has become more profitable as a result of redevelopment are rising at a rapid rate.

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Koji Kimura, President & CEO

Financial Highlights

<table>
<thead>
<tr>
<th>Years ended March 31</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from operations (¥ million)</td>
<td>6,231,584</td>
<td>6,809,729</td>
<td>8,076,918</td>
<td>7,735,361</td>
<td>8,944,217</td>
<td>9,476,414</td>
</tr>
<tr>
<td>Net income (¥ million)</td>
<td>71,396</td>
<td>36,099</td>
<td>33,986</td>
<td>36,240</td>
<td>52,820</td>
<td>97,662</td>
</tr>
<tr>
<td>As a percentage of revenue from operations</td>
<td>1.1%</td>
<td>0.5%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.6%</td>
<td>1.0%</td>
</tr>
<tr>
<td>As a percentage of total equity</td>
<td>1.6%</td>
<td>0.6%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Total assets (¥ million)</td>
<td>3,080,795</td>
<td>3,077,927</td>
<td>3,069,842</td>
<td>3,134,014</td>
<td>3,289,209</td>
<td>3,477,270</td>
</tr>
<tr>
<td>Total equity (¥ million)</td>
<td>1,032,497</td>
<td>983,983</td>
<td>967,468</td>
<td>935,500</td>
<td>1,133,525</td>
<td>1,235,644</td>
</tr>
<tr>
<td>Common stock per share (¥)</td>
<td>86.54</td>
<td>86.54</td>
<td>86.54</td>
<td>86.54</td>
<td>129.75</td>
<td>132.54</td>
</tr>
<tr>
<td>Par share amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>97,662</td>
</tr>
<tr>
<td>Cash dividends applicable to the year</td>
<td>¥0</td>
<td>¥0</td>
<td>¥0</td>
<td>¥0</td>
<td>¥0</td>
<td>¥0</td>
</tr>
</tbody>
</table>

Notes:
1. All amounts shown are translated into U.S. dollars, rounded for convenience, at the prevailing exchange rates on March 31, 2007, of ¥109.11 to U.S.$1.00.

Mitsubishi Estate Co., Ltd. ("Mitsubishi Estate" or the "Company") and its consolidated subsidiaries (collectively, the "Mitsubishi Estate Group" or the "Group") recorded revenue from operations of ¥947,641 million, an increase of 12.3% from the previous fiscal year. Operating income also climbed 20.7% year on year to ¥168,165 million. Supporting these results were a full period’s contribution from new buildings in the Building Business; capital gains from the reshuffling of assets, as well as higher condominium sales in the Residential Business; and capital gains from the sale of large development properties in the Urban Development & Investment Management business.

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The Building Business will push ahead with the Marunouchi Redevelopment Project, the centerpiece of its portfolio, and boost the amount of cash flow that the entire area generates by creating synergistic effects from more floor space devoted to sales and higher rents, thereby raising the asset value of holdings. In addition, to raise asset efficiency, we will improve the quality of our portfolio by reshuffling non-core assets and reinvesting in highly profitable properties with high-growth potential. At future areas of growth, we will integrate and thereby strengthen the development, administration, and management of the shopping center business, and take steps to expand our business foundation with projects outside the Marunouchi area as well.

In the Residential Business, Mitsubishi Estate will continue to focus on the Tokyo Metropolitan area and supply annually an estimated 3,500 condominiums of high quality and reliability, a hallmark of the Company, emphasizing a location-based strategy and product planning. In March 2005, Mitsubishi Estate formed a strategic partnership with and took an equity stake in TOWA REAL ESTATE DEVELOPMENT CO., LTD. This complementary relationship has the advantage of providing customer targets and supply areas that can be leveraged with the aim of increasing earnings while sharing know-how.

In the Urban Development & Investment Management business, we see the asset-utilization needs of customers that own real estate as a business opportunity and are aggressively expanding the development business, which puts to use the real estate value creation know-how of Mitsubishi Estate. At the same time, as we take steps to diversify methods of development, such as through value-added investments that increase real estate value, we are investing more in the development of income-generating real estate with a focus on exit strategies. Moreover, in response to the asset-utilization needs of customers that own real estate, we will fortify our property management and leasing businesses, which are essential to a stronger development business, as well as our corporate brokerage and advisory service businesses, which handle real estate liquidity needs. By so doing, the overall real estate solution capability of the entire Mitsubishi Estate Group will increase in a strategic way.

STRENGTHENING THE CORPORATE BRAND
Listening Carefully to Every Customer and Challenging New Horizons in Value Creation
Based on integrity, open-mindedness and teamwork, and acting in a humane spirit of honesty, humility and thoughtful consideration for all, we of the Mitsubishi Estate Group will always maintain an open mind and cooperative spirit and respond to the expectations of every stakeholder, including customers and shareholders.

To reinforce the competitive position of the Mitsubishi Estate Group as a whole, we have started taking steps to strengthen the corporate brand. As an expression of the corporate direction that we have set our sights on and the promise to our stakeholders, the Mitsubishi Estate Group has drawn up a clearly stated brand slogan and brand statement.

September 2007
The Building Business will push ahead with the Marunouchi Redevelopment Project, the centerpiece of its portfolio, and boost the amount of cash flow that the entire area generates by creating synergies from more floor space devoted to sales and higher rents, thereby raising the asset value of holdings. In addition, to raise asset efficiency, we will improve the quality of our portfolio by reshuffling non-core assets and reinvesting in highly profitable properties with high-growth potential. As future areas of growth, we will integrate and thereby strengthen the development, administration and management of the shopping center business, and take steps to expand our business foundation with projects outside the Marunouchi area as well.

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In the International Business, with real estate investment funds increasingly in search of global opportunities, the proceeds from the previous fiscal year’s sale of shares in Cushman & Wakefield will be invested in the growth of the development and real estate advisory businesses, in an attempt to manage market and country risks as we take steps to expand business globally.

In addition, we will aggressively expand proposal-based marketing throughout the entire Group, focusing primarily on the Real Estate Consulting & Solution Department, a strategic marketing structure within the Group, with the aim of increasing business opportunities. At the same time, we will fortify our property management and leasing businesses, which are essential to a stronger development business, as well as our corporate brokerage and advisory service businesses, which handle real estate liquidity needs. By so doing, the overall real estate solution capability of the entire Mitsubishi Estate Group will increase in a strategic way.

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Listening Carefully to Every Customer and Challenging

New Horizons in Value Creation

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### Brand Slogan

**A Love for People**

—Forever Taking on New Challenges—The Mitsubishi Estate Group

### Brand Statement

Our wish is to provide people who live in, work in and visit the city with enriching and fulfilling lives, full of stimulating opportunities to meet.

The Mitsubishi Estate Group has always pursued the genuine value sought by people in the environments and services it provides. With an eye to the future, we carefully listen to each and every customer, and create the true value they seek.

We wish to share with our customers the inspiration and passion we derive from our work. We will constantly take on new challenges to achieve this vision, and through it, we will continuously evolve.

This aspiration will always drive our growth.

---

**Medium-Term Management Plan “FF2007”**

**Revenue Share by Segment**

- **Urban Development & Investment Management 33.0%**
- **International Business 25.0%**
- **Residential Business 20.3%**
- **Building Business 20.3%**
- **Commercial Business 5.5%**

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