

Corporate Governance

Basic Philosophy of Corporate Governance

The Mitsubishi Estate Group seeks to raise true corporate value and achieve its basic mission of contributing to the creation of a meaningful society through urban development. To that end, we recognize the importance of achieving a harmonious balance between corporate growth and the interests of our various stakeholders.

Based on this mission, the Mitsubishi Estate Group has set its sights on perpetuating a management that is focused on the common interests of shareholders and works to ensure transparency and objectivity as it takes steps to further improve its management system to attain efficient and sound Group management. Above all, we view corporate governance as one of the most important challenges that we face and, therefore, we are constantly working toward the creation of an optimal Group governance structure.

Corporate Governance System

Mitsubishi Estate is a company with internal statutory auditors. In addition to the General Meeting of Shareholders, the highest decision-making body, it has established a Board of Directors composed of the 13 directors (including four outside directors) and the Company's four statutory auditors (including three outside statutory auditors), and a Board of Statutory Auditors composed of all statutory auditors. Moreover, the Company has introduced an executive officer system and is taking steps to strengthen and more clearly define oversight and business execution functions.

Directors and the Board of Directors

The Board of Directors at Mitsubishi Estate holds regularly scheduled monthly meetings as well as extraordinary meetings when necessary to settle important business matters and oversee the business and affairs of the Company. In June 2007, to ensure greater management transparency and further fortify management and oversight of the Board of Directors, the number of outside directors was increased by one and the term that a board member may serve was reduced from two years to one.

To facilitate our response to new business opportunities, while keeping a close eye on governance, we are taking steps to speed up the decision-making process on urgent issues such as the acquisition of real estate assets through bids by introducing a special director system prescribed in the Japan Company Law.

Executive Officers and the Establishment of Consultative Bodies

At Mitsubishi Estate, 30 executive officers are in charge of business execution in each of their respective areas of responsibility. Moreover, important decisions are deliberated upon by the Executive Committee. The Executive Committee meets, as a general rule, once each week with the president, the executives of each business division and standing statutory auditors in attendance.

In addition, a number of consultative bodies have been established, including the Strategic Investment Committee and the CSR Committee. The Strategic Investment Committee assesses and considers investment proposals, acting as a subordinate body to the Executive Committee, and the Strategic Planning Committee is responsible for deliberating overall Group management strategy. The CSR Committee consults on Group CSR issues and shares relevant information on this subject with others. Through these bodies, we are creating a structure to facilitate and ensure that appropriate decisions are made in the area of management strategy and in the execution of business affairs.

Auditors and the Board of Auditors

Statutory auditors at Mitsubishi Estate attend meetings of the Board of Directors. In line with the annual audit plan, they audit the business execution status of the Board of Directors and of staff in each division.

Standing statutory auditors attend important meetings including the Executive Committee and collaborate with the Internal Audit Office and the CSR Department through regularly scheduled meetings. Furthermore, the Office of Statutory Auditors was established to assist the work of auditors.

Internal Controls

With respect to compliance, Mitsubishi Estate has formulated the Group's basic mission, code of conduct and action guidelines, which define standards of conduct for officers and employees to follow. The Company is working to thoroughly instill these standards throughout the Group and to achieve rigorous compliance through programs carried out by the CSR Department. Mitsubishi Estate has established its Group Management Rules for the management of business and other types of risk. Based on these rules, we have positioned the CSR Committee as a body responsible for promoting Group risk management, and the Risk Management Subcommittee as a working-level body that compiles information related to risk management. The executive in charge of the CSR Department has been given overall responsibility for risk management, and the general staff department managers of each division and corporate staff department managers have been given the title of "Risk Management Officers" and overall control and responsibility for the management of risk within their departments.

The Internal Audit Office was established and implements internal controls in line with annual and medium-term auditing plans, and verifies whether internal controls are being appropriately maintained and managed.

Countermeasures to Acquisitions and Other Matters

At the Board of Directors Meeting held on May 10, 2007, Mitsubishi Estate resolved to introduce a basic policy regarding those who would assume control of the Company's financial matters and management policy, and, as a concrete measure in line with the basic policy, a plan for dealing with major acquisitions of the Company's shares (hereinafter the "Plan") was discussed and approved at the General Meeting of Shareholders on June 28, 2007.

The purpose of the Plan is that, in the event of a major acquisition of Mitsubishi Estate shares, shareholders will be able to decide whether said major acquisition contributes to Mitsubishi Estate's corporate value and their interests. The Plan further

ensures that the Board of Directors of the Company has sufficient time and information to submit an alternative proposal to the shareholders. It also helps prevent acquisitions that do not contribute to corporate value or shareholder interests by allowing the Company time to discuss and negotiate with the acquirer for the benefit of the shareholders. Moreover, the Plan establishes an independent committee composed of independent outside directors. In the event of an allotment of equity warrants without contribution, a type of acquisition countermeasure, the independent directors will, after having considered specific concrete exigencies, make a point of advising Mitsubishi Estate's Board of Directors, who will decide on a course of action only after having given full and serious consideration to said advice.

Directors, Statutory Auditors, and Executive Officers

Directors and Statutory Auditors	President & Representative Director	Keiji Kimura	Executive Officers	Chief Executive Officer	Keiji Kimura	
	Representative Director	Nobuyuki Iizuka		Deputy President	Nobuyuki Iizuka	
	Representative Director	Toshio Nagashima		Executive Vice President	Kazuo Odagawa	
	Representative Director	Hiroshi Danno		Executive Vice President	Hiroharu Koinuma	
	Representative Director	Takaya Endo		Executive Vice President	Toshio Nagashima	
	Representative Director	Seiichiro Suzuki		Executive Vice President	Hiroshi Danno	
	Director & Executive Counsel	Shigeru Takagi		Executive Vice President	Takaya Endo	
	Director	Hiroyoshi Ito		Executive Vice President	Seiichiro Suzuki	
	Director	Hiroataka Sugiyama		Executive Vice President	Toyohisa Miyauchi	
	Director	Isao Matsuhashi		Senior Executive Officer	Mitsuo Iwai	
	Director	Fumikatsu Tokiwa		Senior Executive Officer	Masaaki Kono	
	Director	Kazuya Okamoto		Senior Executive Officer	Takao Yagihashi	
	Director	Shu Tomioka		Senior Executive Officer	Hiroyoshi Ito	
	Standing Statutory Auditor	Eiji Tan		Senior Executive Officer	Yutaka Yanagisawa	
	Standing Statutory Auditor	Kunihiro Inoue		Senior Executive Officer	Yuzuru Shibagaki	
	Statutory Auditor	Kenjiro Hata		Senior Executive Officer	Hiroshi Nakajima	
	Statutory Auditor	Akio Utsumi		Senior Executive Officer	Masao Ouchi	
					Senior Executive Officer	Hiroataka Sugiyama
					Executive Officer	Toshihide Yoshimura
			Executive Officer	Kazuo Takahashi		
			Executive Officer	Yasuo Fujiwara		
			Executive Officer	Ichiro Watarai		
			Executive Officer	Megumu Ono		
			Executive Officer	Toshihiko Kazama		
			Executive Officer	Yoshikazu Fukasawa		
			Executive Officer	Shiro Fujiwara		
			Executive Officer	Masamichi Ono		
			Executive Officer	Soichiro Hayashi		
			Executive Officer	Jo Kato		
			Executive Officer	Naoto Aiba		

Notes:

1. Among directors, only Isao Matsuhashi, Fumikatsu Tokiwa, Kazuya Okamoto, and Shu Tomioka fulfill the qualifications necessary for outside director as stipulated in Article 2-15 of the Company Law.
2. Among statutory auditors, only Kunihiro Inoue, Kenjiro Hata, and Akio Utsumi fulfill the qualifications necessary for outside statutory auditor as stipulated in Article 2-16 of the Company Law.

(As June 28, 2007)