MITSUBISHI ESTATE CO., LTD.
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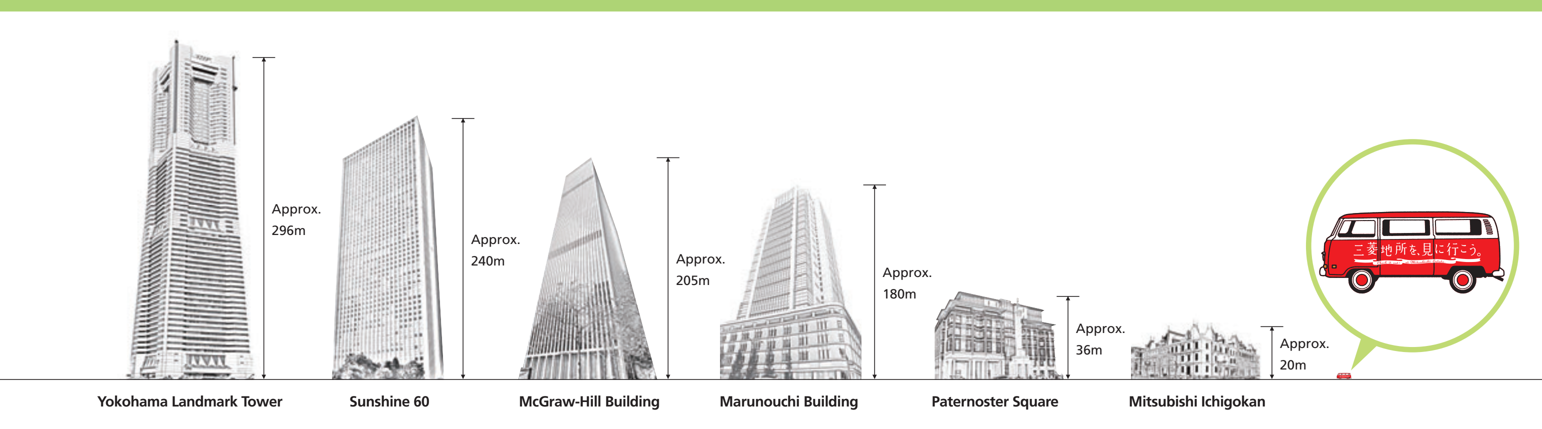

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MITSUBISHI ESTATE CO., LTD. ANNUAL REPORT 2013

MITSUBISHI ESTATE

ANNUAL REPORT 2013

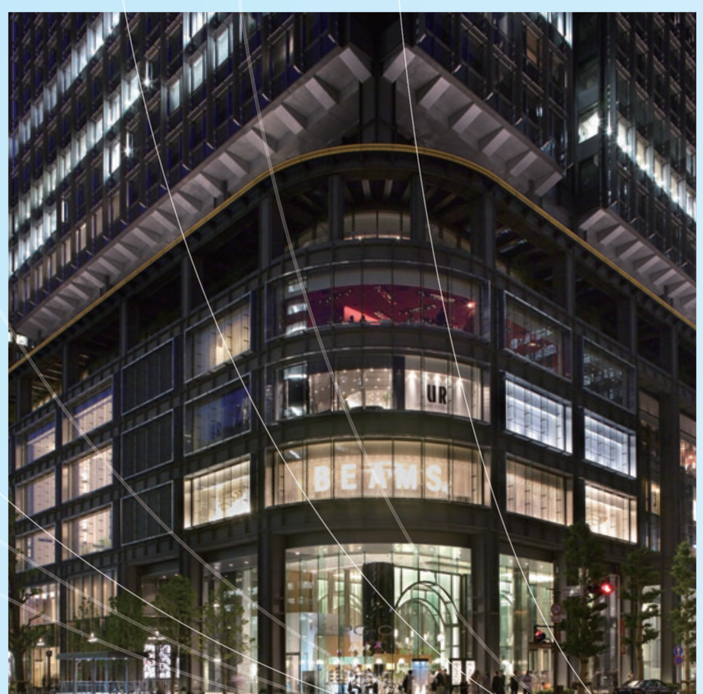
Fiscal Year ended March 31, 2013











A Love for People
A Love for the City

Forever Taking on New Challenges–The Mitsubishi Estate Group

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.

Contents




Guided by a growth strategy that is grounded in the strength of our human resources, we will ramp up efforts to orchestrate comfortable cities for the future and create ideal urban environments worldwide.

Established in 1937, Mitsubishi Estate Co., Ltd. has a long history of excellence as a comprehensive real estate company. As a group, our basic mission is to “contribute to society through urban development.” Our activities are wide ranging and include the development, leasing, and management of office buildings and commercial properties, typified by the cluster of buildings in Tokyo’s Marunouchi district, the development of real estate for investment purposes, the development and sale of residential properties, design supervision, and real estate brokerage services.

Indicative of its long-term approach toward the development of its business and strategies, the Mitsubishi Estate Group has successfully nurtured the Marunouchi district in Tokyo from its purchase as a wilderness area in 1890 into one of the world’s leading commercial centers. Rather than rest on its laurels, the Group put in place “BREAKTHROUGH 2020: Orchestrating comfortable cities for the future—we create ideal urban environments worldwide,” a new medium- to long-term management plan, in the fiscal year ended March 31, 2012. Working in unison, the Group is committed to achieving this plan and realizing what we ideally see as the Group in ten years’ time.

Hirotaka Sugiyama

President & Chief Executive Officer
Mitsubishi Estate Co., Ltd.

Q.1 Please provide us with an overview of results of fiscal 2013 (the fiscal year ended March 31, 2013) and an outline of the issues you expect to confront in fiscal 2014.

In fiscal 2013, the Mitsubishi Estate Group confronted an extremely harsh operating environment. Our results were negatively impacted by such factors as financial instability in Europe and a slowdown in the rate of economic growth in China. In addition to corrections following the sale of large-scale properties in fiscal 2012, we recorded an extraordinary loss in connection with the reconstruction of several office buildings. Accounting for these and other factors, the Mitsubishi Estate Group reported a substantial year-on-year decline in both revenues and income.

On a more positive note, conditions throughout the real estate market entered a recovery phase from the second half of the fiscal year under review. For example, the supply of new large-scale office buildings in central Tokyo has tapered off. Demand for office space by the corporate sector is steadily rising in line with the positive turnaround in economic conditions in Japan. As a result, signs of improvement in the supply and demand balance are becoming increasingly evident. Turning to the condominium market, conditions remain firm. This reflects the underlying strength of continued volume zone sales targeting first-time buyers. At the same time, the weak yen and robust stock prices at the beginning of 2013 fueled a recovery in the sale of higher priced properties. In the real estate investment market, trends were buoyed by the inflow of funds from overseas. This has triggered a period of active buying and selling.

While recognizing that the Group's results will not immediately benefit from improvements in market conditions, we are confident that our consistently earnest marketing efforts will in time bear fruit. On this basis, we anticipate a substantial year-on-year surge in income in fiscal 2014. This confidence is particularly strong in our Residential Business activities. Our determined efforts to reduce costs following the launch of Mitsubishi Jisho Residence Co., Ltd. are finally showing signs of success and we anticipate our activities in this area will gather considerable momentum in fiscal 2014. In the Building Business, however, improvements in the office building market are yet to contribute fully to the Group's performance. While we project a substantial increase in operating income on the back of an upswing in property sales in fiscal 2014, growth in mainstay office leasing income will remain limited. Looking ahead, we will channel our energies toward early improvements in new building utilization rates and the increased profitability of existing buildings. In this latter case, we will work to revise rents and redouble efforts toward reducing costs.

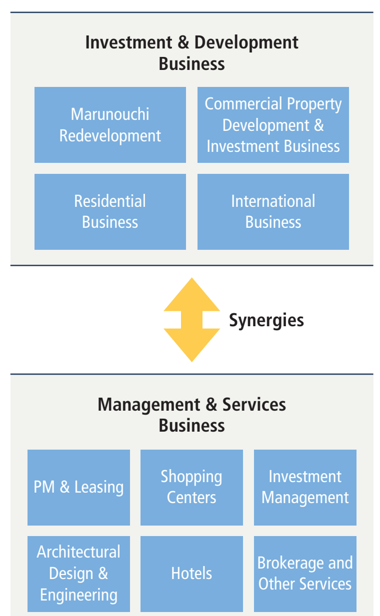
Q.2 Please tell us more about "BREAKTHROUGH 2020," your medium- to long-term management plan.

In "BREAKTHROUGH 2020," we first and foremost lay out the values and code of conduct that our employees should abide by, specifically, five values and five actions. Then, roughly dividing the Group's business domains into the:

- Investment & Development Business:
  The Business group where Mitsubishi Estate invests in development projects,
- Management & Services Business:
  The Business group where Mitsubishi Estate offers customers added value through professional services,

we set forth our aim to reinforce our value chains by closely linking the two business domains. Fully leveraging these value chains, the aim of the Group's medium- to long-term management plan is to cement its No. 1 position in the investment and development business fields.

Five "Values"	Five "Actions"
"Innovative"	Continue to take on challenges as an innovative urban developer
"Eco-conscious"	Aim for sustainable growth through advanced environmental initiatives
"Customer-oriented"	Always think about customer value from a customer perspective
"Global"	Develop HR, structure and businesses suitable for global operations
"As One Team"	Unite as one team and strive to realize BREAKTHROUGH 2020



Q.3 What are the growth strategies of the Mitsubishi Estate Group?

I firmly believe that a company's strength rests on the strength of its people. With this in mind, a workplace environment that motivates employees to carry out their daily duties with pride is essential to consistently enhancing corporate value and the satisfaction of stakeholders. Taking this one step further, fostering human resources and building a dynamic workplace environment are therefore of critical importance. Accordingly, our first growth strategy lies in ensuring these two key requirements are recognized throughout the Group.

Having put in place this vital infrastructure, we are making steady progress toward identifying and carrying out specific growth strategies. Moving beyond the first stage (1998-2007) of our key Marunouchi Redevelopment Project, we are currently proceeding smoothly with the second stage (2008-2017). In 2012, the second project of the second stage, the Marunouchi Eiraku Building and third project, Otemachi Financial City, were completed in January and October, respectively. Moving forward, we are steadfastly pursuing several new development projects, including the tentatively named Otemachi 1-1 Project, the third phase of the Otemachi Chain Redevelopment Project, and the tentatively named Marunouchi 3-2 Project. While continuing to upgrade the quality and functionality of the Marunouchi district, our tangible development endeavors will be complemented by a focus on such intangible fields as the environment and information as a part of efforts to counter competition from other international cities, including Singapore and Hong Kong.

In the Residential Business, we integrated the residential development and sales operations of Mitsubishi Estate, Mitsubishi Real Estate Services Co., Ltd., and Towa Real Estate Development Co., Ltd. in January 2011, and launched Mitsubishi Jisho Residence Co., Ltd. together with The Parkhouse condominium brand. While it took us a little time to fully harness the benefits of integration, we have finally solidified the necessary organizational structure, and anticipate significant contributions to income in fiscal 2014. Looking ahead, the Group will continue to work in unison, focusing on the development and sale of condominiums. Every effort will be made to strengthen the Group's logistics, leasing, management, custom-built housing, renovation, and related activities in a never-ending pursuit of lifelong customer value.

In addition, considerable weight will be placed on our overseas business development activities, a key component of our medium- to long-term management plan. Building on our many years of experience and a proven track record of business expansion in North America and the United Kingdom, we will extend into new business domains, including Asia, where many countries continue to exhibit marked rates of economic growth. We are confident that the expertise we have gained from carrying out the Marunouchi Redevelopment and other projects are in high demand by markets around the world. While meeting this demand, we will look to bring back the experience garnered overseas to enrich our activities in Japan.

Q.4 In closing, is there any message that you would like to convey to stakeholders?

The Mitsubishi Estate Group has identified "A Love for People, A Love for the City—Forever Taking on New Challenges" as its corporate brand slogan.

This slogan encapsulates our beliefs and values, such as honesty and trust, our orientation toward our customers, commitment to value creation, and our willingness to confront challenges. In staying true to these values, I am confident in our ability to overcome difficulties in our operating environment. Together, each and every member of the Group will do their utmost to realize our established growth strategies. As we work toward achieving our goals, we would like to thank all our stakeholders and kindly request their continued support and understanding.

Business Information

Investment Management Business
0.7%

Investment Management Business segment revenues are derived from the management of real estate for investment purposes and other types of assets.

Architectural Design & Engineering
2.0%

Architectural Design & Engineering segment revenues are derived from the architectural design and engineering services provided to construction and civil engineering projects and related activities.

Hotel Business
3.0%

Hotel Business segment revenues are derived from the operation of Royal Park Hotels and related activities.

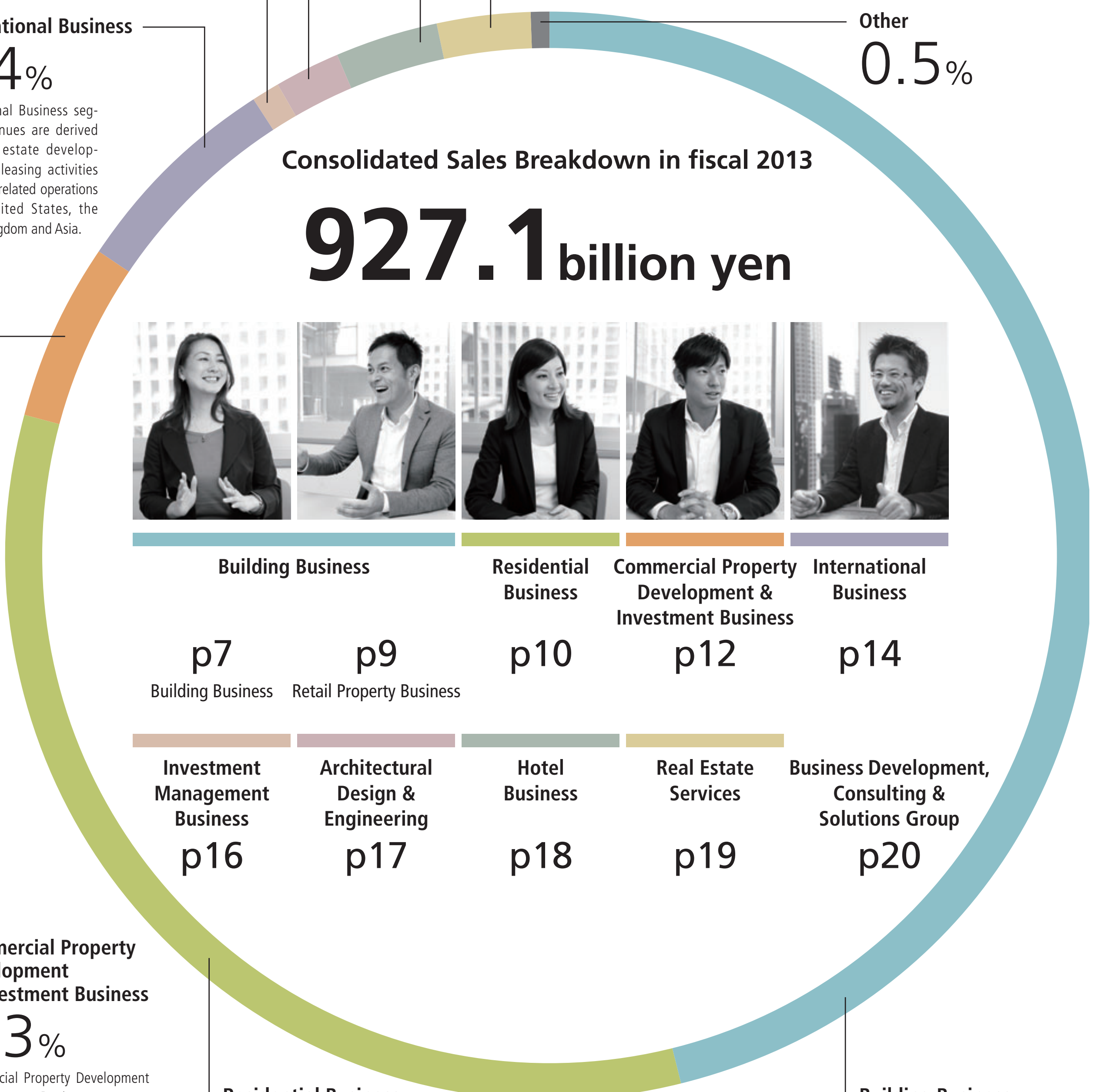
Real Estate Services
2.8%

Real Estate Services segment revenues are derived from real estate brokerage and related services.

Other
0.5%

International Business
6.4%

International Business segment revenues are derived from real estate development and leasing activities as well as related operations in the United States, the United Kingdom and Asia.



Consolidated Sales Breakdown in fiscal 2013

927.1 billion yen

Commercial Property Development & Investment Business
5.3%

Commercial Property Development & Investment Business segment revenues are derived from the development of real estate for investment purposes and related activities.

Residential Business
33.0%

Residential Business segment revenues are derived from the construction and sale of condominiums, single-unit homes, and residential and commercial lots. This segment is also engaged in the management of condominiums and homes, along with leisure and other-related businesses.

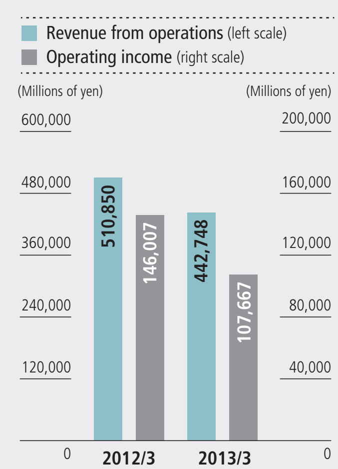
Building Business
46.3%

Building Business segment revenues are derived mainly from building development and leasing in Japan. This segment is also engaged in building management, as well as parking facilities, district heating and cooling, and other operations.

1 Building Business

Enhancing Urban Functions from an Area Management Perspective

The Building Business primarily undertakes the development, leasing and property management of office buildings in Japan's major cities. It also handles the management of large-scale shopping centers, the operation of parking lots, and the operation of district heating and cooling services throughout Japan. In addition to ensuring advanced preparedness against disasters, the business places considerable weight on environmentally friendly activities as a part of ongoing efforts to enhance urban functions from an area management perspective.



Otemachi Financial City

This project entailed the redevelopment of a site that housed the JA Building, Keidanren Kaikan, and Nikkei Building prior to their demolition. Reconstruction has been completed on a facility that contains multiple offices and retail stores. In addition to its large scale, this development represents a new landmark structure in the Otemachi area, distinguished by its outstanding environmental and disaster prevention features.

Promoting the Second Stage of Marunouchi Redevelopment

Mitsubishi Estate is going beyond the role of developer to that of producer, as it maximizes the full potential of the Marunouchi area and delivers new functions that meet the business needs of today and tomorrow. In 1998, we commenced the first stage, covering a period of 10 years, of Marunouchi Redevelopment. Beginning with the completion of the Marunouchi Building in 2002, a total of six new buildings have been completed, including the Shin-Marunouchi Building.

In 2008, we pushed ahead with the second stage. The first project of the second stage consisted of the Marunouchi Park Building and Mitsubishi Ichigokan in April 2009. In January 2012, we witnessed the completion of the second project, the Marunouchi Eiraku Building, followed by the third project, Otemachi Financial City, in October 2012. The latter of these two properties falls within the Otemachi Chain Redevelopment Project. Positioned as the fourth project of the second stage of the Marunouchi Redevelopment Program, the Otemachi 1-1 project (tentative name) is currently in progress with construction being carried out under an integrated development plan on the Resona Maruha Building and The Bank of Tokyo-Mitsubishi UFJ Otemachi Building.

Based on the achievements of the first stage of the Marunouchi Redevelopment Program, the second stage is designed to encompass broader and more comprehensive plans to further rejuvenate the Otemachi, Marunouchi, and Yurakucho districts. As the benefits of development ripple across the area as a whole, we anticipate the city's functions and performance to more than rival those of major international cities worldwide.

The Otemachi 1-1 Project (Tentative Name)
The project entails the reconstruction of two office buildings according to a single harmonized development plan. Every effort is being placed on ensuring an optimal urban environment while promoting distinctive business operations and support activities as well as eco-friendly and disaster prevention features commensurate with Otemachi as a leading international financial district.

Mitsubishi Ichigokan
Mitsubishi Ichigokan has been completely restored to its former 1894 glory as the first office building in Marunouchi. Today, this building is functioning as a key culture and arts complex for expanding the area's cultural horizons.

The Commercial Asset Development Department is mainly engaged in the reconstruction of buildings held by the Company. At any one time, the department is actively promoting several building development plans simultaneously. It is not uncommon for a plan to extend over 10 years from negotiations with rights holders and related parties to deliberations with public authorities, the closure of existing buildings, demolition, and the eventual construction of new buildings.

Over the past 15 years, the face of the Otemachi, Marunouchi, and Yurakucho districts has changed dramatically. In addition to a significant number of new office buildings, the area has welcomed new commercial and retail facilities, hotels, art galleries, and daycare centers for children. More than just office buildings that bring millions of workers to the area each day, the Otemachi, Marunouchi, and Yurakucho districts attract a diverse range of visitors both during the day and night. Catering to the needs of shoppers, people out for a stroll, and art lovers alike, this area is vibrant with life.

Cities inherently provide a place for people to assemble and, through mutual exchange and the sharing of experiences, to inspire one another. As we work to develop the city districts of the future, we will integrate a diverse range of ideas that incorporate environmental and disaster prevention concerns to build better urban environments.

Yuko Koibuchi

Deputy General Manager
Commercial Asset Development Department
Mitsubishi Estate Co., Ltd.

Shisui PREMIUM OUTLETS opened in April 2013 and offers easy access from central Tokyo and Chiba Prefecture. Travel time by car is about 50 minutes from central Tokyo and about 10 minutes from Narita Airport. Visitors can also take a bus from Shisui Station on the JR Line or Keisei Shisui Station on the Keisei Line. Shisui PREMIUM OUTLETS covers a site area of approximately 420,000m^2, which is larger than Gotemba PREMIUM OUTLETS, and offers parking for as many as 5,500 cars.

The facility was designed with an art deco theme that is reminiscent of American cities of the 1930s, with the dining pavilion patterned on an airport. With the goal of creating an environment pleasing to overseas visitors, the facility features a shuttle bus to Narita Airport, covered bus stops extending a full 250 meters, foreign exchange and flight information services, and full-time staff capable of providing multilingual assistance.

From popular select shops to stores specializing in domestic and overseas fashion brands, sporting and outdoor goods, and lifestyle items, not to mention restaurants offering exclusive menus featuring local specialties, Shisui PREMIUM OUTLETS provides a rich lineup of shopping experiences, and visitors are invited to find their own particular favorite.

Kazutoshi Hatasue

Assistant Manager
Development
Mitsubishi Estate-Simon Co., Ltd.

Retail Property Group

Active Expansion of the Retail Property Business throughout Japan

In its retail property business, Mitsubishi Estate is pushing ahead with the development of various types of retail properties that match the unique features of each area. The Mitsubishi Estate Group continuously engages in facility planning, development, tenant leasing and management operations through its comprehensive business structure.

Shisui PREMIUM OUTLETS
Opened on April 19, 2013, this is the ninth facility under the PREMIUM OUTLETS brand name. Located in Shisui-machi, Inba-gun, Chiba Prefecture, this complex boasts total store floor space of approximately 21,700m^2. Together with eight stores that are opening for the first time in Japan, this development opened with a total of 121 stores, the largest number of any PREMIUM OUTLETS at the time of opening.

MARK IS Shizuoka
Opened on April 12, 2013, the large-scale shipping center offers seven floors above ground with a total floor and retail store space of approximately 36,000 tsubo and 11,000 tsubo, respectively. With convenient access, MARK IS SHIZUOKA is about a three-minute walk from the JR Higashi Shizuoka Station, four minutes on foot from Yunoki Station on the Shizuoka Railway Line, and five minutes from Naganuma Station.

MARK IS Minatomirai
Opened on June 21, 2013, this facility will comprise six floors above ground and four floors below ground. Shop floor space will come in at around 13,000 tsubo with total floor space of approximately 35,100 tsubo. The closest railway station is Minatomirai on the Yokohama Minatomirai Line, with direct access from the fourth underground floor. The facility is also eight minutes on foot by moving walkway to JR Sakuragicho Station.

Offering New Value by Creating Ideal Urban Environments — for People and Cities

Creating new value through our retail property business, synchronizing people's lifestyles with "urban heartbeats," the Mitsubishi Estate Group orchestrates ideal urban environments that maximize cities' value and the quality of living for everybody who lives and works in them as well as for those who visit.

Since the 1989 opening of the Tenjin MM Building (IMS) in Fukuoka Prefecture, retail property operations have become a full-blown business with numerous projects completed, including the Yokohama Landmark Tower and the Marunouchi Building.

In its efforts to create a more appealing city, Mitsubishi Estate has continued to raise the value of retail facilities in the Marunouchi area. To this end, we opened iiyo!! (a commercial zone in the Marunouchi Eiraku Building), the seventh facility operated by the Group, in March 2012. Along with such infrastructure development, the Company is fervently carrying out promotional activities. From an area management perspective, Mitsubishi Estate is focusing on operations that realize intangible benefits.

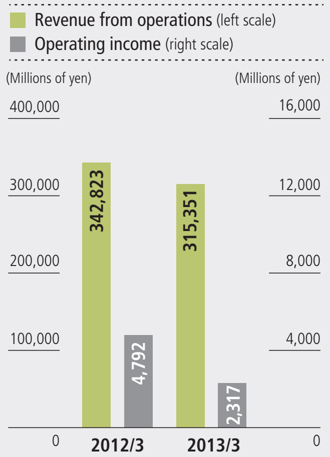
In projects outside the Marunouchi area, we opened MARK IS Shizuoka (Shizuoka City, Shizuoka Prefecture), the first independent retail property under the core MARK IS brand, in April 2013. This was followed by the opening of MARK IS Minatomirai (Yokohama City, Kanagawa Prefecture) in June 2013. In addition, Mitsubishi Estate launched the SHISUI PREMIUM OUTLETS (Shisui-machi, Inba-gun, Chiba Prefecture) in April 2013.

Mitsubishi Estate will continue to focus on three types of retail properties: those in Marunouchi, centered on the Marunouchi Building; urban- and suburban-type retail properties focusing mainly on the MARK IS series; and outlet facilities developed by Mitsubishi Estate-Simon Co., Ltd., which became a consolidated subsidiary in March 2009. Maintaining this focus, the Company will promote a variety of projects across Japan with an eye to business development as it cultivates global markets going forward.

Residential Business

Engaging in the Development of a Residential Business That Meets Wide-Ranging Customer Needs

Through the Residential Business segment, we aim to provide ideal living environments in concert with healthy and fulfilling lifestyles by developing, marketing and leasing condominiums, single-unit homes, and residential land while engaging in renovation activities as well as condominium management and consulting services for the optimal use of real estate. At the same time, Mitsubishi Estate operates and manages golf courses.



The Parkhouse Harumi Towers
A short 2.5km and 3.5km from Ginza and Marunouchi, respectively, The Parkhouse Harumi Towers is located in central Tokyo on the water in the Harumi district of Chuo Ward. Offering a total of approximately 1,744 units, this twin tower 49-story condominium complex employs seismic isolation construction and has been accredited as an outstanding long-term tower residence.

The Parkhouse Gran Minamiaoyama Takagicho
The Parkhouse Gran Minamiaoyama Takagicho is the first project in "The Parkhouse Gran" series, which offers prime locations in the heart of the city, the highest standard and quality in housing, and support for the most luxurious level of living. Offering an exclusive Aoyama location, The Parkhouse Gran Minamiaoyama Takagicho places added emphasis on privacy. With the exception of some units, specially designed elevators (for which the company has a patent pending) deliver residents to their private hallways, adding to the sense of a high-class residence.

Residential Sales Business

With the overarching vision "Always, new joy in daily life," Mitsubishi Jisho Residence Co., Ltd. maintains a sincere commitment to the building of homes and continues to employ an integrated production and sales structure as it focuses on the voices of its customers. We intend to maintain an unwavering focus on addressing the diverse needs of our customers as we work toward becoming a leading company in terms of both quality and service.

To cater to a broad customer base, Mitsubishi Jisho Residence created the "Five Eyes" quality control system, which won the 2012 Good Design Award. It includes "Check Eyes," the company's proprietary condominium quality management and performance indication system utilized in "The Parkhouse" condominiums throughout Japan.

With the aim of providing an extra layer of luxury to the high-quality, high-value added "The Parkhouse" brand, Mitsubishi Jisho Residence launched "The Parkhouse Gran" as a flagship brand for the heart of the city in February 2013.

The Parkhouse Tsudanuma Kanade no Mori
The Parkhouse Tsudanuma is located in a portion of the Kanade no Mori large-scale multipurpose development project that is currently in progress. Offering a total of 721 seismic isolation condominiums, the Parkhouse Tsudanuma will form part of an expansive development site covering approximately 350,000m² in front of the south exit of Tsudanuma Station on the JR Sobu Line.

Residential Leasing Business

Mitsubishi Estate is engaged in residential leasing activities focusing mainly on the PARK HABIO brand located within the Tokyo Metropolitan area. With 32 properties already completed, the Company will continue to provide high-quality condominiums for leasing purposes.

PARK HABIO Shinjuku Eastside Tower
This 761-unit large-scale lease condominium building provides premium communal facilities and hospitality features that go beyond those expected in ordinary rental condominium buildings. Signature features include a top floor swimming pool and gymnasium.

Custom-Built Housing Business

Mitsubishi Estate Home Co., Ltd. provides custom-built housing featuring superior construction methods in such areas as thermal insulation, seismic resistance, and durability as well as energy efficiency and high levels of comfort thanks to the company's proprietary Aerotech barrier-free air-conditioning system. Moreover, in such areas as rental housing, hospitals, and stores as well as in residential subcontracting from new construction to remodeling, we are able meet all the various needs of our customers.

Shibuya Home Gallery
Shibuya Home Gallery aims to provide custom-built housing that utilizes advanced technology to achieve the highest levels of seismic resistance and environmental friendliness within an open and relaxed design.

Mitsubishi Jisho Residence does not focus on building and selling box-like condominiums, but rather takes a keen interest in the quality of life provided to the customer by their home. Along with a focus on the quality of life, "The Parkhouse" brand involves the creation of products with an eye to the future.

With the aim of embodying the value of Mitsubishi Jisho Residence's "The Parkhouse" brand in the center of the city, "The Parkhouse Gran" series was launched as a flagship brand in 2013. Built to "The Parkhouse" brand's impeccable specifications in the most sought-after city-center locations, the "Gran" series offers to its residents the highest level of luxury living in spacious comfort.

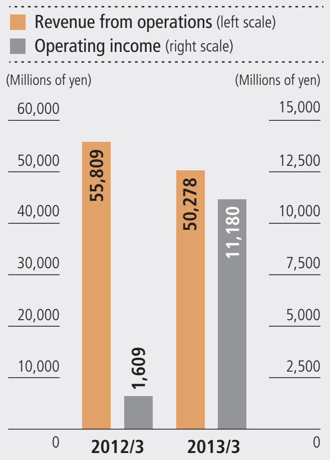
We remain focused on managing the brand and aim to make "The Parkhouse" the leading brand in customer loyalty. Looking ahead, we anticipate "The Parkhouse Gran" series will continue to drive the overall brand going forward.

Yukiko Aoyagi
Assistant Manager
Brand/Customer Satisfaction Promotion Department
Mitsubishi Jisho Residence Co., Ltd.

Commercial Property Development & Investment Business

Developing Market Needs-Oriented Real Estate for Investment Purposes

Through the Commercial Property Development & Investment Business, Mitsubishi Estate is promoting development operations. Our basic strategy in this segment entails the development of prime real estate for investment purposes that effectively accommodates the needs of both tenants in the leased real estate market and investors in the real estate investment market.



Shinjuku Eastside Square

Located within the large-scale, approximately 3.7 hectare Shinjuku Eastside development project and directly connected to Higashi-Shinjuku Station on the Tokyo Metro Fukutoshin Line and Toei Oedo Line, the Shinjuku Eastside project is an office building capable of accommodating more than 10,000 people. With a standard effective floor area of approximately 1,800 tsubo, its floor plate is the largest in central Tokyo, and the building has an open-space green area that covers approximately 1.3 hectares. Shinjuku Eastside Square was completed in April 2012.

Kojimachi Front Building

Located one minute on foot from Kojimachi Station on the Tokyo Metro Yurakucho Line and four minutes from Hanzomon Station on the Hanzomon Line, the Kojimachi Front Building is an eco-friendly, highly functional office building (standard floor area approximately 200 tsubo) that offers superior access. Sumitomo Mitsui Banking Corporation awarded the Company a gold assessment for its environmental initiatives in February 2013, and the building received a gold environmental rating from the Development Bank of Japan. Construction of the Kojimachi Front Building was completed in February 2013.

Actively Promoting Development Operations by Addressing the Needs of Both Tenants and Investors and Maximizing Asset Value

Mitsubishi Estate's Commercial Property Development & Investment Business employs a unique business model. Under this model, the business cycle starts with the development of office buildings and other types of real estate for investment. The Mitsubishi Estate Group leverages its wide-ranging business functions to maximize the value of the properties developed. These properties are sold at the highest possible prices in the real estate investment market, and the proceeds collected through property sales are used for new development projects.

In April 2012, construction was completed on Shinjuku Eastside Square. More recently, construction of the Kojimachi Front Building was completed in February 2013.

In the meantime, to respond to diversified real estate investment market needs, the Company is active in distribution facility development projects as well as office buildings. Having completed the Nakano Shokai Tatsumi Center though a joint development project with Mitsui & Co., Ltd. in February 2012, the Company is currently making progress in developing Logiport Sagamihara, the largest distribution facility in Japan, in collaboration with LaSalle Investment Management Inc. as well as the tentatively named Logiport Hashimoto.

Maintaining Income Gains and Securing Capital Gains through Timely Sales of Assets

In general, real estate for investment generates stable income gains (rental revenues) after completion. For this reason, such real estate does not have to be sold immediately after completion. Instead, it can be sold when market conditions are favorable. In other words, the seller of a property can decide on the holding period for securing capital gains (profit after deducting the difference between the selling price and all associated costs and expenses, including land acquisition costs and building construction costs). This is the true advantage of Mitsubishi Estate in this segment. The Company will continue to bolster the asset solutions capabilities required to maximize the value of real estate.

Looking ahead, we will continue to capture new business opportunities, thereby strategically meeting the socioeconomic needs for urban development while maximizing real estate asset value.

Logiport Sagamihara

Logiport Sagamihara is one of the largest distribution centers in Japan, and not only offers the advantages of location, connecting the Tokyo area to Western Japan through its accessibility to the Metropolitan Intercity Expressway following the opening of the Sagamihara Aikawa interchange, but also is positioned to spur development in an area that has attracted considerable attention as a strategic base capable of covering the Tokyo Metropolitan area. In addition to boasting the strongest levels of seismic resistance, durability and quality, the design of the facility factors in considerations for the environment. Construction is expected to reach completion in August 2013.

Front Place Nihonbashi

Front Place Nihonbashi was specially designed as a highly-sophisticated environmentally friendly building, and is conveniently located near the intersection of Showa-dori and Eitai-dori, just a one minute walk from Nihonbashi Station on the Tokyo Metro Tozai Line and Ginza Line, as well as the Toei Asakusa Line, three minutes' walk from Kayabacho Station on the Tokyo Metro Tozai Line and within walking distance of both Mitsukoshimae Station and Tokyo Station. Construction is scheduled for completion in February 2014.

Shiba Front Building

Tamachi Front Building

Conveniently located near Mita Station on the Toei Mita Line and Asakusa Line, as well as JR Tamachi Station, the Shiba Front Building and Tamachi Front Building are being developed as office buildings with a focus not only on functionality and comfort, but also the environment and added safety. Completion of both buildings is scheduled for June 2014.

With excellent visibility along Kojimachi's main thoroughfare, the Kojimachi Front Building offers superior access, being just a one minute walk from Kojimachi Station on the Tokyo Metro Yurakucho Line and four minutes from Hanzomon Station on the Hanzomon Line. The north side of the building, facing the street, is covered entirely by glass, ensuring effective use of light while imparting a strong sense of the building's prestige. Moreover, the building is designed with a horizontal orientation, creating a sense of unity with the city and the flow of pedestrians moving up and down the street.

In terms of functionality, the building shows sufficient seismic resistance in line with the heightened expectations for safety from tenants following the Great East Japan Earthquake. In addition, the building has received certifications from financial institutions following aggressive efforts to ensure an environmentally friendly building, with features that include the utilization of LED lighting and a system controlling minimal outside-air volume. We are also committed to ensuring the comfort of those working in the building, including through the introduction of natural ventilation functions and the installation of aroma diffusers in the elevator halls.

We will continue to develop attractive products that meet the needs of both investors and tenants.

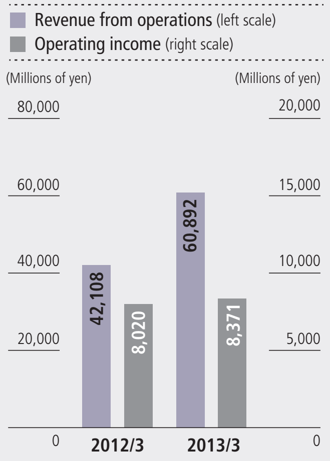
Daisuke Miyanouchi

Manager
Commercial Property Development and Investment Department
Mitsubishi Estate Co., Ltd.

International Business

Trilateral Global Development System: United States, United Kingdom, Asia

In addition to its real estate leasing and development operations in the United States and the United Kingdom, the Company is actively expanding its overseas real estate business in Asia mainly through Mitsubishi Estate Asia Pte. Ltd. and Mitsubishi Estate (Shanghai) Ltd. In this manner, Mitsubishi Estate is developing its global operations through a trilateral system comprising the United States, the United Kingdom and Asia.



The McGraw-Hill Building in New York

With 51 floors above ground and five floors below ground, the McGraw-Hill Building boasts total floor space of approximately 237,100m². Located in Manhattan, New York, this office building was completed in March 1972. Mitsubishi Estate first acquired an interest in the building in April 1990.

Accelerating Leasing and Development Operations in the United States, the United Kingdom and Asia

In the United States, Mitsubishi Estate owns large-scale office buildings, including the McGraw-Hill Building and the Time-Life Building in Manhattan, New York City. In 2012, the Company acquired 50 Beale Street, an office building located in San Francisco. In addition, Mitsubishi Estate is currently undertaking approximately 30 development projects in 10 states, including office buildings, distribution facilities, and homes.

At the same time, the Company is aggressively expanding its U.K. development business in London, which is centered on the Paternoster Square Redevelopment Project and the Central Saint Giles Redevelopment Project. In 2013, we acquired 1 Victoria Street, an office building in London's West End.

In Asia, the Company established Mitsubishi Estate Asia Pte. Ltd. in 2008 and is participating in condominium and office building development projects in Singapore and Vietnam. After setting up a representative office in China in 2011, Mitsubishi Estate newly established Mitsubishi Estate (Shanghai) Ltd. in 2013. In China, we are actively participating in condominium development projects as well as the construction of multipurpose developments encompassing condominiums, homes, and retail facilities in the cities of Suzhou, Shanghai, and Chengdu.

Leveraging its track record at home and overseas, the Company will develop its real estate business on a global basis in the years to come.

Central Saint Giles in London

A joint redevelopment project with Legal & General, a major U.K. life insurance company, this complex covers a total floor area of approximately 66,000m² and comprises offices, retail shops and residences. Construction was completed in April 2010.

Office Development (CapitaGreen) in Singapore

A joint venture office building project with CapitaLand Group, this project covers a site area of approximately 5,500m² and has a total floor area of approximately 82,400m². Ground was broken on this project in 2012, with completion scheduled for 2014.

Condominium Development in Chengdu

A joint-venture project with CapitaLand Township Pte. Ltd. of Singapore, this new-town project covers a site area of approximately 75,000m², has a total floor area of approximately 350,000m², and boasts around 3,400 residences. Construction began in 2012 and is expected to reach completion in 2016.

Rockefeller Group International, Inc. (RGII), a core company in the U.S. operations of the Mitsubishi Estate Group, focuses on the investment management and real estate development/holdings businesses, and is a key player in fostering the globalization of the Mitsubishi Estate Group. In the dynamic U.S. market, keeping ahead of numerous rival companies requires an enhanced base of personal contacts and local expertise, as well as the will to continually promote the localization of operations.

It will soon be 24 years since Mitsubishi Estate began its capital participation in RGII. There have been a number of difficulties in the intervening years, including the collapse of Lehman Brothers, but RGII has been able to meet and overcome every challenge it has faced. RGII boasts a local staff of more than 400, with many employees having several decades of experience at the company. In line with the "As One Team" spirit, RGII is a key member of the Mitsubishi Estate Group and continues to promote localization and globalization of the Group as a whole.

Kentaro Suzuki

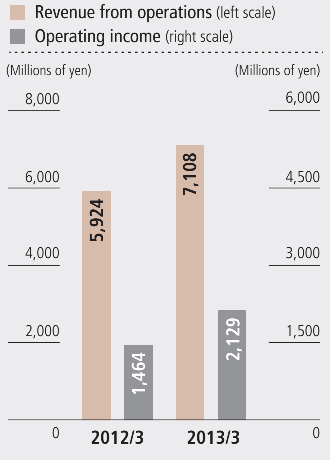
Senior Investment Manager
Rockefeller Group International, Inc.

5

Investment Management Business

Providing a Variety of Specialized Services for Real Estate Investment Management

In its Investment Management Business, Mitsubishi Estate is offering wide-ranging services for both individual and institutional investors. For investors seeking the effective management of real estate assets, the Company's services extend from the management of real estate investment trusts (REITs) to meet the needs of investors who desire security through real estate investment over the long term to the management of private funds to satisfy the specific needs of institutional investors.



Harumi Front
Harumi Front is a large-scale Class A building boasting the largest standard floor area in the district, and is located in Harumi, a well-known office building area within the three central-Tokyo districts. Japan Real Estate Investment Corporation acquired the building from Mitsubishi Estate in January 2013. Construction of the building was completed in February 2012.

Offering Industry-Leading Investment Management Services to Meet Diversified Investor Needs

To meet the specific needs of institutional investors, Mitsubishi Jisho Investment Advisors, Inc. (MJIA) has formed fixed-term private funds that invest in office buildings as well as commercial (shopping centers), leased residential properties, and distribution facilities. Also, MJIA offers a broad range of investment products, including open-ended, non-listed private REITs (Nippon Open Ended Real Estate Investment Corporation) to satisfy the needs of investors who prioritize stability and long-term investments.

Meanwhile, Japan Real Estate Asset Management Co., Ltd. handles a listed REIT that accommodates individual investors. This investment management company manages the investments of Japan Real Estate Investment Corporation, a Japanese REIT (J-REIT) specializing in office buildings. Japan Real Estate Asset Management has the longest history among listed J-REITs, and it has maintained steady performance over the past 12 years. Thus, the Mitsubishi Estate Group is providing industry-leading investment management services.

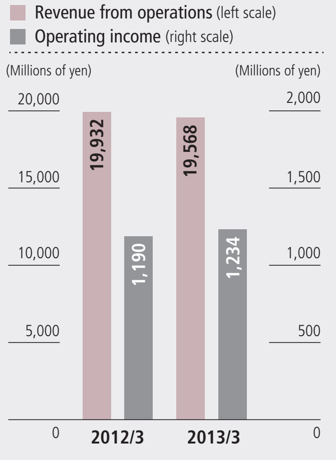
Looking to the future, we aim to offer prime investment opportunities, including new asset-type investments to any and all investors in Japan and overseas as well as to contribute to the further development of the real estate investment market.

6

Architectural Design & Engineering Business

Addressing the Needs of Society through Abundant Experience as well as Superior Design and Engineering Capabilities

At the core of Mitsubishi Estate's Architectural Design and Engineering Business are Mitsubishi Jisho Sekkei Inc. (MJS) and MEC Design International Corporation. MJS engages in the design and administration of construction and civil engineering projects, building renovation, and projects related to urban and regional development as well as comprehensive consulting. MEC Design International is involved in interior design administration and construction projects.



Ginza Kabukiza
The Ginza Kabukiza project is a grand renovation of the Kabukiza Theatre, a traditional arts hall in which Japan takes great pride. The complex combines the theater, which maintains a traditional Japanese architectural style in which white features prominently, with a recessed 29-story modern high rise.

JP Tower
JP Tower is a commissioned project for the rebuilding of the Tokyo Central Post Office. Construction on the lower floors involved the adoption of a seismically isolated structure while maintaining a portion of the existing building, while the upper floors have a modern glass façade. As a result, the building creates a new urban landscape that offers a contrast of the old and the new.

Design Work on the Nan Shan Plaza Project in Taipei
The Nan Shan Plaza project currently under development involves the creation of a large-scale complex that includes a bus terminal, commercial facilities, and offices in one of Taipei's most prestigious locations. The project centers on a skyscraper reaching about 300m and aims through the effective use of water features and green areas to create an oasis within the city as well as a center for exchange and bustling activity.

Completion of High-Profile, Large-Scale Projects

Major architectural design and engineering projects that captured the public's interest and were completed in fiscal 2012 included Ginza Kabukiza and JP Tower. In fiscal 2013, plans are in place to complete such projects as the rebuilding of the Nagoya Tokio Marine & Nichido Building, maintenance work on the Osaka Prefectural Police Academy (PFI), and construction of the Hiroo Garden Forest Tsubaki Residence.

Moving forward, every effort will be made to secure architectural design and engineering orders for new construction and renovation projects, to address changing needs, including for high-quality products and eco-technologies, and to further strengthen all business fields, including construction management and district heating and cooling facilities.

Expanding Overseas Operations in Southeast Asia

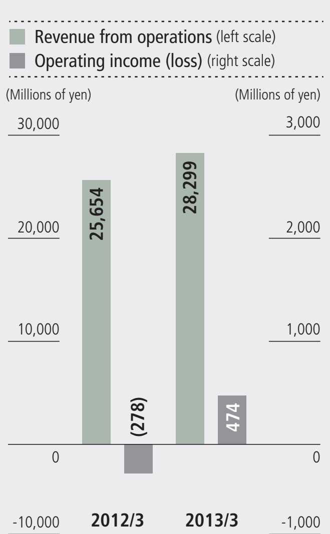
Overseas operations currently include Mitsubishi Jisho Sekkei Architectural Design & Engineering (Shanghai) Co., Ltd., which operates in Taiwan and China, where urban development is showing dramatic progress. The company's efforts paid off in 2012, with the firm winning orders as a result of its participation in a design competition for a large-scale complex development project in central Taipei.

Mitsubishi Jisho Sekkei has won strong praise from overseas for its high-quality urban and architectural design, as well as its state-of-the-art environmental and energy saving technologies. In order to better promote these strengths in Southeast Asia, which has seen dramatic growth in the last few years, the Company opened a representative office in Singapore in May 2013. From this location, the Company is actively developing its business network and continues its efforts to expand operations throughout Southeast Asia, including Malaysia, Vietnam, Indonesia, and Myanmar.

Hotel Business

Improving Our Brand Value and Expanding Group Hotels

In the Hotel Business, the Mitsubishi Estate Group maintains a network of seven hotels in Japan located in Sendai, Tokyo (Nihonbashi and Shiodome), Yokohama, Chiba, Kyoto, and Fukuoka under the Royal Park Hotels brand name. With the prospective opening of two more hotels in Nagoya and Tokyo (Haneda), this number will rise to nine. Building on a management foundation that focuses on customer satisfaction, the Mitsubishi Estate Group will work to improve its brand value while expanding Group hotels.



Royal Park Hotel The Nagoya

With a planned opening on November 1, 2013, this 153-room hotel is located in an attractive area only a five-minute walk from JR Nagoya Station at Meieki 3-Chome, Nakamura-Ward, Nagoya City. The concept of the project is to encompass serious business facilities into a hotel, to provide a hotel where guests can conduct business.

Royal Park Hotel The Haneda

Royal Park Hotel The Haneda features a direct link to the International Passenger Terminal of Haneda Airport. Featuring Japan's first transit hotel,* the Royal Park Hotel The Haneda is set to open at the end of September 2014, with 315 rooms. Following a "Dream Box" concept, the Hotel aims to leave travelers with a memorable airport hotel experience.

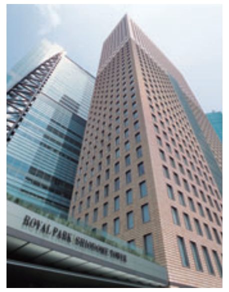
*A transit hotel allows passengers awaiting connecting flights to stay without having to clear immigration or customs.

March 2013 Opening of the Sendai Royal Park Hotel's "Chef's Terrace" and "Mon Cheri"

(Top) "Chef's Terrace" is a new type of restaurant, featuring an open kitchen that combines the charm of Western, Japanese, and teppanyaki cooking.
(Bottom) The "Mon Cheri" function room is based on a southern European nature-themed wedding concept.

Royal Park Hotel 25th Anniversary

Yokohama Royal Park Hotel 20th Anniversary



Royal Park Shiodome Tower 10th Anniversary

Royal Park Hotels Anniversary Year

Three Royal Park Hotels in the Tokyo Metropolitan area will be celebrating milestone anniversaries between July 2013 and June 2014. To commemorate this year of anniversaries, hotels throughout the Group will be carrying out various special campaigns for their customers.

Increasing the Brand Value of Royal Park Hotels through a Management Focus on Customer Satisfaction

The philosophy of the Royal Park Hotels, "Best for the Guest", has been adopted by the entire hotel group to ensure customer satisfaction is always a top priority. This approach has been well acknowledged by organizations in Japan and overseas, enabling us to win the leading rank in the 2012 Japan Hotel Guest Satisfaction Index Study℠ conducted by J.D. Power Asia Pacific, Inc.,* an organization specializing in research and consulting related to customer satisfaction. This marks the sixth consecutive year for Royal Park Hotels to win the top position in the ¥15,000 to ¥35,000 per night category.

*** Japan Hotel Guest Satisfaction Index Study℠ conducted by J.D. Power Asia Pacific, Inc. between 2007 and 2012**
Royal Park Hotels ranked high in the segment of ¥15,000 to ¥35,000 per night hotels with the most common guestroom space of 20m² or larger. The study was based on 7,679 valid responses received from people who used applicable hotels within the previous year. For more details, please see the press release of the J.D. Power and Associates Web site at: http://www.jdpower.co.jp/press/pdf2011/2011Japan%20Hotel%20GSI.pdf (Japanese language only)

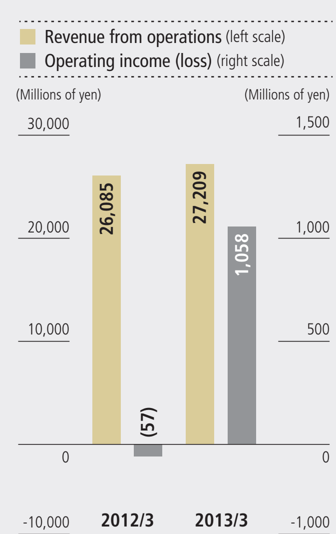
Expanding "THE SERIES" Brand

THE SERIES brand strives to make the most of the unique features of its location and region. This brand offers sophisticated design and excellent hospitality at a reasonable price. In fiscal 2012, The Fukuoka and The Kyoto made their debut. Each hotel has already been widely acclaimed by a large number of patrons. In November 2013, The Nagoya will open in front of Nagoya Station while The Haneda, with a direct link to the international terminal at Haneda Airport, is scheduled to commence operations at the end of September 2014.

Real Estate Services

Meticulously Responding to the Various Real Estate Needs of Customers

In the Real Estate Services Business, Mitsubishi Real Estate Services Co., Ltd. and Mitsubishi Jisho House Net Co., Ltd. closely collaborate to meticulously respond to customers' real estate needs. Leveraging its collective strengths and information capabilities, the Mitsubishi Estate Group provides a wide array of optimal solutions for individual and corporate real estate utilization, brokerage, and leasing.



The Residence Lounge by Mitsubishi Jisho

The Residence Lounge by Mitsubishi Jisho, open from April 2013, is a one-stop consultation area offering to our customers a wealth of information and services related to housing, including services tied to leasing operations, condominium management, renovation projects, and the buying and selling of housing.

CRE戦略支援システム［クリーム］
CRE@M

CRE Strategic Support System (CRE@M)

The Company offers total support for corporate CRE (corporate real estate) strategies, from consolidated real estate management to project operations and progress management.

パーキング エコロジー ネットワーク PEN

Parking Ecology Network "PEN"

To contribute to global environmental efforts through parking operations, Mitsubishi Real Estate Services donates a portion of the proceeds from parking charges to tree-planting programs.

Real Estate Brokerage and Consulting Services

Mitsubishi Real Estate Services and Mitsubishi Jisho House Net engage in wide-ranging operations related to real estate owned by individuals and corporations. These operations include purchasing, sales, brokerage for leasing services, and consulting services for real estate utilization. Through brokerage services for individuals, the two companies provide comprehensive support in real estate purchasing and sales as well as in finding new housing. They meet the diversified requirements of customers through a nationwide network.

In addition to providing various need-oriented investment proposals to individual customers, they work to satisfy the wide-ranging needs of corporate customers in Japan and overseas through services ranging from real estate assessment, sales, and purchase brokerage to consulting for effective utilization. In this manner, every effort is made to address the diverse requirements of every possible customer.

Furthermore, they have established the CRE@M cloud-type system to offer comprehensive assistance from the integrated management of real estate to the operation and progress management of projects in promoting corporate real estate (CRE) strategies.

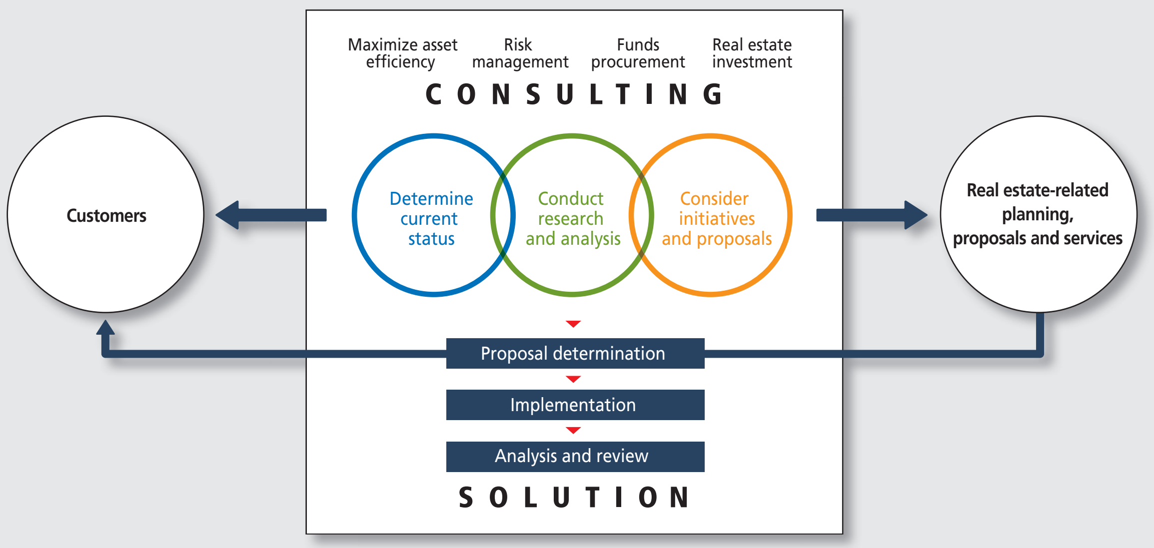
Advancing the Leased Condominium/Office Building Management Support Business and Coin-Operated Parking Lot Operations

Mitsubishi Real Estate Services and Mitsubishi Jisho House Net offer a variety of lease management support services related to leased condominiums and office buildings, and their customer base ranges from individuals and corporate clients to asset managers of securitized real estate. We have a structure that enables comprehensive services covering everything from business plan formulation and product planning to lease management after construction completion. Moreover, we provide our customers with information on leased properties according to their preferences, including those owned by Mitsubishi Estate. In addition, we are promoting "PEN" automated, coin-operated parking services, applying our extensive expertise in lease management services.

Business Development, Consulting & Solutions Group

Leveraging the Resources of the Entire Group to Expand Business Opportunities in Proposal-Based Marketing

Standing in the heart of Mitsubishi Estate's strategic marketing structure, the Business Development, Consulting & Solutions Group works to foster deeper ties with clients through proposal-based marketing, which is conducted across the Company as a whole. Making full use of the company's accumulated real estate development, planning, and management expertise, the two departments that comprise this group are active in efforts to realize maximum value for their clients.



Real estate development	Real estate investment	Real estate liquidity	Building operation and management	Comprehensive building analysis	Construction	Design and supervision	CRE strategy support
• Development method proposals • Business plan support • Project management • Effective utilization/joint ventures (equivalent exchanges/term leasehold interest method) • Provisional use • Reconstruction	• Real estate investment strategy formulation support • Market research and analysis • Due diligence • Acquisition support • Asset management	• Real estate-backed financing support • Securitization • Specified real estate joint ventures • Sales and leaseback • Real estate brokerage	• Operation and management plan analysis and proposals • Long-term maintenance plan consulting • Commissioned operation and management of buildings, retail facilities and hotels • Subleasing • Tenant marketing • Operation and management of residential complex and corporate housing • Property management	• Earthquake resistance analysis • Facility management • Energy saving and IT utilization in buildings and facilities • Interior and exterior renovation • Barrier-free facility construction • Anti-aging measures for buildings and facilities • Conversion	• Single-unit homes and rental and corporate housing • Residential and office renovation	• Environmental assessment and research • Consulting for urban development and private finance initiatives (PFIs) • Consulting, design and supervision for environmental and civil-engineering solutions • Construction management • Design and supervision for buildings and structures • Design and supervision for interior and exterior	• Organization of CRE information • CRE valuation • Support for strategy formulation and implementation

A Wide Range of Solutions Covering Everything from Individual Real Estate Needs to Corporate Real Estate Strategic Support

The Business Development, Consulting & Solutions Group (comprising the Business Development, Consulting & Solutions Dept. 1, and Business Development, Consulting & Solutions Dept. 2) are independent from Mitsubishi Estate's eight principal business segments (comprising the Building Business, Residential Business, Commercial Property Development & Investment Business, International Business, Investment Management Business, Architectural Design & Engineering Business, Hotel Business, and Real Estate Services Business).

In an effort to consistently provide optimal consultation and solutions services that address clients' real estate needs, such as effective methods for property utilization and acquisition, we create business proposals that draw on the resources of the entire Group.

The departments offer consultation for individual properties and multiple properties held and leased by corporate clients. We analyze the situation, taking into consideration the comprehensive features of the real estate under review, and provide solutions that match the financial and management strategies of individual client companies. In this manner, Mitsubishi Estate endeavors to realize the maximum value of corporate real estate (CRE).

CSR Management / Operating Results

CSR Management

Our Approach to CSR

The Mitsubishi Estate Group believes that its fundamental mission is the creation of a truly meaningful society through the building of attractive, environmentally sound communities where people can live, work and relax. To this end, the Group acts with integrity while striving to earn the trust of its clients and create a vibrant workplace, the three core tenets of its code of corporate conduct. Placing the utmost importance on maintaining dialogue with its stakeholders, the Mitsubishi Estate Group strives to contribute to the well-being of society.

Three Principles

所期奉公
"Shoki Hoko"
Corporate Responsibility to Society

Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.

処事光明
"Shoji Komei"
Integrity and Fairness

Maintain principles of transparency and openness, conducting business with integrity and fairness.

立業貿易
"Ritsugyo Boeki"
Global Understanding through Business

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 the creation of a truly meaningful society.

The Mitsubishi Estate Group Code of Corporate 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 diversity of opinions of others and increase our creativity and professionalism, while displaying our collective strengths as a team.

For details of the Mitsubishi Estate Group Guidelines for Conduct

http://www.mec.co.jp/e/company/charter/index.html

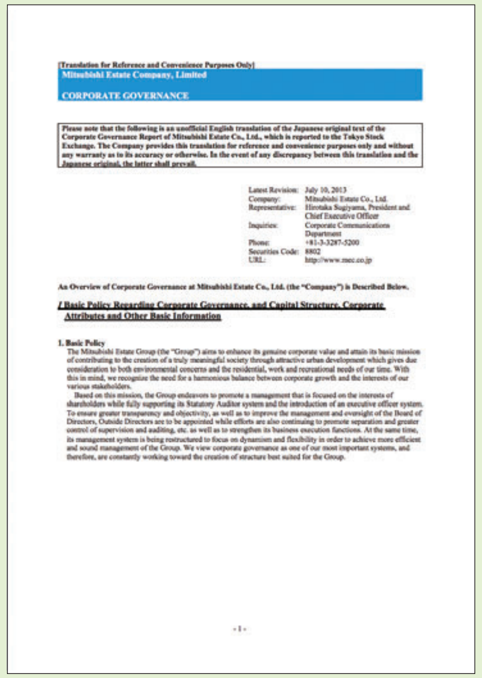
(Formulated December 1, 1997) (Revised August 1, 2002) (Revised January 1, 2006)

Corporate Governance

Guided by its fundamental mission, the Mitsubishi Estate Group endeavors to promote management that is focused on the interests of shareholders while fully supporting its Statutory Auditor system and the introduction of an executive officer system. To ensure greater transparency and objectivity, as well as to improve the management and oversight of the Board of Directors, external Directors are to be appointed while efforts are continuing to promote separation and greater control of supervision and auditing, as well as to strengthen its business execution functions. At the same time, the Group's management system is being restructured to focus on dynamism and flexibility in order to ensure the more efficient and sound management of the Group. We view corporate governance as one of our most important systems and, therefore, are constantly working toward the creation of a structure that is best suited for the Group.

Reports Concerning Corporate Governance

- Basic policy regarding corporate governance, and capital structure, corporate attributes, and other basic information
- Overview of business management organization and other corporate governance systems related to managerial decision-making, business execution, and management supervision
- Status of implementation of measure related to shareholders and other stakeholders
- Basic policy and status of implementation of the internal control system
- Others



[Translation for Reference and Convenience Purposes Only]
Mitsubishi Estate Company, Limited
CORPORATE GOVERNANCE

Please note that the following is an unofficial English translation of the Japanese original text of the Corporate Governance Report of Mitsubishi Estate Co., Ltd., which is reported to the Tokyo Stock Exchange. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Latest Revision:	July 10, 2013
Company:	Mitsubishi Estate Co., Ltd.
Representative:	Hirotaka Sugiyama, President and Chief Executive Officer
Inquiries:	Corporate Communications Department
Phone:	+81-3-3287-5200
Securities Code:	8802
URL:	http://www.mec.co.jp

An Overview of Corporate Governance at Mitsubishi Estate Co., Ltd. (the "Company") is Described Below.

I Basic Policy Regarding Corporate Governance, and Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Policy
The Mitsubishi Estate Group (the "Group") aims to enhance its genuine corporate value and attain its basic mission of contributing to the creation of a truly meaningful society through attractive urban development which gives due consideration to both environmental concerns and the residential, work and recreational needs of our time. With this in mind, we recognize the need for a harmonious balance between corporate growth and the interests of our various stakeholders.
Based on this mission, the Group endeavors to promote a management that is focused on the interests of shareholders while fully supporting its Statutory Auditor system and the introduction of an executive officer system. To ensure greater transparency and objectivity, as well as to improve the management and oversight of the Board of ...

Details
http://www.mec.co.jp/e/investor/irlibrary/corp/index.html

Compliance

Mitsubishi Estate considers compliance not simply as adherence to legal standards, but as meeting the expectations of people in society at large, not to mention the adherence to internal company rules and ethical corporate standards. Furthermore, because we recognize how essential compliance is to the profit base of the Company, we view the maintenance of a compliance system as a priority task of management. Moreover, all Group employees are deepening their awareness of compliance issues while proactively promoting compliance-focused activities.

CSR Case Studies

Environmental Management

Under its Environmental Slogan, "For Sustainable Cities, For a Sustainable Earth," the Mitsubishi Estate Group is aggressively implementing initiatives aimed at realizing a low-carbon, recycling-oriented society through each of its business while promoting sustainable urban development that gives due consideration to such environmental aspects as biodiversity. As a prime example, we are incorporating the latest in environmental facilities and technologies into the development of new large-scale buildings in our Building Business. At the same time, we are adopting intelligent lighting as well as hybrid radiant cooling systems in tenanted properties as a part of efforts to create next-generation offices. Moreover, we are upgrading existing buildings with the introduction of cutting-edge facilities that exhibit outstanding environmental performance. In the Residential Business, we are actively promoting the development of the eco-friendly "soleco" system, which combines a solar power generation system and a central high-voltage power transmission system. Working to reduce the environmental footprint of business activities as a whole, we are endeavoring to enhance awareness and to act as a conduit for the dissemination of information. To this end, we are conducting environmental events and seminars at such locations as Ecozzeria and Marunouchi Saezuri Kan.

Social Contribution

The Mitsubishi Estate Group engages in a wide range of social contribution activities centered on promoting its harmonious coexistence with communities, its environmental preservation and social welfare activities, and its support for culture and the arts. For example, during the fiscal year under review, Mitsubishi Estate participated as a supporter in the La Folle Journee au Japon "Days of Enthusiasm" Music Festival, held small concert events, implemented "Experience Nature" projects nationwide to promote communication between urban and rural people, hosted the annual Dazzling Art Competition, a drawing contest for disabled children throughout Japan, and participated in the Rebirth TOHOKU Food Project to support reconstruction efforts in the Tohoku area.

Details
http://www.mec.co.jp/e/csr/index.html

Directors, Statutory Auditors and Executive Officers

Keiji Kimura
Chairman

Hirotaka Sugiyama
Chief Executive Officer

Yutaka Yanagisawa
Deputy President

Masaaki Kono
Executive Vice President

Hiroyoshi Ito
Executive Vice President

Masao Ouchi
Executive Vice President

Toshihiko Kazama
Executive Vice President

Masamichi Ono
Executive Vice President

Jo Kato
Executive Vice President

Naoto Aiba
Executive Vice President

Soichiro Hayashi
Senior Executive Officer

Koji Kiyosawa
Senior Executive Officer

Kenichi Iwata
Senior Executive Officer

Atsuo Kyono
Senior Executive Officer

Toru Okusa
Senior Executive Officer

Yutaka Tajima
Senior Executive Officer

Tetsuji Arimori
Senior Executive Officer

Kazuyuki Yabu
Executive Officer

Kazuhiko Arahata
Executive Officer

Masami Amano
Executive Officer

Hidemi Waki
Executive Officer

Junichi Tanisawa
Executive Officer

Hiroshi Katayama
Executive Officer

Junichi Yoshida
Executive Officer

Tetsuo Yuasa
Executive Officer

Shinichi Takeuchi
Executive Officer

Akinori Nakajo
Executive Officer

Noboru Nishigai
Executive Officer

Futoshi Chiba
Executive Officer

(As of June 27, 2013)

Directors and Statutory Auditors

Keiji Kimura
Representative Director
Chairman of the Board

Hirotaka Sugiyama
Representative Director
President & Chief Executive Officer

Yutaka Yanagisawa
Representative Director

Masaaki Kono
Representative Director

Toshihiko Kazama
Representative Director

Jo Kato
Representative Director

Naoto Aiba
Representative Director

Masamichi Ono
Director

Toru Okusa
Director

Isao Matsuhashi
Director

Fumikatsu Tokiwa
Director

Yasumasa Gomi
Director

Shu Tomioka
Director

Hiroshi Danno
Standing Statutory Auditor

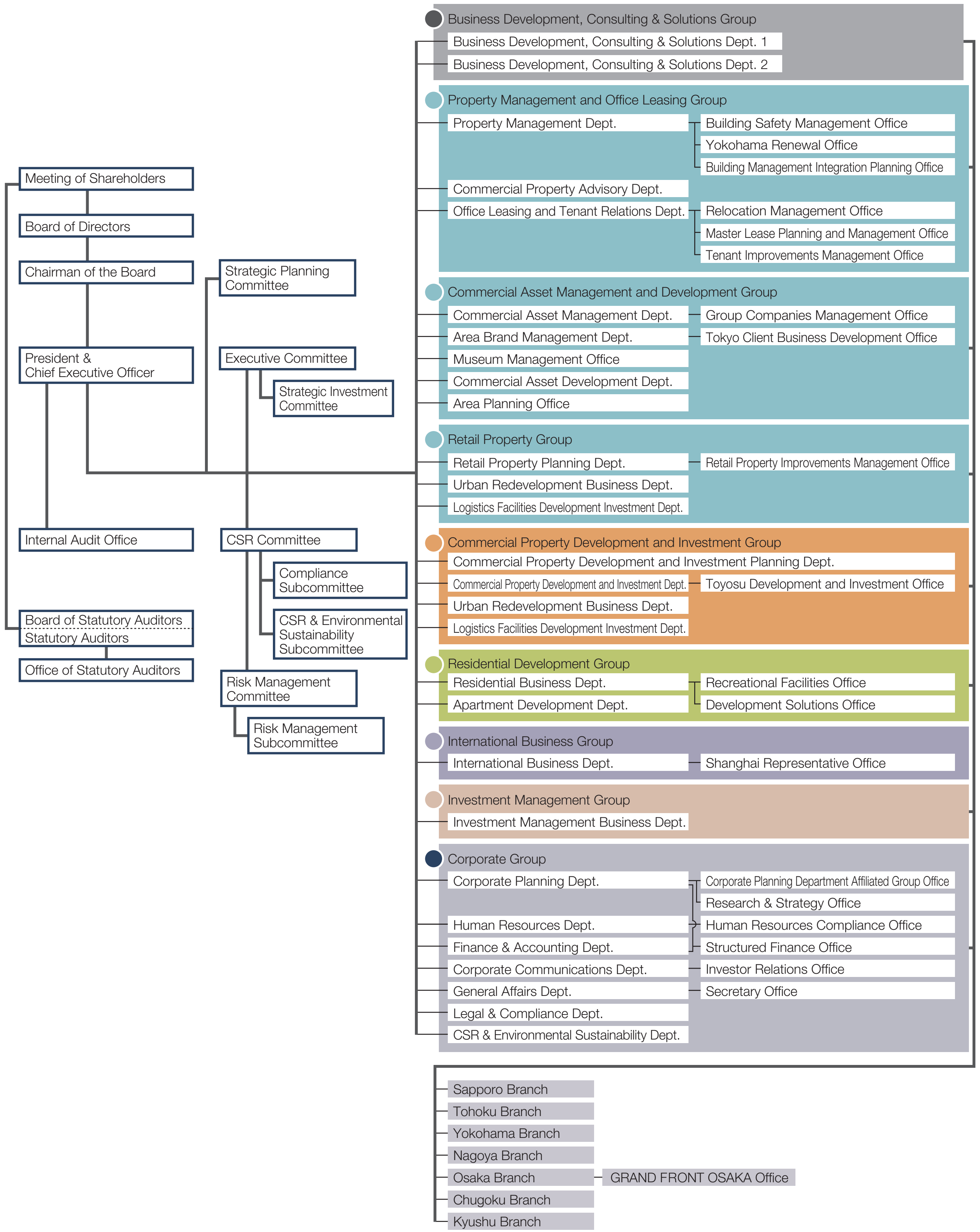
Kazuhiko Hasegawa
Standing Statutory Auditor

Kenjiro Hata
Statutory Auditor

Akio Utsumi
Statutory Auditor

Notes:
1. Among directors, Isao Matsuhashi, Fumikatsu Tokiwa, Yasumasa Gomi, and Shu Tomioka are external directors who fulfill the qualifications set forth under Article 2-15 of the Corporation Law of Japan.
2. Among statutory auditors, Kazuhiko Hasegawa, Kenjiro Hata, and Akio Utsumi are external auditors who fulfill the qualifications set forth under Article 2-16 of the Corporation Law of Japan.

Organization



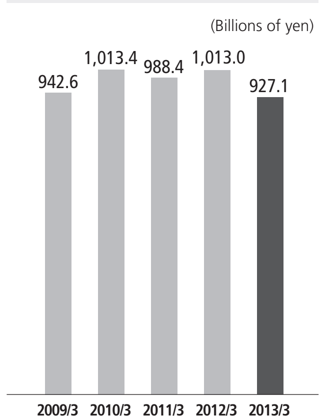
(As of April 1, 2013)

Financial Highlights—Five-Year Summary

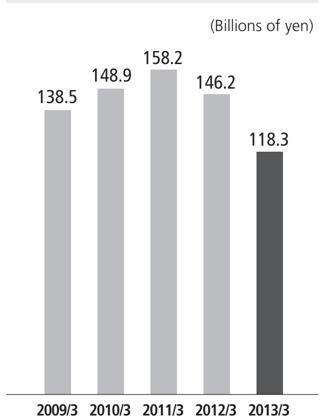
	2009/3	2010/3	2011/3	2012/3	2013/3
Financial Results (Millions of yen)					
Revenue from Operations	942,626	1,013,415	988,447	1,013,069	927,157
Operating Income	138,567	148,972	158,258	146,299	118,349
Ordinary Income	108,624	117,381	130,830	120,665	92,381
Net Income	45,423	11,900	64,219	56,512	45,507
Financial Position (Millions of yen)					
Total Assets	4,429,070	4,355,065	4,245,209	4,387,015	4,711,521
Total Equity*1	1,148,494	1,183,156	1,202,270	1,256,791	1,239,547
Interest-Bearing Debt	1,834,195	1,762,111	1,639,050	1,716,890	2,085,417
Per Share Amounts (Yen)					
Net Income	32.90	8.58	46.27	40.72	32.79
Cash Dividends	16.00	12.00	12.00	12.00	12.00
Principal Financial Indicators					
EBITDA (Millions of yen) *2	209,522	230,730	237,109	222,885	200,587
ROA	3.3%	3.5%	3.8%	3.5%	2.7%
Interest Coverage Ratio *3	4.7 times	5.2 times	6.6 times	6.5 times	5.0 times
ROE	3.8%	1.0%	5.4%	4.6%	3.6%
Stock Information					
Stock Price (Yen)	1,102	1,530	1,407	1,476	2,596
Number of Shares Issued and Outstanding (Thousands of shares)	1,382,518	1,390,397	1,390,397	1,390,397	1,390,397

Notes:
1. Total equity is calculated by deducting minority interests and stock acquisition rights from total net assets.
2. EBITDA is calculated as the sum total of operating income, interest and dividend income, equity in earnings of unconsolidated subsidiaries and affiliates, depreciation and amortization, and goodwill.
3. The interest coverage ratio (ICR) is calculated by dividing the sum total of operating income, interest and dividend income, and equity in earnings of unconsolidated subsidiaries and affiliates by the sum total of interest expenses and commercial paper interest.

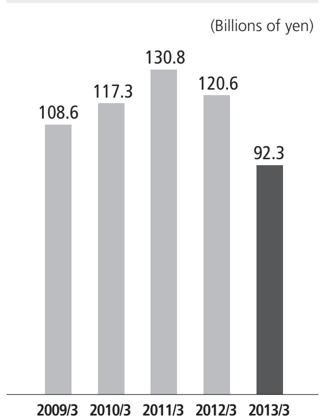
Revenue from Operations



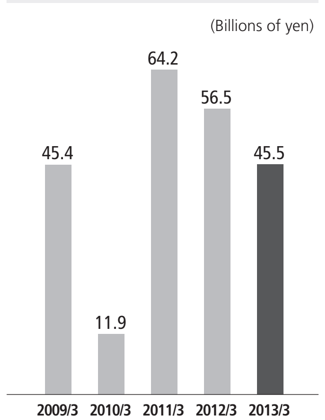
Operating Income



Ordinary Income



Net Income



Financial Review

Revenue from Operations/Operating Income

In the fiscal year ended March 31, 2013, consolidated revenue from operations decreased ¥85,911 million, or 8.5%, from the previous fiscal year to ¥927,157 million. Consolidated operating income also declined, falling ¥27,949 million, or 19.1%, year on year to ¥118,349 million. Results for each business segment are as follows.

In the Building Business segment, the Marunouchi Eiraku Building contributed to earnings. Revenues, on the other hand, declined year on year, following a correction in connection with other income posted as a result of the sale of Akasaka Park Building during the fiscal year ended March 31, 2012. As of March 31, 2013, the vacancy rate stood at 3.98%, compared with 3.58% as of the end of the previous fiscal year. Reflecting these factors, revenue from operations fell ¥68,102 million year on year to ¥442,748 million. Operating income contracted ¥38,339 million to ¥107,667 million.

In the Residential Business segment, Mitsubishi Estate's revenue in the condominium business slipped year on year, due to a decline in the number of condominiums sold. As a result, revenue from operations decreased ¥27,472 million to ¥315,351 million. Operating income in this segment was ¥2,317 million, a drop of ¥2,475 compared with the previous fiscal year.

In the Commercial Property Development & Investment Business segment, revenue from operations decreased compared with the previous fiscal year impacted by the deterioration in revenues in line with the sale of a large-scale property. Specifically, revenue from operations declined ¥5,530 million year on year to ¥50,278 million. Operating income, on the other hand, grew ¥9,570 million to ¥11,180 million.

In the International Business segment, properties located in major U.S. cities and the City of London in the United Kingdom showed stable performance. In addition, revenue increased due to such factors as the sale of properties held in the United States. As a result, revenue from operations in the International Business segment as a whole climbed ¥18,783 million compared with the previous fiscal year to ¥60,892 million while operating income increased ¥350 million year on year to ¥8,371 million.

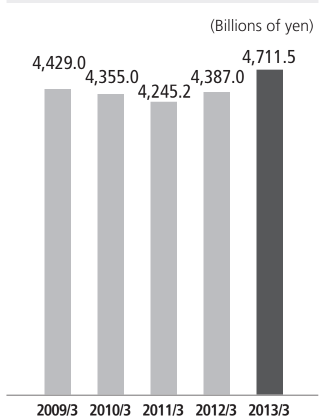
In the Investment Management Business segment, results were buoyed by such factors as sales revenue from the investments distributed to funds as well as an upswing in distributions from a special-purpose company in which Mitsubishi Estate and other companies have invested. As a result, revenue from operations increased ¥1,183 million compared with the previous fiscal year to ¥7,108 million. Operating income also improved, rising ¥665 million year on year to ¥2,129 million.

In the Architectural Design & Engineering Business segment, Mitsubishi Estate recorded revenue in connection with such projects as Otemachi Financial City (Chiyoda Ward, Tokyo) as well as Shinjuku Eastside Square (Shinjuku Ward, Tokyo). During the fiscal year under review, earnings from interior design and construction increased substantially, but earnings from architectural design and engineering decreased due to a decline in the amount of each property. Thus, earnings from the Architectural Design & Engineering Business segment in total were unchanged from the previous year. As a result, revenue from operations decreased ¥364 million to ¥19,568 million. In contrast, operating income increased ¥44 million to ¥1,234 million.

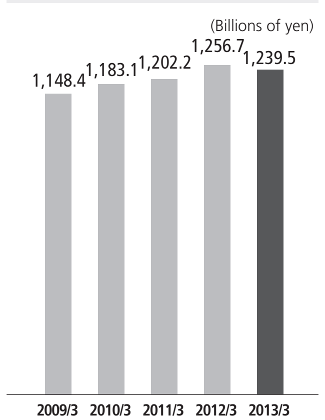
With Royal Park Hotels and Resorts Co., Ltd., which oversees the Group's Hotel business activities, playing a central role, steps were taken to reinforce the management structure at each hotel under the Royal Park Hotel brand. At the same time, particular emphasis was placed on further promoting and developing a new hotel business under the "THE" series brand of Royal Park Hotels. In the fiscal year ended March 31, 2013, revenue and earnings improved compared with the previous fiscal year, which was negatively impacted by the drop in demand attributable to the Great East Japan Earthquake. In the fiscal year under review, revenue from operations in the Hotel Business segment climbed ¥2,644 million to ¥28,299 million. Operating income was ¥474 million, a positive year-on-year turnaround of ¥753 million.

In the Real Estate Services segment, the number of transactions was essentially unchanged from the previous fiscal year. On a positive note, the amount of commission per transaction increased. As a

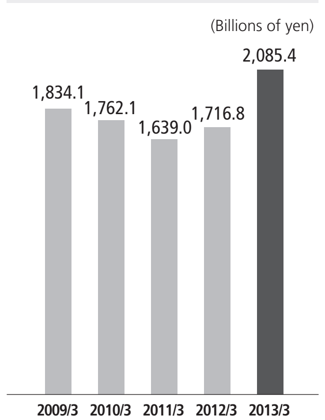
Total Assets



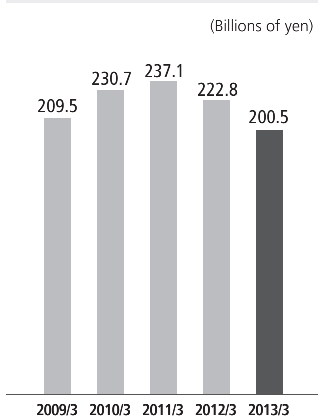
Total Equity



Interest-Bearing Debt



EBITDA



result, the Group enjoyed an upswing in real estate brokerage revenue in this segment. As a result, revenue from operations improved ¥1,123 million year on year to ¥27,209 million. In the fiscal year under review, the Mitsubishi Estate Group reported operating income of ¥1,058 million in the Real Estate Services segment. This represented a positive turnaround of ¥1,116 million from the previous fiscal year's operating loss.

Revenue from operations in the Other segment increased ¥902 million to ¥4,408 million. Despite this improvement, the Mitsubishi Estate Group incurred an operating loss of ¥10 million in the Other segment, a year-on-year deterioration of ¥192 million.

Other Income (Expenses)

Other income increased ¥1,013 million year on year to ¥10,136 million. Despite a decrease in dividend income, this increase was largely attributable to higher interest income. Other expenses climbed ¥1,348 million to ¥36,104 million, due to the increase in interest expenses, among other factors.

Turning to extraordinary items, Mitsubishi Estate recorded extraordinary gains of ¥7,540 million, mainly from the gain on sales of fixed assets totaling ¥6,165 million and gain on negative goodwill amounting to ¥1,374 million.

At the same time, the Company posted an extraordinary loss totaling ¥43,181 million, which consisted of ¥24,338 million in loss related to retirement of fixed assets, ¥8,985 million in impairment loss on equity investment, ¥7,030 million in provision for loss on guarantees, and ¥2,826 million in impairment loss.

Net Income

Income before income taxes and minority interests declined ¥30,772 million, or 35.2%, year on year to ¥56,741 million. Net income contracted ¥11,004 million, or 19.5%, to ¥45,507 million. Net income per share came to ¥32.79.

Millions of yen

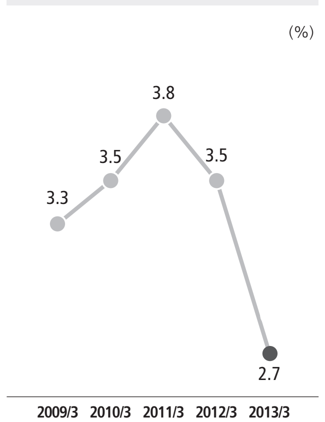
	2013/3	2012/3	YOY Change
Revenue from operations	**927,157**	**1,013,069**	**(85,911)**
Building Business	442,748	510,850	(68,102)
Residential Business	315,351	342,823	(27,472)
Commercial Property Development & Investment Business	50,278	55,809	(5,530)
International Business	60,892	42,108	18,783
Investment Management Business	7,108	5,924	1,183
Architectural Design & Engineering Business	19,568	19,932	(364)
Hotel Business	28,299	25,654	2,644
Real Estate Services	27,209	26,085	1,123
Other	4,408	3,506	902
Adjustments	(28,707)	(19,628)	(9,079)
Operating Income	**118,349**	**146,299**	**(27,949)**
Building Business	107,667	146,007	(38,339)
Residential Business	2,317	4,792	(2,475)
Commercial Property Development & Investment Business	11,180	1,609	9,570
International Business	8,371	8,020	350
Investment Management Business	2,129	1,464	665
Architectural Design & Engineering Business	1,234	1,190	44
Hotel Business	474	(278)	753
Real Estate Services	1,058	(57)	1,116
Other	(10)	181	(192)
Adjustments	(16,074)	(16,632)	558

Analysis of Financial Position

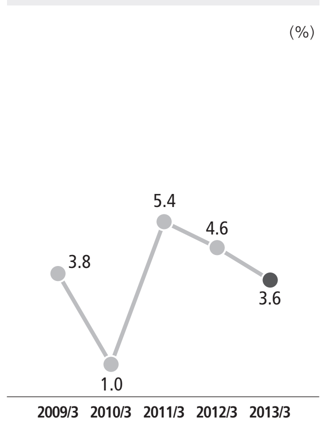
(1) Consolidated Cash Flow

On a consolidated basis, cash and cash equivalents at the end of the fiscal year under review decreased ¥23,934 million year on year to ¥191,837 million. Major cash inflows included income before income taxes and minority interests, long-term borrowings, and proceeds from issuance of corporate bonds. Major cash outflows included purchases of property and equipment and the repayment of long-term borrowings.

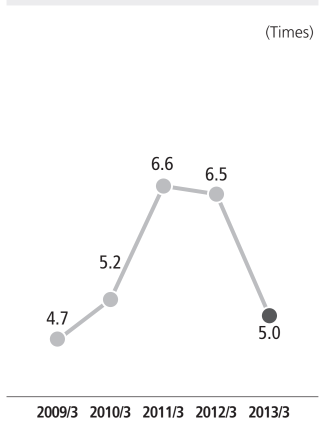
ROA



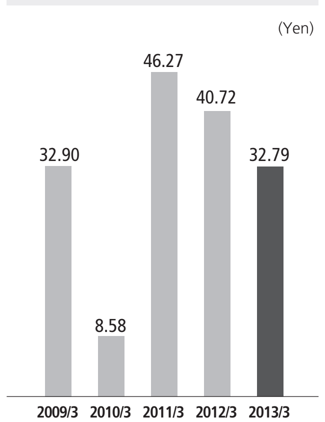
ROE



Interest Coverage Ratio



Net Income Per Share



Cash Flows from Operating Activities

Net cash provided by operating activities was ¥122,286 million, down ¥80,956 million compared with the previous fiscal year. For the fiscal year under review, income before income taxes and minority interests amounted to ¥56,741 million, and depreciation and amortization—a non-cash item—totaled ¥73,364 million. These and other cash inflows were adjusted to reflect movements in inventories, income taxes paid, and other items.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥217,992 million, down ¥54,016 million year on year. This was largely due to purchases of property and equipment.

Cash Flows from Financing Activities

Net cash provided by financing activities amounted to ¥27,150 million, down ¥30,038 million year on year. This reflected long-term borrowings, the issuance of corporate bonds and other financing activities.

(2) Consolidated Balance Sheets

Compared with March 31, 2012, total assets as of March 31, 2013, increased ¥324,505 million to ¥4,711,521 million mainly on the back of the operating, investing, and financing activities previously identified, which led to movements in assets and liabilities.

Total liabilities climbed ¥332,409 million to ¥3,345,509 million. The balance of interest-bearing debt as of March 31, 2013, grew ¥368,527 million compared with the balance as of March 31, 2012, to ¥2,085,417 million. Deducting cash and cash equivalents, the net balance of interest-bearing debt as of March 31, 2013, increased ¥392,462 million year on year to ¥1,893,580 million.

Net assets decreased ¥7,903 million year on year to ¥1,366,011 million. Increases in such items as unrealized holding gain on securities and foreign currency translation adjustments were more than offset by decreases in retained earnings, land revaluation reserve, and other items.

• Matters related to Rental Properties

Mitsubishi Estate and some of its consolidated subsidiaries own certain office buildings and retail facilities in Tokyo and other major cities in Japan as well as in the United States and the United Kingdom, with the aim of obtaining rental revenue from these buildings and facilities. Because certain leased office buildings among these are used by the Company or some of its consolidated subsidiaries, the Company has classified such buildings as real estate that includes portions used as investment and rental properties.

The following table shows the year-end amounts, changes in these amounts during the period under review, and the fair values of investment and rental properties and other real estate that includes portions used as investment and rental properties.

Millions of yen

	Fiscal Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Fiscal Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Rental Properties		
Amounts recorded on consolidated balance sheets		
Balance as of the beginning of the period	2,622,741	2,467,177
Increase (decrease) during the period	342,654	155,563
Balance as of the end of the period	2,965,396	2,622,741
Market value as of the end of the period	4,920,768	4,469,512
Real Estate That Includes Portions Used as Rental Properties		
Amounts recorded on consolidated balance sheets		
Balance as of the beginning of the period	232,419	233,688
Increase (decrease) during the period	(4,854)	(1,269)
Balance as of the end of the period	227,564	232,419
Market value as of the end of the period	339,800	330,100

Notes:
1. The amount included in the consolidated balance sheets presented in the table above is equal to the total acquisition price for applicable properties or real estate less the aggregate amounts of depreciation and impairment loss for these properties or real estate.
2. Fair values as of the end of each consolidated fiscal year are as follows:
   (1) The fair values of domestic properties and real estate have been calculated by Mitsubishi Estate, based mainly on the Japanese Real Estate Appraisal Standards.
   (2) The fair values of overseas properties and real estate have been calculated mostly by local appraisers.

Also, the following table shows profit and loss related to real estate, including the investment and rental properties and other real estate that includes portions used as rental properties for each fiscal year.

Millions of yen

	Fiscal Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Fiscal Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Rental Properties		
Rental Revenue	349,767	345,288
Rental Costs	231,696	224,155
Difference	118,070	121,133
Other Income (Loss)	(17,189)	(20,984)
Real Estate That Includes Portions Used as Rental Properties		
Rental Revenue	17,646	19,052
Rental Costs	16,431	16,393
Difference	1,215	2,659
Other Income (Loss)	(5,534)	(444)

Notes:
1. Real estate that includes portions used as investment and rental properties has portions that are used by Mitsubishi Estate and some of its consolidated subsidiaries for the purpose of providing related services and conducting operation management. Accordingly, rental revenue associated with these portions has been excluded. Costs associated with applicable properties and real estate, such as depreciation costs, building management costs and taxes, have been included in rental costs.
2. Other income (loss) includes loss on retirement of fixed assets, impairment loss and other items.

Financial Statements

Consolidated Balance Sheets

Mitsubishi Estate Co., Ltd. and Consolidated Subsidiaries
March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2013	2012	2013
Assets			
Current assets:			
Cash (Notes 6, 14 and 16)	¥ 192,076	¥ 215,741	$ 2,042,277
Notes and accounts receivable – trade (Notes 6 and 14)	29,925	41,927	318,187
Marketable securities (Notes 14 and 15)	612	866	6,507
Allowance for doubtful receivables	(201)	(2,130)	(2,141)
Inventories (Note 4)	511,036	465,401	5,433,666
Equity investments (Notes 14 and 15)	208,523	288,548	2,217,159
Deferred income taxes (Note 8)	21,064	15,148	223,968
Other current assets	63,736	58,199	677,691
Total current assets	1,026,773	1,083,704	10,917,315
Investments:			
Investments in and advances to unconsolidated subsidiaries and affiliates (Note 14)	15,663	14,870	166,543
Investment securities (Notes 6, 14 and 15)	185,491	159,171	1,972,268
Other investments (Notes 5 and 14)	148,525	142,885	1,579,219
Total investments	349,680	316,927	3,718,032
Property and equipment (Note 6):			
Land	1,883,246	1,672,379	20,023,883
Land in trust	377,854	308,932	4,017,591
Buildings and structures	2,063,217	1,969,910	21,937,454
Machinery and equipment and other	135,637	123,301	1,442,189
Construction in progress	33,909	41,037	360,551
	4,493,866	4,115,561	47,781,670
Less accumulated depreciation	(1,270,029)	(1,233,325)	(13,503,774)
Property and equipment, net	3,223,836	2,882,235	34,277,896
Intangible and other assets	111,230	104,148	1,182,678
Total assets	¥ 4,711,521	¥ 4,387,015	$ 50,095,923

See accompanying notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2013	2012	2013
Liabilities and net assets			
Current liabilities:			
Short-term borrowings and current portion of long-term debt (Notes 6 and 14)	¥ 327,304	¥ 302,933	$ 3,480,113
Notes and accounts payable – trade (Note 14)	53,044	77,860	563,999
Accrued income taxes (Note 8)	8,935	15,455	95,004
Advances and deposits	89,282	114,017	949,307
Accrued expenses and other current liabilities	60,877	48,787	647,289
Total current liabilities	539,444	559,053	5,735,715
Long-term liabilities:			
Long-term debt (Notes 6 and 14)	1,747,905	1,405,635	18,584,849
Lease deposits received (Note 14)	378,876	373,189	4,028,454
Accrued employees' retirement benefits (Note 7)	16,671	15,420	177,260
Deferred income taxes (Note 8)	516,800	502,629	5,494,952
Negative goodwill	88,143	82,995	937,201
Other non-current liabilities	57,668	74,175	613,171
Total long-term liabilities	2,806,065	2,454,046	29,835,891
Total liabilities	3,345,509	3,013,100	35,571,607
Net assets:			
Shareholders' equity (Note 9):			
Common stock, without par value:			
Authorized – 1,980,000,000 shares;			
Issued – 1,390,397,097 shares in 2013 and 2012	141,373	141,373	1,503,170
Capital surplus	170,485	170,485	1,812,712
Retained earnings	413,392	471,087	4,395,458
Less treasury stock, at cost	(4,585)	(4,366)	(48,752)
Total shareholders' equity	720,666	778,580	7,662,588
Accumulated other comprehensive income:			
Unrealized holding gain on securities	70,608	47,251	750,750
Deferred gain (loss) on hedging instruments	(221)	(238)	(2,356)
Land revaluation reserve	498,103	500,647	5,296,157
Foreign currency translation adjustments	(49,608)	(69,449)	(527,473)
Total accumulated other comprehensive income	518,881	478,211	5,517,077
Stock acquisition rights	500	451	5,323
Minority interests	125,963	116,672	1,339,325
Contingent liabilities (Note 12)			
Total net assets	1,366,011	1,373,915	14,524,315
Total liabilities and net assets	¥ 4,711,521	¥ 4,387,015	$ 50,095,923

Consolidated Statements of Income

Mitsubishi Estate Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2013	2012	**2013**
Revenue from operations	**¥ 927,157**	¥ 1,013,069	**$ 9,858,135**
Cost of revenue from operations	**(733,392)**	(790,233)	**(7,797,895)**
Selling, general and administrative expenses	**(75,415)**	(76,536)	**(801,866)**
Operating income	**118,349**	146,299	**1,258,372**
Other income (expenses):			
Interest and dividend income	**4,023**	4,164	**42,782**
Interest expenses	**(24,594)**	(23,087)	**(261,507)**
Equity in earnings of unconsolidated subsidiaries and affiliates	**517**	515	**5,497**
Other, net (Note 13)	**(41,554)**	(40,378)	**(441,834)**
	(61,608)	(58,785)	**(655,061)**
Income before income taxes and minority interests	**56,741**	87,513	**603,311**
Income taxes (Note 8):			
Current	**(16,528)**	(28,715)	**(175,741)**
Deferred	**14,620**	10,070	**155,454**
	(1,907)	(18,644)	**(20,286)**
Minority interests	**(9,325)**	(12,356)	**(99,157)**
Net income	**¥ 45,507**	¥ 56,512	**$ 483,866**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Mitsubishi Estate Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2013	2012	**2013**
Income before minority interests	**¥ 54,833**	¥ 68,869	**$ 583,024**
Other comprehensive income (Note 22):			
Unrealized holding gain (loss) on securities	**23,358**	(770)	**248,364**
Deferred gain (loss) on hedging instruments	**(65)**	(246)	**(692)**
Land revaluation reserve	**(1,384)**	23,717	**(14,718)**
Foreign currency translation adjustments	**19,556**	(8,299)	**207,940**
Share of other comprehensive income of companies accounted for by the equity method	**679**	(134)	**7,225**
Total other comprehensive income	**42,145**	14,264	**448,119**
Comprehensive income (Note 22)	**¥ 96,979**	¥ 83,134	**$ 1,031,143**
Total comprehensive income attributable to:			
Shareholders of Mitsubishi Estate Co., Ltd.	**¥ 87,337**	¥ 71,203	**$ 928,624**
Minority interests	**¥ 9,641**	¥ 11,931	**$ 102,519**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Mitsubishi Estate Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2011	¥141,373	¥170,485	¥449,889	¥(4,390)	¥757,358
Changes in the year:					
Cash dividends paid			(16,653)		(16,653)
Net income			56,512		56,512
Purchase of treasury stock				(74)	(74)
Disposal of treasury stock			(19)	98	78
Land revaluation reserve (Note 1-h)			(18,608)		(18,608)
Changes in the scope of consolidation			(32)		(32)
Net change in items other than those in shareholders' equity					
Total of changes in the year			21,198	23	21,221
Balance at April 1, 2012	141,373	170,485	471,087	(4,366)	778,580
Cumulative effect of changes in accounting policy (Note 2)			**(89,146)**		**(89,146)**
Restated balance at April 1, 2012	**141,373**	**170,485**	**381,940**	**(4,366)**	**689,433**
Changes in the year:					
Cash dividends paid			**(16,652)**		**(16,652)**
Net income			**45,507**		**45,507**
Purchase of treasury stock				**(384)**	**(384)**
Disposal of treasury stock			**(29)**	**166**	**136**
Land revaluation reserve (Note 1-h)			**1,160**		**1,160**
Changes in the scope of consolidation			**1,466**		**1,466**
Net change in items other than those in shareholders' equity					
Total of changes in the year			**31,451**	**(218)**	**31,233**
Balance at March 31, 2013	**¥141,373**	**¥170,485**	**¥413,392**	**¥(4,585)**	**¥720,666**

	Millions of yen							
	Accumulated other comprehensive income							
	Unrealized holding gain on securities	Deferred gain (loss) on hedging instruments	Land revaluation reserve	Foreign currency translation adjustments	Total accumulated other comprehensive income	Stock acquisition rights	Minority interests	Total net assets
Balance at April 1, 2011	¥ 48,021	¥(254)	¥458,297	¥(61,151)	¥444,912	¥381	¥112,395	¥1,315,047
Changes in the year:								
Cash dividends paid								(16,653)
Net income								56,512
Purchase of treasury stock								(74)
Disposal of treasury stock								78
Land revaluation reserve (Note 1-h)								(18,608)
Changes in the scope of consolidation								(32)
Net change in items other than those in shareholders' equity	(770)	16	42,350	(8,297)	33,298	70	4,276	37,645
Total of changes in the year	(770)	16	42,350	(8,297)	33,298	70	4,276	58,867
Balance at April 1, 2012	47,251	(238)	500,647	(69,449)	478,211	451	116,672	1,373,915
Cumulative effect of changes in accounting policy (Note 2)								**(89,146)**
Restated balance at April 1, 2012	**47,251**	**(238)**	**500,647**	**(69,449)**	**478,211**	**451**	**116,672**	**1,284,768**
Changes in the year:								
Cash dividends paid								**(16,652)**
Net income								**45,507**
Purchase of treasury stock								**(384)**
Disposal of treasury stock								**136**
Land revaluation reserve (Note 1-h)								**1,160**
Changes in the scope of consolidation								**1,466**
Net change in items other than those in shareholders' equity	**23,356**	**16**	**(2,544)**	**19,840**	**40,669**	**49**	**9,291**	**50,009**
Total of changes in the year	**23,356**	**16**	**(2,544)**	**19,840**	**40,669**	**49**	**9,291**	**81,243**
Balance at March 31, 2013	**¥ 70,608**	**¥(221)**	**¥498,103**	**¥(49,608)**	**¥518,881**	**¥500**	**¥125,963**	**¥1,366,011**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets (continued)

Mitsubishi Estate Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Thousands of U.S. dollars (Note 3)				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2011	$1,503,170	$1,812,712	$4,783,516	$(46,681)	$8,052,718
Changes in the year:					
Cash dividends paid			(177,071)		(177,071)
Net income			600,877		600,877
Purchase of treasury stock				(796)	(796)
Disposal of treasury stock			(210)	1,047	837
Land revaluation reserve (Note 1-h)			(197,856)		(197,856)
Changes in the scope of consolidation			(344)		(344)
Net change in items other than those in shareholders' equity					
Total of changes in the year			225,392	251	225,644
Balance at April 1, 2012	1,503,170	1,812,712	5,008,909	(46,429)	8,278,362
Cumulative effect of changes in accounting policy (Note 2)			**(947,867)**		**(947,867)**
Restated balance at April 1, 2012	**1,503,170**	**1,812,712**	**4,061,041**	**(46,429)**	**7,330,494**
Changes in the year:					
Cash dividends paid			**(177,063)**		**(177,063)**
Net income			**483,866**		**483,866**
Purchase of treasury stock				**(4,089)**	**(4,089)**
Disposal of treasury stock			**(310)**	**1,766**	**1,456**
Land revaluation reserve (Note 1-h)			**12,334**		**12,334**
Changes in the scope of consolidation			**15,590**		**15,590**
Net change in items other than those in shareholders' equity					
Total of changes in the year			**334,417**	**(2,323)**	**332,093**
Balance at March 31, 2013	**$1,503,170**	**$1,812,712**	**$4,395,458**	**$(48,752)**	**$7,662,588**

	Thousands of U.S. dollars (Note 3)							
	Accumulated other comprehensive income							
	Unrealized holdnig gain on securities	Deferred gain (loss) on hedging instruments	Land revaluation reserve	Foreign currency translation adjustments	Total accumulated other comprehensive income	Stock acquisition rights	Minority interests	Total net assets
Balance at April 1, 2011	$510,596	$(2,705)	$4,872,908	$(650,201)	$4,730,597	$4,053	$1,195,063	$13,982,433
Changes in the year:								
Cash dividends paid								(177,071)
Net income								600,877
Purchase of treasury stock								(796)
Disposal of treasury stock								837
Land revaluation reserve (Note 1-h)								(197,856)
Changes in the scope of consolidation								(344)
Net change in items other than those in shareholders' equity	(8,188)	170	450,301	(88,227)	354,056	744	45,472	400,273
Total of changes in the year	(8,188)	170	450,301	(88,227)	354,056	744	45,472	625,917
Balance at April 1, 2012	502,408	(2,534)	5,323,209	(738,429)	5,084,654	4,798	1,240,535	14,608,351
Cumulative effect of changes in accounting policy (Note 2)								**(947,867)**
Restated balance at April 1, 2012	**502,408**	**(2,534)**	**5,323,209**	**(738,429)**	**5,084,654**	**4,798**	**1,240,535**	**13,660,483**
Changes in the year:								
Cash dividends paid								**(177,063)**
Net income								**483,866**
Purchase of treasury stock								**(4,089)**
Disposal of treasury stock								**1,456**
Land revaluation reserve (Note 1-h)								**12,334**
Changes in the scope of consolidation								**15,590**
Net change in items other than those in shareholders' equity	**248,341**	**178**	**(27,052)**	**210,955**	**432,423**	**524**	**98,789**	**531,738**
Total of changes in the year	**248,341**	**178**	**(27,052)**	**210,955**	**432,423**	**524**	**98,789**	**863,832**
Balance at March 31, 2013	**$750,750**	**$(2,356)**	**$5,296,157**	**$(527,473)**	**$5,517,077**	**$5,323**	**$1,339,325**	**$14,524,315**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Mitsubishi Estate Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2013	2012	**2013**
Cash flows from operating activities			
Income before income taxes and minority interests	**¥ 56,741**	¥ 87,513	**$ 603,311**
Depreciation and amortization	**73,364**	67,465	**780,057**
Loss on sales or disposal of property and equipment	**11,560**	7,886	**122,914**
Gain on sales of securities	**(260)**	(229)	**(2,769)**
Valuation loss on securities	**–**	333	**–**
Valuation loss on equity investments	**8,985**	3,011	**95,534**
Impairment loss	**2,826**	18,133	**30,051**
Equity in net income of affiliates	**(517)**	(515)	**(5,497)**
Increase (decrease) in allowances	**4,973**	3,193	**52,882**
Interest and dividend income	**(4,023)**	(4,164)	**(42,782)**
Interest expense	**24,594**	23,087	**261,507**
(Increase) decrease in notes and accounts receivable	**11,672**	(6,416)	**124,109**
(Increase) decrease in inventories	**43,173**	109,481	**459,050**
(Increase) decrease in equity investments	**(24,319)**	(82,423)	**(258,580)**
Increase (decrease) in notes and accounts payable	**(13,833)**	(3,146)	**(147,085)**
Increase (decrease) in lease deposits received	**5,965**	(1,743)	**63,426**
Other	**(26,539)**	28,134	**(282,190)**
Subtotal	**174,363**	249,601	**1,853,939**
Interest and dividends received	**6,277**	4,379	**66,747**
Interest paid	**(24,940)**	(22,931)	**(265,183)**
Income taxes paid	**(33,413)**	(27,805)	**(355,272)**
Net cash provided by operating activities	**122,286**	203,243	**1,300,230**
Cash flows from investing activities			
Proceeds from sales of marketable securities	**181**	1,179	**1,934**
Purchases of marketable securities	**–**	(1,000)	**–**
Proceeds from sales of property and equipment	**9,948**	10,592	**105,777**
Purchases of property and equipment	**(206,608)**	(282,109)	**(2,196,794)**
Proceeds from sales of investment securities	**2,247**	1,728	**23,894**
Purchases of investment securities	**(2,804)**	(922)	**(29,819)**
Other (Note 16)	**(20,957)**	(1,477)	**(222,830)**
Net cash used in investing activities	**(217,992)**	(272,009)	**(2,317,837)**
Cash flows from financing activities			
Net increase and decrease in short-term borrowings	**(13,301)**	4,794	**(141,433)**
Net increase and decrease in commercial paper	**35,000**	–	**372,142**
Increase in long-term borrowings	**399,752**	241,898	**4,250,429**
Repayment of long-term borrowings	**(486,374)**	(235,393)	**(5,171,451)**
Proceeds from issuance of corporate bonds	**187,650**	105,270	**1,995,218**
Repayment of corporate bonds	**(82,881)**	(35,630)	**(881,245)**
Cash dividends paid	**(16,652)**	(16,653)	**(177,063)**
Other	**3,958**	(7,097)	**42,087**
Net cash provided by financing activities	**27,150**	57,189	**288,684**
Effect of exchange rate changes on cash and cash equivalents	**3,838**	(2,262)	**40,816**
Net increase and decrease in cash and cash equivalents	**(64,716)**	(13,839)	**(688,105)**
Cash and cash equivalents at beginning of year	**215,771**	229,062	**2,294,222**
Increase in cash and cash equivalents arising from newly consolidated subsidiaries	**42,724**	7	**454,278**
Cash and cash equivalents of subsidiaries excluded from consideration	**(1,942)**	(66)	**(20,657)**
Increase in cash and cash equivalents arising from merger	**–**	607	**–**
Cash and cash equivalents at end of year (Note 16)	**¥ 191,837**	¥ 215,771	**$ 2,039,737**

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Mitsubishi Estate Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

1 Significant Accounting Policies

a. Basis of preparation
The accompanying consolidated financial statements of Mitsubishi Estate Co., Ltd. (the "Company") and consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

The notes to the consolidated financial statements include information which may not be required under accounting principles generally accepted in Japan but is presented herein as additional information.

As permitted by the Financial Instruments and Exchange Act of Japan, amounts of less than one million yen have been rounded off. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sums of the individual amounts.

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

b. Principles of consolidation
The accompanying consolidated financial statements include the accounts of the Company and its consolidated subsidiaries that it controls directly or indirectly. Companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis.

All significant intercompany balances and transactions have been eliminated in consolidation.

c. Use of estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The actual results could differ from those estimates.

d. Foreign currency translation
Current and non-current monetary accounts denominated in foreign currencies are translated into yen at the current rates.

The revenue and expense accounts of the foreign consolidated subsidiaries are translated using the average rate during the year. Except for shareholders' equity, the balance sheet accounts are also translated into yen at the rates of exchange in effect at the balance sheet date. The components of shareholders' equity are translated at their historical exchange rates.

e. Cash equivalents
The Company and its consolidated subsidiaries consider all highly liquid investments that are readily convertible into cash and have an original maturity of three months or less to be cash equivalents. Reconciliation between cash in the balance sheets and cash equivalents at March 31, 2013 and 2012 is presented in Note 16.

f. Marketable securities and investment securities
Securities other than those of subsidiaries and affiliates are classified into three categories: trading, held-to-maturity or other securities. Trading securities are carried at fair value and held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in shareholders' equity. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

g. Inventories
Inventories are mainly stated at cost, determined by the identified cost method. Net book value of inventories in the consolidated balance sheets is written down when their net realizable values decline.

h. Property and equipment, depreciation and impairment
Property and equipment, except for land as discussed below, is stated at cost less accumulated depreciation. Depreciation is calculated principally by the declining-balance method, except for buildings acquired in Japan subsequent to March 31, 1998 and property and equipment of foreign subsidiaries on which depreciation is calculated by the straight-line method at rates determined based on the estimated useful lives of the respective assets. The Company and its consolidated subsidiaries have capitalized the costs incurred for significant renewals and additions; however, costs for maintenance and repairs are charged to income.

As of March 31, 2002, the Company revalued its land at fair value, pursuant to Article 2 of the "Enforcement Ordinance for the Law Concerning Revaluation Reserve for Land" and its amendments. The related unrealized gain, net of applicable income taxes, has been recorded as "Land revaluation reserve" in net assets.

The Company and its consolidated subsidiaries review their property and equipment (including land) for impairment whenever events or changes in its business circumstances indicate that the carrying amount of the assets may not be fully recoverable. They perform cash flow analyses to determine if impairment exits. If impairment is determined to exist, any related loss on impairment is calculated based on the cash flow analyses.

The useful lives of property and equipment are summarized as follows:

Buildings and structures	2 to 75 years

i. Intangible and other assets
Intangible and other assets primarily consist of goodwill and land use rights. Goodwill is stated on the basis of cost and is being amortized over a period of 5 years or an estimated economical period on a straight-line basis. A loss is recognized if the fair value falls below the carrying amount. Land use rights are stated on a cost basis.

j. Retirement benefits
The Company and most consolidated subsidiaries have noncontributory funded and unfunded defined benefit plans covering most of their employees. Employees of the Company and its consolidated subsidiaries are entitled under most employment termination circumstances to annuity payments or lump-sum payments, the amounts of which are determined principally by reference to their basic rates of pay, length of service, and the conditions under which the termination occurs.

Accrued employees' retirement benefits are provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated years of service of the employees.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized by the straight-line method over periods of 1 year to 15 years, which are shorter than the average remaining years of service of the employees.

Prior service cost is being amortized as incurred by the straight-line method over periods of 1 year to 10 years, which are shorter than the average remaining years of service of the employees.

k. Income taxes
Deferred tax assets and liabilities are determined based on the financial statements and the tax bases of assets and liabilities, using the enacted tax rates in effect for the year in which the temporary differences are expected to reverse. Deferred tax assets are also recognized for the estimated future tax effects attributable to operating loss carry forwards. Valuation allowances are established to reduce deferred tax assets if it is more likely than not that the some portion or all of the deferred tax assets will not be realized.

l. Derivative financial instruments
The Company and certain of its consolidated subsidiaries utilize derivative financial instruments for the purpose of hedging their exposure to adverse fluctuations and changes in interest rates (interest rate swaps) and foreign exchange rates (currency swaps), but do not enter into such transactions for speculative or trading purposes.

Derivative financial instruments are carried at fair value with any changes in unrealized gain or loss charged or credited to operations, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as an asset or liability.

m. Revenue recognition
The consolidated statements of income reflect revenue from operations in the following manner:

(a) Revenue from the leasing of office space is recognized as rent accrued over the leasing period.
(b) Revenue from sales of condominiums, residential houses and land is recognized when the units are delivered and accepted by the customers. Revenue from consignment commissions for residential sales earned by the real estate service business segment is recognized at the time of contract conclusion for services provided up to the conclusion and at the time of ownership transfer for services provided up to the transfer.
(c) Revenue from real estate brokerage is recognized when an underlying lease agreement goes into force or the underlying units are delivered.
(d) Revenue of construction contracts, of which the percentage of completion can be reliably estimated, is recognized by the percentage-of-completion method. The percentage-of-completion method is calculated at the cost incurred by the end of the consolidated fiscal year as a percentage of estimated total cost. The completed-contract method continues to be applied for other contracts for which the percentage of completion cannot be reliably estimated.
(e) Other operating revenue is recognized on an accrual basis.

n. Appropriation of retained earnings
Under the Companies Act of Japan, the appropriation of retained earnings with respect to a given financial year is made by resolution of the shareholders at a general meeting held subsequent to the close of such financial year. The accounts for that year do not, therefore, reflect such appropriations. See Note 9 for more information.

o. Standards issued but not yet effective
On May 17, 2012, the Accounting Standards Board of Japan (ASBJ) issued "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25), which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000 and the other related practical guidance, being followed by partial amendments from time to time through 2009. The major changes are as follows:

(1) Treatment in the balance sheet–Actuarial gains and losses and prior service cost that have yet to be recognized in profit or loss shall be recognized within net assets (accumulated other comprehensive income), after adjusting for tax effects, and the deficit or surplus shall be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).
(2) Treatment in the statement of income and the statement of comprehensive income–Actuarial gains and losses and prior service cost that arose in the current period and have yet to be recognized in profit or loss shall be included in other comprehensive income and actuarial gains and losses and prior service cost that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

This standard and related guidance are effective as of the end of fiscal years beginning on or after April 1, 2013. The Company is currently evaluating the effect these modifications will have on its consolidated results of operations and financial position.

2 Changes in Accounting Policy

("Revised Accounting Standard for Consolidated Financial Statements")
Effective April 1, 2012, the Company early adopted the new accounting standard, "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued on March 25, 2011), "Revised Guidance on Disclosures about Certain Special Purpose Entities" (ASBJ Guidance No. 15 issued on March 25, 2011) and other related standards and guidance. Accordingly, 6 special purpose companies, including Shinjuku 6-chome Tokutei Mokuteki Kaisya, Otemachi Development Tokutei Mokuteki Kaisya, Toyosu 3-1 Tokutei Mokuteki Kaisya, Shinjuku 6-chome S-Block Tokutei Mokuteki Kaisya, have been newly included within the scope of consolidation.

The accounting policies of the newly consolidated 6 entities comply with the rules under paragraph 44-4, item (4) of "Accounting Standard for Consolidated Financial Statements," and their assets and liabilities are measured at fair value. As a result, retained earnings decreased by ¥89,146 million ($947,867 thousand) as at April 1, 2012.

("Changes in depreciation method")
In accordance with an amendment to the Corporation Tax Law of Japan effective April 1, 2012, the Company and its domestic consolidated subsidiaries have changed their depreciation method for property, plant and equipment acquired on or after April 1, 2012, other than certain buildings, to reflect the methods prescribed in the amended Corporation Tax Law. The previously applied 250% declining-balance method was changed to the 200% declining-balance method. The impact of this change on consolidated operating income and income before income taxes and minority interests for the year ended March 31, 2013 is immaterial.

3 U.S. Dollar Amounts

Translation of yen amounts into U.S. dollar amounts is included solely for convenience, as a matter of arithmetic computation only, at the rate of ¥94.05 = U.S. $1.00, the approximate rate of exchange prevailing on March 31, 2013. The inclusion of such amounts is not intended to imply that yen amounts have been or could be readily converted, realized or settled in U.S. dollars at the above or any other rate.

4 Inventories

Inventories at March 31, 2013 and 2012 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Real estate for sale	**¥152,354**	¥120,573	**$1,619,934**
Land and housing projects in progress	**343,621**	328,127	**3,653,600**
Land held for development	**8,615**	8,632	**91,607**
Other	**6,444**	8,068	**68,524**
Total	**¥511,036**	¥465,401	**$5,433,666**

5 Other Investments

Other investments at March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Lease deposits	¥110,689	¥101,833	$1,176,922
Long-term prepaid expenses and other	37,836	41,052	402,296
Total	¥148,525	¥142,885	$1,579,219

6 Short-Term Borrowings and Long-Term Debt

At March 31, 2013 and 2012, short-term borrowings and the current portion of long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Loans, principally from banks	¥ 68,291	¥ 79,002	$ 726,115
Commercial paper	35,000	—	372,142
Current portion of long-term debt	224,013	223,930	2,381,855
Total	¥327,304	¥302,933	$3,480,113

The weighted-average interest rates per annum on short-term borrowings outstanding at March 31, 2013 and 2012 were 0.59% and 0.63%, respectively. Short-term borrowings are principally unsecured.

At March 31, 2013 and 2012, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
1.58% unsecured bonds due 2012	–	¥ 20,000	–
3.275% unsecured bonds due 2012	–	10,000	–
2.77% unsecured bonds due 2012	–	10,000	–
1.395% unsecured bonds due 2012	–	10,000	–
1.2% unsecured bonds due 2012	–	10,000	–
1% unsecured bonds due 2013	–	10,000	–
0.785% unsecured bonds due 2013	¥ 10,000	10,000	$ 106,326
1.675% unsecured bonds due 2014	10,000	10,000	106,326
1.349% unsecured bonds due 2014	10,000	10,000	106,326
1.65% unsecured bonds due 2014	10,000	10,000	106,326
1.75% unsecured bonds due 2014	10,000	10,000	106,326
0.519% unsecured bonds due 2014	4,664	–	49,590
1.655% unsecured bonds due 2014	10,000	10,000	106,326
1.409% unsecured bonds due 2015	10,000	10,000	106,326
1.295% unsecured bonds due 2015	10,000	10,000	106,326
1.572% unsecured bonds due 2015	10,000	10,000	106,326
1.443% unsecured bonds due 2016	15,000	15,000	159,489
1.985% unsecured bonds due 2016	10,000	10,000	106,326
1.88% unsecured bonds due 2016	10,000	10,000	106,326
0.553% unsecured bonds due 2016	15,000	15,000	159,489
0.459% unsecured bonds due 2016	10,000	10,000	106,326
1.79% unsecured bonds due 2017	10,000	10,000	106,326
0.428% unsecured bonds due 2017	20,000	–	212,652
2.045% unsecured bonds due 2017	10,000	10,000	106,326
1.825% unsecured bonds due 2017	10,000	10,000	106,326
3.125% unsecured bonds due 2017	10,000	10,000	106,326
1.77% unsecured bonds due 2017	20,000	20,000	212,652
0.187% unsecured bonds due 2018	15,000	–	159,489
1.65% unsecured bonds due 2018	10,000	10,000	106,326
2.005% unsecured bonds due 2018	10,000	10,000	106,326
0.811% unsecured bonds due 2018	10,000	10,000	106,326
3% unsecured bonds due 2018	10,000	10,000	106,326
1.84% unsecured bonds due 2018	15,000	15,000	159,489
1.72% unsecured bonds due 2018	10,000	10,000	106,326
0.631% unsecured bonds due 2019	10,000	–	106,326
1.87% unsecured bonds due 2019	15,000	15,000	159,489
1.62% unsecured bonds due 2019	10,000	10,000	106,326
0.571% unsecured bonds due 2019	10,000	–	106,326
1.53% unsecured bonds due 2019	10,000	10,000	106,326
1.975% unsecured bonds due 2019	10,000	10,000	106,326
1.805% unsecured bonds due 2019	10,000	10,000	106,326
2.5% unsecured bonds due 2020	10,000	10,000	106,326
1.165% unsecured bonds due 2020	10,000	10,000	106,326
0.577% unsecured bonds due 2020	15,000	–	159,489
0.54% unsecured bonds due 2021	15,000	–	159,489
1.262% unsecured bonds due 2021	15,000	15,000	159,489
1.103% unsecured bonds due 2021	20,000	20,000	212,652
1.095% unsecured bonds due 2021	10,000	10,000	106,326
1.178% unsecured bonds due 2022	20,000	20,000	212,652
1.087% unsecured bonds due 2022	20,000	–	212,652
1.026% unsecured bonds due 2022	30,000	–	318,979
2.42% unsecured bonds due 2022	10,000	10,000	106,326
0.929% unsecured bonds due 2022	10,000	–	106,326
1.5% unsecured bonds due 2022	10,000	10,000	106,326
2.075% unsecured bonds due 2023	10,000	10,000	106,326
2.28% unsecured bonds due 2024	10,000	10,000	106,326
1.067% unsecured bonds due 2024	10,000	–	106,326
2.305% unsecured bonds due 2027	10,000	10,000	106,326
2.385% unsecured bonds due 2027	10,000	10,000	106,326
2.52% unsecured bonds due 2027	15,000	15,000	159,489
2.425% unsecured bonds due 2027	10,000	10,000	106,326
2.555% unsecured bonds due 2028	10,000	10,000	106,326
2.9% unsecured bonds due 2032	10,000	10,000	106,326
2.615% unsecured bonds due 2032	10,000	10,000	106,326
2.04% unsecured bonds due 2032	20,000	20,000	212,652
1.72% unsecured bonds due 2033	10,000	10,000	106,326
Floating rate bonds due 2012 (payable in U.S. dollars)	–	6,235	–
Floating rate bonds due 2013 (payable in U.S. dollars)	27,567	–	293,119
Loans from banks and insurance companies:			
Secured	236,212	213,687	2,511,561
Unsecured	988,473	779,643	10,510,088
	1,971,918	1,629,566	20,966,705
Less current portion	(224,013)	(223,930)	(2,381,855)
	¥1,747,905	¥1,405,635	$18,584,849

The aggregate annual maturities of long-term debt subsequent to March 31, 2013 are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2014	¥ 224,245	$ 2,384,323
2015	382,540	4,067,415
2016	138,913	1,477,021
2017	236,077	2,510,132
2018	196,148	2,085,580
2019 and thereafter	794,224	8,444,699
Total	¥1,972,150	$20,969,173

The assets pledged as collateral for short-term borrowings of ¥100 million ($1,063 thousand) and long-term debt of ¥236,212 million ($2,511,561 thousand) at March 31, 2013 were as follows:

	Millions of yen	Thousands of U.S. dollars
Buildings and structures	¥178,799	$1,901,114
Machinery and equipment	3,533	37,567
Land	324,979	3,455,394
Construction in progress	353	3,755
Other property and equipment	2,171	23,086
Investment securities	68	731
Total	¥509,906	$5,421,650

The following debts included in long-term debt are non-recourse loans at March 31, 2013, which are secured by collaterals as the ultimate sources of repayment.

	Millions of yen	Thousands of U.S. dollars
Bonds	¥ 4,664	$ 49,596
Long-term borrowings	174,635	1,856,835
Total	¥179,299	$1,906,432

The repayment sources at March 31, 2013 are the following assets and their accompaniments.

	Millions of yen	Thousands of U.S. dollars
Cash	¥ 15,693	$ 166,863
Notes and accounts receivable – trade	1,103	11,732
Buildings and structures	45,692	485,836
Machinery and equipment	155	1,653
Land	137,505	1,462,047
Construction in progress	353	3,755
Other property and equipment	2,171	23,086
Total	¥202,675	$2,154,975

7 Pension and Severance Plans

The following table sets forth the funded status of the plans, and the amounts recognized in the consolidated balance sheets at March 31, 2013 and 2012 for the Company's and its consolidated subsidiaries' defined benefit pension plans:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Retirement benefit obligation	**¥(108,134)**	¥(100,512)	**$(1,149,756)**
Plan assets at fair value	**80,940**	74,401	**860,611**
Unfunded retirement benefit obligation	**(27,194)**	(26,111)	**(289,144)**
The net retirement benefit obligation at transition of the accounting standards	**(116)**	6	**(1,243)**
Unrecognized actuarial loss	**19,408**	18,330	**206,365**
Unrecognized prior service cost	**(155)**	530	**(1,655)**
Net amounts recognized in the consolidated balance sheets	**(8,058)**	(7,243)	**(85,678)**
Prepaid pension expenses	**8,845**	8,463	**94,053**
Accrued employees' retirement benefits	**¥ (16,903)**	¥ (15,707)	**$ (179,731)**

* The accrued employees' retirement benefits recognized by Rockefeller Group, Inc., a consolidated subsidiary, in the amount of ¥232 million ($2,470 thousand) at March 31, 2013 and ¥287 million at March 31, 2012 was presented in other current liabilities.

The components of expenses related to the pension and severance plans for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Service cost	**¥ 4,437**	¥ 4,317	**$ 47,180**
Interest cost	**2,116**	2,185	**22,500**
Expected return on plan assets	**(1,654)**	(1,563)	**(17,591)**
Amortization of net retirement benefit obligation at transition	**3**	8	**38**
Amortization of actuarial loss	**1,611**	2,195	**17,136**
Other	**746**	280	**7,941**
Total	**¥ 7,261**	¥ 7,424	**$ 77,205**

The assumptions used in accounting for the pension and severance plans for the years ended March 31, 2013 and 2012 were as follows:

	2013	2012
Discount rate	**1.0 ~ 4.6%**	1.0 ~ 5.5%
Expected rate of return on plan assets	**0.5 ~ 7.5%**	0.5 ~ 7.5%

8 Income Taxes

Income taxes in Japan applicable to the Company and its domestic consolidated subsidiaries consist of corporation tax, inhabitants' taxes and enterprise tax which, in the aggregate, resulted in statutory tax rates of 38.01% for the year ended March 31, 2013 and 40.69% for the year ended March 31, 2012. Income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation.

The effective tax rates reflected in the consolidated statements of income for the years ended March 31, 2013 and 2012 differ from the statutory tax rate for the following reasons:

	2013	2012
Statutory tax rate	**38.01%**	40.69%
Increase (decrease) in income taxes resulting from:		
Change in valuation allowance	**(17.68)**	(3.50)
Different tax rates applied	**(0.28)**	0.55
Revenues deductible for income tax purposes	**(0.74)**	(0.54)
Expenses not deductible for income tax purposes	**2.99**	0.62
Undistributed earnings of affiliates	**0.26**	(0.08)
Equity income	**(0.33)**	(0.22)
Reversal of temporary differences associated with investment in affiliates	**(19.44)**	–
Effect of enacted changes in tax laws and rates on Japanese tax	**–**	(18.35)
Other	**0.57**	2.13
Effective tax rates	**3.36%**	21.30%

The significant components of deferred tax assets and liabilities as of March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Deferred tax assets:			
Net operating loss carry forwards	**¥ 9,151**	¥ 6,269	**$ 97,301**
Accrued retirement allowances and pension costs	**13,647**	13,511	**145,108**
Valuation loss on inventories	**18,620**	16,246	**197,989**
Unrealized loss on property and equipment	**82,926**	85,885	**881,730**
Unrealized loss on property and equipment by consolidation	**13,466**	15,390	**143,179**
Land revaluation reserve	**29,834**	29,791	**317,224**
Loss on valuation of equity investments	**4,626**	2,952	**49,196**
Other	**32,245**	28,958	**342,855**
Total gross deferred tax assets	**204,519**	199,006	**2,174,586**
Valuation allowance	**(67,509)**	(78,859)	**(717,802)**
Total deferred tax assets	**137,010**	120,146	**1,456,783**
Deferred tax liabilities:			
Reserves under Special Taxation Measures Law	**(74,104)**	(72,820)	**(787,924)**
Land revaluation reserve	**(322,051)**	(322,650)	**(3,424,260)**
Unrealized gain on property and equipment by consolidation	**(122,681)**	(162,210)	**(1,304,424)**
Unrealized gain on property and equipment	**(42,644)**	–	**(453,424)**
Unrealized gain on securities	**(36,494)**	(25,486)	**(388,034)**
Other	**(18,851)**	(16,655)	**(200,437)**
Total deferred tax liabilities	**(616,827)**	(599,824)	**(6,558,507)**
Net deferred tax liabilities	**¥(479,817)**	¥(479,677)	**$(5,101,723)**

9 Shareholders' Equity

The Companies Act of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. The capital reserve amounted to ¥170,485 million ($1,812,712 thousand), and the legal reserve amounted to ¥21,663 million ($230,343 thousand) at March 31, 2013. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met, but neither the capital reserve nor the legal reserve is available for distributions.

10 Amounts per Share

	Yen		U.S. dollars
Year ended March 31,	**2013**	2012	**2013**
Net income:			
Basic	**¥32.79**	¥40.72	**$0.34**
Diluted	**32.78**	40.71	**0.34**
Cash dividends applicable to the year	**12.00**	12.00	**0.12**

	Yen		U.S. dollars
As of March 31,	**2013**	2012	**2013**
Net assets	**¥893.27**	¥905.60	**$9.49**

Basic net income per share was computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year, and diluted net income per share was computed based on the net income available for distribution to the shareholders and the weighted average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of shares of common stock to be issued upon the exercise of warrants and stock subscription rights.

Amounts per share of net assets are computed based on net assets available for distribution to the shareholders and the number of shares of common stock outstanding at the year end.

Cash dividends per share represent the cash dividends proposed by the Board of Directors as applicable to the respective years together with the interim cash dividends paid.

11 Leases

Future minimum lease payments subsequent to March 31, 2013 on noncancelable operating leases are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2014	¥ 5,743	$ 61,072
2015 and thereafter	155,403	1,652,344
Total	¥161,146	$1,713,417

The Company and its consolidated subsidiaries lease office buildings and commercial properties and earn income on these leases. Future minimum lease income subsequent to March 31, 2013 from noncancelable operating leases is summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2014	¥199,427	$2,120,445
2015 and thereafter	672,285	7,148,174
Total	¥871,713	$9,268,620

12 Contingent Liabilities

At March 31, 2013, the Company and its consolidated subsidiaries had the following contingent liabilities:

(1) Guarantee of loans

	Millions of yen	Thousands of U.S. dollars
Guarantees of affiliates' loans from banks	**¥ 9,039**	**$ 96,110**
Guarantees of house purchasers' loans from banks	**38,616**	**410,597**
Other	**90**	**964**
Total	**¥47,746**	**$507,673**

(2) Guarantee for business undertakings

	Millions of yen	Thousands of U.S. dollars
Business undertaking guarantees	**¥8,953**	**$95,201**

Mitsubishi Estate Asia Pte. Ltd. provides business undertaking guarantees for residential development projects in proportion to its share.

(3) Obligation of additional investment

	Millions of yen	Thousands of U.S. dollars
Obligation of additional investment	**¥28,500**	**$303,030**

Our additional contribution obligation for the special purpose company is 50% as our stake.

13 Other Income (Expenses)

The components of "Other, net" in "Other income (expenses)" for each of the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Amortization of negative goodwill	**¥ 835**	¥ 835	**$ 8,881**
Gain on sales of fixed assets	**6,165**	2,205	**65,558**
Gain on sales of investment securities	**362**	229	**3,856**
Gain on negative goodwill	**1,374**	–	**14,619**
Loss on disposal of fixed assets	**(5,744)**	(6,586)	**(61,078)**
Loss related to retirement of fixed assets	**(24,338)**	(7,728)	**(258,787)**
Impairment loss (*1)	**(2,826)**	(18,133)	**(30,051)**
Loss on valuation of equity investments	**(8,985)**	(3,011)	**(95,534)**
Loss for soil decontamination	**–**	(1,569)	**–**
Loss on serviced apartment business	**–**	(3,618)	**–**
Loss on clinic closing	**–**	(1,296)	**–**
Provision for loss on guarantees	**(7,030)**	–	**(74,755)**
Other, net	**(1,367)**	(1,706)	**(14,543)**
	¥(41,554)	¥(40,378)	**$(441,834)**

(*1) Impairment loss

The Company recorded consolidated impairment losses for the following asset groups for the fiscal year ended March 31, 2013:

Major Application	Category	Location
Leased assets, etc. (total 19 groups)	Land, Buildings, etc.	Saitama, Saitama Prefecture, etc.

Asset grouping for the Company and its consolidated subsidiaries (collectively, the "Group") was made based on a minimum unit that generates cash flows, which is substantially independent from cash flows of other assets or asset groups. Company condominiums are regarded as shared assets. As a result, for the fiscal year ended March 31, 2013, the book values of 19 asset groups, consisting of those for which the market prices fell considerably compared with the book values due to the decline of land prices and those for which profitability decreased considerably due to fallen rent levels or deteriorated market conditions, etc., were reduced to the respective collectible amounts and such reduced amounts were recorded as impairment losses in the amount of ¥2,826 million ($30,051 thousand).

The breakdown of such impairment losses were ¥1,615 million ($17,182 thousand) in land, ¥1,210 million ($12,869 thousand) in buildings and structures, respectively.

The collectible amounts of asset groups are measured with net sale value or use value, and the net sale value is principally expressed as an appraised value by a real estate appraiser. Future cash flows mainly discounted at a rate of 5% are used to compute the use value.

The Company recorded consolidated impairment losses for the following asset groups for the fiscal year ended March 31, 2012:

Major Application	Category	Location
Leased assets, etc. (total 23 groups)	Buildings, Long-term prepaid expenses, etc.	Yokohama, Kanagawa Prefecture, etc.

Asset grouping for the Group was made based on a minimum unit that generates cash flows, which is substantially independent from cash flows of other assets or asset groups. Company condominiums are regarded as shared assets. As a result, for the fiscal year ended March 31, 2012, the book values of 23 asset groups, consisting of those for which the market prices fell considerably compared with the book values due to the decline of land prices and those for which profitability decreased considerably due to fallen rent levels or deteriorated market conditions, etc., were reduced to the respective collectible amounts and such reduced amounts were recorded as impairment losses in the amount of ¥18,133 million.

The breakdown of such impairment losses were ¥3,279 million in land and land in trust, ¥7,360 million in buildings and structures, ¥7,492 million in buildings and long-term prepaid expenses, respectively.

The collectible amounts of asset groups are measured with net sale value or use value, and the net sale value is principally expressed as an appraised value by a real estate appraiser. Future cash flows mainly discounted at a rate of 5% are used to compute the use value.

14 Financial Instruments

Overview

(1) Policy for financial instruments

In consideration of plans for capital investment, the Group raises funds mainly through bank borrowings and bond issues. In terms of fund management, the Group makes every effort to avoid market risks by emphasizing liquidity and shortening the fund management period. The Group uses derivatives for the purpose of hedging exposure to interest rate, reducing interest expenses, and hedging the risk of fluctuations in foreign exchange rates and do not enter into derivatives for speculative purpose.

(2) Types of financial instruments and related risk

Trade receivables – notes and accounts receivable – are exposed to credit risk in relation to customers. Trade receivables denominated in foreign currencies, which arise from overseas operation, are exposed to foreign currency exchange risk.

Marketable securities and investment securities are exposed to market risk. Those securities are composed of mainly held-to-maturity debt securities and the shares of common stock of other companies with which the Group has business relationships.

Equity investments are composed of mainly preferred equity investments in special purpose companies under the Law concerning Liquidation of Assets, investments in investment unit of trust held in real estates and investments in silent partnership for special purpose companies. They are exposed to credit risks of issuers, risks of fluctuations in interest rates and market prices, respectively.

Lease and guarantee deposit for leased assets are exposed to credit risks of customers.

Substantially all trade payables – accounts and notes payable – have payment due dates within one year. Some of them denominated in foreign currencies are exposed to foreign currency exchange risk.

Borrowings and bonds are taken out principally for the purpose of making capital investments and the repayment dates of the long-term debt extend up to 21 years from the balance sheet date. Certain long-term debt with variable interest rates is exposed to interest rate fluctuation risk. However, to reduce such risk for long-term debt bearing interest at variable rates, the Group utilizes derivative transactions (interest rate swap) as a hedging instrument.

Derivative transactions include interest rate swaps, currency swaps and forward foreign exchange contracts. The Group also enters into interest rate swap transactions to fix interest expense for long-term debt bearing interest at variable rates and to reduce interest rate fluctuation risk. Some of the consolidated subsidiaries enter into interest swap and currency swap transactions in accordance with the same policies and purposes adopted by the Company.

(3) Risk management for financial instruments

(a) Monitoring of credit risk (the risk that customers or counterparties may default)

In accordance with the internal policies for managing credit risk of the Group arising from receivables and lease and guarantee deposits, each related division in each business segment monitors credit worthiness of their main customers periodically, and monitors due dates and outstanding balances by individual customer. In addition, the Group is making efforts to identify and mitigate risks of bad debts from customers who are having financial difficulties.

(b) Monitoring of market risks (the risks arising from fluctuations in foreign exchange rates, interest rates and others)

In order to mitigate the interest rate risk for loans payable and bonds bearing interest at variable rates, the Group may also enter into interest rate swap and currency swap transactions.

For marketable securities and investment securities, the Group periodically reviews the fair values of such financial instruments and the financial position of the issuers (business partners). In addition, the Group continuously evaluates whether securities other than those classified as held-to-maturity should be maintained taking into account their fair values and relationships with the issuers (business partners).

(c) Monitoring of liquidity risk (the risk that the Group may not be able to meet its obligations on scheduled due dates)

Based on the report from each division, the Group prepares and updates its cash flow plans on a timely basis and stabilizes liquidity to manage liquidity risk.

(4) Supplementary explanation of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair value.

Estimated Fair Value of Financial Instruments

Carrying value of financial instruments on the consolidated balance sheet as of March 31, 2013 and unrealized gains (losses) are shown in the following table. The following table does not include financial instruments for which it is extremely difficult to determine the fair value. (Please refer to Note 2 below).

	Millions of yen			Thousands of U.S. dollars		
	2013					
	Carrying Value	Estimated Fair Value	Difference	Carrying Value	Estimated Fair Value	Difference
1) Cash on hand and in banks	¥ 192,076	¥ 192,076	–	$ 2,042,277	$ 2,042,277	–
2) Notes and accounts receivable – trade	29,925			318,187		
Allowance for doubtful receivables (*1)	(201)			(2,141)		
	29,724	29,724	–	316,046	316,046	–
3) Securities and Investment securities						
(i) Held-to-maturity debt securities	624	645	¥ 20	6,643	6,861	$ 217
(ii) Other securities	179,609	179,746	137	1,909,722	1,911,184	1,461
4) Equity investments	13,097	13,097	–	139,261	139,261	–
Total assets	¥ 415,132	¥ 415,290	¥ 157	$ 4,413,951	$ 4,415,630	$ 1,679
1) Notes and accounts payable – trade	¥ 53,044	¥ 53,044	–	$ 563,999	$ 563,999	–
2) Short-term borrowings	68,291	68,291	–	726,115	726,115	–
3) Current portion of long-term borrowings	166,445	166,445	–	1,769,757	1,769,757	–
4) Commercial paper	35,000	35,000	–	372,142	372,142	–
5) Current portion of long-term bonds	57,567	57,567	–	612,098	612,098	–
6) Long-term bonds	689,664	736,636	¥46,972	7,332,956	7,832,397	$499,440
7) Long-term borrowings	1,058,240	1,071,791	13,550	11,251,892	11,395,973	144,080
Total liabilities	¥2,128,254	¥2,188,777	¥60,523	$22,628,963	$23,272,484	$643,521

	Millions of yen		
	2012		
	Carrying Value	Estimated Fair Value	Difference
1) Cash on hand and in banks	¥ 215,741	¥ 215,741	–
2) Notes and accounts receivable – trade	41,927		
Allowance for doubtful receivables (*1)	(833)		
	41,094	41,094	–
3) Securities and Investment securities			
(i) Held-to-maturity debt securities	2,051	2,072	¥ 20
(ii) Other securities	152,050	152,187	137
4) Equity investments	7,407	7,407	–
Total assets	¥ 418,345	¥ 418,503	¥ 157
1) Notes and accounts payable – trade	¥ 77,860	¥ 77,860	–
2) Short-term borrowings	79,002	79,002	–
3) Current portion of long-term borrowings	147,695	147,695	–
4) Current portion of long-term bonds	76,235	76,235	–
5) Long-term bonds	560,000	590,073	¥30,073
6) Long-term borrowings	845,635	854,249	8,613
Total liabilities	¥1,786,429	¥1,825,116	¥38,686

(*1) The value of notes and account receivable-trade is shown at net value, after deducting allowance for doubtful accounts.

Note 1: Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions

Assets

Cash on hand and in banks
Since these items are settled in a short period of time, their carrying value approximates fair value.

Notes and accounts receivable – trade
Since these items are settled in a short period of time, their carrying value approximates fair value.

Marketable securities and investment securities
The fair value of stocks is based on quoted market prices. The fair value of debt securities is mainly based on prices provided by the financial institutions making markets in these securities. For information on securities classified by holding purpose, please refer to Note 15. "Marketable Securities and Investment Securities."

Equity investments
The fair value of equity investments is based on quoted market prices.

Liabilities

Notes and accounts payable – trade
Since these items are settled in a short period of time, their carrying value approximates fair value.

Short-term borrowings
Since these items are settled in a short period of time, their carrying value approximates fair value.

Current portion of long-term borrowings
Since these items are settled in a short period of time, their carrying value approximates fair value.

Commercial paper
Since these items are settled in a short period of time, their carrying value approximates fair value.

Current portion of bonds
Since these items are settled in a short period of time, their carrying value approximates fair value.

Bonds
The fair value of bonds is based on the quoted market price.

Long-term borrowings
Since variable interest rates of certain long-term borrowings are determined based on current interest rate in a short period of time, their carrying value approximates fair value. The fair value of long-term borrowings with fixed interest rate is based on the present value of the total of principal and interest discounted by the interest rate to be applied if similar new borrowings were entered into.

Derivatives Transactions
Please refer to Note 17. "Derivatives and Hedging Activities."

Note 2: Financial instruments for which it is extremely difficult to determine the fair value

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
(i) Unlisted stocks *1	¥ 21,383	¥ 20,756	$ 227,359
(ii) Equity investments *2	195,426	281,141	2,077,897
(iii) Lease and guarantee deposit receivables *3	110,689	101,833	1,176,922
(iv) Lease and guarantee deposit payables *4	378,876	373,189	4,028,454

*1. Because no quoted market price is available and it is extremely difficult to determine the fair value, unlisted stocks are not included in the above table.
*2. Because it is extremely difficult to determine the fair value for equity investments which are not listed and have no quoted market price, they are not included in the above table.
*3. Because no quoted market price for lease and guarantee deposit receivables for rental properties is available and calculation of the actual period of duration from lease initiation to evacuation is difficult, it is extremely difficult to estimate a reasonable amount of cash flow and therefore they are not included in the above table.
*4. Because no quoted market price for lease and guarantee deposit payables for rental properties is available and calculation of the actual period of duration from lease initiation to evacuation is difficult, it is extremely difficult to estimate a reasonable amount of cash flow, and therefore they are not included in the above table.

Note 3: Redemption schedule for receivables and marketable securities with maturities at March 31, 2013

	Millions of yen				Thousands of U.S. dollars			
As of March 31, 2013	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Cash on hand and in banks	¥192,076	–	–	–	$2,042,277	–	–	–
Notes and accounts receivable – trade	29,925	–	–	–	318,187	–	–	–
Marketable securities and investment securities:								
Held-to-maturity debt securities								
National and local government bonds	10	¥145	¥234	–	106	$1,541	$2,488	–
Corporate bonds	233	–	–	–	2,485	–	–	–
Other	–	25	–	–	–	265	–	–
Other marketable securities with maturities:								
Corporate bonds	–	–	–	–	–	–	–	–
Other	350	–	–	–	3,721	–	–	–
Total	¥222,595	¥170	¥234	–	$2,366,778	$1,807	$2,488	–

	Millions of yen			
As of March 31, 2012	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Cash on hand and in banks	¥215,542	–	–	–
Notes and accounts receivable – trade	41,927	–	–	–
Marketable securities and investment securities:				
Held-to-maturity debt securities				
National and local government bonds	24	¥ 60	¥202	–
Corporate bonds	155	209	–	–
Other	350	1,313	–	–
Other marketable securities with maturities:				
Corporate bonds	–	–	–	–
Other	–	–	–	–
Total	¥258,000	¥1,583	¥202	–

Note 4: The redemption schedule for bonds and long-term borrowings

	Millions of yen						Thousands of U.S. dollars					
As of March 31, 2013	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Corporate bonds	¥ 57,800	¥ 44,664	¥ 20,000	¥ 70,000	¥ 85,000	¥470,000	$ 614,566	$ 474,902	$ 212,652	$ 744,284	$ 903,774	$4,997,341
Long-term borrowings	166,445	337,875	118,913	166,077	111,148	324,224	1,769,757	3,592,512	1,264,368	1,765,847	1,181,806	3,447,358
Total	¥224,245	¥382,540	¥138,913	¥236,077	¥196,148	¥794,224	$2,384,323	$4,067,415	$1,477,021	$2,510,132	$2,085,580	$8,444,699

	Millions of yen					
As of March 31, 2012	Due in One Year or Less	Due after One Year through Two Years	Due after Two Years through Three Years	Due after Three Years through Four Years	Due after Four Years through Five Years	Due after Five Years
Corporate bonds	¥ 76,200	¥ 30,000	¥ 40,000	¥20,000	¥ 70,000	¥400,000
Long-term borrowings	147,695	164,279	286,870	49,794	148,953	195,738
Total	¥223,895	¥194,279	¥326,870	¥69,794	¥218,953	¥595,738

15 Marketable Securities and Investment Securities

Marketable and investment securities classified as other securities at March 31, 2013 and 2012 are summarized as follows:

	Millions of yen			Thousands of U.S. dollars		
	2013					
	Cost	Fair value	Unrealized gain (loss)	Cost	Fair value	Unrealized gain (loss)
Securities whose fair value exceeds their cost:						
Equity securities	¥72,476	¥172,229	¥ 99,752	$770,616	$1,831,252	$1,060,636
Other	5,331	13,098	7,767	56,685	139,275	82,590
Subtotal	77,807	185,328	107,520	827,302	1,970,528	1,143,226
Securities whose cost exceeds their fair value:						
Equity securities	8,276	7,009	(1,266)	87,997	74,530	(13,467)
Corporate bonds	10	10	–	106	106	–
Other	492	359	(133)	5,239	3,819	(1,420)
Subtotal	8,778	7,378	(1,400)	93,343	78,456	(14,887)
Total	¥86,586	¥192,706	¥106,120	$920,645	$2,048,984	$1,128,338

	Millions of yen		
	2012		
	Cost	Fair value	Unrealized gain (loss)
Securities whose fair value exceeds their cost:			
Equity securities	¥43,528	¥115,972	¥72,443
Other	5,331	7,408	2,076
Subtotal	48,859	123,380	74,520
Securities whose cost exceeds their fair value:			
Equity securities	38,159	35,997	(2,162)
Corporate bonds	10	10	–
Other	142	9	(133)
Subtotal	38,312	36,016	(2,295)
Total	¥87,172	¥159,396	¥72,224

Proceeds from sales of securities classified as other securities totaled ¥759 million ($8,075 thousand) in 2013 and ¥472 million in 2012, respectively. Gross realized gain was ¥362 million ($3,856 thousand) in 2013 and ¥229 million in 2012, respectively. Gross realized loss was ¥101 million ($1,079 thousand) in 2013.

Marketable debt securities classified as held-to-maturity securities at March 31, 2013 and 2012 are summarized as follows:

	Millions of yen			Thousands of U.S. dollars		
	2013					
	Amortized cost	Fair value	Unrealized gain (loss)	Amortized cost	Fair value	Unrealized gain (loss)
Debt securities whose fair value exceeds their cost:						
Government bonds	**¥389**	**¥405**	**¥16**	**$4,136**	**$4,312**	**$175**
Corporate bonds	**235**	**239**	**3**	**2,506**	**2,549**	**42**
Subtotal	**624**	**645**	**20**	**6,643**	**6,861**	**217**
Debt securities whose cost exceeds their fair value:						
Government bonds	**–**	**–**	**–**	**–**	**–**	**–**
Other	**–**	**–**	**–**	**–**	**–**	**–**
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**
Total	**¥624**	**¥645**	**¥20**	**$6,643**	**$6,861**	**$217**

	Millions of yen		
	2012		
	Amortized cost	Fair value	Unrealized gain (loss)
Debt securities whose fair value exceeds their cost:			
Government bonds	¥ 376	¥ 385	¥ 9
Corporate bonds	371	382	11
Subtotal	747	768	20
Debt securities whose cost exceeds their fair value:			
Government bonds	–	–	–
Other	1,303	1,303	–
Subtotal	1,303	1,303	–
Total	¥2,051	¥2,072	¥20

16 Supplemental Cash Flow Information

The following table represents a reconciliation of cash and cash equivalents as of March 31, 2013 and 2012:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Cash	**¥192,076**	¥215,741	**$2,042,277**
Time deposits with maturities of more than three months	**(605)**	(655)	**(6,434)**
Marketable securities with maturities of three months or less	**366**	685	**3,894**
Cash and cash equivalents	**¥191,837**	¥215,771	**$2,039,737**

17 Derivatives and Hedging Activities

1. Currency related transactions

		Millions of yen			Thousands of U.S. dollars		
		2013					
Class of Transactions	Subject to hedged accounting	Notional Amount	Due after One Year	Fair value	Notional Amount	Due after One Year	Fair value
Forward foreign exchange contracts	Loans to affiliated companies	**¥4,496**	**–**	**¥(61)**	**$47,808**	**–**	**$(649)**
Total		**¥4,496**	**–**	**¥(61)**	**$47,808**	**–**	**$(649)**

Calculation method of fair value is based on the data obtained from financial institutions.

2. Interest related transactions

		Millions of yen			Thousands of U.S. dollars		
		2013					
Class of Transactions	Subject to hedged accounting	Notional Amount	Due after One Year	Fair Value	Notional Amount	Due after One Year	Fair value
Interest rate swap contracts Fixed rate payment and floating rate receipt	Long-term borrowings	**¥ 19,567**	**¥ 19,567**	**¥(443)**	**$ 208,049**	**$ 208,049**	**$(4,717)**
Interest rate swap contracts by short-cut method Fixed rate payment and floating rate receipt	Long-term borrowings and Corporate bonds	**147,073**	**136,863**	**(*)**	**1,563,777**	**1,455,221**	**(*)**
Total		**¥166,640**	**¥156,430**	**¥(443)**	**$1,771,827**	**$1,663,271**	**$(4,717)**

		Millions of yen		
		2012		
Class of Transactions	Subject to hedged accounting	Notional Amount	Due after One Year	Fair value
Interest rate swap contracts Fixed rate payment and floating rate receipt	Short-term borrowings and Long-term borrowings	¥ 84,046	¥ 78,215	¥(444)
Interest rate swap contracts by short-cut method Fixed rate payment and floating rate receipt	Long-term borrowings and Corporate bonds	158,970	118,715	(*)
Total		¥243,016	¥196,931	¥(444)

Calculation method of fair value is based on the data obtained from financial institutions.

(*) The estimated fair value of interest rate swap contracts is included in the estimated fair value of long-term borrowings and corporate bonds since amounts in such derivative contracts accounted for short-cut method are handled together with long-term borrowings and corporate bonds that are subject to hedged accounting.

3. Interest and currency related transactions

		Millions of yen			Thousands of U.S. dollars		
		2013					
Class of Transactions	Subject to hedged accounting	Notional Amount	Due after One Year	Fair Value	Notional Amount	Due after One Year	Fair value
Interest rate and currency swap contracts Payment in GBP and receipt in JPY Floating rate payment and fixed rate receipt	Corporate bonds	**¥27,800**	**–**	**¥(2,113)**	**$295,587**	**–**	**$(22,474)**
Total		**¥27,800**	**–**	**¥(2,113)**	**$295,587**	**–**	**$(22,474)**

		Millions of yen		
		2012		
Class of Transactions	Subject to hedged accounting	Notional Amount	Due after One Year	Fair value
Interest rate and currency swap contracts Payment in GBP and receipt in JPY Floating rate payment and fixed rate receipt	Corporate bonds	¥6,200	–	¥723
Interest rate and currency swap contracts Payment in GBP and receipt in USD Floating rate payment and fixed rate receipt	Loans to affiliated companies	1,802	–	110
Total		¥8,002	–	¥834

Calculation method of fair value is based on the data obtained from financial institutions.

18 Segment Information

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the board of directors and other committees to make decisions about resource allocation and to assess performance. Business performances are aggregated according to business areas that consist of multiple business groups and defined as organizational units having common business objectives and management responsibilities within the Group, and such aggregated business areas are disclosed as reportable segments.

The Company and its consolidated subsidiaries are primarily engaged in the real estate business. Their business segments are classified in terms of the nature of each operation or service and consist of eight segments: (1) Building Business; (2) Residential Business; (3) Commercial Property Development and Investment; (4) International Business; (5) Investment Management; (6) Architectural Design and Engineering; (7) Hotels Business; (8) Real Estate Services; and (9) Other businesses.

The reportable segment information of the Company and its consolidated subsidiaries for the years ended March 31, 2013 and 2012 is summarized as follows:

Millions of yen

2013

	Reportable Segments												
	Building Business	Residential Business	Commercial Property Development and Investment	International Business	Investment Management	Architectural Design and Engineering	Hotel Business	Real Estate Services	Subtotal	Other	Total	Eliminations or Corporate	Consolidated
Revenue, operating income and assets by reportable segment													
Revenue from:													
External customers	**¥ 434,743**	**¥310,833**	**¥ 46,113**	**¥ 60,892**	**¥ 7,044**	**¥12,582**	**¥27,841**	**¥26,126**	**¥ 926,176**	**¥ 980**	**¥ 927,157**	**–**	**¥ 927,157**
Intersegment or transfers	**8,004**	**4,517**	**4,165**	**–**	**64**	**6,986**	**457**	**1,083**	**25,280**	**3,427**	**28,707**	**¥ (28,707)**	**–**
Total revenue	**442,748**	**315,351**	**50,278**	**60,892**	**7,108**	**19,568**	**28,299**	**27,209**	**951,456**	**4,408**	**955,865**	**(28,707)**	**927,157**
Segment income (loss)	**¥ 107,667**	**¥ 2,317**	**¥ 11,180**	**¥ 8,371**	**¥ 2,129**	**¥ 1,234**	**¥ 474**	**¥ 1,058**	**¥ 134,434**	**¥ (10)**	**¥ 134,423**	**¥ (16,074)**	**¥ 118,349**
Segment assets	**¥3,030,858**	**¥602,166**	**¥432,556**	**¥383,824**	**¥31,240**	**¥23,108**	**¥24,152**	**¥25,103**	**¥4,553,010**	**¥27,261**	**¥4,580,272**	**¥131,248**	**¥4,711,521**
Other items													
Depreciation and amortization	**¥ 56,479**	**¥ 2,664**	**¥ 6,248**	**¥ 5,987**	**¥ 38**	**¥ 72**	**¥ 1,088**	**¥ 457**	**¥ 73,036**	**¥ 84**	**¥ 73,121**	**¥ 242**	**¥ 73,364**
Capital expenditures	**¥ 128,016**	**¥ 32,254**	**¥ 45,910**	**¥ 5,196**	**¥ 16**	**¥ 39**	**¥ 793**	**¥ 469**	**¥ 212,696**	**¥ 25**	**¥ 212,722**	**¥ 1,759**	**¥ 214,481**

Thousands of U.S. dollars

2013

	Reportable Segments												
	Building Business	Residential Business	Commercial Property Development and Investment	International Business	Investment Management	Architectural Design and Engineering	Hotel Business	Real Estate Services	Subtotal	Other	Total	Eliminations or corporate	Consolidated
Revenue, operating income and assets by reportable segment													
Revenue from:													
External customers	**$ 4,622,469**	**$3,304,981**	**$ 490,306**	**$ 647,445**	**$ 74,902**	**$133,780**	**$296,028**	**$277,790**	**$ 9,847,705**	**$ 10,429**	**$ 9,858,135**	**–**	**$ 9,858,135**
Intersegment or transfers	**85,111**	**48,038**	**44,291**	**–**	**680**	**74,286**	**4,867**	**11,518**	**268,795**	**36,442**	**305,237**	**$ (305,237)**	**–**
Total revenue	**4,707,581**	**3,353,019**	**534,598**	**647,445**	**75,583**	**208,067**	**300,896**	**289,308**	**10,116,500**	**46,872**	**10,163,373**	**(305,237)**	**9,858,135**
Segment income (loss)	**$ 1,144,791**	**$ 24,639**	**$ 118,877**	**$ 89,010**	**$ 22,643**	**$ 13,127**	**$ 5,047**	**$ 11,258**	**$ 1,429,396**	**$ (114)**	**$ 1,429,282**	**$ (170,909)**	**$ 1,258,372**
Segment assets	**$32,226,030**	**$6,402,622**	**$4,599,219**	**$4,081,068**	**$332,171**	**$245,701**	**$256,802**	**$266,917**	**$48,410,535**	**$289,865**	**$48,700,401**	**$1,395,521**	**$50,095,923**
Other items													
Depreciation and amortization	**$ 600,522**	**$ 28,333**	**$ 66,439**	**$ 63,661**	**$ 412**	**$ 772**	**$ 11,570**	**$ 4,860**	**$ 776,571**	**$ 902**	**$ 777,474**	**$ 2,583**	**$ 780,057**
Capital expenditures	**$ 1,361,149**	**$ 342,954**	**$ 488,146**	**$ 55,253**	**$ 178**	**$ 425**	**$ 8,432**	**$ 4,988**	**$ 2,261,529**	**$ 271**	**$ 2,261,801**	**$ 18,703**	**$ 2,280,505**

Millions of yen

2012

	Reportable Segments												
	Building Business	Residential Business	Commercial Property Development and Investment	International Business	Investment Management	Architectural Design and Engineering	Hotel Business	Real Estate Services	Subtotal	Other	Total	Eliminations or Corporate	Consolidated
Revenue, operating income and assets by reportable segment													
Revenue from:													
External customers	¥ 504,100	¥341,040	¥ 55,650	¥ 42,108	¥ 5,756	¥13,502	¥25,093	¥24,817	¥1,012,070	¥ 998	¥1,013,069	–	¥1,013,069
Intersegment or transfers	6,749	1,783	159	–	168	6,430	561	1,268	17,120	2,507	19,628	¥ (19,628)	–
Total revenue	510,850	342,823	55,809	42,108	5,924	19,932	25,654	26,085	1,029,191	3,506	1,032,697	(19,628)	1,013,069
Segment income (loss)	¥ 146,007	¥ 4,792	¥ 1,609	¥ 8,020	¥ 1,464	¥ 1,190	¥ (278)	¥ (57)	¥ 162,750	¥ 181	¥ 162,932	¥ (16,632)	¥ 146,299
Segment assets	¥2,915,905	¥685,447	¥230,467	¥328,935	¥28,147	¥21,520	¥23,462	¥25,171	¥4,259,057	¥27,468	¥4,286,526	¥100,489	¥4,387,015
Other items													
Depreciation and amortization	¥ 55,948	¥ 1,932	¥ 1,766	¥ 5,673	¥ 40	¥ 73	¥ 1,174	¥ 512	¥ 67,123	¥ 86	¥ 67,210	¥ 254	¥ 67,465
Capital expenditures	¥ 143,767	¥ 8,511	¥ 81,007	¥ 57,330	¥ 54	¥ 26	¥ 1,251	¥ 734	¥ 292,683	¥ 119	¥ 292,803	¥ (131)	¥ 292,671

Impairment losses of the Company and its consolidated subsidiaries on fixed assets by reportable segments for the years ended March 31, 2013 and 2012 are summarized as follows:

Millions of yen

2013

	Reportable Segments												
	Building Business	Residential Business	Commercial Property Development and Investment	International Business	Investment Management	Architectural Design and Engineering	Hotel Business	Real Estate Services	Subtotal	Other	Total	Eliminations or Corporate	Consolidated
Impairment loss	**¥16**	**¥2,715**	**–**	**¥94**	**–**	**–**	**–**	**–**	**¥2,826**	**–**	**¥2,826**	**–**	**¥2,826**

Thousands of U.S. dollars

Impairment loss	**$178**	**$28,870**	**–**	**$1,002**	**–**	**–**	**–**	**–**	**$30,051**	**–**	**$30,051**	**–**	**$30,051**

Millions of yen

2012

	Reportable Segments												
	Building Business	Residential Business	Commercial Property Development and Investment	International Business	Investment Management	Architectural Design and Engineering	Hotel Business	Real Estate Services	Subtotal	Other	Total	Eliminations or Corporate	Consolidated
Impairment loss	¥8,657	¥9,111	¥54	¥269	–	–	¥39	–	¥18,133	–	¥18,133	–	¥18,133

The following table presents the amortization and balance of goodwill as of and for the years ended March 31, 2013 and 2012 by reportable segment:

Millions of yen

2013

	Reportable Segments												
	Building Business	Residential Business	Commercial Property Development and Investment	International Business	Investment Management	Architectural Design and Engineering	Hotel Business	Real Estate Services	Subtotal	Other	Total	Eliminations or Corporate	Consolidated
Amortization of goodwill	**¥ 388**	**¥ 3,126**	**–**	**¥ 746**	**¥70**	**–**	**–**	**–**	**¥ 4,331**	**¥0**	**¥ 4,331**	**–**	**¥ 4,331**
Balance of goodwill	**–**	**¥14,597**	**–**	**¥6,530**	**¥70**	**–**	**–**	**–**	**¥ 21,198**	**¥0**	**¥ 21,199**	**–**	**¥ 21,199**
Amortization of negative goodwill	**¥ 835**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**¥ 835**	**–**	**¥ 835**	**–**	**¥ 835**
Balance of negative goodwill	**¥109,342**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**¥109,342**	**–**	**¥109,342**	**–**	**¥109,342**

Thousands of U.S. dollars

2013

	Reportable Segments												
	Building Business	Residential Business	Commercial Property Development and Investment	International Business	Investment Management	Architectural Design and Engineering	Hotel Business	Real Estate Services	Subtotal	Other	Total	Eliminations or Corporate	Consolidated
Amortization of goodwill	**$ 4,132**	**$ 33,238**	**–**	**$ 7,940**	**$748**	**–**	**–**	**–**	**$ 46,059**	**$0**	**$ 46,060**	**–**	**$ 46,060**
Balance of goodwill	**–**	**$155,211**	**–**	**$69,441**	**$748**	**–**	**–**	**–**	**$ 225,401**	**$0**	**$ 225,401**	**–**	**$ 225,401**
Amortization of negative goodwill	**$ 8,881**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**$ 8,881**	**–**	**$ 8,881**	**–**	**$ 8,881**
Balance of negative goodwill	**$1,162,603**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**$1,162,603**	**–**	**$1,162,603**	**–**	**$1,162,603**

Millions of yen

2012

	Reportable Segments												
	Building Business	Residential Business	Commercial Property Development and Investment	International Business	Investment Management	Architectural Design and Engineering	Hotel Business	Real Estate Services	Subtotal	Other	Total	Eliminations or Corporate	Consolidated
Amortization of goodwill	¥ 489	¥ 3,126	–	¥ 753	¥ 70	–	–	–	¥ 4,440	¥0	¥ 4,440	–	¥ 4,440
Balance of goodwill	¥ 113	¥17,723	–	¥6,312	¥140	–	–	–	¥ 24,289	¥0	¥ 24,289	–	¥ 24,289
Amortization of negative goodwill	¥ 835	–	–	–	–	–	–	–	¥ 835	–	¥ 835	–	¥ 835
Balance of negative goodwill	¥107,285	–	–	–	–	–	–	–	¥107,285	–	¥107,285	–	¥107,285

Products and Service Information

Refer to reportable segment information.

Geographic Area Information

Geographic area information has been omitted since revenue from external customers in Japan and property and equipment located in Japan accounted for more than 90% of revenue from operations on the consolidated income statement and property and equipment on the consolidated balance sheet, respectively.

Major Customer Information

The Company does not have any major customers whose share of revenue from operations accounted for more than 10% of revenue from operations shown on the consolidated income statement. Accordingly major customer information has been omitted.

19 Transactions with Special Purpose Companies

As part of its real estate business, the Company makes preferred investments in special purpose companies that are established under the Asset Liquidation Law of Japan. The Company intends to recover such preferred investments through rental revenue and subsequent sale of real estate that has been obtained by the special purpose companies from their customers or sale of such real estate after construction of buildings on it.

Effective April 1, 2012, the Company early adopted the new accounting standard, "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued on March 25, 2011) and other related standards and guidance. Accordingly there is no special purpose companies need to be disclosed.

The following tables represent the Company's transactions with major special purpose companies for the fiscal year ended March 31, 2012.

Amounts of preferred investment as of March 31, 2012

		Millions of yen
		2012
Preferred investment securities	(*1)	¥164,487

Major revenue (cost) from transactions with special purpose companies

		Millions of yen
		2012
Preferred investment securities: revenue	(*2)	¥ 274
Other income	(*3)	18
Management business: revenue	(*4)	1,940
Real estate rent: cost	(*5)	3,199
Design management business: revenue	(*6)	938

(*1) Preferred investment securities are indicated as amount of investment and specific bonds as at March 31, 2012. The Company considers that its exposure to loss that may arise in the future is limited to the amount of its preferred investments.
(*2) The Company records dividends from such investments as revenue from operations and related expense as cost of revenue from operations.
(*3) The Company records interest incomes from such specific bonds as other income.
(*4) The Company, Mitsubishi Estate Building Management Co., Ltd. and Mitsubishi Jisho Property Management Co., Ltd. provide asset management business to special purpose companies and record such service income as revenue from operations.
(*5) The Company enters into real estate rental agreements with special purpose companies and records such rent expenses as cost of revenue from operations.
(*6) Mitsubishi Jisho Sekkei Inc. and MEC Design International Corporation provide design management services and remodeling services to special purpose companies and record such service incomes as revenue from operations.

The Company does not own investments with voting rights for any special purpose companies and does not send directors and employees to any special purpose companies. The following table sets forth major assets and liabilities of the special purpose companies as of their recent financial closing dates. Excluded are special purpose companies whose financial closing dates are yet to come because their initial fiscal years have just started.

Major assets

	Millions of yen
	2012
Real estate	¥562,718
Other	29,893
Total	¥592,611

Major liabilities and net assets

		Millions of yen
		2012
Debt and other	(*7)	¥354,521
Preferred investments	(*8)	238,090
Total		¥592,611

(*7) Debt and other include specific bonds.
(*8) Preferred investments include contributions made by the Company.

20 Rental Properties

The Company and some of its consolidated subsidiaries own office buildings for lease, commercial facilities for lease and others in Tokyo and other areas including overseas countries (the United States and the United Kingdom) for the purpose of obtaining revenue from leases.

Some office buildings for lease in Japan are regarded as real estate including space used as rental properties since they are used by the Company and some of its consolidated subsidiaries.

The followings are the carrying value on the consolidated balance sheet as of March 31, 2013 and the fair values of these rental properties and real estate including space used as rental properties as of March 31, 2013;

	Millions of yen				Thousands of U.S. dollars			
	2013							
	Carrying Value			Fair Value	Carrying Value			Fair Value
	As of April 1, 2012	Net Change	As of March 31, 2013	As of March 31, 2013	As of April 1, 2012	Net Change	As of March 31, 2013	As of March 31, 2013
Rental properties	**¥2,622,741**	**¥342,654**	**¥2,965,396**	**¥4,920,768**	**$27,886,675**	**$3,643,320**	**$31,529,995**	**$52,320,775**
Real estate including spaces used as rental properties	**232,419**	**(4,854)**	**227,564**	**339,800**	**2,417,228**	**(51,614)**	**2,419,614**	**3,612,971**

1. The carrying value represents the acquisition cost less accumulated depreciation and accumulated impairment loss.
2. The components of net change in carrying value included increases mainly due to the consolidation of Shinjuku 6-chome Tokutei Mokuteki Kaisya in the amount of ¥166,998 million ($ 1,775,634 thousand).
3. The fair value is based on the following:
   (1) The fair value of real estate in Japan is calculated by the Company based mainly on the Real Estate Appraisal Standards.
   (2) The fair value of real estate in overseas countries is appraised principally by local real estate appraisers.

The followings are the carrying value on the consolidated balance sheet as of March 31, 2012 and the fair values of these rental properties and real estate including space used as rental properties as of March 31, 2012;

	Millions of yen			
	2012			
	Carrying Value			Fair Value
	As of April 1, 2011	Net Change	As of March 31, 2012	As of March 31, 2012
Rental properties	¥2,647,177	¥155,563	¥2,622,741	¥4,469,512
Real estate including spaces used as rental properties	233,688	(1,269)	232,419	330,100

1. The carrying value represents the acquisition cost less accumulated depreciation and accumulated impairment loss.
2. The fair value is based on the following:
   (1) The fair value of real estate in Japan is calculated by the Company based mainly on the Real Estate Appraisal Standards.
   (2) The fair value of real estate in overseas countries is appraised principally by local real estate appraisers.

The income or loss from rental properties and real estate including space used as rental properties for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen								Thousands of U.S. dollars			
	2013				2012				2013			
	Lease income (*1)	Lease cost	Lease income, net	Other, net (*2)	Lease income (*1)	Lease cost	Lease income, net	Other, net (*2)	Lease income (*1)	Lease cost	Lease income, net	Other, net (*2)
Rental properties	**¥349,767**	**¥231,696**	**¥118,070**	**¥(17,189)**	¥345,288	¥224,155	¥121,133	¥(20,984)	**$3,718,951**	**$2,463,548**	**$1,255,403**	**$(182,770)**
Real estate including space used as rental properties	**17,646**	**16,431**	**1,215**	**(5,534)**	19,052	16,393	2,659	(444)	**187,632**	**174,708**	**12,924**	**(58,843)**

(*1) Lease income excludes the one from real estate including space used as rental properties that was used by the Company and some of its consolidated subsidiaries for leasing service and operating management.
(*2) Other, net includes loss on disposal of fixed assets and impairment loss.

21 Asset Retirement Obligations

(1) Asset retirement obligations presented in the consolidated balance sheet

1. Outline of asset retirement obligations
   Asset retirement obligations include obligations of restoration related to leasehold and rental contracts.
2. Calculation method for asset retirement obligations
   Asset retirement obligations are calculated based on the remaining contract years as an expected use period with a discount rate between 0.3% and 2.6%.
3. Change in asset retirement obligations for the fiscal year is as follows:

	Millions of yen	Thousands of U.S. dollars
	Asset Retirement Obligations	
Balance at April 1, 2012	¥401	$4,267
Increase due to the acquisition of property and equipment	**222**	**2,363**
Adjustments due to the elapse of time	**10**	**115**
Increase (Decrease) due to the change of estimate	**(52)**	**(561)**
Decrease due to the fulfillment of asset retirement obligations	**(10)**	**(107)**
Other	**(81)**	**(864)**
Balance at March 31, 2013	**¥490**	**$5,212**

(2) Asset retirement obligations not recognized in the consolidated balance sheet

As below stated, certain obligations are excluded from recognition of asset retirement obligations.

1) Obligation to remove asbestos that is used for some properties and equipments in a particular way required by the Ordinance on Preventing Asbestos Hazards
   For such properties, the Company has an obligation to remove asbestos at demolition of buildings. However, no demolition has taken place in the past other than those related to redevelopment or other projects involving many other business associates. It is therefore difficult to reasonably estimate the timing to fulfill such obligation based on the physical useful life of the assets caused by aging and it is impossible to estimate the timing without specific business plans. Although the Company has been voluntarily conducting asbestos removal work when that is feasible due to such as termination of tenancy, it is impractical to make a reasonable estimation of progress of such voluntary removal work based on the actual record of the tenancy termination and of the remaining amount of asbestos at demolition. Moreover, it is difficult to distinguish costs of asbestos removal from total costs of demolition. Although the Company made the best estimation taking into account all the evidence available as of March 31, 2013, these obligations are excluded from recognition of asset retirement obligations since the probability of obligations in terms of scope and amount was not reasonably estimated.

2) Obligation of restoration based on some real estate rental agreements
   For some commercial facilities, the Company has an obligation of restoration at the termination of leasehold rental agreements. However, the timing to fulfill the obligation is uncertain since it is practically possible to continue to use those facilities by re-signing contracts and some contracts set forth a special provision to reduce the possibility to fulfill the obligation. Furthermore, given its business strategies and the current business environment, the Company intends to continue its operation and not to fulfill the obligation. Although the Company made the best estimation taking into account all the evidence available as of March 31, 2013, these obligations are excluded from recognition of asset retirement obligations since the probability of obligations in terms of scope and amount was not reasonably estimated.

22 Other Comprehensive Income

The following table presents reclassification and tax effects allocated to each component of other comprehensive income for the years ended March 31, 2013 and 2012:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Unrealized holding gain (loss) on securities:			
Amount arising during the year	**¥ 34,488**	¥ (8,432)	**$ 366,705**
Reclassification adjustments for gains and losses included in net income	**101**	41	**1,074**
Amount before tax effects	**34,589**	(8,391)	**367,780**
Tax effects	**(11,231)**	7,620	**(119,415)**
Unrealized holding gain (loss) on securities	**23,358**	(770)	**248,364**
Deferred gain (loss) on hedging instruments:			
Amount arising during the year	**(539)**	(894)	**(5,737)**
Reclassification adjustments for gains and losses included in net income	**468**	665	**4,976**
Amount before tax effects	**(71)**	(229)	**(761)**
Tax effects	**6**	(17)	**68**
Deferred gain (loss) on hedging instruments	**(65)**	(246)	**(692)**
Revaluation reserve for Land:			
Tax effects	**(1,384)**	23,717	**(14,718)**
Foreign currency translation adjustments:			
Amount arising during the year	**19,708**	(8,315)	**209,549**
Amount before tax effects	**19,708**	(8,315)	**209,549**
Tax effects	**(151)**	15	**(1,609)**
Foreign currency translation adjustments	**19,556**	(8,299)	**207,940**
Share of other comprehensive income of companies accounted for by the equity method:			
Amount arising during the year	**679**	(134)	**7,225**
Total other comprehensive income	**¥ 42,145**	¥14,264	**$ 448,119**

23 Business Combination

Transaction under common control

(1) Outline of the merger

1. Name and business description of the transferred business

(Surviving company)

Name

Mitsubishi Estate Co., Ltd.

Business description

Development and leasing of offices and commercial complexes, etc.

(Absorbed company)

Name

MEC Asset Holding, Ltd.

Business description

Holding trust beneficiary rights in The Bank of Tokyo-Mitsubishi UFJ Otemachi Building and leasing and management of the building.

2. Date of the merger

October 30, 2012

3. Legal form of the merger

Absorption-type merger, with the Company as the surviving company.

4. Name of the company subsequent to the merger

Mitsubishi Estate Co., Ltd.

5. Additional information relating to the merger

MEC Asset Holding, Ltd. had held trust beneficiary rights in The Bank of Tokyo-Mitsubishi UFJ Otemachi Building, leased and managed the building as the management company of the silent partnership MEC ASSET HOLDING. Mitsubishi Estate Co., Ltd. resolved to initiate the merger for the purpose of directly owning and redeveloping the building.

(2) Outline of accounting treatment

The merger was treated as a transaction under common control in accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 issued on December 26, 2008) and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10 issued on December 26, 2008).

Independent Auditor's Report

ERNST & YOUNG

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Independent Auditor's Report

The Board of Directors
Mitsubishi Estate Co., Ltd.

We have audited the accompanying consolidated financial statements of Mitsubishi Estate Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mitsubishi Estate Co., Ltd. and its consolidated subsidiaries as at March 31, 2013, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which describes that, effective April 1, 2012, the Company has early adopted the new accounting standard, "Revised Accounting Standard for Consolidated Financial Statements" (Accounting Standards Board of Japan Statement No. 22 issued on March 25, 2011) and other related standards and guidance. Our opinion is not qualified in respect of this matter.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 3.

Ernst & Young ShinNihon LLC

June 27, 2013
Tokyo, Japan

Principal Mitsubishi Estate Group Companies

• Consolidated subsidiary

Building Business				Share of Voting Rights (%)
Building Leasing Business				
• Sunshine City Corporation	World Import Mart Building, Sunshine City, 1-1, Higashi-Ikebukuro 3-chome, Toshima Ward, Tokyo 170-8630	TEL +81-3-3989-3321	Management of Sunshine City and other buildings	63.2
• Yokohama Sky Building Co., Ltd.	19-12, Takashima 2-chome, Nishi Ward, Yokohama, Kanagawa Prefecture 220-0011	TEL +81-45-441-1221	Management of the Sky Building and the Yokohama Shintoshi Building	54.4
• Tokyo Kotsu Kaikan Co., Ltd.	Tokyo Kotsu Kaikan, 10-1, Yurakucho 2-chome, Chiyoda Ward, Tokyo 100-0006	TEL +81-3-3212-2931	Management of Tokyo Kotsu Kaikan and other buildings	50.0
• Mitsubishi Estate·Simon Co., Ltd.	Otemachi Financial City South Tower, 9-7, Otemachi 1-chome. Chiyoda Ward, Tokyo 100-0004	TEL +81-3-3275-5252	Management of outlet malls	60.0
Building Management Business				
• Mitsubishi Estate Building Management Co., Ltd.	Marunouchi 2-chome Building, 5-1, Marunouchi 2-chome, Chiyoda Ward, Tokyo 100-0005	TEL +81-3-3287-4111	Comprehensive building operation and management	100.0
• Mitsubishi Jisho Retail Property Management Co., Ltd.	7-1, Daiba 1-chome, Minato Ward, Tokyo 135-8707	TEL +81-3-5579-6671	Operation and management of commercial facilities	100.0
• Mitsubishi Jisho Property Management Co., Ltd.	Shin-Yurakucho Building, 12-1, Yurakucho 1-chome, Chiyoda Ward, Tokyo 100-0006	TEL +81-3-3287-6263	Comprehensive building operation and management	100.0
• Hokuryo City Service Co., Ltd.	Hokkaido Building, 4-1 Kitanijonishi, Kita 2-jou Nishi, Chuo Ward, Sapporo, Hokkaido 060-0002	TEL +81-11-242-7411	Management and operation of buildings, residences and sporting facilities	100.0
• IMS Co., Ltd.	Tenjin MM Building, 7-11, Tenjin 1-chome, Chuo Ward, Fukuoka, Fukuoka Prefecture 810-0001	TEL +81-92-733-2006	Operation and management of the Tenjin MM Building	92.0
• Yuden Building Kanri Co., Ltd.	Yurakucho Denki Building, 7-1, Yurakucho 1-chome, Chiyoda Ward, Tokyo 100-0006	TEL +81-3-3211-7833	Operation and management of the Yurakucho Denki Building	62.5
• Sunshine BS Corporation	World Import Mart Building, Sunshine City, 1-1, Higashi-Ikebukuro 3-chome, Toshima Ward, Tokyo 170-8630	TEL +81-3-3989-3378	Operation and management services of the Sunshine City Building	63.2
• Sunshine Enterprise Corporation	World Import Mart Building, Sunshine City, 1-1, Higashi-Ikebukuro 3-chome, Toshima Ward, Tokyo 170-8630	TEL +81-3-3989-3460	Operation and management services of the Sunshine City observation deck, aquarium and other facilities	63.2
Parking Business				
• Grand Parking Center Co., Ltd.	6-2, Otemachi 2-chome, Chiyoda Ward, Tokyo 100-0004	TEL +81-3-3270-5048	Management of the Japan Parking Center	97.0
• Tokyo Garage Co., Ltd.	Sanno Grand Building, 14-2, Nagatacho 2-chome, Chiyoda Ward, Tokyo 100-0014	TEL +81-3-3504-0610	Operation and management of building garages and sale of various gasoline products	54.9
District Heating and Cooling Business				
• Marunouchi Heat Supply Co., Ltd.	Kishimoto Building, 2-1, Marunouchi 2-chome, Chiyoda Ward, Tokyo 100-0005	TEL +81-3-3287-2288	Cooling and heating supply business in the Marunouchi, Otemachi, Yurakucho and other districts	64.2
• Ikebukuro District Heating and Cooling Co., Ltd.	World Import Mart Building, Sunshine City, 1-1, Higashi-Ikebukuro 3-chome, Toshima Ward, Tokyo 170-8630	TEL +81-3-3988-6771	Cooling and heating supply business in the Higashi-Ikebukuro district	50.7
O.A.P. D.H.C. Supply Co., Ltd.	OAP Tower, 8-30, Tenmabashi 1-chome, Kita Ward, Osaka, Osaka Prefecture 530-6004	TEL +81-6-6881-5170	Cooling and heating supply business in the Osaka OAP district	35.0
Minato Mirai 21 D.H.C. Co., Ltd.	1-45, Sakuragicho 1-chome, Naka Ward, Yokohama, Kanagawa Prefecture 231-0062	TEL +81-45-221-0321	Cooling and heating supply business in the Yokohama Minatomirai district	29.6
Others				
• Marunouchi Direct Access Limited	Shin-Tokyo Building, 3-1, Marunouchi 3-chome, Chiyoda Ward, Tokyo 100-0005	TEL +81-3-3214-4881	Construction and leasing of optical fibers in the Marunouchi district	51.0
Marunouchi Hotel Co., Ltd.	6-3, Marunouchi 1-chome, Chiyoda Ward, Tokyo 100-0005	TEL +81-3-3548-0181	Management of the Marunouchi Hotel	31.4
Residential Business				
Real Estate Sales				
• Mitsubishi Jisho Residence Co., Ltd.	Otemachi Building, 6-1, Otemachi 1-chome, Chiyoda Ward, Tokyo 100-8189	TEL +81-3-3287-8800	Sale, brokerage, leasing, contract construction, holding and management of real estate	100.0
Custom-Built Housing				
• Mitsubishi Estate Home Co., Ltd.	Fuji Building, 2-3, Marunouchi 3-chome, Chiyoda Ward, Tokyo 100-0005	TEL +81-3-3287-0010	Design and construction of single-unit homes and housing complexes, renovation of homes and retail shops	100.0
• Mitsubishi Estate Housing Components Co., Ltd.	228-4, Shinminato, Mihama Ward, Chiba, Chiba Prefecture, 261-0002	TEL +81-43-242-9031	Manufacture, processing and sale of construction materials	91.7
Prime Truss Co., Ltd.	15-12, Kiba 2-chome, Koto Ward, Tokyo 135-0042	TEL +81-3-3643-3310	Manufacture and sale of housing construction materials	18.3
Residence Management Business				
• Izumi Park Town Service Co., Ltd.	7-2, Takamori, Izumi Ward, Sendai City, Miyagi Prefecture 981-3203	TEL +81-22-378-0022	Comprehensive management of Izumi Park Town	100.0
• Mitsubishi Jisho Community Co., Ltd.	Mitsubishi Jisho Community Headquarters Building, 3-13, Yaesu 2-chome, Chuo Ward, Tokyo 104-0028	TEL +81-3-6895-3800	Comprehensive management of condominiums and buildings	100.0
• MT Community Staff Co., Ltd.	Kyobashi Park Building, 7-4, Hatchobori 3-chome, Chuo Ward, Tokyo 104-0032	TEL +81-3-6222-7127	Property management operations and associated training operations for condominiums and other properties	100.0

Residential Business				Share of Voting Rights (%)
Recreational Facilities				
• Higashinihon Kaihatsu Co., Ltd.	1442-23, Yosawa Oyamacho, Sunto-gun, Shizuoka Prefecture 410-1326	TEL +81-550-78-3211	Management of the Higashi Fuji Country Club, Fuji International Golf Club and other properties	100.0
• MEC Urban Resort Tohoku Co., Ltd.	1-1, Akedori, Izumi Ward 1-chome, Sendai, Miyagi Prefecture 981-3206	TEL +81-22-377-3136	Operation and management of Izumi Park Town Golf Club and other properties	100.0
• Towa Nasu Resort Co.	3376, Takakuotsu, Nasu-machi, Nasu-gun, Tochigi Prefecture 325-0398	TEL +81-287-78-2700	Sale of land for cottages, operation of Nasu Highland Park	100.0
Sakura Golf Development Co., Ltd.	670, Uchida, Sakura, Chiba Prefecture 285-0077	TEL +81-43-498-6630	Management of Asakura Golf Club	49.0
Others				
• MEC Eco LIFE Co., Ltd.	6-1, Otemachi 1-chome, Chiyoda Ward, Tokyo 100-0004	TEL +81-3-5222-9671	Research and creation of environmental design proposals	100.0
• Ryoei Life Service Co., Ltd.	Royal Life Okusawa, 33-13, Okusawa 3-chome, Setagaya Ward, Tokyo 158-0083	TEL +81-3-3748-2650	Management of commercial nursing homes	85.0
Tsunagu Network Communications, Inc.	2-1, Otemachi 2-chome, Chiyoda Ward, Tokyo 100-0004	TEL +81-3-4477-2000	Internet connection services for housing complexes	20.0
Commercial Property Development & Investment Business				
Ascott International Management Japan Co., Ltd.	8-4, Higashiazabu 1-chome, Minato Ward, Tokyo 106-0044	TEL +81-3-5575-5512	Management and operation of serviced apartments	40.0
International Business				
• Rockefeller Group, Inc. (RGI)	1221 Avenue of the Americas, New York, New York 10020-1095, U.S.A.	TEL +1-212-282-2000	Real estate operations	100.0
• Mitsubishi Estate New York Inc.	1221 Avenue of the Americas, New York, New York 10020-1095, U.S.A.	TEL +1-212-698-2200	Real estate operations in the U.S.	100.0
• MEC UK Limited	88 Wood Street, London EC2V 7DA, U.K.	TEL +44-20-7776-6900	Real estate operations in the U.K.	100.0
• Mitsubishi Estate Asia Pte. Ltd.	6 Battery Road, Singapore 049909	TEL +65-6576-5790	Real estate operations in the Asia	100.0
Mitsubishi Estate (Shanghai) Ltd. * Outside the scope of consolidation	Raffles City, 268 Xizang Middle Road, Shanghai P.R.C	TEL +21-6340-3000	Real estate business in China	100.0
Investment Management Business				
• Mitsubishi Jisho Investment Advisors, Inc.	Fuji Building, 2-3, Marunouchi 3-chome, Chiyoda Ward, Tokyo 100-0005	TEL +81-3-3218-0031	Specialist real estate investment management services (real estate investment advisory and other services)	100.0
• Japan Real Estate Asset Management Co., Ltd.	Shin-Tokyo Building, 3-1, Marunouchi 3-chome, Chiyoda Ward, Tokyo 100-0005	TEL +81-3-3211-7921	Investment corporation asset management	63.0
Architectural Design & Engineering Business				
• Mitsubishi Jisho Sekkei Inc.	Fuji Building, 2-3, Marunouchi 3-chome, Chiyoda Ward, Tokyo 100-0005	TEL +81-3-3287-5555	Construction and civil engineering design administration	100.0
• MEC Design International Corporation	Inui Building Kachidoki,13-1, Kachidoki 1-chome, Chuo Ward, Tokyo 104-0054	TEL +81-3-6704-0100	Interior design administration and construction, manufacture and sale of furniture and household items	100.0
Hotel Business				
• Royal Park Hotels and Resorts Co., Ltd.	Otemachi Building, 6-1, Otemachi 1-chome, Chiyoda Ward, Tokyo 100-0004	TEL +81-3-3211-6180	Comprehensive management and management support of hotels	100.0
• Tohoku Royal Park Hotel Co., Ltd.	2-1, Teraoka 1-chome, Izumi Ward, Sendai, Miyagi Prefecture 981-3204	TEL +81-22-377-1111	Operation of Sendai Royal Park Hotel	100.0
• Royal Park Shiodome Tower Co., Ltd.	6-3, Higashishinbashi 1-chome, Minato Ward, Tokyo 105-8333	TEL +81-3-6253-1111	Operation of Royal Park Shiodome Tower	100.0
• Yokohama Royal Park Hotel Co., Ltd.	Yokohama Landmark Tower, 2-1-3, Minatomirai 2-chome, Nishi Ward, Yokohama, Kanagawa Prefecture 220-8173	TEL +81-45-221-1111	Operation of Yokohama Royal Park Hotel	100.0
• Royal Park Hotel Co., Ltd.	1-1, Kakigaracho 2-chome, Nihonbashi, Chuo Ward, Tokyo 103-8520	TEL +81-3-3667-1111	Management of Royal Park Hotel	55.7
• Royal Park Hotel Management Co., Ltd.	Otemachi Building, 6-1, Otemachi 1-chome, Chiyoda Ward, Tokyo 100-0004	TEL +81-3-5224-6200	Operation of the “THE” series of hotels	100.0
Real Estate Services Business				
• Mitsubishi Real Estate Services Co., Ltd.	Shin-Otemachi Building, 2-1, Otemachi 2-chome, Chiyoda Ward, Tokyo 100-8113	TEL +81-3-3510-8011	Corporate brokerage, office leasing brokerage and management, real estate appraisal, and parking business	100.0
• Mitsubishi Jisho House Net Co., Ltd.	Shinjuku Front Tower 21-1, Kita Shinjuku 2-chome, Shinjuku Ward, Tokyo 220-8173	TEL +81-3-6908-5560	Purchase, sales, and leasing brokerage of homes for individuals, leasing management	100.0
Others				
• MEC Information Development Co., Ltd.	Otemachi Building, 6-1, Otemachi 1-chome, Chiyoda Ward, Tokyo 100-0004	TEL +81-3-3214-9300	Development and management of information systems and software	100.0
• MEC Human Resources, Inc.	Otemachi Building, 6-1, Otemachi 1-chome, Chiyoda Ward, Tokyo 100-0004	TEL +81-3-3212-8674	Human resource-related services	100.0
• Keiyo Tochi Kaihatsu Co., Ltd.	Shin-Tokyo Building, 3-1, Marunouchi 3-chome, Chiyoda Ward, Tokyo 100-0005	TEL +81-3-3212-0555	Management of the PAT Inage commercial facility	55.6
Tokyo Ryutsu Center Inc.	1-1, Heiwajima 6-chome, Ota Ward, Tokyo 143-0006	TEL +81-3-3767-2111	Leasing and operating management of logistics and office buildings	24.1

Note: Percentage of voting rights held is as of March 31, 2013

Corporate History

1890	March	The Marunouchi site (over 353,000m²)—a former military training ground known as Kanda Misaki-cho—purchased by Mitsubishi Company from the Japanese government
	September	Marunouchi Architectural Office established
1893	December	Mitsubishi Goshi Kaisha (limited partnership) established
1894	June	Mitsubishi Ichigokan, the first office building in Marunouchi, completed
1906	July	Real Estate Division established within Mitsubishi Goshi Kaisha
1923	February	Marunouchi Building completed
1937	May	Mitsubishi Estate Company, Limited established with paid-in capital totaling ¥15 million, with the ownership of the Marunouchi Building and its site, as well as business rights for buildings and land within the Marunouchi area, transferred from Mitsubishi Goshi Kaisha
	November	Construction-related businesses of Mitsubishi Goshi Kaisha transferred to Mitsubishi Estate
1945	April	Ownership of Yaesu Building (completed in March 1928 and renamed Marunouchi Yaesu Building in 1962) and its ownership transferred from Mitsubishihonsha Co., Ltd. to Mitsubishi Estate
1950	January	Business rights for the Marunouchi site and other land and buildings, excluding those for Marunouchi Building and Yaesu Building, were returned to Mitsubishihonsha Co., Ltd., Mitsubishihonsha was dissolved and its operations transferred to two newly established secondary corporations, Yowa Fudosan Ltd. and Kaito Fudosan Ltd.
1952	May	Takejiro Watanabe appointed president
	November	Shin-Marunouchi Building completed
1953	April	Yowa Fudosan and Kaito Fudosan merged with Mitsubishi Estate
	May	Mitsubishi Estate's shares listed on the Tokyo Stock Exchange and the Osaka Securities Exchange
1959	July	Marunouchi Remodeling Plan formulated
1960	February	Marunouchi Parking Area completed
1962	December	Hokkaido Building completed
1969	May	Otokazu Nakata and Takejiro Watanabe appointed president and chairman, respectively Akasaka Park House offered for sale in lots, marking the launch of the Condominium Business
1972	April	Mitsubishi Estate New York Inc. established
	June	The first phase of the Izumi Park Town Project launched
	December	Mitsubishi Real Estate Services Co., Ltd. established
1973	November	Branches established in Sapporo, Sendai, Nagoya and Osaka
1975	May	Semiannual settlement of accounts changed to annual
1978	October	Shin Aoyama Building completed
1980	June	Tatsuji Ito and Otokazu Nakata appointed president and chairman, respectively
1981	October	Hibiya Kokusai Building completed
1983	April	Nagoya Dai-Ichi Hotel opened (Hotel Business launched)
	November	MEC USA, Inc. established
1984	July	Mitsubishi Estate Home Co., Ltd. established
1986	March	MEC UK Limited established
	July	The first consolidated financial statements announced
	October	Yokohama Office established (reorganized as Yokohama Branch in April 2000)
1987	June	Jotaro Takagi appointed president
1988	January	Yokohama Minato Mirai 21 Block-25 Development Plan announced
1989	April	Tenjin MM Building (IMS) opened in Fukuoka City
	June	Royal Park Hotel in Hakozaki, Tokyo opened
	July	Hiroshima Park Building completed
	July	Hiroshima Branch (renamed Chugoku Branch in April 2000) and Kyushu Branch established
1990	February	Participation in the City of London's Paternoster Square Project announced
	April	Capital investment in the Rockefeller Group, Inc. initiated
	September	Construction of Ryokuendai New Town commenced

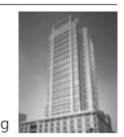

Mitsubishi Ichigokan

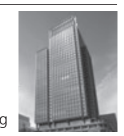

Marunouchi Building

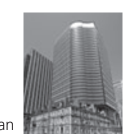

Izumi Park Town

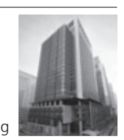
1993	July	Akasaka Park Building completed Yokohama Landmark Tower completed
	September	Yokohama Royal Park Hotel opened
1994	June	Takeshi Fukuzawa and Jotaro Takagi appointed as president and chairman, respectively
1995	April	Sendai Royal Park Hotel opened
	November	Reconstruction of Marunouchi Building announced
1996	January	Osaka Amenity Park (OAP) completed
	November	Head Office relocated to Tokyo Building
1999	April	Reconstruction of Marunouchi Building commenced
2000	April	Aqua City Odaiba commercial complex opened under the management of Mitsubishi Estate subsidiary Aqua City Co., Ltd. (renamed Mitsubishi Jisho Retail Property Management Co., Ltd. in July 2007)
	November	Royal Park Hotels and Resorts Co., Ltd. established
2001	April	Shigeru Takagi and Takeshi Fukuzawa appointed president and chairman, respectively
	June	Mitsubishi Jisho Sekkei Inc. established through a spin-off of the architectural design and engineering business
	September	Mitsubishi Jisho Investment Advisors, Inc. established
2002	March	Properties and equipment revaluated in accordance with the Law Concerning Revaluation of Land and other relevant laws and regulations
	September	Marunouchi Building opened (completed in August)
2003	February	Mitsubishi Trust and Banking Building completed (renamed Mitsubishi UFJ Trust and Banking Building in October 2005)
	March	Head Office relocated to Otemachi Building
	April	Introduction of an executive officer system
	May	Paternoster Square completed in the City of London
	July	Royal Park Shiodome Tower opened
2004	September	Marunouchi OAZO opened (completed in August)
	December	Capital investment in Towa Real Estate Development Co., Ltd. initiated
2005	March	Construction of Shin-Marunouchi Building commenced
	June	Keiji Kimura appointed president
	November	Tokyo Building opened (completed in October)
2007	April	Shin-Marunouchi Building opened
	September	The Peninsula Tokyo opened (completed in May)
2008	January	Towa Real Estate Development becomes a Mitsubishi Estate consolidated subsidiary
	March	Sunshine City Corporation becomes a Mitsubishi Estate consolidated subsidiary
	October	Mitsubishi Estate Asia Pte. Ltd. commenced operations
2009	March	Chelsea Japan Co., Ltd. becomes a Mitsubishi Estate consolidated subsidiary (renamed Mitsubishi Estate-Simon Co., Ltd. in February 2013)
	April	Towa Real Estate Development turned into a Mitsubishi Estate wholly owned subsidiary
	April	Marunouchi Park Building & Mitsubishi Ichigokan completed
	September	Marunouchi BRICK SQUARE opened
2010	April	Mitsubishi Ichigokan Museum opened
2011	January	Mitsubishi Jisho Residence Co., Ltd. established through company spin-offs and the subsequent integration of residential development and sales businesses of Mitsubishi Estate, Mitsubishi Real Estate Services Co., Ltd. and Towa Real Estate Development Co., Ltd.
	April	Keiji Kimura and Hirotaka Sugiyama appointed chairman and president, respectively
	April	Shanghai Representative Office established
2012	January	Marunouchi Eiraku Building completed
	November	Otemachi Financial City opened (completed in October)
2013	February	Construction commenced on the A building of the Otemachi 1-1 Project (tentative name)
	April	Mitsubishi Estate (Shanghai) Ltd. established MARK IS Shizuoka opened (completed in March) GRAND FRONT OSAKA opened (completed in March)
	May	Construction commenced on the Dai Nagoya Building
	June	MARK IS Minatomirai opened (completed in May)


Yokohama Landmark Tower


Marunouchi Building


Shin-Marunouchi Building


Marunouchi Park Building & Mitsubishi Ichigokan


Marunouchi Eiraku Building

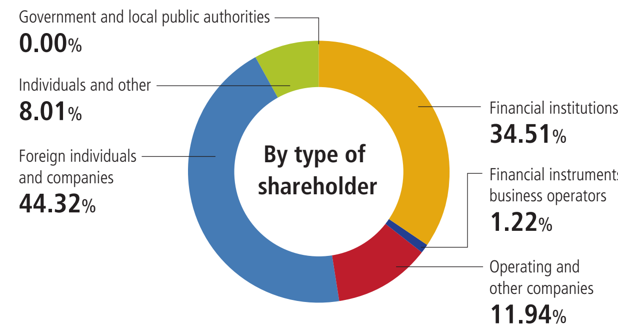
Corporate Information (As of March 31, 2013)

Stock Information

Stock Details

Number of authorized shares:	1,980,000,000 shares
Number of shares issued and outstanding:	1,390,397,097 (No change from the end of previous fiscal year)
Number of shareholders:	67,638 (Decrease of 2,600 shareholders compared with the end of the previous fiscal year)

Shareholder Composition (Shareholding Percentage)



Major Shareholders

	Number of Shares Held (Thousands of shares)	Percentage Shareholding
The Master Trust Bank of Japan, Ltd. (Trust Account)	87,162	6.26
Japan Trustee Service Bank, Ltd. (Trust Account)	56,531	4.06
Meiji Yasuda Life Insurance Company	50,142	3.60
State Street Bank and Trust Company	35,929	2.58
Tokio Marine & Nichido Fire Insurance Co., Ltd.	28,420	2.04
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS	28,090	2.02
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	25,963	1.86
CBLDN- STICHTING PGGM DEPOSITARY - LISTED REAL ESTATE PF FUND	23,575	1.69
Asahi Glass Co., Ltd.	22,714	1.63
The Bank of New York, Treaty JASDAQ Account	22,060	1.58

Company Name

Mitsubishi Estate Co., Ltd.

MITSUBISHI ESTATE CO., LTD.

Date of Establishment

May 7, 1937

Paid-in Capital

¥141,373 million

Business Activities

Development, leasing and management of office buildings, commercial and other facilities
Development of real estate for investment purposes and asset management
Development and sale of land for housing, research and other facility use
Management of leisure and other facilities
Sale and brokerage of real estate and related consulting services

Number of Employees

Non-consolidated: 677 (Excluding temporary staff)
Consolidated: 8,001 (Excluding temporary staff)

URL

http://www.mec.co.jp/index_e.html

Head Office
Otemachi Building, 6-1, Otemachi 1-chome, Chiyoda-ku, Tokyo, 100-8133
Tel +81-3-3287-5100

Sapporo Branch
Hokkaido Building, 4-1, Kitanijonishi, Chuo-ku, Sapporo City, Hokkaido, 060-0002
Tel +81-11-221-6101

Tohoku Branch
Sendai Park Building, 6-1, Kokubun-cho 3-chome, Aoba-ku, Sendai City, Miyagi Prefecture, 980-0803
Tel +81-22-261-1361

Yokohama Branch
Yokohama Landmark Tower, 2-1, Minato Mirai 2-chome, Nishi-ku, Yokohama City, Kanagawa Prefecture, 220-8115
Tel +81-45-224-2211

Nagoya Branch
Nagoya Hirokoji Building, 3-1, Sakae 2-chome, Naka-ku, Nagoya City, Aichi Prefecture, 460-0008
Tel +81-52-218-7755

Osaka Branch
OAP Tower, 8-30, Tenmabashi 1-chome, Kita-ku, Osaka City, Osaka Prefecture, 530-6033
Tel +81-6-6881-5160

Chugoku Branch
Hiroshima Park Building, 7-5, Otemachi 3-chome, Naka-ku, Hiroshima City, Hiroshima Prefecture, 730-0051
Tel +81-82-245-1241

Kyushu Branch
Tenjin Twin Building, 6-8, Tenjin 1-chome, Chuo-ku, Fukuoka City, Fukuoka Prefecture, 810-0001
Tel +81-92-731-2211