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MITSUBISHI ESTATE

***FACT BOOK 2014/3 - 1st Q***

Inquiries: Investor Relations Office

Mr. Tamaki, Ms. Radcliffe

TEL: +81-3-3287-5207

FAX: +81-3-3212-3757

<http://www.mec.co.jp/e/investor/index.html>

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## Disclaimer

This FACT BOOK contains predictions and aims which relate to, without limitation, our future economic performance, our plans and objectives for future operations and projections of revenue and other financial items.

These predictions are inherently subject to risks and uncertainties, due to unforeseeable events or external factors.

Future events and actual results, financial and otherwise, may differ materially from the events and results expressed here.

# I. Performance Comparisons (Consolidated)

## 1. Income Statement Results for 2014/3-1Q and 2013/3-1Q

	Millions of yen (rounded down)		
	2014/3-1Q Results	2013/3-1Q Results	Change
Building Business	129,070	107,672	21,397
Residential Business	60,477	63,765	(3,287)
Commercial Property Development & Investment	15,462	2,622	12,840
International Business	10,638	9,399	1,239
Investment Management	1,169	981	188
Architectural Design & Engineering	2,580	4,436	(1,855)
Hotel Business	7,096	7,003	92
Real Estate Services	6,015	5,551	463
Other	854	892	(38)
Eliminations	(5,534)	(5,380)	(153)
<b>Revenue from Operations</b>	<b>227,832</b>	<b>196,944</b>	<b>30,887</b>
Building Business	26,688	28,527	(1,838)
Residential Business	2,180	297	1,882
Commercial Property Development & Investment	1,038	629	409
International Business	2,269	1,764	504
Investment Management	567	501	65
Architectural Design & Engineering	(456)	365	(821)
Hotel Business	236	0	235
Real Estate Services	(223)	(835)	611
Other	1	105	(104)
Eliminations or Corporate	(3,501)	(3,921)	420
<b>Operating Income</b>	<b>28,801</b>	<b>27,434</b>	<b>1,366</b>
Non-operating revenue	2,706	2,733	(26)
Non-operating expense	7,469	9,254	(1,784)
<b>Income Before Taxes and Special Items</b>	<b>24,038</b>	<b>20,913</b>	<b>3,124</b>
Extraordinary income	4,471	1,264	3,207
Extraordinary loss	-	-	-
<b>Income Before Income Taxes and Minority Interests</b>	<b>28,509</b>	<b>22,178</b>	<b>6,331</b>
Corporation tax, etc.	9,427	8,933	494
<b>Income Before Minority Interests</b>	<b>19,082</b>	<b>13,245</b>	<b>5,836</b>
Minority interests	1,976	1,348	628
<b>Net Income</b>	<b>17,105</b>	<b>11,896</b>	<b>5,208</b>

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary income	2014/3-1Q Results	2013/3-1Q Results	Change
Gain on negative goodwill	4,471	1,264	3,207
Total	4,471	1,264	3,207

2. Income Statement Estimates for 2014/3 and Results for 2013/3

Millions of yen (rounded down)			
	2014/3 Estimates	2013/3 Results	Change
Building Business	509,000	442,748	66,252
Residential Business	390,000	315,351	74,649
Commercial Property Development & Investment	35,000	50,278	(15,278)
International Business	77,000	60,892	16,108
Investment Management	5,000	7,108	(2,108)
Architectural Design & Engineering	20,000	19,568	432
Hotel Business	30,000	28,299	1,701
Real Estate Services	26,000	27,209	(1,209)
Other	3,000	4,408	(1,408)
Eliminations	(25,000)	(28,707)	3,707
<b>Revenue from Operations</b>	<b>1,070,000</b>	<b>927,157</b>	<b>142,843</b>
Building Business	117,000	107,667	9,333
Residential Business	27,000	2,317	24,683
Commercial Property Development & Investment	5,000	11,180	(6,180)
International Business	20,000	8,371	11,629
Investment Management	2,000	2,129	(129)
Architectural Design & Engineering	1,000	1,234	(234)
Hotel Business	500	474	26
Real Estate Services	1,000	1,058	(58)
Other	0	(10)	10
Eliminations or Corporate	(13,500)	(16,074)	2,574
<b>Operating Income</b>	<b>160,000</b>	<b>118,349</b>	<b>41,651</b>
Non-operating revenue	6,000	10,136	(4,136)
Non-operating expense	44,000	36,104	7,896
<b>Income Before Taxes and Special Items</b>	<b>122,000</b>	<b>92,381</b>	<b>29,619</b>
Extraordinary income	4,000	7,540	(3,540)
Extraordinary loss	13,000	43,181	(30,181)
<b>Income Before Income Taxes and Minority Interests</b>	<b>113,000</b>	<b>56,741</b>	<b>56,259</b>
Corporate tax, etc.	48,000	1,907	46,093
<b>Income Before Minority Interests</b>	<b>65,000</b>	<b>54,833</b>	<b>10,167</b>
Minority interests	7,000	9,325	(2,325)
<b>Net Income</b>	<b>58,000</b>	<b>45,507</b>	<b>12,493</b>

Millions of yen (rounded down)			
■ Breakdown of Extraordinary income	2014/3 Estimates	2013/3 Results	Change
Gain on sales of fixed assets	-	6,165	(6,165)
Gain on negative goodwill	4,000	1,374	2,626
<b>Total</b>	<b>4,000</b>	<b>7,540</b>	<b>(3,540)</b>

Millions of yen (rounded down)			
■ Breakdown of Extraordinary loss	2014/3 Estimates	2013/3 Results	Change
Loss related to retirement of fixed assets	13,000	24,338	(11,338)
Impairment loss	-	2,826	(2,826)
Impairment loss on equity investments	-	8,985	(8,985)
Provision for loss on guarantees	-	7,030	(7,030)
<b>Total</b>	<b>13,000</b>	<b>43,181</b>	<b>(30,181)</b>

Earnings Estimates for FY2014  
There is no change in the earnings estimates announced May 7 2013.

### 3. Balance Sheet Results at June 30, 2013 and March 31, 2013

	Millions of yen (rounded down)		
	At June 30, 2013	At Mar 31, 2013	Change
<b>Assets</b>			
<b>I. Current assets</b>			
1. Cash	133,437	192,076	(58,638)
2. Notes and accounts receivable-trade	25,110	29,925	(4,815)
3. Marketable securities	637	612	25
4. Property for sale	120,894	152,354	(31,460)
5. Property for sale in progress	354,129	343,621	10,508
6. Property for development	8,615	8,615	0
7. Appropriated construction in progress	7,577	5,509	2,067
8. Other inventories	1,020	935	85
9. Equity investments	223,700	208,523	15,176
10. Deferred income taxes	28,838	21,064	7,774
11. Other current assets	61,386	63,736	(2,350)
12. Allowance for doubtful accounts	(182)	(201)	18
Total current assets	965,165	1,026,773	(61,608)
<b>II. Fixed assets</b>			
<b>1. Property and equipment</b>			
(1) Buildings and structures	901,146	885,994	15,151
(2) Machinery and equipment	24,525	24,733	(207)
(3) Land	1,907,352	1,883,246	24,106
(4) Land in trust	400,215	377,854	22,361
(5) Construction in progress	44,673	33,909	10,763
(6) Other property and equipment	17,867	18,098	(230)
Total property and equipment	3,295,780	3,223,836	71,944
<b>2. Intangible assets</b>			
(1) Leaseholds	87,866	86,947	919
(2) Other intangible assets	7,611	7,485	126
Total intangible assets	95,478	94,432	1,045
<b>3. Investments and other assets</b>			
(1) Investment securities	207,502	201,005	6,497
(2) Long-term loans	1,574	1,601	(26)
(3) Lease deposits	112,248	110,689	1,559
(4) Deferred income taxes	8,633	16,798	(8,164)
(5) Other investments	38,974	38,309	665
(6) Allowance for doubtful accounts	(1,894)	(1,924)	29
Total investments and other assets	367,039	366,479	560
Total fixed assets	3,758,298	3,684,748	73,550
<b>Total assets</b>	<b>4,723,464</b>	<b>4,711,521</b>	<b>11,942</b>

	Millions of yen (rounded down)		
	At June 30, 2013	At Mar 31, 2013	Change
<b>Liabilities</b>			
<b>I. Current liabilities</b>			
1. Notes and accounts payable-trade	44,929	53,044	(8,114)
2. Short-term borrowings	65,192	68,291	(3,098)
3. Current portion of long-term debt	124,219	166,445	(42,226)
4. Commercial Paper	75,000	35,000	40,000
5. Bonds due within one year	59,092	57,567	1,524
6. Accrued income taxes	3,963	8,935	(4,971)
7. Provision for loss on guarantees	-	7,030	(7,030)
8. Deferred tax liability	603	879	(276)
9. Other current liabilities	137,186	142,249	(5,063)
Total current liabilities	510,186	539,444	(29,257)
<b>II. Long-term liabilities</b>			
1. Bonds	679,664	689,664	(10,000)
2. Long-term borrowings	1,079,368	1,058,240	21,127
3. Lease deposits received	381,950	378,876	3,074
4. Deferred tax liability	205,663	194,827	10,835
5. Deferred tax liabilities on land revaluation	319,188	321,972	(2,784)
6. Accrued employees' retirement benefits	16,239	16,671	(431)
7. Accrued directors' retirement benefits	543	743	(199)
8. Negative goodwill	89,218	88,143	1,074
9. Other long-term liabilities	56,338	56,925	(587)
Total long-term liabilities	2,828,175	2,806,065	22,109
Total liabilities	3,338,361	3,345,509	(7,147)
<b>Net Assets</b>			
<b>I. Shareholders' Equity</b>			
1. Capital	141,373	141,373	-
2. Capital surplus	170,485	170,485	-
3. Retained earnings	426,654	413,392	13,261
4. Less treasury stock, at cost	(4,599)	(4,585)	(14)
Total shareholders' equity	733,913	720,666	13,247
<b>II. Other accumulated comprehensive income</b>			
1. Unrealized holding gain on securities	74,136	70,608	3,528
2. Deferred gains or losses on hedging instruments	(187)	(221)	34
3. Land revaluation reserve	493,330	498,103	(4,773)
4. Foreign currency translation adjustments	(37,931)	(49,608)	11,676
Total other accumulated comprehensive income	529,347	518,881	10,466
<b>III. Stock acquisition rights</b>	500	500	-
<b>IV. Minority interests</b>	121,340	125,963	(4,622)
Total net assets	1,385,102	1,366,011	19,090
<b>Total liabilities and net assets</b>	<b>4,723,464</b>	<b>4,711,521</b>	<b>11,942</b>

## II. Highlights

### 1. Major Performance Items (Consolidated)

(Millions of yen)

	2011/3	2012/3	2013/3-1Q	2013/3	2014/3-1Q	2014/3 (Estimates)
Revenue from operations	988,447	1,013,069	196,944	927,157	227,832	1,070,000
Operating income	158,258	146,299	27,434	118,349	28,801	160,000
Income before taxes and special items	130,830	120,665	20,913	92,381	24,038	122,000
Net income	64,219	56,512	11,896	45,507	17,105	58,000
Total assets	4,245,209	4,387,015	4,710,905	4,711,521	4,723,464	4,800,000
Shareholders' equity*1	1,202,270	1,256,791	1,167,737	1,239,547	1,263,261	1,270,000
Interest-bearing debt	1,639,050	1,716,890	2,191,830	2,085,417	2,092,574	2,060,000
Cash flow from operating activities	259,263	203,243	(29,389)	122,286	32,749	280,000
Cash flow from investing activities	(67,223)	(272,009)	(114,507)	(217,992)	(81,223)	(213,000)
Cash flow from financing activities	(140,269)	57,189	117,755	27,150	(11,655)	(46,500)
EBITDA*2	237,109	222,885	48,012	200,587	50,155	242,000
Return on assets (ROA)*3	3.8 %	3.5 %	- %	2.7 %	- %	3.4 %
Interest coverage ratio (ICR)*4	6.6 times	6.5 times	- times	5.0 times	- times	6.6 times
Return on equity (ROE)*5	5.4 %	4.6 %	- %	3.6 %	- %	4.6 %
Earnings per share (EPS) (Yen)	46.27	40.72	8.57	32.79	12.33	41.80

\*1 Shareholders' equity = (Net assets - Stock acquisition rights - Minority interest )

\*2 EBITDA = (Operating income + Interest income + Dividend income + Equity in earnings of unconsolidated subsidiaries and affiliates + Depreciation + Amortization of goodwill )

\*3 ROA = (Operating income + Interest income + Dividend income + Equity in earnings of unconsolidated subsidiaries and affiliates) / Total assets (average)

\*4 ICR = (Operating income + Interest income + Dividend income + Equity in earnings of unconsolidated subsidiaries and affiliates) / Interest expense

\*5 ROE = Net income / Shareholders' equity (average)

## 2. Segment Information (Consolidated)

(Millions of yen; as percentage of total)

(1) Revenue from Operations	2011/3		2012/3		2013/3-1Q		2013/3		2014/3-1Q		2014/3 (Estimates)	
Building Business	463,939	46.0%	510,850	49.5%	107,672	53.2%	442,748	46.3%	129,070	55.3%	509,000	46.5%
Residential Business	369,145	36.6%	342,823	33.2%	63,765	31.5%	315,351	33.0%	60,477	25.9%	390,000	35.6%
Commercial Property Development & Investment	47,907	4.7%	55,809	5.4%	2,622	1.3%	50,278	5.3%	15,462	6.6%	35,000	3.2%
International Business	45,091	4.5%	42,108	4.1%	9,399	4.6%	60,892	6.4%	10,638	4.6%	77,000	7.0%
Investment Management	5,220	0.5%	5,924	0.6%	981	0.5%	7,108	0.7%	1,169	0.5%	5,000	0.5%
Architectural Design & Engineering	18,584	1.8%	19,932	1.9%	4,436	2.2%	19,568	2.0%	2,580	1.1%	20,000	1.8%
Hotel Business	27,643	2.7%	25,654	2.5%	7,003	3.5%	28,299	3.0%	7,096	3.0%	30,000	2.7%
Real Estate Services	27,719	2.7%	26,085	2.5%	5,551	2.7%	27,209	2.8%	6,015	2.6%	26,000	2.4%
Other	3,443	0.3%	3,506	0.3%	892	0.5%	4,408	0.5%	854	0.4%	3,000	0.3%
Eliminations or corporate	(20,248)		(19,628)		(5,380)		(28,707)		(5,534)		(25,000)	
	988,447		1,013,069		196,944		927,157		227,832		1,070,000	

(Millions of yen)

(2) Operating income	2011/3		2012/3		2013/3-1Q		2013/3		2014/3-1Q		2014/3 (Estimates)	
Building Business	141,823		146,007		28,527		107,667		26,688		117,000	
Residential Business	12,234		4,792		297		2,317		2,180		27,000	
Commercial Property Development & Investment	5,674		1,609		629		11,180		1,038		5,000	
International Business	10,015		8,020		1,764		8,371		2,269		20,000	
Investment Management	2,528		1,464		501		2,129		567		2,000	
Architectural Design & Engineering	590		1,190		365		1,234		(456)		1,000	
Hotel Business	(340)		(278)		0		474		236		500	
Real Estate Services	430		(57)		(835)		1,058		(223)		1,000	
Other	411		181		105		(10)		1		0	
Eliminations or corporate	(15,109)		(16,632)		(3,921)		(16,074)		(3,501)		(13,500)	
	158,258		146,299		27,434		118,349		28,801		160,000	

(3) Rate of return	2011/3		2012/3		2013/3-1Q		2013/3		2014/3-1Q		2014/3 (Estimates)	
Building Business	30.6%		28.6%		26.5%		24.3%		20.7%		23.0%	
Residential Business	3.3%		1.4%		0.5%		0.7%		3.6%		6.9%	
Commercial Property Development & Investment	11.8%		2.9%		24.0%		22.2%		6.7%		14.3%	
International Business	22.2%		19.0%		18.8%		13.7%		21.3%		26.0%	
Investment Management	48.4%		24.7%		51.1%		30.0%		48.5%		40.0%	
Architectural Design & Engineering	3.2%		6.0%		8.2%		6.3%		-17.7%		5.0%	
Hotel Business	-1.2%		-1.1%		0.0%		1.7%		3.3%		1.7%	
Real Estate Services	1.6%		-0.2%		-15.0%		3.9%		-3.7%		3.8%	
Other	11.9%		5.2%		11.8%		-0.2%		0.1%		0.0%	
Eliminations or corporate	16.0%		14.4%		13.9%		12.8%		12.6%		15.0%	

(Millions of yen)

(4) Depreciation	2011/3		2012/3		2013/3-1Q		2013/3		2014/3-1Q		2014/3 (Estimates)	
Building Business	59,501		55,948		13,585		56,479		13,946		-	
Residential Business	2,014		1,932		641		2,664		737		-	
Commercial Property Development & Investment	1,401		1,766		1,265		6,248		1,259		-	
International Business	5,689		5,673		1,647		5,987		1,649		-	
Investment Management	33		40		6		38		7		-	
Architectural Design & Engineering	79		73		16		72		17		-	
Hotel Business	1,153		1,174		264		1,088		274		-	
Real Estate Services	537		512		114		457		103		-	
Other	72		86		22		84		137		-	
Eliminations or corporate	145		254		23		242		114		-	
	70,628		67,465		17,586		73,364		18,249		74,000	

(Millions of yen)

(5) Operating income before depreciation	2011/3	2012/3	2013/3-1Q	2013/3	2014/3-1Q	2014/3 (Estimates)
Building Business	201,324	201,955	42,112	164,146	40,634	-
Residential Business	14,248	6,724	938	4,981	2,917	-
Commercial Property Development & Investment	7,075	3,375	1,894	17,428	2,297	-
International Business	15,704	13,693	3,411	14,358	3,918	-
Investment Management	2,561	1,504	507	2,167	574	-
Architectural Design & Engineering	669	1,263	381	1,306	(439)	-
Hotel Business	813	896	264	1,562	510	-
Real Estate Services	967	455	(721)	1,515	(120)	-
Other	483	267	127	74	138	-
Eliminations or corporate	(14,964)	(16,378)	(3,898)	(15,832)	(3,387)	-
	228,886	213,764	45,020	191,713	47,050	234,000

(Millions of yen)

(6) Capital expenditure	2011/3	2012/3	2013/3-1Q	2013/3	2014/3-1Q	2014/3 (Estimates)
Building Business	55,853	143,767	37,592	128,016	49,850	-
Residential Business	8,644	8,511	22,042	32,254	4,797	-
Commercial Property Development & Investment	6,332	81,007	42,883	45,910	1,436	-
International Business	7,594	57,330	1,276	5,196	26,266	-
Investment Management	326	54	6	16	0	-
Architectural Design & Engineering	60	26	6	39	10	-
Hotel Business	530	1,251	21	793	52	-
Real Estate Services	461	734	175	469	80	-
Other	28	119	-	25	231	-
Eliminations or corporate	(482)	(131)	49	1,759	(129)	-
	79,350	292,671	104,055	214,481	82,597	-

(Millions of yen)

(7) Total assets	2011/3	2012/3	2013/3-1Q	2013/3	2014/3-1Q	2014/3 (Estimates)
Building Business	2,886,101	2,915,905	3,013,268	3,030,858	3,049,243	-
Residential Business	683,265	685,447	618,020	602,166	580,400	-
Commercial Property Development & Investment	164,610	230,467	494,404	432,556	414,922	-
International Business	292,808	328,935	358,120	383,824	399,559	-
Investment Management	28,056	28,147	27,592	31,240	29,140	-
Architectural Design & Engineering	24,333	21,520	20,681	23,108	21,140	-
Hotel Business	23,151	23,462	23,086	24,152	23,180	-
Real Estate Services	25,265	25,171	24,404	25,103	24,032	-
Other	27,609	27,468	27,173	27,261	26,701	-
Eliminations or corporate	90,005	100,489	104,153	131,248	155,141	-
	4,245,209	4,387,015	4,710,905	4,711,521	4,723,464	4,800,000

*Exchange rate	<2013/3-1Q>		<2014/3-1Q>	
¥ / \$	P L 79.35	B S 82.19	P L 92.46	B S 94.05
¥ / £	P L 124.74	B S 131.34	P L 143.16	B S 143.16



### 3. Building Business Data (Consolidated)

(Thousands of square meters)

	2010/3	2011/3	2012/3	2012/6	2013/3	2013/6
Contracted area	3,643	3,727	3,752	3,815	3,907	4,034
Owned by MEC	2,560	2,556	2,498	2,477	2,446	2,453
Subleases	1,082	1,170	1,253	1,338	1,460	1,580

### 4. Building Business Data (Unconsolidated)

(Thousands of square meters)

	2010/3	2011/3	2012/3	2012/6	2013/3	2013/6	2014/3 (Estimates)
(1) Total operating floor space							
Owned by MEC	3,359	3,362	3,269	3,270	3,293	3,268	3,321
Subleases	1,301	1,534	1,769	2,007	2,152	2,317	2,227
Total	4,660	4,896	5,038	5,277	5,444	5,585	5,548
(2) Leasable area	2,983	3,067	3,073	3,171	3,218	3,482	3,251
(3) Vacancy rate (All uses in Japan)	3.40 %	3.58 %	3.58 %	4.47 %	3.98 %	8.33 %	6.0 %
(4) Average rent (All uses in Japan)	¥24,864	¥24,423	¥23,974	¥23,734	¥23,850	¥23,598	¥24,000

\* Vacancy rates increase shown in June 2013 results compared with March 2013 is due mainly to vacant units in new buildings completed in FY2013 (from April 2012 to March 2013).

### 5. Marunouchi Area Building Data (Unconsolidated)

(Thousands of square meters; millions of yen)

	2010/3	2011/3	2012/3	2013/3-1Q	2013/3	2014/3-1Q
Floor space	2,565	2,565	2,687	2,743	2,758	2,758
Leasable area	1,614	1,582	1,605	1,664	1,626	1,686
Office vacancy rate	2.42 %	2.26 %	2.42 %	5.29 %	3.66 %	6.26 %
Building lease revenue *	¥199,230	¥217,796	¥196,710	¥48,999	¥194,203	¥49,444

\* The figures include revenue related to leasing incomes besides rent revenues, such as common area charges, electricity charges, and penalty charges from tenants.

\* Vacancy rates increase shown in June 2013 results compared with March 2013 is due mainly to vacant units in new buildings completed in FY2013 (from April 2012 to March 2013).

### 6. Residential Business Data

	2010/3	2011/3	2012/3	2013/3-1Q	2013/3	2014/3-1Q	2014/3 (Estimates)
Condominiums sold (Millions of yen)	275,120	259,605	243,638	44,071	196,404	42,266	288,000
Condominiums sold (units)	6,987	6,148	5,482	999	4,552	967	6,100
Gross margin	10.8 %	16.0 %	17.3 %	19.5 %	18.8 %	23.1 %	19.0 %
Inventory (units)	1,622	571	296	248	127	56	-
New Supply of condominiums (units)	5,910	5,359	5,882	1,486	5,334	1,623	5,400

\* Gross Margin: Subtract Land Acquisition Cost and Construction Cost from Sales

\* Since a new residential company, Mitsubishi Jisho Residence, was founded on January 2011, we have changed the definition of "Inventory (units)".

The above numbers do not include contracted units and completed units before sale.

## 7. Special Purpose Vehicle Data

(Billions of yen)

	2010/3	2011/3	2012/3	2012/6	2013/3	2013/6
Building Business						
Equity investment by Mitsubishi Estate (Unconsolidated)	86.8	90.0	99.2	56.9 36.5	31.5 31.5	39.9 39.9
Equity investment by other companies (Unconsolidated)	51.8	78.2	104.7	66.8 66.0	58.6 58.6	59.1 59.1
Interest bearing debt borrowed by SPV (Unconsolidated)	504.4	615.6	611.3	513.3 242.0	314.8 296.8	305.7 287.7
Residential business						
Equity investment by Mitsubishi Estate (Unconsolidated)	8.9	13.9	33.6	17.2 1.7	15.4 -	15.4 -
Equity investment by other companies (Unconsolidated)	2.0	2.5	2.2	2.1 2.1	- -	- -
Interest bearing debt borrowed by SPV (Unconsolidated)	-	-	4.3	4.3 4.3	- -	- -
Commercial Property Development & Investment business						
Equity investment by Mitsubishi Estate (Unconsolidated)	117.6	83.9	109.4	150.6 64.1	153.0 72.9	142.0 69.6
Equity investment by other companies (Unconsolidated)	47.2	27.9	30.0	33.5 19.3	27.3 15.8	22.4 17.7
Interest bearing debt borrowed by SPV (Unconsolidated)	408.6	428.2	377.6	344.3 167.0	301.2 139.9	306.3 145.0
Total						
Equity investment by Mitsubishi Estate (Unconsolidated)	213.4	187.9	242.4	224.8 102.4	200.0 104.4	197.4 109.6
Equity investment by other companies (Unconsolidated)	101.1	108.8	137.0	102.5 87.5	85.9 74.4	81.5 76.8
Interest bearing debt borrowed by SPV (Unconsolidated)	913.1	1,043.9	993.3	862.0 413.3	616.0 436.7	612.0 432.7

\* The numbers include the following S.P.V

1. TMK vehicles under the real estate securitization law - Mitsubishi Estate's share : over 20%
2. YK-TK or GK-TK vehicles under the commercial law - Mitsubishi Estate's share : over 20%

\* According to the adoption of new accounting standards, TMK Vehicles are newly consolidated from the beginning of fiscal year ending March 31, 2013.

### III. Summary of Consolidated Financial Statements

#### 1. Consolidated Balance Sheets

(Millions of yen)

	At March 31, 2011	At March 31, 2012	At June 30, 2012	At March 31, 2013	At June 30, 2013
<b>Assets</b>					
Current assets					
Cash	224,688	215,741	218,085	192,076	133,437
Notes and accounts receivable-trade	40,130	41,927	39,176	29,925	25,110
Marketable securities	5,094	866	16,370	612	637
Property for sale	217,420	120,573	276,146	152,354	120,894
Property for sale in progress	324,713	328,127	344,080	343,621	354,129
Property for development	8,801	8,632	8,632	8,615	8,615
Appropriated construction in progress	7,627	7,208	8,611	5,509	7,577
Other inventories	841	859	1,001	935	1,020
Equity investments	209,900	288,548	174,143	208,523	223,700
Deferred income taxes	18,849	15,148	13,839	21,064	28,838
Other current assets	42,361	58,199	63,489	63,736	61,386
Allowance for doubtful accounts	(502)	(2,130)	(2,105)	(201)	(182)
<b>Total current assets</b>	<b>1,099,926</b>	<b>1,083,704</b>	<b>1,161,470</b>	<b>1,026,773</b>	<b>965,165</b>
Fixed assets					
Property and equipment					
Buildings and structures	788,952	825,602	919,854	885,994	901,146
Machinery and equipment	21,575	20,646	23,767	24,733	24,525
Land	1,613,702	1,672,379	1,836,598	1,883,246	1,907,352
Land in trust	245,091	308,932	285,603	377,854	400,215
Construction in progress	35,516	41,037	63,270	33,909	44,673
Other property and equipment	12,467	13,637	15,959	18,098	17,867
<b>Total property and equipment</b>	<b>2,717,305</b>	<b>2,882,235</b>	<b>3,145,053</b>	<b>3,223,836</b>	<b>3,295,780</b>
Intangible assets					
Leaseholds	86,802	88,889	89,607	86,947	87,866
Other intangible assets	8,578	7,454	7,344	7,485	7,611
<b>Total intangible assets</b>	<b>95,381</b>	<b>96,344</b>	<b>96,951</b>	<b>94,432</b>	<b>95,478</b>
Investments and other assets					
Investment securities	183,318	173,991	154,678	201,005	207,502
Long-term loans	1,726	1,672	1,652	1,601	1,574
Lease deposits	97,238	101,833	100,348	110,689	112,248
Deferred income taxes	5,847	7,803	8,160	16,798	8,633
Other investments	46,571	41,407	44,585	38,309	38,974
Allowance for doubtful accounts	(2,105)	(1,978)	(1,995)	(1,924)	(1,894)
<b>Total investments and other assets</b>	<b>332,596</b>	<b>324,730</b>	<b>307,429</b>	<b>366,479</b>	<b>367,039</b>
<b>Total fixed assets</b>	<b>3,145,283</b>	<b>3,303,310</b>	<b>3,549,434</b>	<b>3,684,748</b>	<b>3,758,298</b>
<b>Total assets</b>	<b>4,245,209</b>	<b>4,387,015</b>	<b>4,710,905</b>	<b>4,711,521</b>	<b>4,723,464</b>

(Millions of yen)

	At March 31, 2011	At March 31, 2012	At June 30, 2012	At March 31, 2013	At June 30, 2013
<b>Liabilities</b>					
Current liabilities					
Notes and accounts payable-trade	76,113	77,860	53,757	53,044	44,929
Short-term borrowings	75,507	79,002	82,681	68,291	65,192
Current portion of long-term debt	201,885	147,695	311,781	166,445	124,219
Commercial paper	-	-	40,000	35,000	75,000
Bonds due within one year	36,330	76,235	52,019	57,567	59,092
Accrued income taxes	15,857	15,455	6,260	8,935	3,963
Provision for loss on guarantees	-	-	-	7,030	-
Deferred tax liability	1	-	47	879	603
Other current liabilities	127,210	162,804	127,562	142,249	137,186
Total current liabilities	532,906	559,053	674,110	539,444	510,186
Long-term liabilities					
Bonds	530,000	560,000	635,664	689,664	679,664
Long-term borrowings	788,097	845,635	1,061,582	1,058,240	1,079,368
Lease deposits received	374,719	373,189	377,929	378,876	381,950
Deferred tax liability	214,060	181,398	178,998	194,827	205,663
Deferred tax liabilities on land revaluation	332,181	321,230	321,230	321,972	319,188
Accrued employees' retirement benefits	15,322	15,420	15,872	16,671	16,239
Accrued directors' retirement benefits	587	712	640	743	543
Negative goodwill	79,074	82,995	83,363	88,143	89,218
Other long-term liabilities	63,210	73,463	64,909	56,925	56,338
Total long-term liabilities	2,397,254	2,454,046	2,740,192	2,806,065	2,828,175
Total liabilities	2,930,161	3,013,100	3,414,303	3,345,509	3,338,361
<b>Net assets</b>					
Shareholders' equity					
Capital	141,373	141,373	141,373	141,373	141,373
Capital surplus	170,485	170,485	170,485	170,485	170,485
Retained earnings	449,889	471,087	385,487	413,392	426,654
Less treasury stock, at cost	(4,390)	(4,366)	(4,323)	(4,585)	(4,599)
Total shareholders' equity	757,358	778,580	693,022	720,666	733,913
Other accumulated comprehensive income					
Unrealized holding gain on securities	48,021	47,251	33,844	70,608	74,136
Deferred gains or losses on hedging instruments	(254)	(238)	(238)	(221)	(187)
Land revaluation reserve	458,297	500,647	500,647	498,103	493,330
Foreign currency translation adjustments	(61,151)	(69,449)	(59,539)	(49,608)	(37,931)
Total other accumulated comprehensive income	444,912	478,211	474,714	518,881	529,347
Stock acquisition rights	381	451	451	500	500
Minority interests	112,395	116,672	128,413	125,963	121,340
Total net assets	1,315,047	1,373,915	1,296,602	1,366,011	1,385,102
Total liabilities and net assets	4,245,209	4,387,015	4,710,905	4,711,521	4,723,464

## 2. Consolidated Income Statements

(Millions of yen)

	2011/3	2012/3	2013/3-1Q	2013/3	2014/3-1Q	2014/3 (Estimates)
Revenue from operations	988,447	1,013,069	196,944	927,157	227,832	1,070,000
Operating income	158,258	146,299	27,434	118,349	28,801	160,000
Non-operating income						
Interest income	435	334	125	420	90	500
Dividend income	3,265	3,829	1,491	3,603	1,672	3,000
Amortization of consolidation goodwill	943	835	208	835	-	-
Equity in earnings of unconsolidated subsidiaries and affiliates	661	515	268	517	211	500
Other non-operating income	3,196	3,606	638	4,759	732	2,000
Total non-operating income	8,503	9,122	2,733	10,136	2,706	6,000
Non-operating expenses						
Interest expense	24,777	23,046	6,421	24,540	5,598	25,000
Loss on disposal of fixed assets	6,136	6,586	968	5,744	545	6,000
Other non-operating expenses	5,016	5,124	1,863	5,819	1,325	13,000
Total non-operating expenses	35,930	34,756	9,254	36,104	7,469	44,000
Income before taxes and special items	130,830	120,665	20,913	92,381	24,038	122,000
Extraordinary income						
Gain on sales of fixed assets	-	2,205	-	6,165	-	-
Gain on negative goodwill	-	-	1,264	1,374	4,471	4,000
Total extraordinary income	-	2,205	1,264	7,540	4,471	4,000
Extraordinary loss						
Loss related to retirement of fixed assets	3,052	7,728	-	24,338	-	13,000
Loss on valuation of investment securities	3,286	-	-	-	-	-
Impairment loss on equity investments	3,587	3,011	-	8,985	-	-
Impairment loss	2,788	18,133	-	2,826	-	-
Loss related to the Disaster	2,159	-	-	-	-	-
Loss related to serviced apartment business	-	3,618	-	-	-	-
Loss related to measures of soil pollution	-	1,569	-	-	-	-
Loss related to termination cost of employee benefit facility (clinic)	-	1,296	-	-	-	-
Provision for loss on guarantees	-	-	-	7,030	-	-
Total extraordinary loss	14,874	35,357	-	43,181	-	13,000
Income before income taxes and minority interests	115,955	87,513	22,178	56,741	28,509	113,000
Corporation tax, inhabitants' tax and enterprise tax	26,953	28,715	7,349	16,528	3,936	48,000
Income taxes-deferred	21,687	(10,070)	1,583	(14,620)	5,491	
Income before minority interests	67,314	68,869	13,245	54,833	19,082	65,000
Minority interests	3,095	12,356	1,348	9,325	1,976	7,000
Net income	64,219	56,512	11,896	45,507	17,105	58,000

### 3. Consolidated Cash Flow Statements

(Millions of yen)

	2011/3	2012/3	2013/3-1Q	2013/3	2014/3-1Q	2014/3 (Estimates)
Income before income taxes and minority interests	115,955	87,513	22,178	56,741	28,509	113,000
Adjustment for extraordinary income or loss	15,968	32,223	481	24,715	(3,224)	16,000
Depreciation and amortization	70,628	67,465	17,586	73,364	18,249	74,000
Decrease (increase) in inventories	71,676	109,481	(8,085)	43,173	17,867	67,000
Decrease (increase) in equity investments	9,183	(82,423)	(5,142)	(24,319)	(7,669)	(33,000)
Other	(12,076)	16,788	(40,632)	(17,975)	(10,859)	48,000
Income taxes, etc.	(12,073)	(27,805)	(15,774)	(33,413)	(10,124)	(5,000)
Net cash provided by (used in) operating activities	259,263	203,243	(29,389)	122,286	32,749	280,000
Proceeds from sales of marketable securities and investment securities	4,904	2,907	13	2,429	290	0
Proceeds from sales of property and equipment and beneficial interests in trust of property and equipment	157	10,592	196	10,000	1,212	24,500
Purchases of property and equipment	(76,332)	(282,171)	(103,117)	(208,135)	(81,800)	(227,000)
Other	4,045	(3,338)	(11,599)	(22,287)	(925)	(10,500)
Net cash provided by (used in) investing activities	(67,223)	(272,009)	(114,507)	(217,992)	(81,223)	(213,000)
Newly acquired funds	277,245	347,169	193,134	587,403	40,193	247,500
Repayment	(362,719)	(271,023)	(84,236)	(569,256)	(75,330)	(238,000)
Cash dividends paid	(20,905)	(21,342)	(10,468)	(25,747)	(10,505)	(20,500)
Other	(33,890)	2,385	19,327	34,751	33,986	(35,500)
Net cash provided by (used in) financing activities	(140,269)	57,189	117,755	27,150	(11,655)	(46,500)
Effect of exchange rate on cash and cash equivalents	(2,096)	(2,262)	1,278	3,838	2,367	-
Net increase (decrease) in cash and cash equivalents	49,674	(13,839)	(24,862)	(64,716)	(57,762)	20,500
Increase in cash and cash equivalents arising from changes in the scope of consolidation	1,563	7	42,724	42,724	-	-
Decrease in cash and cash equivalents arising from changes in the scope of consolidation	-	(66)	-	(1,942)	(856)	-
Increase in cash and cash equivalents arising from mergers and acquisitions	-	607	-	-	-	-
Cash and cash equivalents at the beginning of year	177,825	229,062	215,771	215,771	191,837	192,000
Cash and cash equivalents at the end of year	229,062	215,771	233,634	191,837	133,218	212,500

#### 4. Total Assets, Capital Investment and Depreciation (Consolidated)

(Millions of yen)

	2011/3	2012/3	2013/3-1Q	2013/3	2014/3-1Q	2014/3 (Estimates)
Total assets	4,245,209	4,387,015	4,710,905	4,711,521	4,723,464	4,800,000
Capital investment	76,332	282,171	103,117	208,135	81,800	227,000
Depreciation	70,628	67,465	17,586	73,364	18,249	74,000

(Millions of yen)

2014/3-1Q Capital investment* 81,800 million yen	Mitsubishi Estate	Building Business	Marunouchi redevelopment construction cost etc. = 40,000 Refurbishment cost etc. = 3,000
	48,800	Other	Commercial Property Development & Investment (Investment in property) = 1,300 Residential Business = 4,000
	Other	Rockefeller Group, Inc., etc.	Paternoster Associates = 25,800 Mitsubishi Estate • Simon = 4,100 Sunshine City = 1,700
33,000			

2014/3 Capital investment (Estimates)* 227,000 million yen	Mitsubishi Estate	Building Business	Marunouchi redevelopment construction cost etc. = 78,500 Refurbishment cost etc. = 16,000
	153,000	Other	Commercial Property Development & Investment (Investment in property) = 34,000 Residential Business = 24,500
	Other	Rockefeller Group, Inc., etc.	Paternoster Associates = 36,500 Rockefeller Group, Inc. = 20,000 Mitsubishi Estate • Simon = 6,000 Sunshine City = 4,000 Marunouchi Heat Supply = 2,000 Royal Park Hotels & Resorts = 2,000
74,000			

\* Major inter-group transactions are eliminated.

#### 5. Interest-Bearing Debt (Consolidated)

(Millions of yen)

	2011/3	2012/3	2013/3-1Q	2013/3	2014/3-1Q	2014/3 (Estimates)
Interest-bearing debt	1,639,050	1,716,890	2,191,830	2,085,417	2,092,574	2,060,000
Net interest-bearing debt *1	1,409,987	1,501,118	1,958,196	1,893,580	1,959,355	1,847,000
Interest expense	24,777	23,087	6,427	24,594	5,610	25,000
Financial income and expense (net) *2	(21,076)	(18,923)	(4,810)	(20,571)	(3,847)	(21,500)
Average interest rate *3	1.46 %	1.38 %	1.32 %	1.29 %	1.07 %	1.19 %
Debt equity ratio *4	1.36	1.37	1.88	1.68	1.66	1.61

\*1 Net interest-bearing debt = Interest-bearing debt - Cash and cash equivalents

\*2 Financial income and expense = Interest income + Dividend income - Interest expense

\*3 Average interest rate = Interest expense / Interest-bearing debt (average)

\*4 Debt equity ratio = Interest-bearing debt / Shareholders' equity

## 6. Major Consolidated Subsidiaries

2014/3-1Q Result

(Millions of yen)

	Share of MEC	Revenue from operations	Operating income	Income before taxes and special items	Net income	Total assets	Shareholders' equity	Interest-bearing debt	Depreciation
Mitsubishi Estate Co., Ltd.	-	108,814	17,098	21,734	16,852	3,911,736	1,190,076	1,719,371	10,621
Mitsubishi Jisho Residence Co., Ltd.	100.00%	43,829	3,724	3,410	2,062	448,003	267,827	129,019	274
Mitsubishi Real Estate Services Co., Ltd.	100.00%	5,221	(88)	21	4	22,219	13,742	22	97
Mitsubishi Estate Home Co., Ltd.	100.00%	3,268	(605)	(593)	(595)	10,286	1,764	-	42
Mitsubishi Jisho Sekkei Inc.	100.00%	2,232	(187)	(151)	(111)	19,801	15,246	-	15
Royal Park Hotels & Resorts Co., Ltd.	100.00%	4,828	58	52	52	6,622	275	2,271	100
Mitsubishi Estate Building Management Co., Ltd.	100.00%	8,961	640	649	397	37,268	9,251	80	17
Mitsubishi Jisho Community Co., Ltd.	100.00%	7,926	478	485	285	10,047	6,085	-	39
Mitsubishi Jisho Property Management Co., Ltd.	100.00%	5,256	203	213	127	22,905	9,954	-	6
Marunouchi Heat Supply Co., Ltd.	64.16%	3,079	(111)	(125)	(96)	25,808	15,311	7,435	639
Mitsubishi Estate•Simon Co., Ltd. (*)	60.00%	9,517	2,778	2,827	1,737	83,525	23,755	36,378	1,471
Sunshine City Corporation	63.20%	6,602	1,765	1,647	1,024	95,662	46,346	26,611	1,315
Royal Park Hotel Co., Ltd.	55.71%	2,549	238	216	131	15,563	7,077	5,215	176
Rockefeller Group, Inc.	100.00%	8,686	1,658	1,468	161	221,281	111,564	78,603	952
	-	227,832	28,801	24,038	17,105	4,723,464	1,263,261	2,092,574	18,249

\* Chelsea Japan Co., Ltd. was changed to Mitsubishi Estate•Simon Co., Ltd. on February 12 2013.

2013/3-1Q Result

(Millions of yen)

	Share of MEC	Revenue from operations	Operating income	Income before taxes and special items	Net income	Total assets	Shareholders' equity	Interest-bearing debt	Depreciation
Mitsubishi Estate Co., Ltd.	-	87,551	19,801	21,079	(36,055)	3,543,409	1,145,203	1,500,101	10,381
Mitsubishi Jisho Residence Co., Ltd.	100.00%	47,716	1,920	1,705	1,809	467,148	260,465	146,627	107
Mitsubishi Real Estate Services Co., Ltd.	100.00%	4,700	(739)	(661)	(813)	21,862	12,346	32	101
Mitsubishi Estate Home Co., Ltd.	100.00%	2,803	(653)	(644)	(647)	8,456	1,991	-	34
Mitsubishi Jisho Sekkei Inc.	100.00%	3,039	505	519	304	19,240	14,679	-	13
Royal Park Hotels & Resorts Co., Ltd.	100.00%	4,709	(137)	(140)	(141)	6,336	(83)	2,490	99
Mitsubishi Estate Building Management Co., Ltd.	100.00%	8,145	594	602	370	34,615	8,042	2	15
Mitsubishi Jisho Community Co., Ltd.	100.00%	7,692	420	433	254	8,662	5,352	-	44
Mitsubishi Jisho Property Management Co., Ltd.	100.00%	5,653	360	366	219	20,607	9,525	-	6
Marunouchi Heat Supply Co., Ltd.	64.16%	2,815	(262)	(256)	(205)	25,223	15,120	7,235	589
Chelsea Japan Co., Ltd.	60.00%	7,737	2,489	2,433	1,480	76,722	22,386	32,399	1,329
Sunshine City Corporation	63.20%	6,960	1,884	1,619	956	102,475	46,232	31,579	1,344
Royal Park Hotel Co., Ltd.	51.00%	2,595	201	175	102	15,675	6,799	5,647	165
Rockefeller Group, Inc.	100.00%	7,925	1,496	1,135	109	201,273	91,054	80,869	1,099
	-	196,944	27,434	20,913	11,896	4,710,905	1,167,737	2,191,830	17,586