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MITSUBISHI ESTATE

FACT BOOK 2014/3 - 3rd Q

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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 2014/3-3Q and 2013/3-3Q

	Millions of yen (rounded down)		
	2014/3-3Q Results	2013/3-3Q Results	Change
Building Business	362,455	330,513	31,942
Residential Business	210,236	220,121	(9,885)
Commercial Property Development & Investment	39,478	13,255	26,223
International Business	67,807	49,814	17,993
Investment Management	3,680	5,093	(1,412)
Architectural Design & Engineering	10,373	10,916	(542)
Hotel Business	22,002	21,377	625
Real Estate Services	19,412	18,133	1,279
Other	2,874	3,119	(244)
Eliminations	(18,049)	(17,367)	(682)
Revenue from Operations	720,273	654,976	65,297
Building Business	79,734	83,635	(3,901)
Residential Business	8,283	6,034	2,249
Commercial Property Development & Investment	6,007	2,723	3,284
International Business	22,727	5,754	16,972
Investment Management	1,500	1,472	27
Architectural Design & Engineering	(606)	(413)	(193)
Hotel Business	674	427	247
Real Estate Services	601	(984)	1,586
Other	(240)	(175)	(64)
Eliminations or Corporate	(10,859)	(10,837)	(22)
Operating Income	107,821	87,635	20,185
Non-operating revenue	6,987	8,229	(1,241)
Non-operating expense	21,494	26,646	(5,151)
Income Before Taxes and Special Items	93,314	69,219	24,095
Extraordinary income	10,605	7,387	3,218
Extraordinary loss	1,105	27,918	(26,812)
Income Before Income Taxes and Minority Interests	102,813	48,688	54,125
Corporation tax, etc.	36,938	9,927	27,010
Income Before Minority Interests	65,875	38,760	27,115
Minority interests	7,347	4,857	2,489
Net Income	58,528	33,902	24,625

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary income	2014/3-3Q Results	2013/3-3Q Results	Change
Gain on sales of fixed assets	5,663	6,014	(351)
Gain on negative goodwill	4,942	1,372	3,569
Total	10,605	7,387	3,218

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary loss	2014/3-3Q Results	2013/3-3Q Results	Change
Loss related to retirement of fixed assets	1,105	24,068	(22,962)
Impairment loss on equity investments	-	3,849	(3,849)
Total	1,105	27,918	(26,812)

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

	Millions of yen (rounded down)		
	2014/3 Current Estimates	2013/3 Results	Change
Building Business	487,000	442,748	44,252
Residential Business	398,000	315,351	82,649
Commercial Property Development & Investment	44,000	50,278	(6,278)
International Business	82,000	60,892	21,108
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
Revenue from Operations	1,070,000	927,157	142,843
Building Business	110,000	107,667	2,333
Residential Business	27,000	2,317	24,683
Commercial Property Development & Investment	7,000	11,180	(4,180)
International Business	25,000	8,371	16,629
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
Operating Income	160,000	118,349	41,651
Non-operating revenue	8,000	10,136	(2,136)
Non-operating expense	46,000	36,104	9,896
Income Before Taxes and Special Items	122,000	92,381	29,619
Extraordinary income	11,000	7,540	3,460
Extraordinary loss	13,000	43,181	(30,181)
Income Before Income Taxes and Minority Interests	120,000	56,741	63,259
Corporate tax, etc.	54,000	1,907	52,093
Income Before Minority Interests	66,000	54,833	11,167
Minority interests	8,000	9,325	(1,325)
Net Income	58,000	45,507	12,493

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary income	2014/3 Current Estimates	2013/3 Results	Change
Gain on sales of fixed assets	6,000	6,165	(165)
Gain on negative goodwill	5,000	1,374	3,626
Total	11,000	7,540	3,460

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary loss	2014/3 Current 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)
Total	13,000	43,181	(30,181)

3. Current and Previous Income Statement Estimates for 2014/3

Millions of yen (rounded down)			
	2014/3 Current Estimates	2014/3 Previous Estimates	Change
Building Business	487,000	504,000	(17,000)
Residential Business	398,000	390,000	8,000
Commercial Property Development & Investment	44,000	35,000	9,000
International Business	82,000	82,000	-
Investment Management	5,000	5,000	-
Architectural Design & Engineering	20,000	20,000	-
Hotel Business	30,000	30,000	-
Real Estate Services	26,000	26,000	-
Other	3,000	3,000	-
Eliminations	(25,000)	(25,000)	-
Revenue from Operations	1,070,000	1,070,000	-
Building Business	110,000	112,000	(2,000)
Residential Business	27,000	27,000	-
Commercial Property Development & Investment	7,000	5,000	2,000
International Business	25,000	25,000	-
Investment Management	2,000	2,000	-
Architectural Design & Engineering	1,000	1,000	-
Hotel Business	500	500	-
Real Estate Services	1,000	1,000	-
Other	0	0	-
Eliminations or Corporate	(13,500)	(13,500)	-
Operating Income	160,000	160,000	-
Non-operating revenue	8,000	6,000	2,000
Non-operating expense	46,000	44,000	2,000
Income Before Taxes and Special Items	122,000	122,000	-
Extraordinary income	11,000	5,000	6,000
Extraordinary loss	13,000	13,000	-
Income Before Income Taxes and Minority Interests	120,000	114,000	6,000
Corporate tax, etc.	54,000	49,000	5,000
Income Before Minority Interests	66,000	65,000	1,000
Minority interests	8,000	7,000	1,000
Net Income	58,000	58,000	-

Millions of yen (rounded down)			
■ Breakdown of Extraordinary income	2014/3 Current Estimates	2014/3 Previous Estimates	Change
Gain on sales of fixed assets	6,000	-	6,000
Gain on negative goodwill	5,000	5,000	-
Total	11,000	5,000	6,000

Millions of yen (rounded down)			
■ Breakdown of Extraordinary loss	2014/3 Current Estimates	2014/3 Previous Estimates	Change
Loss related to retirement of fixed assets	13,000	13,000	-
Total	13,000	13,000	-

4. Balance Sheet Results at Periods Ended 2013/12 and 2013/3

	Millions of yen (rounded down)		
	At Dec 31, 2013	At Mar 31, 2013	Change
Assets			
I. Current assets			
1. Cash	121,424	192,076	(70,652)
2. Notes and accounts receivable-trade	23,094	29,925	(6,830)
3. Marketable securities	532	612	(79)
4. Property for sale	96,335	152,354	(56,019)
5. Property for sale in progress	363,560	343,621	19,939
6. Property for development	8,618	8,615	3
7. Appropriated construction in progress	9,223	5,509	3,714
8. Other inventories	1,176	935	241
9. Equity investments	226,474	208,523	17,950
10. Deferred income taxes	24,014	21,064	2,949
11. Other current assets	54,385	63,736	(9,350)
12. Allowance for doubtful accounts	(177)	(201)	24
Total current assets	928,664	1,026,773	(98,109)
II. Fixed assets			
1. Property and equipment			
(1) Buildings and structures	914,781	885,994	28,787
(2) Machinery and equipment	24,372	24,733	(360)
(3) Land	1,912,467	1,883,246	29,221
(4) Land in trust	400,257	377,854	22,402
(5) Construction in progress	50,612	33,909	16,702
(6) Other property and equipment	17,413	18,098	(684)
Total property and equipment	3,319,905	3,223,836	96,069
2. Intangible assets			
(1) Leaseholds	87,817	86,947	869
(2) Other intangible assets	8,190	7,485	705
Total intangible assets	96,007	94,432	1,575
3. Investments and other assets			
(1) Investment securities	232,495	201,005	31,490
(2) Long-term loans	1,539	1,601	(61)
(3) Lease deposits	112,600	110,689	1,910
(4) Deferred income taxes	9,573	16,798	(7,224)
(5) Other investments	39,755	38,309	1,446
(6) Allowance for doubtful accounts	(1,860)	(1,924)	63
Total investments and other assets	394,103	366,479	27,624
Total fixed assets	3,810,016	3,684,748	125,268
Total assets	4,738,681	4,711,521	27,159

	Millions of yen (rounded down)		
	At Dec 31, 2013	At Mar 31, 2013	Change
Liabilities			
I. Current liabilities			
1. Notes and accounts payable-trade	58,190	53,044	5,146
2. Short-term borrowings	63,892	68,291	(4,398)
3. Current portion of long-term debt	142,941	166,445	(23,504)
4. Commercial Paper	26,000	35,000	(9,000)
5. Bonds due within one year	57,934	57,567	366
6. Accrued income taxes	14,279	8,935	5,344
7. Provision for loss on guarantees	-	7,030	(7,030)
8. Deferred tax liability	393	879	(485)
9. Other current liabilities	149,558	142,249	7,308
Total current liabilities	513,190	539,444	(26,253)
II. Long-term liabilities			
1. Bonds	659,647	689,664	(30,017)
2. Long-term borrowings	1,054,320	1,058,240	(3,919)
3. Lease deposits received	384,023	378,876	5,147
4. Deferred tax liability	200,142	194,827	5,314
5. Deferred tax liabilities on land revaluation	319,188	321,972	(2,784)
6. Accrued employees' retirement benefits	16,045	16,671	(625)
7. Accrued directors' retirement benefits	553	743	(189)
8. Negative goodwill	90,826	88,143	2,682
9. Other long-term liabilities	51,782	56,925	(5,143)
Total long-term liabilities	2,776,530	2,806,065	(29,535)
Total liabilities	3,289,721	3,345,509	(55,788)
Net Assets			
I. Shareholders' Equity			
1. Capital	141,373	141,373	-
2. Capital surplus	170,485	170,485	-
3. Retained earnings	459,812	413,392	46,419
4. Less treasury stock, at cost	(4,739)	(4,585)	(154)
Total shareholders' equity	766,931	720,666	46,265
II. Other accumulated comprehensive income			
1. Unrealized holding gain on securities	90,303	70,608	19,695
2. Deferred gains or losses on hedging instruments	39	(221)	261
3. Land revaluation reserve	493,330	498,103	(4,773)
4. Foreign currency translation adjustments	(26,677)	(49,608)	22,930
Total other accumulated comprehensive income	556,995	518,881	38,114
III. Stock acquisition rights	494	500	(5)
IV. Minority interests	124,538	125,963	(1,425)
Total net assets	1,448,959	1,366,011	82,948
Total liabilities and net assets	4,738,681	4,711,521	27,159

II. Highlights

1. Major Performance Items (Consolidated)

(Millions of yen)

	2011/3	2012/3	2013/3-3Q	2013/3	2014/3-3Q	2014/3 (Estimates)
Revenue from operations	988,447	1,013,069	654,976	927,157	720,273	1,070,000
Operating income	158,258	146,299	87,635	118,349	107,821	160,000
Income before taxes and special items	130,830	120,665	69,219	92,381	93,314	122,000
Net income	64,219	56,512	33,902	45,507	58,528	58,000
Total assets	4,245,209	4,387,015	4,598,588	4,711,521	4,738,681	4,800,000
Shareholders' equity*1	1,202,270	1,256,791	1,190,857	1,239,547	1,323,926	1,270,000
Interest-bearing debt	1,639,050	1,716,890	2,079,021	2,085,417	2,014,283	2,060,000
Cash flow from operating activities	259,263	203,243	26,647	122,286	159,496	280,000
Cash flow from investing activities	(67,223)	(272,009)	(187,574)	(217,992)	(114,201)	Δ 213,000
Cash flow from financing activities	(140,269)	57,189	38,058	27,150	(120,766)	Δ 46,500
EBITDA*2	237,109	222,885	149,649	200,587	171,550	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	24.43	32.79	42.18	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		2013/3-3Q		2013/3		2014/3-3Q		2014/3 (Estimates)	
Building Business	463,939	46.0%	510,850	49.5%	330,513	49.2%	442,748	46.3%	362,455	49.1%	487,000	44.5%
Residential Business	369,145	36.6%	342,823	33.2%	220,121	32.7%	315,351	33.0%	210,236	28.5%	398,000	36.3%
Commercial Property Development & Investment	47,907	4.7%	55,809	5.4%	13,255	2.0%	50,278	5.3%	39,478	5.3%	44,000	4.0%
International Business	45,091	4.5%	42,108	4.1%	49,814	7.4%	60,892	6.4%	67,807	9.2%	82,000	7.5%
Investment Management	5,220	0.5%	5,924	0.6%	5,093	0.8%	7,108	0.7%	3,680	0.5%	5,000	0.5%
Architectural Design & Engineering	18,584	1.8%	19,932	1.9%	10,916	1.6%	19,568	2.0%	10,373	1.4%	20,000	1.8%
Hotel Business	27,643	2.7%	25,654	2.5%	21,377	3.2%	28,299	3.0%	22,002	3.0%	30,000	2.7%
Real Estate Services	27,719	2.7%	26,085	2.5%	18,133	2.7%	27,209	2.8%	19,412	2.6%	26,000	2.4%
Other	3,443	0.3%	3,506	0.3%	3,119	0.4%	4,408	0.5%	2,874	0.4%	3,000	0.3%
Eliminations or corporate	(20,248)		(19,628)		(17,367)		(28,707)		(18,049)		(25,000)	
	988,447		1,013,069		654,976		927,157		720,273		1,070,000	

(Millions of yen)

(2) Operating income	2011/3		2012/3		2013/3-3Q		2013/3		2014/3-3Q		2014/3 (Estimates)	
Building Business	141,823		146,007		83,635		107,667		79,734		110,000	
Residential Business	12,234		4,792		6,034		2,317		8,283		27,000	
Commercial Property Development & Investment	5,674		1,609		2,723		11,180		6,007		7,000	
International Business	10,015		8,020		5,754		8,371		22,727		25,000	
Investment Management	2,528		1,464		1,472		2,129		1,500		2,000	
Architectural Design & Engineering	590		1,190		(413)		1,234		(606)		1,000	
Hotel Business	(340)		(278)		427		474		674		500	
Real Estate Services	430		(57)		(984)		1,058		601		1,000	
Other	411		181		(175)		(10)		(240)		0	
Eliminations or corporate	(15,109)		(16,632)		(10,837)		(16,074)		(10,859)		(13,500)	
	158,258		146,299		87,635		118,349		107,821		160,000	

(3) Rate of return	2011/3		2012/3		2013/3-3Q		2013/3		2014/3-3Q		2014/3 (Estimates)	
Building Business	30.6%		28.6%		25.3%		24.3%		22.0%		22.6%	
Residential Business	3.3%		1.4%		2.7%		0.7%		3.9%		6.8%	
Commercial Property Development & Investment	11.8%		2.9%		20.5%		22.2%		15.2%		15.9%	
International Business	22.2%		19.0%		11.6%		13.7%		33.5%		30.5%	
Investment Management	48.4%		24.7%		28.9%		30.0%		40.8%		40.0%	
Architectural Design & Engineering	3.2%		6.0%		-3.8%		6.3%		-5.8%		5.0%	
Hotel Business	-1.2%		-1.1%		2.0%		1.7%		3.1%		1.7%	
Real Estate Services	1.6%		-0.2%		-5.4%		3.9%		3.1%		3.8%	
Other	11.9%		5.2%		-5.6%		-0.2%		-8.4%		0.0%	
Eliminations or corporate												
	16.0%		14.4%		13.4%		12.8%		15.0%		15.0%	

(Millions of yen)

(4) Depreciation	2011/3		2012/3		2013/3-3Q		2013/3		2014/3-3Q		2014/3 (Estimates)	
Building Business	59,501		55,948		42,234		56,479		42,809		-	
Residential Business	2,014		1,932		1,898		2,664		2,254		-	
Commercial Property Development & Investment	1,401		1,766		4,530		6,248		3,776		-	
International Business	5,689		5,673		4,595		5,987		5,119		-	
Investment Management	33		40		25		38		28		-	
Architectural Design & Engineering	79		73		53		72		55		-	
Hotel Business	1,153		1,174		807		1,088		851		-	
Real Estate Services	537		512		341		457		313		-	
Other	72		86		65		84		191		-	
Eliminations or corporate	145		254		141		242		412		-	
	70,628		67,465		54,694		73,364		55,813		74,000	

(Millions of yen)

(5) Operating income before depreciation	2011/3	2012/3	2013/3-3Q	2013/3	2014/3-3Q	2014/3 (Estimates)
Building Business	201,324	201,955	125,869	164,146	122,543	-
Residential Business	14,248	6,724	7,932	4,981	10,537	-
Commercial Property Development & Investment	7,075	3,375	7,253	17,428	9,783	-
International Business	15,704	13,693	10,349	14,358	27,846	-
Investment Management	2,561	1,504	1,497	2,167	1,528	-
Architectural Design & Engineering	669	1,263	(360)	1,306	(551)	-
Hotel Business	813	896	1,234	1,562	1,525	-
Real Estate Services	967	455	(643)	1,515	914	-
Other	483	267	(110)	74	(49)	-
Eliminations or corporate	(14,964)	(16,378)	(10,696)	(15,832)	(10,447)	-
	228,886	213,764	142,329	191,713	163,634	234,000

(Millions of yen)

(6) Capital expenditure	2011/3	2012/3	2013/3-3Q	2013/3	2014/3-3Q	2014/3 (Estimates)
Building Business	55,853	143,767	100,546	128,016	81,244	-
Residential Business	8,644	8,511	25,911	32,254	9,948	-
Commercial Property Development & Investment	6,332	81,007	45,146	45,910	3,147	-
International Business	7,594	57,330	4,551	5,196	29,042	-
Investment Management	326	54	6	16	11	-
Architectural Design & Engineering	60	26	29	39	48	-
Hotel Business	530	1,251	311	793	1,157	-
Real Estate Services	461	734	377	469	255	-
Other	28	119	6	25	669	-
Eliminations or corporate	(482)	(131)	(501)	1,759	964	-
	79,350	292,671	176,387	214,481	126,490	-

(Millions of yen)

(7) Total assets	2011/3	2012/3	2013/3-3Q	2013/3	2014/3-3Q	2014/3 (Estimates)
Building Business	2,886,101	2,915,905	3,011,794	3,030,858	3,078,244	-
Residential Business	683,265	685,447	569,606	602,166	589,952	-
Commercial Property Development & Investment	164,610	230,467	466,198	432,556	408,988	-
International Business	292,808	328,935	336,115	383,824	408,555	-
Investment Management	28,056	28,147	27,329	31,240	30,679	-
Architectural Design & Engineering	24,333	21,520	20,727	23,108	22,211	-
Hotel Business	23,151	23,462	23,707	24,152	24,065	-
Real Estate Services	25,265	25,171	24,093	25,103	22,965	-
Other	27,609	27,468	27,026	27,261	26,129	-
Eliminations or corporate	90,005	100,489	91,988	131,248	126,889	-
	4,245,209	4,387,015	4,598,588	4,711,521	4,738,681	4,800,000

*Exchange rate	<2013/3-3Q>		<2014/3-3Q>		<2014/3 (Estimates)>	
¥ / \$	PL 79.39	BS 77.60	PL 96.83	BS 97.75	PL 95.00	BS 95.00
¥ / £	PL 125.74	BS 125.98	PL 149.48	BS 158.09	PL 145.00	BS 145.00

3. Building Business Data (Consolidated)

(Thousands of square meters)

	2010/3	2011/3	2012/3	2012/12	2013/3	2013/12
Contracted area	3,643	3,727	3,752	3,773	3,907	4,068
Owned by MEC	2,560	2,556	2,498	2,383	2,446	2,471
Subleases	1,082	1,170	1,253	1,389	1,460	1,596

4. Building Business Data (Unconsolidated)

(Thousands of square meters)

	2010/3	2011/3	2012/3	2012/12	2013/3	2013/12	2014/3 (Estimates)
(1) Total operating floor space							
Owned by MEC	3,359	3,362	3,269	3,244	3,293	3,268	3,298
Subleases	1,301	1,534	1,769	1,956	2,152	2,285	2,272
Total	4,660	4,896	5,038	5,200	5,444	5,553	5,570
(2) Leasable area	2,983	3,067	3,073	3,140	3,218	3,472	3,492
(3) Vacancy rate (All uses in Japan)	3.40 %	3.58 %	3.58 %	5.51 %	3.98 %	7.06 %	6.0 %
(4) Average rent (All uses in Japan)	¥24,864	¥24,423	¥23,974	¥23,701	¥23,850	¥23,830	¥24,000

* The vacancy rates increase shown from April 2013 compared with March 2013 is due mainly to vacant units in new buildings completed in FY2013.

5. Marunouchi Area Building Data (Unconsolidated)

(Thousands of square meters; millions of yen)

	2010/3	2011/3	2012/3	2013/3-3Q	2013/3	2014/3-3Q
Floor space	2,565	2,565	2,687	2,759	2,758	2,758
Leasable area	1,614	1,582	1,605	1,622	1,626	1,711
Office vacancy rate	2.42 %	2.26 %	2.42 %	5.65 %	3.66 %	6.08 %
Building lease revenue *	¥199,230	¥217,796	¥196,710	¥144,687	¥194,203	¥150,594

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

* The vacancy rates increase shown from April 2013 compared with March 2013 is due mainly to vacant units in new buildings completed in FY2013.

6. Residential Business Data

	2010/3	2011/3	2012/3	2013/3-3Q	2013/3	2014/3-3Q	2014/3 (Estimates)
Condominiums sold (Millions of yen)	275,120	259,605	243,638	131,949	196,404	133,534	288,000
Condominiums sold (units)	6,987	6,148	5,482	3,182	4,552	2,911	6,100
Gross margin	10.8 %	16.0 %	17.3 %	18.6 %	18.8 %	20.2 %	19.0 %
Inventory (units)	1,622	571	296	247	127	85	-
New Supply of condominiums (units)	5,910	5,359	5,882	3,922	5,334	4,489	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	2012/12	2013/3	2013/12
Building Business						
Equity investment by Mitsubishi Estate <i>(Unconsolidated)</i>	86.8	90.0	99.2	35.2 <i>35.2</i>	31.5 <i>31.5</i>	68.3 <i>36.1</i>
Equity investment by other companies <i>(Unconsolidated)</i>	51.8	78.2	104.7	68.8 <i>68.8</i>	58.6 <i>58.6</i>	53.0 <i>53.0</i>
Interest bearing debt borrowed by SPV <i>(Unconsolidated)</i>	504.4	615.6	611.3	304.1 <i>286.1</i>	314.8 <i>296.8</i>	294.0 <i>275.9</i>
Residential Business						
Equity investment by Mitsubishi Estate <i>(Unconsolidated)</i>	8.9	13.9	33.6	17.1 <i>1.6</i>	15.4 <i>-</i>	15.4 <i>-</i>
Equity investment by other companies <i>(Unconsolidated)</i>	2.0	2.5	2.2	2.0 <i>2.0</i>	<i>-</i>	<i>-</i>
Interest bearing debt borrowed by SPV <i>(Unconsolidated)</i>	-	-	4.3	4.3 <i>4.3</i>	<i>-</i>	<i>-</i>
Commercial Property Development & Investment Business						
Equity investment by Mitsubishi Estate <i>(Unconsolidated)</i>	117.6	83.9	109.4	165.7 <i>79.2</i>	153.0 <i>72.9</i>	140.7 <i>76.8</i>
Equity investment by other companies <i>(Unconsolidated)</i>	47.2	27.9	30.0	29.6 <i>15.4</i>	27.3 <i>15.8</i>	23.1 <i>18.4</i>
Interest bearing debt borrowed by SPV <i>(Unconsolidated)</i>	408.6	428.2	377.6	324.2 <i>150.0</i>	301.2 <i>139.9</i>	310.1 <i>149.4</i>
Total						
Equity investment by Mitsubishi Estate <i>(Unconsolidated)</i>	213.4	187.9	242.4	218.1 <i>116.2</i>	200.0 <i>104.4</i>	224.5 <i>113.0</i>
Equity investment by other companies <i>(Unconsolidated)</i>	101.1	108.8	137.0	100.5 <i>86.3</i>	85.9 <i>74.4</i>	76.1 <i>71.4</i>
Interest bearing debt borrowed by SPV <i>(Unconsolidated)</i>	913.1	1,043.9	993.3	632.6 <i>440.4</i>	616.0 <i>436.7</i>	604.1 <i>425.3</i>

* 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 December 31, 2012	At March 31, 2013	At December 31, 2013
Assets					
Current assets					
Cash	224,688	215,741	133,854	192,076	121,424
Notes and accounts receivable-trade	40,130	41,927	25,397	29,925	23,094
Marketable securities	5,094	866	911	612	532
Property for sale	217,420	120,573	291,333	152,354	96,335
Property for sale in progress	324,713	328,127	336,377	343,621	363,560
Property for development	8,801	8,632	8,616	8,615	8,618
Appropriated construction in progress	7,627	7,208	9,499	5,509	9,223
Other inventories	841	859	1,023	935	1,176
Equity investments	209,900	288,548	207,458	208,523	226,474
Deferred income taxes	18,849	15,148	4,267	21,064	24,014
Other current assets	42,361	58,199	73,263	63,736	54,385
Allowance for doubtful accounts	(502)	(2,130)	(288)	(201)	(177)
Total current assets	1,099,926	1,083,704	1,091,715	1,026,773	928,664
Fixed assets					
Property and equipment					
Buildings and structures	788,952	825,602	885,514	885,994	914,781
Machinery and equipment	21,575	20,646	25,341	24,733	24,372
Land	1,613,702	1,672,379	1,860,095	1,883,246	1,912,467
Land in trust	245,091	308,932	260,707	377,854	400,257
Construction in progress	35,516	41,037	36,888	33,909	50,612
Other property and equipment	12,467	13,637	18,171	18,098	17,413
Total property and equipment	2,717,305	2,882,235	3,086,718	3,223,836	3,319,905
Intangible assets					
Leaseholds	86,802	88,889	89,391	86,947	87,817
Other intangible assets	8,578	7,454	6,969	7,485	8,190
Total intangible assets	95,381	96,344	96,360	94,432	96,007
Investments and other assets					
Investment securities	183,318	173,991	174,016	201,005	232,495
Long-term loans	1,726	1,672	1,617	1,601	1,539
Lease deposits	97,238	101,833	104,431	110,689	112,600
Deferred income taxes	5,847	7,803	8,214	16,798	9,573
Other investments	46,571	41,407	37,475	38,309	39,755
Allowance for doubtful accounts	(2,105)	(1,978)	(1,961)	(1,924)	(1,860)
Total investments and other assets	332,596	324,730	323,793	366,479	394,103
Total fixed assets	3,145,283	3,303,310	3,506,872	3,684,748	3,810,016
Total assets	4,245,209	4,387,015	4,598,588	4,711,521	4,738,681

(Millions of yen)

	At March 31, 2011	At March 31, 2012	At December 31, 2012	At March 31, 2013	At December 31, 2013
Liabilities					
Current liabilities					
Notes and accounts payable-trade	76,113	77,860	40,200	53,044	58,190
Short-term borrowings	75,507	79,002	81,270	68,291	63,892
Current portion of long-term debt	201,885	147,695	162,536	166,445	142,941
Commercial paper	-	-	70,000	35,000	26,000
Bonds due within one year	36,330	76,235	23,791	57,567	57,934
Accrued income taxes	15,857	15,455	4,459	8,935	14,279
Provision for loss on guarantees	-	-	-	7,030	-
Deferred tax liability	1	-	7,655	879	393
Other current liabilities	127,210	162,804	134,837	142,249	149,558
Total current liabilities	532,906	559,053	524,750	539,444	513,190
Long-term liabilities					
Bonds	530,000	560,000	679,664	689,664	659,647
Long-term borrowings	788,097	845,635	1,051,472	1,058,240	1,054,320
Lease deposits received	374,719	373,189	372,382	378,876	384,023
Deferred tax liability	214,060	181,398	164,544	194,827	200,142
Deferred tax liabilities on land revaluation	332,181	321,230	320,687	321,972	319,188
Accrued employees' retirement benefits	15,322	15,420	15,446	16,671	16,045
Accrued directors' retirement benefits	587	712	702	743	553
Negative goodwill	79,074	82,995	88,093	88,143	90,826
Other long-term liabilities	63,210	73,463	61,225	56,925	51,782
Total long-term liabilities	2,397,254	2,454,046	2,754,218	2,806,065	2,776,530
Total liabilities	2,930,161	3,013,100	3,278,968	3,345,509	3,289,721
Net assets					
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	401,611	413,392	459,812
Less treasury stock, at cost	(4,390)	(4,366)	(4,598)	(4,585)	(4,739)
Total shareholders' equity	757,358	778,580	708,871	720,666	766,931
Other accumulated comprehensive income					
Unrealized holding gain on securities	48,021	47,251	49,415	70,608	90,303
Deferred gains or losses on hedging instruments	(254)	(238)	(187)	(221)	39
Land revaluation reserve	458,297	500,647	499,666	498,103	493,330
Foreign currency translation adjustments	(61,151)	(69,449)	(66,908)	(49,608)	(26,677)
Total other accumulated comprehensive income	444,912	478,211	481,985	518,881	556,995
Stock acquisition rights	381	451	547	500	494
Minority interests	112,395	116,672	128,214	125,963	124,538
Total net assets	1,315,047	1,373,915	1,319,619	1,366,011	1,448,959
Total liabilities and net assets	4,245,209	4,387,015	4,598,588	4,711,521	4,738,681

2. Consolidated Income Statements

(Millions of yen)

	2011/3	2012/3	2013/3-3Q	2013/3	2014/3-3Q	2014/3 (Estimates)
Revenue from operations	988,447	1,013,069	654,976	927,157	720,273	1,070,000
Operating income	158,258	146,299	87,635	118,349	107,821	160,000
Non-operating income						
Interest income	435	334	313	420	187	500
Dividend income	3,265	3,829	3,200	3,603	3,650	3,000
Amortization of consolidation goodwill	943	835	626	835	-	-
Equity in earnings of unconsolidated subsidiaries and affiliates	661	515	499	517	637	500
Other non-operating income	3,196	3,606	3,589	4,759	2,512	4,000
Total non-operating income	8,503	9,122	8,229	10,136	6,987	8,000
Non-operating expenses						
Interest expense	24,777	23,046	18,876	24,540	16,765	25,000
Loss on disposal of fixed assets	6,136	6,586	3,288	5,744	2,246	6,000
Other non-operating expenses	5,016	5,124	4,480	5,819	2,482	15,000
Total non-operating expenses	35,930	34,756	26,646	36,104	21,494	46,000
Income before taxes and special items	130,830	120,665	69,219	92,381	93,314	122,000
Extraordinary income						
Gain on sales of fixed assets	-	2,205	6,014	6,165	5,663	6,000
Gain on negative goodwill	-	-	1,372	1,374	4,942	5,000
Total extraordinary income	-	2,205	7,387	7,540	10,605	11,000
Extraordinary loss						
Loss related to retirement of fixed assets	3,052	7,728	24,068	24,338	1,105	13,000
Loss on valuation of investment securities	3,286	-	-	-	-	-
Impairment loss	2,788	18,133	-	2,826	-	-
Impairment loss on equity investments	3,587	3,011	3,849	8,985	-	-
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	27,918	43,181	1,105	13,000
Income before income taxes and minority interests	115,955	87,513	48,688	56,741	102,813	120,000
Corporation tax, inhabitants' tax and enterprise tax	26,953	28,715	10,582	16,528	20,715	} 54,000
Income taxes for prior periods	-	-	-	-	22,636	
Income taxes-deferred	21,687	(10,070)	(654)	(14,620)	(6,414)	
Income before minority interests	67,314	68,869	38,760	54,833	65,875	66,000
Minority interests	3,095	12,356	4,857	9,325	7,347	8,000
Net income	64,219	56,512	33,902	45,507	58,528	58,000

3. Consolidated Cash Flow Statements

(Millions of yen)

	2011/3	2012/3	2013/3-3Q	2013/3	2014/3-3Q	2014/3 (Estimates)
Income before income taxes and minority interests	115,955	87,513	48,688	56,741	102,813	120,000
Adjustment for extraordinary income or loss	15,968	32,223	5,155	24,715	(7,172)	10,000
Depreciation and amortization	70,628	67,465	54,694	73,364	55,813	74,000
Decrease (increase) in inventories	71,676	109,481	12,610	43,173	41,045	67,000
Decrease (increase) in equity investments	9,183	(82,423)	(18,911)	(24,319)	(18,057)	(33,000)
Other	(12,076)	16,788	(44,440)	(17,975)	12,389	69,000
Income taxes, etc.	(12,073)	(27,805)	(31,148)	(33,413)	(27,335)	(27,000)
Net cash provided by (used in) operating activities	259,263	203,243	26,647	122,286	159,496	280,000
Proceeds from sales of marketable securities and investment securities	4,904	2,907	1,680	2,429	914	0
Proceeds from sales of property and equipment and beneficial interests in trust of property and equipment	157	10,592	8,203	10,000	8,593	24,500
Purchases of property and equipment	(76,332)	(282,171)	(171,384)	(208,135)	(122,658)	(227,000)
Other	4,045	(3,338)	(26,074)	(22,287)	(1,050)	(10,500)
Net cash provided by (used in) investing activities	(67,223)	(272,009)	(187,574)	(217,992)	(114,201)	(213,000)
Newly acquired funds	277,245	347,169	541,744	587,403	115,445	247,500
Repayment	(362,719)	(271,023)	(501,139)	(569,256)	(184,969)	(238,000)
Cash dividends paid	(20,905)	(21,342)	(21,199)	(25,747)	(21,158)	(20,500)
Other	(33,890)	2,385	18,652	34,751	(30,083)	(35,500)
Net cash provided by (used in) financing activities	(140,269)	57,189	38,058	27,150	(120,766)	(46,500)
Effect of exchange rate on cash and cash equivalents	(2,096)	(2,262)	214	3,838	5,746	-
Net increase (decrease) in cash and cash equivalents	49,674	(13,839)	(122,653)	(64,716)	(69,723)	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)	(1,937)	(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	133,905	191,837	121,257	212,500

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

(Millions of yen)

	2011/3	2012/3	2013/3-3Q	2013/3	2014/3-3Q	2014/3 (Estimates)
Total assets	4,245,209	4,387,015	4,598,588	4,711,521	4,738,681	4,800,000
Capital investment	76,332	282,171	171,384	208,135	122,658	227,000
Depreciation	70,628	67,465	54,694	73,364	55,813	74,000

(Millions of yen)

2014/3-3Q Capital investment* 122,600 million yen	Mitsubishi Estate	Building Business	Marunouchi redevelopment construction cost etc. = 45,600			
	69,100		Refurbishment cost etc. = 11,500			
		Other	Commercial Property Development & Investment (Investment in property) = 2,900 Residential Business = 8,200			
	Other	Rockefeller Group, Inc., etc.	Paternoster Associates = 27,300 Sunshine City = 2,800	MM Development = 11,600 Marunouchi Heat Supply = 1,400	Mitsubishi Estate • Simon = 5,700 Rockefeller Group, Inc. = 1,200	

2014/3 Capital investment (Estimates)* 227,000 million yen	Mitsubishi Estate	Building Business	Marunouchi redevelopment construction cost etc. = 66,500			
	141,000		Refurbishment cost etc. = 16,000			
		Other	Commercial Property Development & Investment (Investment in property) = 34,000 Residential Business = 24,500			
	Other	Rockefeller Group, Inc., etc.	Paternoster Associates = 36,500 Mitsubishi Estate • Simon = 6,000 Royal Park Hotels & Resorts = 2,000	Rockefeller Group, Inc. = 20,000 Sunshine City = 4,000	MM Development = 12,000 Marunouchi Heat Supply = 2,000	

* Major inter-group transactions are eliminated.

5. Interest-Bearing Debt (Consolidated)

(Millions of yen)

	2011/3	2012/3	2013/3-3Q	2013/3	2014/3-3Q	2014/3 (Estimates)
Interest-bearing debt	1,639,050	1,716,890	2,079,021	2,085,417	2,014,283	2,060,000
Net interest-bearing debt *1	1,409,987	1,501,118	1,945,116	1,893,580	1,893,026	1,847,000
Interest expense	24,777	23,087	18,912	24,594	16,806	25,000
Financial income and expense (net) *2	(21,076)	(18,923)	(15,398)	(20,571)	(12,969)	(21,500)
Average interest rate *3	1.46 %	1.38 %	1.33 %	1.29 %	1.09 %	1.19 %
Debt equity ratio *4	1.36	1.37	1.75	1.68	1.52	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

2014/3-3Q 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.	-	300,766	50,442	48,643	29,791	3,878,502	1,210,697	1,668,568	32,175
Mitsubishi Jisho Residence Co., Ltd.	100.00%	146,987	10,066	9,163	5,376	453,875	271,140	106,107	801
Mitsubishi Real Estate Services Co., Ltd. *1	100.00%	12,249	465	472	236	19,453	13,742	18	292
Mitsubishi Estate Home Co., Ltd.	100.00%	17,830	(401)	(385)	(489)	12,348	1,870	-	127
Mitsubishi Jisho Sekkei Inc.	100.00%	7,755	123	176	67	20,464	15,425	-	46
Royal Park Hotels & Resorts Co., Ltd.	100.00%	15,428	436	415	383	7,415	606	2,638	314
Mitsubishi Estate Building Management Co., Ltd.	100.00%	28,644	1,997	2,021	1,239	40,329	10,092	71	56
Mitsubishi Jisho Community Co., Ltd.	100.00%	24,095	1,528	1,536	907	10,645	6,708	-	125
Mitsubishi Jisho Property Management Co., Ltd.	100.00%	15,881	628	653	384	22,387	10,212	-	19
Marunouchi Heat Supply Co., Ltd.	64.16%	10,397	275	261	3,641	30,408	19,049	6,500	1,972
Mitsubishi Estate • Simon Co., Ltd. *2	60.00%	28,647	9,419	9,463	5,786	85,738	25,808	33,152	4,391
Sunshine City Corporation	63.20%	20,348	5,352	5,000	3,091	94,073	48,416	23,283	3,998
Royal Park Hotel Co., Ltd.	55.71%	7,407	393	277	161	15,511	7,107	5,049	541
Rockefeller Group, Inc.	100.00%	28,644	6,367	5,984	1,917	205,755	118,407	56,957	2,948
	-	720,273	107,821	93,314	58,528	4,738,681	1,323,926	2,014,283	55,813

*1 On July 1, 2, 2013, there was a reorganization of Mitsubishi Real Estate Services Co.,Ltd.

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

2013/3-3Q 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.	-	282,667	45,011	38,873	(30,688)	3,832,218	1,157,535	1,711,388	31,807
Mitsubishi Jisho Residence Co., Ltd.	100.00%	143,970	7,192	6,283	4,913	439,319	263,570	127,623	510
Mitsubishi Real Estate Services Co., Ltd.	100.00%	15,420	(854)	(773)	(837)	21,416	12,202	25	300
Mitsubishi Estate Home Co., Ltd.	100.00%	13,511	(970)	(956)	(963)	10,674	1,674	-	112
Mitsubishi Jisho Sekkei Inc.	100.00%	8,353	421	442	242	19,019	14,616	-	43
Royal Park Hotels & Resorts Co., Ltd.	100.00%	14,900	211	200	205	7,021	262	2,481	306
Mitsubishi Estate Building Management Co., Ltd.	100.00%	26,590	1,920	1,938	1,189	38,279	8,861	89	59
Mitsubishi Jisho Community Co., Ltd.	100.00%	23,614	1,389	1,382	818	9,406	5,917	-	135
Mitsubishi Jisho Property Management Co., Ltd.	100.00%	17,286	963	982	590	21,032	9,896	-	21
Marunouchi Heat Supply Co., Ltd.	64.16%	9,822	148	173	112	26,261	15,438	7,821	1,917
Chelsea Japan Co., Ltd.	60.00%	24,900	7,909	7,788	4,705	82,758	23,615	33,464	4,080
Sunshine City Corporation	63.20%	20,928	5,341	4,767	3,349	99,940	48,628	26,901	4,069
Royal Park Hotel Co., Ltd.	55.61%	7,357	347	274	168	15,596	6,865	5,381	504
Rockefeller Group, Inc.	100.00%	45,445	5,057	4,286	1,176	179,058	91,178	63,645	2,941
	-	654,976	87,635	69,219	33,902	4,598,588	1,190,857	2,079,021	54,694