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MITSUBISHI ESTATE

FACT BOOK 2014/3

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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 and 2013/3

	Millions of yen (rounded down)		
	2014/3 Results	2013/3 Results	Change
Building Business	484,229	442,748	41,481
Residential Business	403,259	315,351	87,908
Commercial Property Development & Investment	48,029	50,278	(2,249)
International Business	80,366	60,892	19,473
Investment Management	6,288	7,108	(820)
Architectural Design & Engineering	19,946	19,568	378
Hotel Business	29,219	28,299	920
Real Estate Services	27,097	27,209	(112)
Other	3,674	4,408	(733)
Eliminations	(26,825)	(28,707)	1,882
Revenue from Operations	1,075,285	927,157	148,127
Building Business	108,172	107,667	505
Residential Business	27,778	2,317	25,460
Commercial Property Development & Investment	8,130	11,180	(3,049)
International Business	25,579	8,371	17,207
Investment Management	3,046	2,129	917
Architectural Design & Engineering	1,252	1,234	17
Hotel Business	737	474	262
Real Estate Services	1,544	1,058	485
Other	(246)	(10)	(235)
Eliminations or Corporate	(14,724)	(16,074)	1,349
Operating Income	161,271	118,349	42,921
Non-operating revenue	9,323	10,136	(812)
Non-operating expense	30,956	36,104	(5,148)
Income Before Taxes and Special Items	139,638	92,381	47,256
Extraordinary income	11,644	7,540	4,103
Extraordinary loss	42,596	43,181	(584)
Income Before Income Taxes and Minority Interests	108,685	56,741	51,944
Corporation tax, etc.	40,728	1,907	38,820
Income Before Minority Interests	67,957	54,833	13,123
Minority interests	3,660	9,325	(5,665)
Net Income	64,297	45,507	18,789

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary income	2014/3 Results	2013/3 Results	Change
Gain on sales of fixed assets	6,702	6,165	536
Gain on negative goodwill	4,942	1,374	3,567
Total	11,644	7,540	4,103

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary loss	2014/3 Results	2013/3 Results	Change
Loss related to retirement of fixed assets	2,303	24,338	(22,035)
Impairment loss	32,644	2,826	29,818
Impairment loss on equity investments	7,648	8,985	(1,336)
Provision for loss on guarantees	-	7,030	(7,030)
Total	42,596	43,181	(584)

2. Income Statement Results for 2014/3 and Previous Estimates (announced on February 5, 2014) for 2014/3

	Millions of yen (rounded down)		
	2014/3 Results	2014/3 Previous Estimates	Change
Building Business	484,229	487,000	(2,771)
Residential Business	403,259	398,000	5,259
Commercial Property Development & Investment	48,029	44,000	4,029
International Business	80,366	82,000	(1,634)
Investment Management	6,288	5,000	1,288
Architectural Design & Engineering	19,946	20,000	(54)
Hotel Business	29,219	30,000	(781)
Real Estate Services	27,097	26,000	1,097
Other	3,674	3,000	674
Eliminations	(26,825)	(25,000)	(1,825)
Revenue from Operations	1,075,285	1,070,000	5,285
Building Business	108,172	110,000	(1,828)
Residential Business	27,778	27,000	778
Commercial Property Development & Investment	8,130	7,000	1,130
International Business	25,579	25,000	579
Investment Management	3,046	2,000	1,046
Architectural Design & Engineering	1,252	1,000	252
Hotel Business	737	500	237
Real Estate Services	1,544	1,000	544
Other	(246)	0	(246)
Eliminations or Corporate	(14,724)	(13,500)	(1,224)
Operating Income	161,271	160,000	1,271
Non-operating revenue	9,323	8,000	1,323
Non-operating expense	30,956	46,000	(15,044)
Income Before Taxes and Special Items	139,638	122,000	17,638
Extraordinary income	11,644	11,000	644
Extraordinary loss	42,596	13,000	29,596
Income Before Income Taxes and Minority Interests	108,685	120,000	(11,315)
Corporate tax, etc.	40,728	54,000	(13,272)
Income Before Minority Interests	67,957	66,000	1,957
Minority interests	3,660	8,000	(4,340)
Net Income	64,297	58,000	6,297

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary income	2014/3 Results	2014/3 Previous Estimates	Change
Gain on sales of fixed assets	6,702	6,000	702
Gain on negative goodwill	4,942	5,000	(58)
Total	11,644	11,000	644

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary loss	2014/3 Results	2014/3 Previous Estimates	Change
Loss related to retirement of fixed assets	2,303	13,000	(10,697)
Impairment loss	32,644	-	32,644
Impairment loss on equity investments	7,648	-	7,648
Total	42,596	13,000	29,596

3. Income Statement Estimates for 2015/3 and Results for 2014/3

Millions of yen (rounded down)			
	2015/3 Estimates	2014/3 Results	Change
(New Segment)			
Building Business	553,000	525,829	27,171
Residential Business	393,000	403,259	(10,259)
International Business	61,000	80,366	(19,366)
Investment Management	8,000	6,288	1,712
Architectural Design & Engineering	20,000	19,946	54
Hotel Business	31,000	29,219	1,781
Real Estate Services	27,000	27,097	(97)
Other	4,000	3,674	326
Eliminations	(18,000)	(20,396)	2,396
Revenue from Operations	1,079,000	1,075,285	3,715
(New Segment)			
Building Business	116,000	116,277	(277)
Residential Business	17,000	27,778	(10,778)
International Business	10,000	25,579	(15,579)
Investment Management	3,000	3,046	(46)
Architectural Design & Engineering	1,000	1,252	(252)
Hotel Business	1,000	737	263
Real Estate Services	1,000	1,544	(544)
Other	0	(246)	246
Eliminations or Corporate	(15,000)	(14,698)	(302)
Operating Income	134,000	161,271	(27,271)
Non-operating revenue	6,000	9,323	(3,323)
Non-operating expense	45,000	30,956	14,044
Income Before Taxes and Special Items	95,000	139,638	(44,638)
Extraordinary income	19,000	11,644	7,356
Extraordinary loss	7,000	42,596	(35,596)
Income Before Income Taxes and Minority Interests	107,000	108,685	(1,685)
Corporate tax, etc.	37,000	40,728	(3,728)
Income Before Minority Interests	70,000	67,957	2,043
Minority interests	10,000	3,660	6,340
Net Income	60,000	64,297	(4,297)

Millions of yen (rounded down)			
■ Breakdown of Extraordinary income	2015/3 Estimates	2014/3 Results	Change
Gain on sales of fixed assets	-	6,702	(6,702)
Gain on negative goodwill	13,000	4,942	8,058
Gain on change in equity	6,000	-	6,000
Total	19,000	11,644	7,356

Millions of yen (rounded down)			
■ Breakdown of Extraordinary loss	2015/3 Estimates	2014/3 Results	Change
Loss related to retirement of fixed assets	7,000	2,303	4,697
Impairment loss	-	32,644	(32,644)
Impairment loss on equity investments	-	7,648	(7,648)
Total	7,000	42,596	(35,596)

As of April 2014, the Commercial Property Development & Investment Business has been integrated into the Building Business.

4. Balance Sheet Results at Periods Ended 2014/3 and 2013/3

	Millions of yen (rounded down)		
	At Mar 31, 2014	At Mar 31, 2013	Change
Assets			
I. Current assets			
1. Cash	224,121	192,076	32,045
2. Notes and accounts receivable-trade	28,539	29,925	(1,385)
3. Marketable securities	1,333	612	721
4. Property for sale	66,484	152,354	(85,870)
5. Property for sale in progress	319,355	343,621	(24,265)
6. Property for development	8,609	8,615	(5)
7. Appropriated construction in progress	7,195	5,509	1,685
8. Other inventories	1,012	935	77
9. Equity investments	223,911	208,523	15,387
10. Deferred income taxes	21,152	21,064	88
11. Other current assets	45,014	63,736	(18,722)
12. Allowance for doubtful accounts	(208)	(201)	(6)
Total current assets	946,522	1,026,773	(80,251)
II. Fixed assets			
1. Property and equipment			
(1) Buildings and structures	896,947	885,994	10,953
(2) Machinery and equipment	23,189	24,733	(1,543)
(3) Land	1,897,116	1,883,246	13,870
(4) Land in trust	440,852	377,854	62,998
(5) Construction in progress	53,657	33,909	19,747
(6) Other property and equipment	16,841	18,098	(1,256)
Total property and equipment	3,328,605	3,223,836	104,769
2. Intangible assets			
(1) Leaseholds	87,913	86,947	965
(2) Other intangible assets	8,139	7,485	654
Total intangible assets	96,052	94,432	1,620
3. Investments and other assets			
(1) Investment securities	213,656	201,005	12,651
(2) Long-term loans	1,532	1,601	(68)
(3) Lease deposits	113,015	110,689	2,325
(4) Net defined benefit asset	6,320	-	6,320
(5) Deferred income taxes	10,150	16,798	(6,647)
(6) Other investments	51,356	38,309	13,046
(7) Allowance for doubtful accounts	(1,844)	(1,924)	80
Total investments and other assets	394,188	366,479	27,708
Total fixed assets	3,818,846	3,684,748	134,098
Total assets	4,765,368	4,711,521	53,847

	Millions of yen (rounded down)		
	At Mar 31, 2014	At Mar 31, 2013	Change
Liabilities			
I. Current liabilities			
1. Notes and accounts payable-trade	105,271	53,044	52,227
2. Short-term borrowings	63,762	68,291	(4,528)
3. Current portion of long-term debt	343,127	166,445	176,681
4. Commercial Paper	-	35,000	(35,000)
5. Bonds due within one year	56,595	57,567	(971)
6. Accrued income taxes	14,423	8,935	5,487
7. Provision for loss on guarantees	-	7,030	(7,030)
8. Deferred tax liability	947	879	67
9. Other current liabilities	183,619	142,249	41,369
Total current liabilities	767,747	539,444	228,303
II. Long-term liabilities			
1. Bonds	645,000	689,664	(44,664)
2. Long-term borrowings	855,052	1,058,240	(203,187)
3. Lease deposits received	383,083	378,876	4,207
4. Deferred tax liability	192,938	194,827	(1,889)
5. Deferred tax liabilities on land revaluation	319,090	321,972	(2,882)
6. Accrued employees' retirement benefits	-	16,671	(16,671)
7. Net defined benefit liability	20,380	-	20,380
8. Accrued directors' retirement benefits	593	743	(150)
9. Negative goodwill	92,356	88,143	4,212
10. Other long-term liabilities	42,032	56,925	(14,892)
Total long-term liabilities	2,550,527	2,806,065	(255,537)
Total liabilities	3,318,275	3,345,509	(27,234)
Net Assets			
I. Shareholders' Equity			
1. Capital	141,373	141,373	-
2. Capital surplus	170,485	170,485	-
3. Retained earnings	465,757	413,392	52,365
4. Less treasury stock, at cost	(4,811)	(4,585)	(226)
Total shareholders' equity	772,805	720,666	52,138
II. Other accumulated comprehensive income			
1. Unrealized holding gain on securities	75,971	70,608	5,363
2. Deferred gains or losses on hedging instruments	125	(221)	346
3. Land revaluation reserve	493,153	498,103	(4,949)
4. Foreign currency translation adjustments	(8,249)	(49,608)	41,359
5. Remeasurements of defined benefit plans	(4,748)	-	(4,748)
Total other accumulated comprehensive income	556,252	518,881	37,371
III. Stock acquisition rights	494	500	(5)
IV. Minority interests	117,540	125,963	(8,423)
Total net assets	1,447,093	1,366,011	81,081
Total liabilities and net assets	4,765,368	4,711,521	53,847

II. Highlights

1. Major Performance Items (Consolidated)

(Millions of yen)

	2011/3	2012/3	2013/3	2014/3	2015/3 (Estimates)
Revenue from operations	988,447	1,013,069	927,157	1,075,285	1,079,000
Operating income	158,258	146,299	118,349	161,271	134,000
Income before taxes and special items	130,830	120,665	92,381	139,638	95,000
Net income	64,219	56,512	45,507	64,297	60,000
Total assets	4,245,209	4,387,015	4,711,521	4,765,368	4,800,000
Shareholders' equity*1	1,202,270	1,256,791	1,239,547	1,329,057	1,370,000
Interest-bearing debt	1,639,050	1,716,890	2,085,417	1,973,042	1,970,000
Cash flow from operating activities	259,263	203,243	122,286	336,489	90,000
Cash flow from investing activities	(67,223)	(272,009)	(217,992)	(133,537)	(73,000)
Cash flow from financing activities	(140,269)	57,189	27,150	(177,514)	(97,000)
EBITDA*2	237,109	222,885	200,587	246,332	214,000
Return on assets (ROA)*3	3.8 %	3.5 %	2.7 %	3.5 %	2.9 %
Interest coverage ratio (ICR)*4	6.6 times	6.5 times	5.0 times	7.5 times	6.2 times
Return on equity (ROE)*5	5.4 %	4.6 %	3.6 %	5.0 %	4.4 %
Earnings per share (EPS) (Yen)	46.27	40.72	32.79	46.34	43.24

*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		2014/3		(New Segment)	2014/3		2015/3 (Estimates)	
Building Business	463,939	46.0%	510,850	49.5%	442,748	46.3%	484,229	43.9%	Building Business	525,829	48.0%	553,000	50.4%
Residential Business	369,145	36.6%	342,823	33.2%	315,351	33.0%	403,259	36.6%	Residential Business	403,259	36.8%	393,000	35.8%
Commercial Property Development & Investment	47,907	4.7%	55,809	5.4%	50,278	5.3%	48,029	4.4%					
International Business	45,091	4.5%	42,108	4.1%	60,892	6.4%	80,366	7.3%	International Business	80,366	7.3%	61,000	5.6%
Investment Management	5,220	0.5%	5,924	0.6%	7,108	0.7%	6,288	0.6%	Investment Management	6,288	0.6%	8,000	0.7%
Architectural Design & Engineering	18,584	1.8%	19,932	1.9%	19,568	2.0%	19,946	1.8%	Architectural Design & Engineering	19,946	1.8%	20,000	1.8%
Hotel Business	27,643	2.7%	25,654	2.5%	28,299	3.0%	29,219	2.7%	Hotel Business	29,219	2.7%	31,000	2.8%
Real Estate Services	27,719	2.7%	26,085	2.5%	27,209	2.8%	27,097	2.5%	Real Estate Services	27,097	2.5%	27,000	2.5%
Other	3,443	0.3%	3,506	0.3%	4,408	0.5%	3,674	0.2%	Other	3,674	0.3%	4,000	0.4%
Eliminations or corporate	(20,248)		(19,628)		(28,707)		(26,825)		Eliminations or corporate	(20,396)		(18,000)	
	988,447		1,013,069		927,157		1,075,285			1,075,285		1,079,000	

(Millions of yen)													
(2) Operating income	2011/3		2012/3		2013/3		2014/3		(New Segment)	2014/3		2015/3 (Estimates)	
Building Business	141,823		146,007		107,667		108,172		Building Business	116,277		116,000	
Residential Business	12,234		4,792		2,317		27,778		Residential Business	27,778		17,000	
Commercial Property Development & Investment	5,674		1,609		11,180		8,130						
International Business	10,015		8,020		8,371		25,579		International Business	25,579		10,000	
Investment Management	2,528		1,464		2,129		3,046		Investment Management	3,046		3,000	
Architectural Design & Engineering	590		1,190		1,234		1,252		Architectural Design & Engineering	1,252		1,000	
Hotel Business	(340)		(278)		474		737		Hotel Business	737		1,000	
Real Estate Services	430		(57)		1,058		1,544		Real Estate Services	1,544		1,000	
Other	411		181		(10)		(246)		Other	(246)		0	
Eliminations or corporate	(15,109)		(16,632)		(16,074)		(14,724)		Eliminations or corporate	(14,698)		(15,000)	
	158,258		146,299		118,349		161,271			161,271		134,000	

(3) Rate of return	2011/3		2012/3		2013/3		2014/3		(New Segment)	2014/3		2015/3 (Estimates)	
Building Business	30.6 %		28.6 %		24.3 %		22.3 %		Building Business	22.1 %		21.0 %	
Residential Business	3.3 %		1.4 %		0.7 %		6.9 %		Residential Business	6.9 %		4.3 %	
Commercial Property Development & Investment	11.8 %		2.9 %		22.2 %		16.9 %						
International Business	22.2 %		19.0 %		13.7 %		31.8 %		International Business	31.8 %		16.4 %	
Investment Management	48.4 %		24.7 %		30.0 %		48.4 %		Investment Management	48.4 %		37.5 %	
Architectural Design & Engineering	3.2 %		6.0 %		6.3 %		6.3 %		Architectural Design & Engineering	6.3 %		5.0 %	
Hotel Business	-1.2 %		-1.1 %		1.7 %		2.5 %		Hotel Business	2.5 %		3.2 %	
Real Estate Services	1.6 %		-0.2 %		3.9 %		5.7 %		Real Estate Services	5.7 %		3.7 %	
Other	11.9 %		5.2 %		-0.2 %		-6.7 %		Other	-6.7 %		0.0 %	
Eliminations or corporate									Eliminations or corporate				
	16.0 %		14.4 %		12.8 %		15.0 %			15.0 %		12.4 %	

(Millions of yen)													
(4) Depreciation	2011/3		2012/3		2013/3		2014/3		(New Segment)	2014/3		2015/3 (Estimates)	
Building Business	59,501		55,948		56,479		57,500		Building Business	62,485		-	
Residential Business	2,014		1,932		2,664		3,032		Residential Business	3,032		-	
Commercial Property Development & Investment	1,401		1,766		6,248		4,985						
International Business	5,689		5,673		5,987		6,748		International Business	6,748		-	
Investment Management	33		40		38		43		Investment Management	43		-	
Architectural Design & Engineering	79		73		72		72		Architectural Design & Engineering	72		-	
Hotel Business	1,153		1,174		1,088		1,162		Hotel Business	1,162		-	
Real Estate Services	537		512		457		407		Real Estate Services	407		-	
Other	72		86		84		223		Other	223		-	
Eliminations or corporate	145		254		242		629		Eliminations or corporate	629		-	
	70,628		67,465		73,364		74,805			74,805		71,000	

As of April 2014, the Commercial Property Development & Investment Business has been integrated into the Building Business.

(Millions of yen)

(5) Operating income before depreciation	2011/3	2012/3	2013/3	2014/3		2014/3	2015/3 (Estimates)
					(New Segment)		
Building Business	201,324	201,955	164,146	165,672	Building Business	178,762	-
Residential Business	14,248	6,724	4,981	30,810	Residential Business	30,810	-
Commercial Property Development & Investment	7,075	3,375	17,428	13,115			
International Business	15,704	13,693	14,358	32,327	International Business	32,327	-
Investment Management	2,561	1,504	2,167	3,089	Investment Management	3,089	-
Architectural Design & Engineering	669	1,263	1,306	1,324	Architectural Design & Engineering	1,324	-
Hotel Business	813	896	1,562	1,899	Hotel Business	1,899	-
Real Estate Services	967	455	1,515	1,951	Real Estate Services	1,951	-
Other	483	267	74	(23)	Other	(23)	-
Eliminations or corporate	(14,964)	(16,378)	(15,832)	(14,095)	Eliminations or corporate	(14,069)	-
	228,886	213,764	191,713	236,076		236,076	205,000

(Millions of yen)

(6) Capital expenditure	2011/3	2012/3	2013/3	2014/3		2014/3	2015/3 (Estimates)
					(New Segment)		
Building Business	55,853	143,767	128,016	91,242	Building Business	96,149	-
Residential Business	8,644	8,511	32,254	18,380	Residential Business	18,380	-
Commercial Property Development & Investment	6,332	81,007	45,910	4,907			
International Business	7,594	57,330	5,196	48,394	International Business	48,394	-
Investment Management	326	54	16	35	Investment Management	35	-
Architectural Design & Engineering	60	26	39	53	Architectural Design & Engineering	53	-
Hotel Business	530	1,251	793	2,040	Hotel Business	2,040	-
Real Estate Services	461	734	469	294	Real Estate Services	294	-
Other	28	119	25	869	Other	869	-
Eliminations or corporate	(482)	(131)	1,759	6,360	Eliminations or corporate	6,360	-
	79,350	292,671	214,481	172,579		172,579	-

(Millions of yen)

(7) Total assets	2011/3	2012/3	2013/3	2014/3		2014/3	2015/3 (Estimates)
					(New Segment)		
Building Business	2,886,101	2,915,905	3,030,858	3,040,634	Building Business	3,433,585	-
Residential Business	683,265	685,447	602,166	662,350	Residential Business	662,350	-
Commercial Property Development & Investment	164,610	230,467	432,556	403,188			
International Business	292,808	328,935	383,824	452,048	International Business	455,358	-
Investment Management	28,056	28,147	31,240	30,035	Investment Management	30,035	-
Architectural Design & Engineering	24,333	21,520	23,108	24,246	Architectural Design & Engineering	24,246	-
Hotel Business	23,151	23,462	24,152	24,636	Hotel Business	24,636	-
Real Estate Services	25,265	25,171	25,103	24,781	Real Estate Services	24,781	-
Other	27,609	27,468	27,261	28,025	Other	28,025	-
Eliminations or corporate	90,005	100,489	131,248	75,420	Eliminations or corporate	82,347	-
	4,245,209	4,387,015	4,711,521	4,765,368		4,765,368	4,800,000

*Exchange rate		<2014/3>		<2015/3 (Estimates)>
¥ / \$	PL	97.73	BS 105.39	PL 100.00 BS 100.00
¥ / £	PL	152.78	BS 137.76	PL 160.00 BS 160.00

3. Building Business Revenue from Operations Breakdown (Consolidated)

(Millions of yen)

	Former Segment				New Segment	
	2011/3	2012/3	2013/3	2014/3	2014/3	2015/3(Estimates)
Leasing	389,347	378,804	379,525	403,319	409,175	413,000
Property Management	15,680	16,834	18,184	17,866	17,696	20,000
Contracted Work	14,039	12,589	11,035	11,560	11,463	11,000
District Heating and Cooling Services	8,704	7,828	8,326	8,991	8,991	9,000
Other	36,168	94,792	25,675	42,491	78,503	100,000
Total	463,939	510,850	442,748	484,229	525,829	553,000

* Including revenue from other segments.

* The new segment includes the figures from the former Commercial Property Development & Investment Business.

4. Building Business Data (Consolidated)

(Thousands of square meters)

	2011/3	2012/3	2013/3	2014/3
Contracted area	3,727	3,752	3,907	4,053
Owned by MEC	2,556	2,498	2,446	2,514
Subleases	1,170	1,253	1,460	1,539

5. Building Business Data (Unconsolidated)

(Thousands of square meters)

	2011/3	2012/3	2013/3	2014/3	2015/3(Estimates)
(1) Total operating floor space					
Owned by MEC	3,362	3,269	3,293	3,288	3,377
Subleases	1,534	1,769	2,152	2,292	2,357
Total	4,896	5,038	5,444	5,580	5,735
(2) Leasable area	3,067	3,073	3,218	3,475	3,555
(3) Vacancy rate (All uses in Japan)	3.58 %	3.58 %	3.98 %	5.29 %	3.5 %
(4) Average rent (All uses in Japan)	¥24,423	¥23,974	¥23,850	¥23,861	¥23,500

* The vacancy rates increase shown for March 2014 compared with March 2013 is due mainly to vacant units in new buildings completed in FY2013.

* As of April 2014, figures include the operating floor space, leasable area and average rents from the former Commercial Property Development & Investment Business' properties (excluding logistics). The average rent (all uses in Japan) decrease shown for March 2015 (estimates) compared with March 2014 is due mainly to the inclusion of the former Commercial Property Development & Investment Business' properties (excluding logistics).

6. Marunouchi Area Building Data (Unconsolidated)

(Thousands of square meters; millions of yen)

	2011/3	2012/3	2013/3	2014/3
Operating floor space	2,565	2,687	2,758	2,755
Leasable area	1,582	1,605	1,626	1,714
Office vacancy rate	2.26 %	2.42 %	3.66 %	4.32 %
Building lease revenue	¥217,796	¥196,710	¥194,203	¥204,621

* 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 for March 2014 compared with March 2013 is due mainly to vacant units in new buildings completed in FY2013.

7. Residential Business Data

	2011/3	2012/3	2013/3	2014/3	2015/3(Estimates)
Condominiums sold (Millions of yen)	259,605	243,638	196,404	288,938	255,000
Condominiums sold (units)	6,148	5,482	4,552	6,259	5,000
Gross margin	16.0 %	17.3 %	18.8 %	19.1 %	16.0 %
Inventory (units)	571	296	127	107	-
New Supply of condominiums (units)	5,359	5,882	5,334	5,920	4,800

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

	Central Tokyo	Other area of Tokyo	Kanagawa, Saitama, Chiba	Other area of Japan
Regional Breakdown of Land Acquisition (April 1, 2013 - March 31, 2014)	10.8 %	40.6 %	23.6 %	25.0 %

* The figures are based on Revenue.

8. Special Purpose Vehicle Data

(Billions of yen)

	2011/3	2012/3	2013/3	2014/3
Building Business				
Equity investment by Mitsubishi Estate <i>(Unconsolidated)</i>	90.0	99.2	31.5 <i>31.5</i>	64.4 <i>32.2</i>
Equity investment by other companies <i>(Unconsolidated)</i>	78.2	104.7	58.6 <i>58.6</i>	48.5 <i>48.5</i>
Interest bearing debt borrowed by SPV <i>(Unconsolidated)</i>	615.6	611.3	314.8 <i>296.8</i>	255.9 <i>237.8</i>
Residential Business				
Equity investment by Mitsubishi Estate <i>(Unconsolidated)</i>	13.9	33.6	15.4 <i>-</i>	15.4 <i>-</i>
Equity investment by other companies <i>(Unconsolidated)</i>	2.5	2.2	<i>-</i>	<i>-</i>
Interest bearing debt borrowed by SPV <i>(Unconsolidated)</i>	-	4.3	<i>-</i>	<i>-</i>
Commercial Property Development & Investment Business				
Equity investment by Mitsubishi Estate <i>(Unconsolidated)</i>	83.9	109.4	153.0 <i>72.9</i>	136.8 <i>72.9</i>
Equity investment by other companies <i>(Unconsolidated)</i>	27.9	30.0	27.3 <i>15.8</i>	22.6 <i>17.9</i>
Interest bearing debt borrowed by SPV <i>(Unconsolidated)</i>	428.2	377.6	301.2 <i>139.9</i>	314.0 <i>153.3</i>
Total				
Equity investment by Mitsubishi Estate <i>(Unconsolidated)</i>	187.9	242.4	200.0 <i>104.4</i>	216.7 <i>105.2</i>
Equity investment by other companies <i>(Unconsolidated)</i>	108.8	137.0	85.9 <i>74.4</i>	71.1 <i>66.5</i>
Interest bearing debt borrowed by SPV <i>(Unconsolidated)</i>	1,043.9	993.3	616.0 <i>436.7</i>	570.0 <i>391.2</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.

9. Total Assets of Major Overseas Subsidiaries

	Main Location	2014/3 *1,2	Currency Exchange Rate
Rockefeller Group, Inc.	USA	227.0 billions of yen	¥ / \$(BS) 105.39
Paternoster Associates	UK	136.0 billions of yen	¥ / £ (BS) 173.76
Mitsubishi Estate Asia Pte. Ltd. *3	Asia	40.0 billions of yen	¥ / S\$(BS) 80.06

*1 Before consolidation adjustments.

*2 Subsidiaries in the USA, U.K. and Mitsubishi Estate Asia Pte. Ltd., have a December fiscal year-end, and so figures from December 2013 accounts have been used.

*3 Including the equity investments directly by Mitsubishi Estate.

10. International Business (Rockefeller Group, Inc.)

(Millions of yen)

	2010/12	2011/12	2012/12	2013/12	2014/12(Estimates)
<Revenue>					
Development, Leasing, Property Management	35,278	32,727	51,316	33,734	46,993
Other	3,564	3,988	3,664	5,198	7,166
Total	38,842	36,715	54,980	38,933	54,159
<Operating Income>					
Development, Leasing, Property Management	9,391	8,820	9,887	10,497	12,092
Other	(279)	52	(242)	266	(4)
G&A expense	(2,299)	(1,929)	(1,856)	(1,890)	(1,799)
Total	6,811	6,944	7,788	8,873	10,288

III. Summary of Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	At March 31, 2011	At March 31, 2012	At March 31, 2013	At March 31, 2014
Assets				
Current assets				
Cash	224,688	215,741	192,076	224,121
Notes and accounts receivable-trade	40,130	41,927	29,925	28,539
Marketable securities	5,094	866	612	1,333
Property for sale	217,420	120,573	152,354	66,484
Property for sale in progress	324,713	328,127	343,621	319,355
Property for development	8,801	8,632	8,615	8,609
Appropriated construction in progress	7,627	7,208	5,509	7,195
Other inventories	841	859	935	1,012
Equity investments	209,900	288,548	208,523	223,911
Deferred income taxes	18,849	15,148	21,064	21,152
Other current assets	42,361	58,199	63,736	45,014
Allowance for doubtful accounts	(502)	(2,130)	(201)	(208)
Total current assets	1,099,926	1,083,704	1,026,773	946,522
Fixed assets				
Property and equipment				
Buildings and structures	788,952	825,602	885,994	896,947
Machinery and equipment	21,575	20,646	24,733	23,189
Land	1,613,702	1,672,379	1,883,246	1,897,116
Land in trust	245,091	308,932	377,854	440,852
Construction in progress	35,516	41,037	33,909	53,657
Other property and equipment	12,467	13,637	18,098	16,841
Total property and equipment	2,717,305	2,882,235	3,223,836	3,328,605
Intangible assets				
Leaseholds	86,802	88,889	86,947	87,913
Other intangible assets	8,578	7,454	7,485	8,139
Total intangible assets	95,381	96,344	94,432	96,052
Investments and other assets				
Investment securities	183,318	173,991	201,005	213,656
Long-term loans	1,726	1,672	1,601	1,532
Lease deposits	97,238	101,833	110,689	113,015
Net defined benefit asset	-	-	-	6,320
Deferred income taxes	5,847	7,803	16,798	10,150
Other investments	46,571	41,407	38,309	51,356
Allowance for doubtful accounts	(2,105)	(1,978)	(1,924)	(1,844)
Total investments and other assets	332,596	324,730	366,479	394,188
Total fixed assets	3,145,283	3,303,310	3,684,748	3,818,846
Total assets	4,245,209	4,387,015	4,711,521	4,765,368

(Millions of yen)

	At March 31, 2011	At March 31, 2012	At March 31, 2013	At March 31, 2014
Liabilities				
Current liabilities				
Notes and accounts payable-trade	76,113	77,860	53,044	105,271
Short-term borrowings	75,507	79,002	68,291	63,762
Current portion of long-term debt	201,885	147,695	166,445	343,127
Commercial paper	-	-	35,000	-
Bonds due within one year	36,330	76,235	57,567	56,595
Accrued income taxes	15,857	15,455	8,935	14,423
Provision for loss on guarantees	-	-	7,030	-
Deferred tax liability	1	-	879	947
Other current liabilities	127,210	162,804	142,249	183,619
Total current liabilities	532,906	559,053	539,444	767,747
Long-term liabilities				
Bonds	530,000	560,000	689,664	645,000
Long-term borrowings	788,097	845,635	1,058,240	855,052
Lease deposits received	374,719	373,189	378,876	383,083
Deferred tax liability	214,060	181,398	194,827	192,938
Deferred tax liabilities on land revaluation	332,181	321,230	321,972	319,090
Accrued employees' retirement benefits	15,322	15,420	16,671	-
Net defined benefit liability	-	-	-	20,380
Accrued directors' retirement benefits	587	712	743	593
Negative goodwill	79,074	82,995	88,143	92,356
Other long-term liabilities	63,210	73,463	56,925	42,032
Total long-term liabilities	2,397,254	2,454,046	2,806,065	2,550,527
Total liabilities	2,930,161	3,013,100	3,345,509	3,318,275
Net assets				
Shareholders' equity				
Capital	141,373	141,373	141,373	141,373
Capital surplus	170,485	170,485	170,485	170,485
Retained earnings	449,889	471,087	413,392	465,757
Less treasury stock, at cost	(4,390)	(4,366)	(4,585)	(4,811)
Total shareholders' equity	757,358	778,580	720,666	772,805
Other accumulated comprehensive income				
Unrealized holding gain on securities	48,021	47,251	70,608	75,971
Deferred gains or losses on hedging instruments	(254)	(238)	(221)	125
Land revaluation reserve	458,297	500,647	498,103	493,153
Foreign currency translation adjustments	(61,151)	(69,449)	(49,608)	(8,249)
Remeasurements of defined benefit plans	-	-	-	(4,748)
Total other accumulated comprehensive income	444,912	478,211	518,881	556,252
Stock acquisition rights	381	451	500	494
Minority interests	112,395	116,672	125,963	117,540
Total net assets	1,315,047	1,373,915	1,366,011	1,447,093
Total liabilities and net assets	4,245,209	4,387,015	4,711,521	4,765,368

2. Consolidated Income Statements

(Millions of yen)

	2011/3	2012/3	2013/3	2014/3	2015/3 (Estimates)
Revenue from operations	988,447	1,013,069	927,157	1,075,285	1,079,000
Operating income	158,258	146,299	118,349	161,271	134,000
Non-operating income					
Interest income	435	334	420	232	500
Dividend income	3,265	3,829	3,603	3,876	3,500
Amortization of consolidation goodwill	943	835	835	-	-
Equity in earnings of unconsolidated subsidiaries and affiliates	661	515	517	1,547	500
Other non-operating income	3,196	3,606	4,759	3,666	1,500
Total non-operating income	8,503	9,122	10,136	9,323	6,000
Non-operating expenses					
Interest expense	24,777	23,046	24,540	22,129	22,000
Loss on disposal of fixed assets	6,136	6,586	5,744	4,029	7,000
Other non-operating expenses	5,016	5,124	5,819	4,796	16,000
Total non-operating expenses	35,930	34,756	36,104	30,956	45,000
Income before taxes and special items	130,830	120,665	92,381	139,638	95,000
Extraordinary income					
Gain on sales of fixed assets	-	2,205	6,165	6,702	-
Gain on negative goodwill	-	-	1,374	4,942	13,000
Gain on change in equity	-	-	-	-	6,000
Total extraordinary income	-	2,205	7,540	11,644	19,000
Extraordinary loss					
Loss related to retirement of fixed assets	3,052	7,728	24,338	2,303	7,000
Loss on valuation of investment securities	3,286	-	-	-	-
Impairment loss	2,788	18,133	2,826	32,644	-
Loss related to measures of soil pollution	-	1,569	-	-	-
Impairment loss on equity investments	3,587	3,011	8,985	7,648	-
Loss related to the Disaster	2,159	-	-	-	-
Loss related to serviced apartment business	-	3,618	-	-	-
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	42,596	7,000
Income before income taxes and minority interests	115,955	87,513	56,741	108,685	107,000
Corporation tax, inhabitants' tax and enterprise tax	26,953	28,715	16,528	22,403	} 37,000
Income taxes for prior periods	-	-	-	20,684	
Income taxes-deferred	21,687	(10,070)	(14,620)	(2,359)	
Income before minority interests	67,314	68,869	54,833	67,957	70,000
Minority interests	3,095	12,356	9,325	3,660	10,000
Net income	64,219	56,512	45,507	64,297	60,000

3. Consolidated Cash Flow Statements

(Millions of yen)

	2011/3	2012/3	2013/3	2014/3	2015/3 (Estimates)
Income before income taxes and minority interests	115,955	87,513	56,741	108,685	107,000
Adjustment for extraordinary income or loss	15,968	32,223	24,715	34,955	7,000
Depreciation and amortization	70,628	67,465	73,364	74,805	71,000
Decrease (increase) in inventories	71,676	109,481	43,173	93,854	53,000
Decrease (increase) in equity investments	9,183	(82,423)	(24,319)	(18,180)	(92,000)
Other	(12,076)	16,788	(17,975)	71,470	(38,000)
Income taxes, etc.	(12,073)	(27,805)	(33,413)	(29,102)	(18,000)
Net cash provided by (used in) operating activities	259,263	203,243	122,286	336,489	90,000
Proceeds from sales of marketable securities and investment securities	4,904	2,907	2,429	1,034	0
Proceeds from sales of property and equipment and beneficial interests in trust of property and equipment	157	10,592	10,000	33,854	144,000
Purchases of property and equipment	(76,332)	(282,171)	(208,135)	(159,677)	(208,500)
Other	4,045	(3,338)	(22,287)	(8,748)	(8,500)
Net cash provided by (used in) investing activities	(67,223)	(272,009)	(217,992)	(133,537)	(73,000)
Newly acquired funds	277,245	347,169	587,403	181,349	426,500
Repayment	(362,719)	(271,023)	(569,256)	(275,254)	(513,000)
Cash dividends paid	(20,905)	(21,342)	(25,747)	(25,448)	(19,000)
Other	(33,890)	2,385	34,751	(58,161)	8,500
Net cash provided by (used in) financing activities	(140,269)	57,189	27,150	(177,514)	(97,000)
Effect of exchange rate on cash and cash equivalents	(2,096)	(2,262)	3,838	8,321	-
Net increase (decrease) in cash and cash equivalents	49,674	(13,839)	(64,716)	33,758	(80,000)
Increase in cash and cash equivalents arising from changes in the scope of consolidation	1,563	7	42,724	-	6,000
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	191,837	225,000
Cash and cash equivalents at the end of year	229,062	215,771	191,837	224,739	151,000

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

(Millions of yen)

	2011/3	2012/3	2013/3	2014/3	2015/3 (Estimates)
Total assets	4,245,209	4,387,015	4,711,521	4,765,368	4,800,000
Capital investment	76,332	282,171	208,135	159,677	208,500
Depreciation	70,628	67,465	73,364	74,805	71,000

(Millions of yen)

2014/3 Capital investment *1 159,600 million yen	Mitsubishi Estate	Building Business	Marunouchi redevelopment construction cost etc. = 48,500		
	81,800		Refurbishment cost etc. = 16,500		
		Other	Commercial Property Development & Investment (Investment in property) = 4,600 Residential Business = 11,400		
	Other	Rockefeller Group, Inc., etc.	Paternoster Associates = 43,200 Rockefeller Group, Inc. = 3,200 Royal Park Hotels & Resorts = 1,400	MM Development = 11,600 Sunshine City = 3,000	Mitsubishi Estate • Simon = 6,200 Marunouchi Heat Supply = 1,400
	77,800				

2015/3 Capital investment (Estimates) *1 208,500 million yen	Mitsubishi Estate	Building Business *2	Marunouchi redevelopment construction cost etc. = 79,000		
	109,000		Refurbishment cost etc. = 13,500		
		Other	Residential Business = 16,500		
	Other	Rockefeller Group, Inc., etc.	Rockefeller Group, Inc. = 33,000 Mitsubishi Estate • Simon = 8,000 Royal Park Hotels & Resorts = 3,000	Mitsubishi Estate London *3 = 24,000 Sunshine City = 6,000	Consolidated TMK = 16,500 Marunouchi Heat Supply = 3,000
	99,500				

*1 Major inter-group transactions are eliminated.

*2 As of April 2014, the Commercial Property Development & Investment Business has been integrated into the Building Business.

*3 As of April 2, 2014, Paternoster Associates Limited was renamed Mitsubishi Estate London Limited.

5. Interest-Bearing Debt (Consolidated)

(Millions of yen)

	2011/3	2012/3	2013/3	2014/3	2015/3 (Estimates)
Interest-bearing debt	1,639,050	1,716,890	2,085,417	1,973,042	1,970,000
Net interest-bearing debt *1	1,409,987	1,501,118	1,893,580	1,748,303	1,820,000
Interest expense	24,777	23,087	24,594	22,176	22,000
Financial income and expense (net) *2	(21,076)	(18,923)	(20,571)	(18,067)	(18,000)
Average interest rate *3	1.46 %	1.38 %	1.29 %	1.09 %	1.13 %
Debt equity ratio *4	1.36	1.37	1.68	1.48	1.44

*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 Results

(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.	-	405,316	71,279	66,192	11,082	3,904,323	1,177,589	1,618,730	43,139
Mitsubishi Jisho Residence Co., Ltd.	100.00%	307,435	28,607	27,439	21,552	525,420	287,317	102,099	1,061
Mitsubishi Real Estate Services Co., Ltd. *1	100.00%	16,459	1,248	1,100	551	20,255	14,058	16	378
Mitsubishi Estate Home Co., Ltd.	100.00%	29,421	333	352	33	12,236	2,394	-	173
Mitsubishi Jisho Sekkei Inc.	100.00%	15,773	2,336	2,345	1,389	22,166	16,747	-	60
Royal Park Hotels & Resorts Co., Ltd.	100.00%	20,420	350	323	296	8,344	519	3,037	441
Mitsubishi Estate Building Management Co., Ltd.	100.00%	39,239	2,774	2,806	1,571	41,543	10,425	63	88
Mitsubishi Jisho Community Co., Ltd.	100.00%	33,704	2,227	2,233	1,270	12,931	7,070	-	168
Mitsubishi Jisho Property Management Co., Ltd.	100.00%	21,712	908	940	473	23,369	10,300	-	25
Marunouchi Heat Supply Co., Ltd.	64.16%	14,093	(150)	(360)	3,178	26,563	18,585	2,900	2,719
Sunshine City Corporation	63.20%	26,900	6,685	5,810	3,573	97,620	48,894	22,928	5,371
Mitsubishi Estate•Simon Co., Ltd.	60.00%	38,849	13,079	13,146	8,000	90,810	27,024	31,491	5,858
Royal Park Hotel Co., Ltd.	55.71%	9,915	594	403	230	15,563	7,176	4,766	727
Rockefeller Group, Inc.	100.00%	38,933	8,873	10,426	774	227,065	126,589	65,323	4,004
	-	1,075,285	161,271	139,638	64,297	4,765,368	1,329,057	1,973,042	74,805

2015/3 Estimates

(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.	-	417,000	65,000	61,000	37,000	3,960,000	1,200,000	1,680,000	41,000
Mitsubishi Jisho Residence Co., Ltd.	100.00%	265,000	14,000	13,000	8,300	543,000	288,000	168,000	911
Mitsubishi Real Estate Services Co., Ltd. *1	100.00%	14,408	1,030	964	621	20,643	14,517	16	390
Mitsubishi Estate Home Co., Ltd.	100.00%	29,830	260	266	255	12,000	2,649	-	170
Mitsubishi Jisho Sekkei Inc.	100.00%	15,900	1,890	1,920	959	22,662	17,243	-	41
Royal Park Hotels & Resorts Co., Ltd.	100.00%	22,332	352	323	285	8,629	804	5,037	648
Mitsubishi Jisho Property Management Co., Ltd. *2	100.00%	62,141	3,369	3,422	2,025	66,172	22,085	35	128
Mitsubishi Jisho Community Co., Ltd.	100.00%	33,369	2,163	2,163	1,388	9,099	3,238	-	143
Marunouchi Heat Supply Co., Ltd.	64.16%	13,951	215	253	163	23,960	18,749	1,650	2,537
Sunshine City Corporation	63.20%	26,669	5,998	4,576	2,945	97,810	50,787	20,949	5,351
Mitsubishi Estate•Simon Co., Ltd.	60.00%	37,751	12,405	12,335	7,828	87,560	29,364	29,267	5,658
Royal Park Hotel Co., Ltd.	55.71%	10,304	716	561	334	15,400	7,512	4,470	700
Rockefeller Group, Inc.	100.00%	54,159	10,288	9,397	1,100	270,809	142,615	94,839	4,112
	-	1,079,000	134,000	95,000	60,000	4,800,000	1,370,000	1,970,000	71,000

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

*2 As of April 1, 2014, Mitsubishi Jisho Building Management and Mitsubishi Jisho Property Management were merged, and will operate under the name Mitsubishi Jisho Property Management.