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MITSUBISHI ESTATE CO., LTD.

FACT BOOK FY2018-3Q

(The Fiscal Year Ending on March 31, 2018)

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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 FY2018-3Q and FY2017-3Q

	Millions of yen (rounded down)		
	FY2018-3Q Results	FY2017-3Q Results	Change
Office Building Business	344,209	370,656	(26,446)
Lifestyle Property Business	73,691	66,794	6,896
Residential Business	258,296	276,947	(18,651)
International Business	55,142	54,079	1,062
Investment Management	17,202	17,047	154
Architectural Design & Engineering	12,343	11,099	1,243
Hotel Business	25,340	25,575	(234)
Real Estate Services	16,639	17,000	(361)
Other	6,504	3,102	3,401
Eliminations	(18,911)	(18,193)	(718)
Revenue from Operations	790,456	824,111	(33,654)
Office Building Business	106,486	103,625	2,860
Lifestyle Property Business	21,321	19,855	1,465
Residential Business	12,202	13,899	(1,697)
International Business	13,507	23,157	(9,649)
Investment Management	3,920	4,343	(423)
Architectural Design & Engineering	603	(621)	1,225
Hotel Business	1,461	2,024	(563)
Real Estate Services	(396)	504	(900)
Other	1,038	188	849
Eliminations or Corporate	(16,791)	(16,532)	(258)
Operating Income	143,354	150,444	(7,090)
Non-operating revenue	8,871	8,004	866
Non-operating expense	23,653	21,836	1,816
Income Before Taxes and Special Items	128,572	136,612	(8,040)
Extraordinary income	13,591	15,471	(1,879)
Extraordinary loss	1,723	9,555	(7,831)
Income Before Income Taxes and Minority Interests	140,440	142,528	(2,088)
Corporate tax, etc.	41,424	42,403	(978)
Profit	99,015	100,125	(1,109)
Profit attributable to non-controlling interests	14,062	10,740	3,321
Profit Attributable to Owners of Parent	84,953	89,384	(4,431)

	Millions of yen (rounded down)		
	FY2018-3Q Results	FY2017-3Q Results	Change
■ Breakdown of Extraordinary income			
Gain on sales of fixed assets	12,078	-	12,078
Gain on negative goodwill	-	13,505	(13,505)
Settlement received	-	1,966	(1,966)
Gain on exchange from business combination	1,513	-	1,513
Total	13,591	15,471	(1,879)

	Millions of yen (rounded down)		
	FY2018-3Q Results	FY2017-3Q Results	Change
■ Breakdown of Extraordinary loss			
Loss related to retirement of fixed assets	-	1,836	(1,836)
Impairment loss	1,723	1,287	436
Loss on step acquisitions	-	6,431	(6,431)
Total	1,723	9,555	(7,831)

	Millions of yen (rounded off to the nearest billion)	
	<Reference>	FY2018-3Q Results
■ Capital Gains included in Operating Income		
Capital Gains		
Office Building Business		6,000
Lifestyle Property Business		2,000
Residential Business		1,000
International Business		7,000
Investment Management Business		1,000
Other		1,000
Eliminations or Corporate		0
Total		18,000

*Capital Gains: Disposition of assets and other one-time-only profit with the exclusion of residential condominium sales.

	Millions of yen (rounded off to the nearest billion)	
	<Reference>	FY2018-3Q Results
■ Overseas Operating Income		
Overseas Operating Income		14,000

*Overseas Operating Income: Sum of operating income from International Business Group and other overseas operations.

2. Current and Previous (announced on November 6, 2017) Income Statement Estimates for FY2018

Millions of yen (rounded down)			
	FY2018 Current Estimates	FY2018 Previous Estimates	Change
Office Building Business	501,000	501,000	0
Lifestyle Property Business	108,000	108,000	0
Residential Business	426,000	426,000	0
International Business	82,000	82,000	0
Investment Management	21,000	21,000	0
Architectural Design & Engineering	20,000	20,000	0
Hotel Business	34,000	34,000	0
Real Estate Services	25,000	25,000	0
Other	7,000	7,000	0
Eliminations	(22,000)	(22,000)	0
Revenue from Operations	1,202,000	1,202,000	0
Office Building Business	143,000	143,000	0
Lifestyle Property Business	30,000	30,000	0
Residential Business	20,000	20,000	0
International Business	24,000	24,000	0
Investment Management	3,000	3,000	0
Architectural Design & Engineering	500	500	0
Hotel Business	1,500	1,500	0
Real Estate Services	1,500	1,500	0
Other	1,000	1,000	0
Eliminations or Corporate	(19,500)	(19,500)	0
Operating Income	205,000	205,000	0
Non-operating revenue	9,000	9,000	0
Non-operating expense	35,000	35,000	0
Income Before Taxes and Special Items	179,000	179,000	0
Extraordinary income	15,500	13,000	2,500
Extraordinary loss	9,500	7,000	2,500
Income Before Income Taxes and Minority Interests	185,000	185,000	0
Corporate tax, etc.	57,000	57,000	0
Profit	128,000	128,000	0
Profit attributable to non-controlling interests	16,000	16,000	0
Profit Attributable to Owners of Parent	112,000	112,000	0

Millions of yen (rounded down)			
■ Breakdown of Extraordinary income	FY2018 Current Estimates	FY2018 Previous Estimates	Change
Gain on sales of fixed assets	12,000	9,500	2,500
Gain on sales of investment securities	2,000	2,000	0
Gain on exchange from business combination	1,500	0	1,500
Other extraordinary income	0	1,500	(1,500)
Total	15,500	13,000	2,500

Millions of yen (rounded down)			
■ Breakdown of Extraordinary loss	FY2018 Current Estimates	FY2018 Previous Estimates	Change
Loss related to retirement of fixed assets	7,800	7,000	800
Impairment loss	1,700	0	1,700
Total	9,500	7,000	2,500

Millions of yen (rounded off to the nearest billion)			
<Reference>	FY2018 Current Estimates	FY2018 Previous Estimates	Change
■ Capital Gains included in Operating Income			
Capital Gains	34,000	34,000	0
Office Building Business	14,000	14,000	0

* Capital Gains: Disposition of assets and other one-time-only profit with the exclusion of residential condominium sales.

Millions of yen (rounded off to the nearest billion)			
<Reference>	FY2018 Current Estimates	FY2018 Previous Estimates	Change
■ Overseas Operating Income			
Overseas Operating Income	25,000	25,000	0

* Overseas Operating Income: Sum of operating income from International Business Group and other overseas operations.

3. Current Income Statement Estimates for FY2018 and Results for FY2017

*There was a revision to Extraordinary Income and loss, but Revenue from Operations, Operating Income, Income Before Taxes and Special Items, Profit Attributable to Owners of Parent remain as announced on November 6, 2017.

Millions of yen (rounded down)			
	FY2018 Estimates	FY2017 Results	Change
Office Building Business	501,000	484,238	16,762
Lifestyle Property Business	108,000	88,955	19,045
Residential Business	426,000	407,850	18,150
International Business	82,000	66,556	15,444
Investment Management	21,000	21,323	(323)
Architectural Design & Engineering	20,000	19,309	691
Hotel Business	34,000	33,512	488
Real Estate Services	25,000	24,243	757
Other	7,000	4,237	2,763
Eliminations	(22,000)	(24,820)	2,820
Revenue from Operations	1,202,000	1,125,405	76,595
Office Building Business	143,000	133,570	9,430
Lifestyle Property Business	30,000	25,807	4,193
Residential Business	20,000	19,253	747
International Business	24,000	26,313	(2,313)
Investment Management	3,000	4,520	(1,520)
Architectural Design & Engineering	500	445	55
Hotel Business	1,500	1,932	(432)
Real Estate Services	1,500	2,157	(657)
Other	1,000	289	711
Eliminations or Corporate	(19,500)	(21,793)	2,293
Operating Income	205,000	192,495	12,505
Non-operating revenue	9,000	9,380	(380)
Non-operating expense	35,000	32,024	2,976
Income Before Taxes and Special Items	179,000	169,851	9,149
Extraordinary income	15,500	16,484	(984)
Extraordinary loss	9,500	23,455	(13,955)
Income Before Income Taxes and Minority Interests	185,000	162,881	22,119
Corporate tax, etc.	57,000	46,073	10,927
Profit	128,000	116,808	11,192
Profit attributable to non-controlling interests	16,000	14,126	1,874
Profit Attributable to Owners of Parent	112,000	102,681	9,319

Millions of yen (rounded down)			
	FY2018 Estimates	FY2017 Results	Change
Breakdown of Extraordinary income			
Gain on sales of fixed assets	12,000	-	12,000
Gain on sales of investment securities	2,000	1,013	987
Gain on negative goodwill	-	13,505	(13,505)
Settlement received	-	1,966	(1,966)
Gain on exchange from business combination	1,500	-	1,500
Total	15,500	16,484	(984)

Millions of yen (rounded down)			
	FY2018 Estimates	FY2017 Results	Change
Breakdown of Extraordinary loss			
Loss related to retirement of fixed assets	7,800	4,762	3,038
Impairment loss	1,700	12,260	(10,560)
Loss on step acquisitions	-	6,431	(6,431)
Total	9,500	23,455	(13,955)

<Reference>

Millions of yen (rounded off to the nearest billion)			
	FY2018 Estimates	FY2017 Results	Change
Capital Gains included in Operating Income			
Capital Gains	34,000	42,000	(8,000)
Office Building Business	14,000	18,000	(4,000)

* Capital Gains: Disposition of assets and other one-time-only profit with the exclusion of residential condominium sales.

<Reference>

Millions of yen (rounded off to the nearest billion)			
	FY2018 Estimates	FY2017 Results	Change
Overseas Operating Income			
Overseas Operating Income	25,000	27,000	(2,000)

* Overseas Operating Income: Sum of operating income from International Business Group and other overseas operations.

4. Balance Sheet Results at Periods Ended Dec 31, 2017 and Mar 31, 2017

Millions of yen (rounded down)

	At Dec 31, 2017	At Mar 31, 2017	Change
Assets			
I. Current assets			
1. Cash	261,113	243,681	17,432
2. Notes and accounts receivable-trade	44,635	43,823	812
3. Marketable securities	10,924	13,515	(2,590)
4. Property for sale	93,627	60,195	33,432
5. Property for sale in progress	365,034	337,928	27,106
6. Property for development	1,268	1,058	210
7. Appropriated construction in progress	16,144	8,091	8,053
8. Other inventories	1,277	1,021	255
9. Equity investments	360,230	292,764	67,466
10. Deferred tax assets	9,201	10,730	(1,529)
11. Other current assets	83,398	69,152	14,246
12. Allowance for doubtful accounts	(224)	(270)	46
Total current assets	1,246,632	1,081,690	164,942
II. Fixed assets			
1. Property and equipment			
(1) Buildings and structures	1,029,651	1,032,286	(2,635)
(2) Machinery and equipment	20,227	21,722	(1,495)
(3) Land	2,077,020	1,987,344	89,676
(4) Land in trust	679,469	708,801	(29,331)
(5) Construction in progress	110,145	92,367	17,777
(6) Other property and equipment	13,049	14,233	(1,184)
Total property and equipment	3,929,564	3,856,757	72,806
2. Intangible assets			
(1) Leaseholds	72,877	73,816	(939)
(2) Other intangible assets	22,260	25,725	(3,464)
Total intangible assets	95,138	99,542	(4,403)
3. Investments and other assets			
(1) Investment securities	301,261	244,870	56,390
(2) Long-term loans	1,370	1,389	(18)
(3) Lease deposits	104,830	106,149	(1,319)
(4) Net defined benefit asset	18,624	9,487	9,137
(5) Deferred tax assets	12,566	11,082	1,484
(6) Other investments	82,342	74,786	7,556
(7) Allowance for doubtful accounts	(1,790)	(1,642)	(148)
Total investments and other assets	519,206	446,125	73,081
Total fixed assets	4,543,909	4,402,424	141,484
Total assets	5,790,542	5,484,115	306,426

Millions of yen (rounded down)

	At Dec 31, 2017	At Mar 31, 2017	Change
Liabilities			
I. Current liabilities			
1. Notes and accounts payable-trade	48,224	56,099	(7,874)
2. Short-term borrowings	125,414	86,415	38,998
3. Current portion of long-term debt	118,430	149,281	(30,850)
4. Commercial paper	100,000	-	100,000
5. Bonds due within one year	81,200	85,075	(3,875)
6. Accrued income taxes	15,069	16,471	(1,402)
7. Deferred tax liability	599	572	27
8. Other current liabilities	194,584	192,708	1,876
Total current liabilities	683,523	586,623	96,899
II. Long-term liabilities			
1. Bonds	766,550	777,712	(11,162)
2. Long-term borrowings	1,332,504	1,292,854	39,649
3. Lease deposits received	407,795	398,014	9,781
4. Deferred tax liability	234,357	217,565	16,792
5. Deferred tax liabilities on land revaluation	263,548	263,661	(112)
6. Net defined benefit liability	27,878	22,042	5,835
7. Accrued directors' retirement benefits	688	834	(145)
8. Provision for environmental measures	4,831	4,831	(0)
9. Negative goodwill	94,653	90,535	4,117
10. Other long-term liabilities	118,175	61,978	56,196
Total long-term liabilities	3,250,984	3,130,031	120,952
Total liabilities	3,934,507	3,716,654	217,852
Net Assets			
I. Shareholders' Equity			
1. Capital	141,898	141,659	239
2. Capital surplus	161,810	161,477	333
3. Retained earnings	727,535	674,259	53,275
4. Less treasury stock, at cost	(5,314)	(5,489)	174
Total shareholders' equity	1,025,930	971,906	54,023
II. Other accumulated comprehensive income			
1. Unrealized holding gain on securities	139,724	109,644	30,080
2. Deferred gains or losses on hedging instruments	82	73	9
3. Land revaluation reserve	526,873	527,128	(254)
4. Foreign currency translation adjustments	(14,135)	(13,363)	(771)
5. Remeasurements of defined benefit plans	(1,117)	(2,612)	1,495
Total other accumulated comprehensive income	651,428	620,870	30,557
III. Stock acquisition rights	347	529	(182)
IV. Non-controlling interests	178,329	174,154	4,175
Total net assets	1,856,034	1,767,460	88,574
Total liabilities and net assets	5,790,542	5,484,115	306,426

II. Highlights

1. Major Performance Items (Consolidated)

Millions of yen (rounded down)

	FY2015	FY2016	FY2017-3Q	FY2017	FY2018-3Q	FY2018 (Estimates)
Revenue from operations	1,110,259	1,009,408	824,111	1,125,405	790,456	1,202,000
Operating income	156,332	166,199	150,444	192,495	143,354	205,000
Income before taxes and special items	133,113	144,851	136,612	169,851	128,572	179,000
Profit attributable to owners of parent	73,338	83,426	89,384	102,681	84,953	112,000
Total assets	4,901,526	5,311,840	5,404,508	5,484,115	5,790,542	5,800,000
Shareholders' equity *1	1,495,838	1,509,680	1,540,290	1,592,777	1,677,358	1,670,000
Interest-bearing debt	1,929,355	2,291,038	2,372,529	2,396,994	2,528,941	2,520,000
Cash flow from operating activities	200,078	135,821	97,087	168,527	94,937	181,000
Cash flow from investing activities	(46,568)	(231,003)	(252,088)	(327,292)	(159,888)	(335,000)
Cash flow from financing activities	(189,109)	309,237	(9,895)	(4,921)	86,198	77,000
EBITDA *2	239,934	252,034	216,443	279,718	211,257	293,000
Return on assets (ROA) *3	3.2 %	3.3 %	- %	3.6 %	- %	3.6 %
Interest coverage ratio (ICR) *4	7.7 times	8.5 times	- times	8.7 times	- times	8.8 times
Return on equity (ROE) *5	5.2 %	5.6 %	- %	6.6 %	- %	6.9 %
Earnings per share (EPS) (Yen)	52.85	60.13	64.42	74.00	61.21	80.70

*1 Shareholders' equity = Net assets - Stock acquisition rights - Non-controlling interests

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

*3 ROA = Operating income / Total assets (average)

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

*5 ROE = Profit attributable to owners of parent / Shareholders' equity (average)

2. Segment Information (Consolidated)

(Millions of yen (rounded down); as percentage of total)

(1) Revenue from Operations	FY2015		FY2015		FY2016		FY2017-3Q		FY2017		FY2018-3Q		FY2018 (Estimates)		
Office Building Business	587,660	51.9%	*1 Office Building Business	484,816	42.7%	422,349	40.9%	370,656	44.0%	484,238	42.1%	344,209	42.5%	501,000	40.9%
			Lifestyle Property Business	105,706	9.3%	86,569	8.4%	66,794	7.9%	88,955	7.7%	73,691	9.1%	108,000	8.8%
Residential Business	377,736	33.4%	Residential Business	383,887	33.8%	345,226	33.4%	276,947	32.9%	407,850	35.5%	258,296	31.9%	426,000	34.8%
International Business	77,794	6.9%	International Business	71,176	6.3%	75,956	7.4%	54,079	6.4%	66,556	5.8%	55,142	6.8%	82,000	6.7%
Investment Management	8,050	0.7%	Investment Management	14,885	1.3%	24,994	2.4%	17,047	2.0%	21,323	1.9%	17,202	2.1%	21,000	1.7%
Architectural Design & Engineering	19,467	1.7%	Architectural Design & Engineering	19,467	1.7%	21,279	2.1%	11,099	1.3%	19,309	1.7%	12,343	1.5%	20,000	1.6%
Hotel Business	30,827	2.7%	Hotel Business	30,827	2.7%	33,089	3.2%	25,575	3.0%	33,512	2.9%	25,340	3.1%	34,000	2.8%
Real Estate Services	27,295	2.4%	Real Estate Services	20,543	1.8%	19,815	1.9%	17,000	2.0%	24,243	2.1%	16,639	2.1%	25,000	2.0%
Other	3,747	0.3%	Other	3,747	0.4%	3,882	0.3%	3,102	0.5%	4,237	0.3%	6,504	0.9%	7,000	0.7%
Eliminations or corporate	(22,321)		Eliminations or corporate	(24,799)		(23,754)		(18,193)		(24,820)		(18,911)		(22,000)	
	1,110,259			1,110,259		1,009,408		824,111		1,125,405		790,456		1,202,000	

Millions of yen (rounded down)

(2) Operating income	FY2015		FY2015		FY2016		FY2017-3Q		FY2017		FY2018-3Q		FY2018 (Estimates)	
Office Building Business	128,982		*1 Office Building Business	102,820		108,940		103,625		133,570		106,486		143,000
			Lifestyle Property Business	26,162		25,842		19,855		25,807		21,321		30,000
Residential Business	11,605		Residential Business	11,532		18,035		13,899		19,253		12,202		20,000
International Business	26,068		International Business	25,901		19,421		23,157		26,313		13,507		24,000
Investment Management	4,064		Investment Management	4,282		5,082		4,343		4,520		3,920		3,000
Architectural Design & Engineering	663		Architectural Design & Engineering	663		1,754		(621)		445		603		500
Hotel Business	754		Hotel Business	754		1,490		2,024		1,932		1,461		1,500
Real Estate Services	1,111		Real Estate Services	1,105		602		504		2,157		(396)		1,500
Other	16		Other	16		(37)		188		289		1,038		1,000
Eliminations or corporate	(16,934)		Eliminations or corporate	(16,906)		(14,933)		(16,532)		(21,793)		(16,791)		(19,500)
	156,332			156,332		166,199		150,444		192,495		143,354		205,000

Millions of yen (rounded down)

(3) Rate of return	FY2015		FY2015		FY2016		FY2017-3Q		FY2017		FY2018-3Q		FY2018 (Estimates)	
Office Building Business	21.9 %		*1 Office Building Business	21.2 %		25.8 %		-		27.6 %		-		28.5 %
			Lifestyle Property Business	24.7 %		29.9 %		-		29.0 %		-		27.8 %
Residential Business	3.1 %		Residential Business	3.0 %		5.2 %		-		4.7 %		-		4.7 %
International Business	33.5 %		International Business	36.4 %		25.6 %		-		39.5 %		-		29.3 %
Investment Management	50.5 %		Investment Management	28.8 %		20.3 %		-		21.2 %		-		14.3 %
Architectural Design & Engineering	3.4 %		Architectural Design & Engineering	3.4 %		8.2 %		-		2.3 %		-		2.5 %
Hotel Business	2.4 %		Hotel Business	2.4 %		4.5 %		-		5.8 %		-		4.4 %
Real Estate Services	4.1 %		Real Estate Services	5.4 %		3.0 %		-		8.9 %		-		6.0 %
Other	0.4 %		Other	0.4 %		(1.0) %		-		6.8 %		-		14.3 %
Eliminations or corporate			Eliminations or corporate											
	14.1 %			14.1 %		16.5 %		-		17.1 %		-		17.1 %

Millions of yen (rounded down)

(4) Depreciation	FY2015		FY2015		FY2016		FY2017-3Q		FY2017		FY2018-3Q		FY2018 (Estimates)	
Office Building Business	59,960		*1 Office Building Business	48,665		43,752		35,161		47,755		36,017		-
			Lifestyle Property Business	11,294		12,288		9,364		12,704		10,114		-
Residential Business	2,728		Residential Business	2,762		3,085		2,403		3,144		2,104		-
International Business	7,378		International Business	6,404		7,033		4,710		5,913		5,239		-
Investment Management	55		Investment Management	1,029		5,413		3,241		4,216		2,921		-
Architectural Design & Engineering	103		Architectural Design & Engineering	103		126		82		113		90		-
Hotel Business	1,322		Hotel Business	1,322		1,527		1,099		1,478		1,083		-
Real Estate Services	333		Real Estate Services	300		284		255		343		241		-
Other	159		Other	159		90		48		64		32		-
Eliminations or corporate	654		Eliminations or corporate	654		642		177		240		93		-
	72,696			72,696		74,245		56,545		75,974		57,938		76,500

*1 As of April 2015, the following segment changes have occurred.

- Domestic retail & logistics property businesses (not including some multi-use facilities) no longer feature in the Building Business, now featuring in the newly created Lifestyle Property Business.
- Overseas investment management business has been moved from the International Business to the Investment Management Business.
- Mitsubishi Jisho House Net Co., Ltd has been moved from the Real Estate Services Business to the Residential Business.

Millions of yen (rounded down)

(5) Amortization of goodwill	FY2015		FY2015	FY2016	FY2017-3Q	FY2017	FY2018-3Q	FY2018 (Estimates)
		*1						
Office Building Business	479	Office Building Business	409	409	307	409	307	-
		Lifestyle Property Business	69	318	52	69	52	-
Residential Business	3,312	Residential Business	3,312	3,030	2,272	3,030	2,272	-
International Business	875	International Business	-	-	-	-	44	-
Investment Management	-	Investment Management	875	2,386	1,483	1,963	1,484	-
Architectural Design & Engineering	-	Architectural Design & Engineering	-	-	-	-	-	-
Hotel Business	-	Hotel Business	-	-	-	-	-	-
Real Estate Services	-	Real Estate Services	-	-	-	-	-	-
Other	-	Other	-	-	0	0	-	-
Eliminations or corporate	-	Eliminations or corporate	-	-	-	-	-	-
	4,667		4,667	6,144	4,115	5,473	4,160	5,500

Millions of yen (rounded down)

(6) Operating income before depreciation *2	FY2015		FY2015	FY2016	FY2017-3Q	FY2017	FY2018-3Q	FY2018 (Estimates)
		*1						
Office Building Business	189,421	Office Building Business	151,894	153,101	139,093	181,734	142,810	-
		Lifestyle Property Business	37,525	38,448	29,271	38,580	31,487	-
Residential Business	17,645	Residential Business	17,606	24,150	18,574	25,427	16,578	-
International Business	34,321	International Business	32,305	26,454	27,867	32,226	18,790	-
Investment Management	4,119	Investment Management	6,186	12,881	9,067	10,699	8,325	-
Architectural Design & Engineering	766	Architectural Design & Engineering	766	1,880	(539)	558	693	-
Hotel Business	2,076	Hotel Business	2,076	3,017	3,123	3,410	2,544	-
Real Estate Services	1,444	Real Estate Services	1,405	886	759	2,500	(155)	-
Other	175	Other	175	53	236	353	1,070	-
Eliminations or corporate	(16,280)	Eliminations or corporate	(16,252)	(14,291)	(16,355)	(21,553)	(16,698)	-
	233,695		233,695	246,588	211,104	273,942	205,452	287,000

Millions of yen (rounded down)

(7) Capital expenditure	FY2015		FY2015	FY2016	FY2017-3Q	FY2017	FY2018-3Q	FY2018 (Estimates)
		*1						
Office Building Business	120,704	Office Building Business	87,536	175,904	133,950	162,651	71,268	-
		Lifestyle Property Business	33,168	40,272	28,038	59,054	24,379	-
Residential Business	22,108	Residential Business	22,167	29,144	17,759	27,267	13,892	-
International Business	45,947	International Business	21,261	35,472	26,226	39,724	48,771	-
Investment Management	242	Investment Management	24,927	378	146	201	10,032	-
Architectural Design & Engineering	677	Architectural Design & Engineering	677	116	97	182	463	-
Hotel Business	3,290	Hotel Business	3,290	1,295	468	734	663	-
Real Estate Services	408	Real Estate Services	349	433	406	568	187	-
Other	382	Other	382	29	156	274	3,817	-
Eliminations or corporate	(2,304)	Eliminations or corporate	(2,304)	369	2,442	3,055	(1,612)	-
	191,457		191,457	283,416	209,691	293,716	171,864	-

Millions of yen (rounded down)

(8) Total assets	At Mar 31, 2015		At Mar 31, 2015	At Mar 31, 2016	At Dec 31, 2016	At Mar 31, 2017	At Dec 31, 2017	At Mar 31, 2018 (Estimates)
		*1						
Office Building Business	3,416,285	Office Building Business	3,094,967	3,208,271	3,436,174	3,445,008	3,506,524	-
		Lifestyle Property Business	321,405	372,779	450,734	484,292	507,836	-
Residential Business	597,587	Residential Business	602,263	748,400	642,698	634,219	632,117	-
International Business	595,293	International Business	479,785	515,844	455,871	541,888	653,352	-
Investment Management	31,030	Investment Management	146,538	141,126	120,715	106,990	107,898	-
Architectural Design & Engineering	24,985	Architectural Design & Engineering	24,985	27,474	25,214	27,358	24,799	-
Hotel Business	28,034	Hotel Business	28,034	28,417	28,702	28,842	27,690	-
Real Estate Services	27,505	Real Estate Services	23,972	23,608	24,008	25,702	20,352	-
Other	27,696	Other	27,696	23,501	12,013	12,649	21,480	-
Eliminations or corporate	153,106	Eliminations or corporate	151,876	222,415	208,285	177,163	288,487	-
	4,901,526		4,901,526	5,311,840	5,404,508	5,484,115	5,790,542	5,800,000

Exchange rate	FY2017-3Q	FY2018-3Q	FY2018 (Estimates)*3
¥ / \$	PL (AR) 108.57	111.89	110.00
	BS (CR) 101.18	112.73	110.00
¥ / £	PL (AR) 151.42	142.64	140.00
	BS (CR) 132.02	151.37	140.00

AR:Average Rate, CR:Current Rate

*1 As of April 2015, the following segment changes have occurred.

- Domestic retail & logistics property businesses (not including some multi-use facilities) no longer feature in the Building Business, now featuring in the newly created Lifestyle Property Business.

- Overseas investment management business has been moved from the International Business to the Investment Management Business.

- Mitsubishi Jisho House Net Co., Ltd has been moved from the Real Estate Services Business to the Residential Business.

*2 Operating income before depreciation is included in earnings before depreciation and amortization of goodwill.

*3 The exchange rate used for calculating the FY2018 (Estimates). The actual average exchange rate for 2017 was \$1/¥112.16 and £1/¥144.49.

3. Office Building Business Revenue from Operations Breakdown (Consolidated) *1

Millions of yen (rounded down)

	FY2015	FY2015*2	FY2016*2	FY2017-3Q *2	FY2017*2	FY2018-3Q *2	FY2018 (Estimates)*2
Leasing	416,631	347,757	353,958	280,390	376,531	288,328	388,000
Property Management	19,721	19,389	21,146	15,858	21,926	17,390	27,000
Contracted Work	14,500	14,500	14,597	8,310	12,552	9,599	11,000
District Heating and Cooling Services	8,724	8,724	8,387	6,203	8,280	6,195	8,000
Other (Sales of assets etc.)	128,083	94,443	24,259	59,892	64,947	22,694	67,000
Total	587,660	484,816	422,349	370,656	484,238	344,209	501,000

*1 Including revenue from other segments.

*2 As of April 2015, revenue from operations from the Lifestyle Property Business is not included in calculations.

4. Office Building Business Data (Consolidated)

(Thousands of square meters)

	At Mar 31, 2015	At Mar 31, 2016	At Dec 31, 2016	At Mar 31, 2017	At Dec 31, 2017
Contracted area	4,184	3,470	3,526	3,557	3,610
Owned by MEC	2,629	2,074	2,161	2,182	2,244
Subleases	1,555	1,395	1,365	1,376	1,366

* As of April 2015, the contracted area from the Lifestyle Property Business are not included in calculations.

5. Office Building Business Data (Unconsolidated)

(Thousands of square meters ; yen/tsubo.month)

	At Mar 31, 2015	At Mar 31, 2016	At Dec 31, 2016	At Mar 31, 2017	At Dec 31, 2017	At Mar 31, 2018 (Estimates)
(1) Total operating floor space						
Owned by MEC	3,326	3,265	3,265	3,414	3,493	3,548
Subleases	2,345	1,909	1,972	1,971	1,952	2,015
Total	5,670	5,174	5,237	5,385	5,445	5,562
(2) Leasable area	3,504	3,192	3,308	3,357	3,391	3,471
(3) Vacancy rates (All uses in Japan)	2.80 %	2.22 %	3.08 %	2.93 %	2.61 %	2.5 %
(4) Average rent (All uses in Japan)	23,587	25,234	25,862	25,842	26,157	26,200

* The average rent is per 3.3 square meters per month.

* As of April 2015, the floor space and rent from the Lifestyle Property Business are not included in calculations.

6. Marunouchi Area Building Data (Unconsolidated)

(Thousands of square meters; millions of yen(rounded down))

	At Mar 31, 2015	At Mar 31, 2016	At Dec 31, 2016	At Mar 31, 2017	At Dec 31, 2017
Operating floor space	2,583	2,531	2,594	2,727	2,782
Leasable area	1,571	1,466	1,567	1,603	1,651
Office vacancy rates	1.82 %	1.37 %	1.64 %	2.42 %	2.57 %
Building lease revenue	202,784	202,337	160,300	216,673	166,428

7. Lifestyle Property Business Retail Properties Data (Consolidated)

(Thousands of square meters)

	At Mar 31, 2016	At Dec 31, 2016	At Mar 31, 2017	At Dec 31, 2017
Contracted area	680	681	680	683

* These figures are for the contracted area of retail properties of the Lifestyle Property Business (including some office facilities).

8. Condominium Business Data

	FY2015	FY2016	FY2017-3Q	FY2017	FY2018-3Q	FY2018 (Estimates)
Condominiums sold (Millions of yen)	239,422	215,762	137,246	223,266	147,940	252,000
Condominiums sold (units)	4,603	3,868	2,224	3,713	2,035	4,000
Gross margin	17.3 %	18.7 %	18.9 %	19.4 %	20.9 %	19.2 %
Inventory (units)	141	188	330	326	287	-
New Supply of condominiums (units)	5,119	3,641	2,353	3,236	2,487	3,600
Condominium contract balance (Millions of yen)	442,367	442,068	373,378	412,855	354,075	-
The fiscal year share (Millions of yen)	-	-	211,760	-	245,249	-
The following fiscal year share (Millions of yen)	130,792	140,563	148,393	167,887	104,889	-
The post following fiscal year share (Millions of yen)	71,089	86,389	13,225	20,395	3,938	-

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

9. Special Purpose Vehicle Data

Millions of yen (rounded down)

	At Mar 31, 2015	At Mar 31, 2016	At Dec 31, 2016	At Mar 31, 2017	At Dec 31, 2017
Office Building Business					
Equity investment by Mitsubishi Estate <i>(Unconsolidated)</i>	206,865 <i>102,311</i>	172,698 <i>79,005</i>	168,948 <i>76,737</i>	168,753 <i>76,664</i>	163,666 <i>65,586</i>
Equity investment by other companies <i>(Unconsolidated)</i>	102,552 <i>102,530</i>	76,704 <i>76,704</i>	78,440 <i>78,440</i>	78,288 <i>78,288</i>	67,966 <i>67,966</i>
Interest bearing debt borrowed by SPV <i>(Unconsolidated)</i>	157,971 <i>157,871</i>	97,693 <i>97,593</i>	97,568 <i>97,468</i>	97,568 <i>97,468</i>	82,380 <i>82,280</i>
Lifestyle Property Business					
Equity investment by Mitsubishi Estate <i>(Unconsolidated)</i>		31,097 <i>7,245</i>	32,063 <i>8,211</i>	37,036 <i>13,184</i>	39,835 <i>15,984</i>
Equity investment by other companies <i>(Unconsolidated)</i>		2,488 <i>2,488</i>	3,221 <i>3,221</i>	6,892 <i>6,892</i>	9,711 <i>9,711</i>
Interest bearing debt borrowed by SPV <i>(Unconsolidated)</i>		8,297 <i>8,197</i>	10,975 <i>10,875</i>	19,276 <i>19,176</i>	21,917 <i>21,817</i>
Residential Business					
Equity investment by Mitsubishi Estate <i>(Unconsolidated)</i>	48 <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
Equity investment by other companies <i>(Unconsolidated)</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
Interest bearing debt borrowed by SPV <i>(Unconsolidated)</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
Total					
Equity investment by Mitsubishi Estate <i>(Unconsolidated)</i>	206,914 <i>102,311</i>	203,795 <i>86,250</i>	201,011 <i>84,949</i>	205,789 <i>89,849</i>	203,502 <i>81,571</i>
Equity investment by other companies <i>(Unconsolidated)</i>	102,552 <i>102,530</i>	79,192 <i>79,192</i>	81,661 <i>81,661</i>	85,181 <i>85,181</i>	77,677 <i>77,677</i>
Interest bearing debt borrowed by SPV <i>(Unconsolidated)</i>	157,971 <i>157,871</i>	105,990 <i>105,790</i>	108,543 <i>108,343</i>	116,845 <i>116,645</i>	104,297 <i>104,097</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%

* As of April 2015, domestic retail & logistics property businesses (not including some multi-use facilities) no longer feature in the Office Building Business , now featuring in the newly created Lifestyle Property Business.

III. Summary of Consolidated Financial Statements

1. Consolidated Balance Sheets

Millions of yen (rounded down)

	At Mar 31, 2015	At Mar 31, 2016	At Dec 31, 2016	At Mar 31, 2017	At Dec 31, 2017
Assets					
Current assets					
Cash	197,169	412,983	234,187	243,681	261,113
Notes and accounts receivable-trade	35,873	35,261	35,900	43,823	44,635
Marketable securities	2,179	14	13,300	13,515	10,924
Property for sale	52,102	54,827	40,190	60,195	93,627
Property for sale in progress	314,305	366,354	378,513	337,928	365,034
Property for development	8,646	8,905	1,133	1,058	1,268
Appropriated construction in progress	6,594	7,942	12,818	8,091	16,144
Other inventories	1,002	1,014	1,157	1,021	1,277
Equity investments	251,249	276,842	268,576	292,764	360,230
Deferred income taxes	17,010	14,552	9,180	10,730	9,201
Other current assets	65,244	55,764	78,790	69,152	83,398
Allowance for doubtful accounts	(571)	(528)	(342)	(270)	(224)
Total current assets	950,806	1,233,935	1,073,408	1,081,690	1,246,632
Fixed assets					
Property and equipment					
Buildings and structures	846,652	886,494	953,869	1,032,286	1,029,651
Machinery and equipment	21,161	21,939	20,271	21,722	20,227
Land	1,839,707	1,955,451	1,960,201	1,987,344	2,077,020
Land in trust	532,774	549,811	701,280	708,801	679,469
Construction in progress	90,694	122,261	136,004	92,367	110,145
Other property and equipment	15,022	15,105	14,689	14,233	13,049
Total property and equipment	3,346,013	3,551,062	3,786,317	3,856,757	3,929,564
Intangible assets					
Leaseholds	87,021	75,494	74,360	73,816	72,877
Other intangible assets	33,210	32,289	24,346	25,725	22,260
Total intangible assets	120,232	107,784	98,707	99,542	95,138
Investments and other assets					
Investment securities	280,809	216,334	248,838	244,870	301,261
Long-term loans	1,448	1,406	1,430	1,389	1,370
Lease deposits	112,397	115,382	111,124	106,149	104,830
Net defined benefit asset	23,194	9,810	9,656	9,487	18,624
Deferred income taxes	10,504	16,170	10,877	11,082	12,566
Other investments	57,840	61,578	65,764	74,786	82,342
Allowance for doubtful accounts	(1,722)	(1,623)	(1,616)	(1,642)	(1,790)
Total investments and other assets	484,473	419,058	446,075	446,125	519,206
Total fixed assets	3,950,719	4,077,904	4,331,099	4,402,424	4,543,909
Total assets	4,901,526	5,311,840	5,404,508	5,484,115	5,790,542

Millions of yen (rounded down)

	At Mar 31, 2015	At Mar 31, 2016	At Dec 31, 2016	At Mar 31, 2017	At Dec 31, 2017
Liabilities					
Current liabilities					
Notes and accounts payable-trade	95,632	58,331	51,292	56,099	48,224
Short-term borrowings	77,881	103,125	95,906	86,415	125,414
Current portion of long-term debt	86,617	163,651	161,226	149,281	118,430
Commercial paper	28,000	-	-	-	100,000
Bonds due within one year	40,225	78,023	80,075	85,075	81,200
Accrued income taxes	9,934	22,903	13,194	16,471	15,069
Deferred tax liability	205	-	1,412	572	599
Allowance for loss on business transfer	-	10,570	-	-	-
Other current liabilities	181,210	234,271	184,626	192,708	194,584
Total current liabilities	519,707	670,877	587,733	586,623	683,523
Long-term liabilities					
Bonds	645,000	825,000	772,750	777,712	766,550
Long-term borrowings	1,044,387	1,114,426	1,256,518	1,292,854	1,332,504
Lease deposits received	381,605	393,309	399,244	398,014	407,795
Deferred tax liability	206,079	180,205	220,435	217,565	234,357
Deferred tax liabilities on land revaluation	280,672	265,912	263,661	263,661	263,548
Net defined benefit liability	23,068	32,464	31,299	22,042	27,878
Accrued directors' retirement benefits	656	685	793	834	688
Provision for environmental measures	-	5,068	4,831	4,831	4,831
Negative goodwill	77,172	83,827	90,907	90,535	94,653
Other long-term liabilities	83,012	80,882	68,367	61,978	118,175
Total long-term liabilities	2,741,655	2,981,782	3,108,809	3,130,031	3,250,984
Total liabilities	3,261,362	3,652,660	3,696,543	3,716,654	3,934,507
Net assets					
Shareholders' equity					
Capital	141,373	141,373	141,659	141,659	141,898
Capital surplus	162,638	161,188	161,475	161,477	161,810
Retained earnings	538,687	600,116	664,128	674,259	727,535
Less treasury stock, at cost	(5,259)	(5,385)	(5,455)	(5,489)	(5,314)
Total shareholders' equity	837,440	897,293	961,808	971,906	1,025,930
Other accumulated comprehensive income					
Unrealized holding gain on securities	127,609	89,945	114,576	109,644	139,724
Deferred gains or losses on hedging instruments	(5)	(30)	(302)	73	82
Land revaluation reserve	504,756	521,248	524,073	527,128	526,873
Foreign currency translation adjustments	20,798	13,900	(49,753)	(13,363)	(14,135)
Remeasurements of defined benefit plans	5,238	(12,676)	(10,111)	(2,612)	(1,117)
Total other accumulated comprehensive income	658,398	612,387	578,482	620,870	651,428
Stock acquisition rights	500	529	529	529	347
Non-controlling interests	143,825	148,970	167,144	174,154	178,329
Total net assets	1,640,163	1,659,180	1,707,964	1,767,460	1,856,034
Total liabilities and net assets	4,901,526	5,311,840	5,404,508	5,484,115	5,790,542

2. Consolidated Income Statements

Millions of yen (rounded down)

	FY2015	FY2016	FY2017-3Q	FY2017	FY2018-3Q	FY2018 (Estimates)
Revenue from operations	1,110,259	1,009,408	824,111	1,125,405	790,456	1,202,000
Operating income	156,332	166,199	150,444	192,495	143,354	205,000
Non-operating income						
Interest income	287	284	209	268	185	500
Dividend income	4,577	4,556	4,258	4,634	5,153	5,000
Equity in earnings of unconsolidated subsidiaries and affiliates	1,372	605	869	872	465	500
Other non-operating income	2,850	5,503	2,666	3,605	3,067	3,000
Total non-operating income	9,087	10,949	8,004	9,380	8,871	9,000
Non-operating expenses						
Interest expense	21,072	20,183	17,164	22,743	17,291	24,000
Loss on disposal of fixed assets	4,780	6,064	2,361	4,453	3,036	7,000
Other non-operating expenses	6,454	6,049	2,311	4,827	3,325	4,000
Total non-operating expenses	32,306	32,296	21,836	32,024	23,653	35,000
Income before taxes and special items	133,113	144,851	136,612	169,851	128,572	179,000
Extraordinary income						
Gain on sales of fixed assets	36,551	2,709	-	-	12,078	12,000
Gain on sales of investment securities	-	11,350	-	1,013	-	2,000
Gain on negative goodwill	12,256	-	13,505	13,505	-	-
Reversal of accrued payment	-	4,098	-	-	-	-
Reversal of allowance for loss on obligations of additional investments	-	1,262	-	-	-	-
Settlement received	-	-	1,966	1,966	-	-
Gain on exchange from business combination	-	-	-	-	1,513	1,500
Total extraordinary income	48,807	19,421	15,471	16,484	13,591	15,500
Extraordinary loss						
Loss related to retirement of fixed assets	6,190	4,223	1,836	4,762	-	7,800
Impairment loss	73,725	2,561	1,287	12,260	1,723	1,700
Provision for loss on obligations of additional investments	1,804	-	-	-	-	-
Provision for environmental measures	-	5,068	-	-	-	-
Provision for loss on business transfer	-	10,570	-	-	-	-
Loss on step acquisitions	-	-	6,431	6,431	-	-
Total extraordinary loss	81,719	22,423	9,555	23,455	1,723	9,500
Income before income taxes and minority interests	100,201	141,850	142,528	162,881	140,440	185,000
Corporation tax, inhabitants' tax and enterprise tax	23,190	43,994	33,262	43,451	39,768	} 57,000
Income taxes-deferred	(9,814)	(422)	9,140	2,622	1,655	
Profit	86,825	98,278	100,125	116,808	99,015	128,000
Profit attributable to non-controlling interests	13,487	14,851	10,740	14,126	14,062	16,000
Profit attributable to owners of parent	73,338	83,426	89,384	102,681	84,953	112,000

3. Consolidated Cash Flow Statements

Millions of yen (rounded down)

	FY2015	FY2016	FY2017-3Q	FY2017	FY2018-3Q	FY2018 (Estimates)
Income before income taxes and minority interests	100,201	141,850	142,528	162,881	140,440	185,000
Adjustment for extraordinary income or loss	32,954	(318)	(1,117)	12,249	(6,238)	(6,500)
Depreciation and amortization	72,696	74,245	56,545	75,974	57,938	76,500
Decrease (increase) in inventories	110,219	(33,202)	47,207	84,853	9,045	36,000
Decrease (increase) in equity investments	(35,973)	(32,487)	(23,040)	(32,460)	(66,548)	(105,000)
Other	(45,659)	9,316	(79,870)	(82,780)	4,318	38,500
Income taxes, etc.	(34,360)	(23,582)	(45,165)	(52,189)	(44,019)	(43,500)
Net cash provided by (used in) operating activities	200,078	135,821	97,087	168,527	94,937	181,000
Proceeds from sales of marketable securities and investment securities	624	29,043	8,607	10,634	20,004	27,000
Proceeds from sales of property and equipment and beneficial interests in trust of property and equipment	167,645	22,806	1,113	11,328	12,629	13,000
Capital investment	(177,331)	(275,316)	(195,603)	(275,372)	(160,801)	(332,000)
Other	(37,506)	(7,536)	(66,206)	(73,883)	(31,720)	(43,000)
Net cash provided by (used in) investing activities	(46,568)	(231,003)	(252,088)	(327,292)	(159,888)	(335,000)
Newly acquired funds	328,053	503,154	215,773	298,515	193,557	374,000
Repayment	(505,027)	(154,773)	(183,775)	(243,051)	(199,314)	(249,000)
Cash dividends paid	(21,684)	(29,082)	(32,417)	(33,709)	(42,527)	(43,000)
Other	9,549	(10,061)	(9,476)	(26,676)	134,481	(5,000)
Net cash provided by (used in) financing activities	(189,109)	309,237	(9,895)	(4,921)	86,198	77,000
Effect of exchange rate on cash and cash equivalents	1,235	(153)	(9,841)	(5,144)	(473)	-
Net increase (decrease) in cash and cash equivalents	(34,363)	213,902	(174,737)	(168,830)	20,773	(77,000)
Increase in cash and cash equivalents from newly consolidated subsidiary	6,658	-	-	-	-	-
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	-	-	(219)	-	-
Increase in cash and cash equivalents resulting from share transfer	1,455	-	-	-	-	-
Cash and cash equivalents at the beginning of year	224,739	198,489	412,392	412,392	243,341	243,000
Cash and cash equivalents at the end of year	198,489	412,392	237,654	243,341	264,115	166,000

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

Millions of yen (rounded down)

	FY2015	FY2016	FY2017-3Q	FY2017	FY2018-3Q	FY2018 (Estimates)
Total assets	4,901,526	5,311,840	5,404,508	5,484,115	5,790,542	5,800,000
Capital investment	177,331	275,316	195,603	275,372	160,801	332,000
Depreciation	72,696	74,245	56,545	75,974	57,938	76,500

Capital investment

Millions of yen (rounded down)

FY2018-3Q		FY2018 (Estimates)	
Total	160,801	Total	332,000
Mitsubishi Estate	71,399	Mitsubishi Estate	171,000
(Breakdown)		(Breakdown)	
Office Building Business		Office Building Business	
Marunouchi redevelopment construction cost etc.	51,789	Marunouchi redevelopment construction cost etc.	115,000
Refurbishment cost etc.	8,440	Refurbishment cost etc.	21,000
Lifestyle Property Business	7,196	Lifestyle Property Business	26,000
Other	89,402	Other	161,000
(Breakdown)		(Breakdown)	
Rockefeller Group, Inc.	50,234	Rockefeller Group, Inc.	46,000
Mitsubishi Jisho Residence	12,461	Mitsubishi Jisho Residence	30,000
Tokyo Ryutsu Center	12,134	Tokyo Ryutsu Center	15,000
Consolidated TMK	6,826	Mitsubishi Estate • Simon	10,000
Mitsubishi Estate • Simon	3,745	Consolidated TMK	9,000
Sunshine City	2,079	Sunshine City	9,000
Marunouchi Heat Supply	1,249	Marunouchi Heat Supply	3,000
		Royal Park Hotels & Resorts	2,000
		Yokohama Sky Building	2,000
		Mitsubishi Estate Europe	2,000

* Major inter-group transactions are eliminated.

5. Interest-Bearing Debt (Consolidated)

Millions of yen (rounded down)

	FY2015	FY2016	FY2017-3Q	FY2017	FY2018-3Q	FY2018 (Estimates)
Interest-bearing debt	1,929,355	2,291,038	2,372,529	2,396,994	2,528,941	2,520,000
Net interest-bearing debt *1	1,730,866	1,878,645	2,134,874	2,153,652	2,264,826	2,350,000
Interest expense	21,099	20,189	17,164	22,743	17,289	24,000
Financial income and expense (net) *2	(16,234)	(15,348)	(12,696)	(17,841)	(11,951)	(19,000)
Average interest rate *3	1.08 %	0.96 %	0.98 %	0.97 %	0.94 %	0.98 %
Debt equity ratio *4	1.29	1.52	1.54	1.50	1.51	1.51
After hybrid debt deductions *5	-	1.33	1.28	1.26	1.27	1.27
Net interest-bearing debt / EBITDA	7.2 times	7.5 times	- times	7.7 times	- times	8.0 times
After hybrid debt deductions *5	-	7.0 times	- times	7.1 times	- times	7.4 times

*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

*5 The subordinated bond and subordinated loan subject to equity credit from a credit rating agency (50% equity treatment) are shown after deductions.

6. Major Consolidated Subsidiaries

FY2018-3Q Results

Millions of yen (rounded down)

	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.	-	317,142	76,385	97,868	87,104	4,745,999	1,453,651	2,236,924	33,223
Mitsubishi Jisho Property Management Co., Ltd.	100.00%	51,762	3,839	3,827	2,621	65,091	15,722	3	73
Marunouchi Heat Supply Co., Ltd.	64.16%	10,352	1,276	1,169	908	28,396	21,951	3,316	1,777
Sunshine City Corporation	63.20%	22,191	6,764	6,244	4,318	107,606	60,723	22,641	3,943
Mitsubishi Estate Simon Co., Ltd.	60.00%	33,494	13,948	14,146	9,675	108,041	40,254	24,760	3,854
Tokyo Ryutsu Center Inc.*	56.41%	6,137	1,758	1,571	1,095	64,369	32,996	24,108	1,369
Mitsubishi Jisho Residence Co., Ltd.	100.00%	185,754	14,484	13,309	9,568	560,350	67,042	426,028	1,218
Mitsubishi Estate Home Co., Ltd.	100.00%	15,156	(1,407)	(1,398)	(1,391)	14,742	(19)	-	179
Mitsubishi Jisho Community Co., Ltd.	71.47%	36,591	2,285	2,337	1,653	15,328	8,494	-	277
Rockefeller Group, Inc.	100.00%	58,745	14,237	14,081	6,093	448,887	235,127	148,357	5,621
Mitsubishi Estate Europe Limited	100.00%	5,264	2,001	1,710	1,189	148,131	79,346	64,786	1,974
Mitsubishi Jisho Sekkei Inc.	100.00%	11,405	1,583	1,584	1,065	22,367	16,716	-	82
Royal Park Hotels & Resorts Co., Ltd.	100.00%	18,516	1,221	1,245	741	10,781	2,311	3,537	527
Royal Park Hotel Co., Ltd.	55.71%	7,540	260	216	143	15,268	8,030	3,537	563
Mitsubishi Real Estate Services Co., Ltd.	100.00%	16,639	(326)	(315)	(250)	18,972	10,369	19	241
	-	790,456	143,354	128,572	84,953	5,790,542	1,677,358	2,528,941	57,938

FY2017-3Q Results

Millions of yen (rounded down)

	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.	-	312,624	61,266	63,105	53,633	4,553,000	1,347,773	2,153,993	31,848
Mitsubishi Jisho Property Management Co., Ltd.	100.00%	48,105	3,080	3,079	2,108	72,611	26,219	9	81
Marunouchi Heat Supply Co., Ltd.	64.16%	9,894	1,260	1,237	850	25,104	21,134	1,612	1,631
Sunshine City Corporation	63.20%	20,564	5,463	4,649	3,268	96,486	56,645	16,673	4,064
Mitsubishi Estate Simon Co., Ltd.	60.00%	32,193	12,824	12,971	8,891	100,065	36,447	27,472	4,117
Tokyo Ryutsu Center Inc.	56.07%	5,324	1,684	1,636	1,329	54,975	31,975	17,488	824
Mitsubishi Jisho Residence Co., Ltd.	100.00%	199,173	21,764	20,600	15,943	560,958	65,811	418,054	1,313
Mitsubishi Estate Home Co., Ltd.	100.00%	15,921	(670)	(639)	(647)	13,225	2,284	-	173
Mitsubishi Jisho Community Co., Ltd.	71.47%	35,422	2,018	2,077	1,291	13,388	6,982	-	292
Rockefeller Group, Inc.	100.00%	53,180	20,528	19,415	8,139	313,317	175,485	95,052	5,830
Mitsubishi Estate Europe Limited	100.00%	5,043	2,891	2,807	2,336	121,072	61,597	55,969	1,630
Mitsubishi Jisho Sekkei Inc.	100.00%	10,051	381	405	251	23,771	18,421	-	75
Royal Park Hotels & Resorts Co., Ltd.	100.00%	18,774	1,621	1,626	1,357	12,538	3,202	4,237	562
Royal Park Hotel Co., Ltd.	55.71%	7,514	416	366	247	14,763	7,865	3,230	543
Mitsubishi Real Estate Services Co., Ltd.	100.00%	17,000	555	800	584	23,913	15,705	29	255
	-	824,111	150,444	136,612	89,384	5,404,508	1,540,290	2,372,529	56,545

* Before consolidation adjustments.

* Tokyo Ryutsu Center Inc. becomes a Mitsubishi Estate consolidated subsidiary in FY2017-2Q. However, the figures for the FY2017-1Q are included in this table.