

Consolidated Balance Sheets

MITSUBISHI ESTATE CO., LTD. AND CONSOLIDATED SUBSIDIARIES
March 31, 1997 and 1998

ASSETS	Millions of yen		Thousands of U.S. dollars
	1997	1998	1998
Current assets:			
Cash	¥ 57,830	¥ 77,297	\$ 585,140
Marketable securities (Notes 2 (D) and 8)	101,542	105,927	801,870
Accounts receivable—trade	30,732	32,124	243,179
Inventories (Notes 2 (C) and 7)	301,562	264,885	2,005,185
Advances on purchases	1,976	5,191	39,296
Other current assets	24,596	24,795	187,699
Less allowance for doubtful accounts (Note 6)	(6,810)	(6,423)	(48,622)
Total current assets	511,428	503,796	3,813,747
Investments:			
Investments in unconsolidated subsidiaries and affiliates (Note 2 (A))	28,359	28,399	214,981
Investments in other securities (Notes 2 (D) and 8)	17,440	17,478	132,309
Other investments (Note 9)	140,457	134,494	1,018,122
Less allowance for doubtful accounts (Note 6)	(102)	(34)	(257)
Total investments	186,154	180,337	1,365,155
Property and equipment at cost (Notes 2 (E) and 10):			
Land	537,208	601,483	4,553,240
Buildings	1,143,951	1,190,080	9,008,933
Machinery and equipment	62,197	65,214	493,671
Others	10,625	13,040	98,713
Construction in progress	32,927	20,483	155,057
Total property and equipment at cost	1,786,908	1,890,300	14,309,614
Less accumulated depreciation	(454,624)	(501,307)	(3,794,905)
Net property and equipment at cost	1,332,284	1,388,993	10,514,709
Other assets	30,784	29,770	225,360
Translation adjustments	5,661	362	2,740
Total assets	¥2,066,311	¥2,103,258	\$15,921,711

See notes to consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars
	1997	1998	1998
Current liabilities:			
Short-term bank loans (Note 10)	¥ 41,516	¥ 62,690	\$ 474,565
Commercial paper	55,797	34,437	260,689
Current portion of long-term debt (Note 10)	150,828	179,738	1,360,621
Accountspayable—trade	43,332	46,755	353,936
Accrued expenses	19,177	19,619	148,516
Accrued income taxes	2,277	5,668	42,907
Advances and deposits	68,154	48,658	368,342
Other current liabilities	24,812	13,949	105,594
Total current liabilities	405,893	411,514	3,115,170
Long-term debt (Note 10)	876,454	888,067	6,722,687
Guarantee deposits and lease deposits (Note 11)	276,522	266,813	2,019,780
Employees' retirement allowances (Note 2 (G))	29,627	30,019	227,245
Other long-term liabilities (Note 2 (G))	29,699	35,272	267,010
Minority interests	15,330	17,516	132,597
Shareholders' equity (Note 13):			
Common stock, par value ¥50 per share			
Authorized—1,980,000,000shares			
Issued and outstanding—			
1,299,185,054 shares in 1997 and 1998	86,534	86,534	655,064
Capitalsurplus	115,195	115,195	872,029
Legal reserve	21,634	21,634	163,770
Retained earnings	209,435	230,703	1,746,427
Treasury stock	(12)	(9)	(68)
Total shareholders' equity	432,786	454,057	3,437,222
Contingent liabilities (Note 14)			
Total liabilities and shareholders' equity	¥2,066,311	¥2,103,258	\$15,921,711