

Consolidated Statements of Shareholders' Equity

MITSUBISHI ESTATE CO., LTD. AND CONSOLIDATED SUBSIDIARIES
Years Ended March 31, 1996, 1997 and 1998

	Millions of yen			Thousands of U.S. dollars
	1996	1997	1998	1998
Common stock:				
Balance at beginning of the period	¥ 86,534	¥ 86,534	¥ 86,534	\$ 655,064
Conversion of convertible bonds:				
During fiscal 1996: 0 shares	0	—	—	—
During fiscal 1997: 0 shares	—	0	—	—
During fiscal 1998: 0 shares	—	—	0	0
Balance at end of the period	<u>¥ 86,534</u>	<u>¥ 86,534</u>	<u>¥ 86,534</u>	<u>\$ 655,064</u>
Capital surplus:				
Balance at beginning of the period	¥115,195	¥115,195	¥115,195	\$ 872,029
Conversion of convertible bonds	0	0	0	0
Balance at end of the period	<u>¥115,195</u>	<u>¥115,195</u>	<u>¥115,195</u>	<u>\$ 872,029</u>
Legal reserve:				
Balance at beginning of the period	¥ 20,576	¥ 21,634	¥ 21,634	\$ 163,770
Transfer from unappropriated retained earnings	1,058	—	—	—
Balance at end of the period	<u>¥ 21,634</u>	<u>¥ 21,634</u>	<u>¥ 21,634</u>	<u>\$ 163,770</u>
Retained earnings:				
Balance at beginning of the period	¥290,843	¥180,238	¥209,435	\$1,585,428
Add—Net income	(98,970)	38,362	31,848	241,090
Add—Change of subsidiaries to be consolidated	—	1,234	—	—
Deduct—Cash dividends	(10,393)	(10,393)	(10,393)	(78,675)
—Transfer to legal reserve	(1,058)	—	—	—
—Directors' and statutory auditors' bonuses	(184)	(6)	(187)	(1,416)
Balance at end of the period	<u>¥180,238</u>	<u>¥209,435</u>	<u>¥230,703</u>	<u>\$1,746,427</u>

See notes to consolidated financial statements.