

**Consolidated Balance Sheets**  
 MITSUBISHI ESTATE CO., LTD. AND CONSOLIDATED SUBSIDIARIES  
 March 31, 1998 and 1999

ASSETS	Millions of yen		Thousands of U.S. dollars
	1998	1999	1999
<b>Current assets:</b>			
Cash .....	I 77,297	I 70,525	\$ 585,027
Marketable securities (Notes 2 (D) and 8) .....	105,927	97,236	806,603
Notes and accounts receivable <sup>Δ</sup> trade .....	32,124	44,317	367,623
Inventories (Notes 2 (C) and 7) .....	264,885	259,738	2,154,608
Advances on purchases .....	5,191	6,462	53,604
Other current assets .....	24,795	23,100	191,622
Less allowance for doubtful accounts (Note 6) .....	(6,423)	(7,604)	(63,078)
Total current assets .....	<u>503,796</u>	<u>493,774</u>	<u>4,096,009</u>
<b>Investments:</b>			
Investments in unconsolidated subsidiaries and affiliates (Notes 2 (A) and 8) .....	28,399	20,328	167,607
Investments in other securities (Notes 2 (D) and 8) .....	17,478	10,462	87,806
Other investments (Note 9) .....	134,494	131,762	1,093,007
Less allowance for doubtful accounts (Note 6) .....	(34)	(21)	(174)
Total investments .....	<u>180,337</u>	<u>162,531</u>	<u>1,348,246</u>
<b>Property and equipment at cost (Notes 2 (E) and 10):</b>			
Land .....	601,483	691,573	5,736,815
Buildings .....	1,190,080	1,324,436	10,986,611
Machinery and equipment .....	65,214	70,481	584,662
Others .....	13,040	12,835	106,470
Construction in progress .....	20,483	32,472	269,365
Total property and equipment at cost .....	<u>1,890,300</u>	<u>2,131,797</u>	<u>17,683,923</u>
Less accumulated depreciation .....	(501,307)	(568,118)	(4,712,717)
Net property and equipment at cost .....	<u>1,388,993</u>	<u>1,563,679</u>	<u>12,971,206</u>
Other assets .....	29,770	55,919	463,866
Translation adjustments .....	362	7,870	65,284
Total assets .....	<u>I2,103,258</u>	<u>I2,283,773</u>	<u>\$18,944,611</u>

See notes to consolidated financial statements.

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars
	1998	1999	1999
<b>Current liabilities:</b>			
Short-term bank loans (Note 10) .....	I 62,690	I 73,621	\$ 610,709
Commercial paper .....	34,437	18,736	155,421
Current portion of long-term debt (Note 10) .....	179,738	126,029	1,045,450
Notes and accounts payable/trade .....	46,755	52,712	437,262
Accrued expenses.....	19,619	22,692	188,237
Accrued income taxes.....	5,668	3,231	26,802
Advances and deposits.....	48,658	48,716	404,114
Other current liabilities .....	13,949	17,400	144,338
<b>Total current liabilities .....</b>	<b>411,514</b>	<b>363,137</b>	<b>3,012,333</b>
Long-term debt (Note 10) .....	888,067	1,057,410	8,771,547
Guarantee deposits and lease deposits (Note 11) .....	266,813	297,808	2,470,411
Employees' retirement allowances (Note 2 (G)) .....	30,019	30,047	249,249
Other long-term liabilities (Note 2 (G)) .....	35,272	46,459	385,392
<b>Total liabilities.....</b>	<b>1,631,685</b>	<b>1,794,861</b>	<b>14,888,932</b>
Minority interests .....	17,516	29,338	243,368
<b>Shareholders' equity (Note 13):</b>			
Common stock, par value I50 per share			
Authorized 1,980,000,000 shares			
Issued and outstanding			
1,299,185,054 shares in 1998 and 1999 .....	86,534	86,534	717,827
Capital surplus .....	115,195	115,195	955,579
Legal reserve .....	21,634	Δ	Δ
Retained earnings.....	230,703	257,854	2,138,980
Treasury stock .....	(9)	(9)	(75)
<b>Total shareholders' equity.....</b>	<b>454,057</b>	<b>459,574</b>	<b>3,812,311</b>
<b>Contingent liabilities (Note 14)</b>			
<b>Total liabilities, minority interests and shareholders' equity ...</b>	<b>I2,103,258</b>	<b>I2,283,773</b>	<b>\$18,944,611</b>

