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MITSUBISHI ESTATE

FACT BOOK 2016/3

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■Contents

| | Page/s |
|--|---------|
| I. Performance Comparisons (Consolidated) | |
| 1. Income Statement Results for 2016/3 and 2015/3 | 3 |
| 2. Income Statement Results for 2016/3 and Previous Estimates (announced on February 4, 2016) for 2016/3 | 4 |
| 3. Income Statement Estimates for 2017/3 and Results for 2016/3 | 5 |
| 4. Balance Sheet Results at Periods Ended 2016/3 and 2015/3 | 6 |
| II. Highlights | |
| 1. Major Performance Items (Consolidated) | 7 |
| 2. Segment Information (Consolidated) | 8 , 9 |
| 3. Building Business Revenue from Operations Breakdown (Consolidated) | 10 |
| 4. Building Business Data (Consolidated) | 10 |
| 5. Building Business Data (Unconsolidated) | 10 |
| 6. Marunouchi Area Building Data (Unconsolidated) | 10 |
| 7. Lifestyle Property Business Data (Consolidated) | 11 |
| 8. Condominium Business Data | 11 |
| 9. Total Assets of Major Overseas Subsidiaries | 11 |
| 10. International Business (Rockefeller Group, Inc.) | 11 |
| 11. Special Purpose Vehicle Data | 12 |
| III. Summary of Consolidated Financial Statements | |
| 1. Consolidated Balance Sheets | 13 , 14 |
| 2. Consolidated Income Statements | 15 |
| 3. Consolidated Cash Flow Statements | 16 |
| 4. Total Assets, Capital Investment and Depreciation (Consolidated) | 17 |
| 5. Interest-Bearing Debt (Consolidated) | 17 |
| 6. Major Consolidated Subsidiaries | 18 |

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 2016/3 and 2015/3

| | Millions of yen (rounded down) | | |
|--|--------------------------------|-------------------|------------------|
| | 2016/3 Results | 2015/3 Results | Change |
| Building Business | 422,349 | 484,816 | (62,467) |
| Lifestyle Property Business | 86,569 | 105,706 | (19,137) |
| Residential Business | 345,226 | 383,887 | (38,661) |
| International Business | 75,956 | 71,176 | 4,779 |
| Investment Management | 24,994 | 14,885 | 10,109 |
| Architectural Design & Engineering | 21,279 | 19,467 | 1,812 |
| Hotel Business | 33,089 | 30,827 | 2,261 |
| Real Estate Services | 19,815 | 20,543 | (728) |
| Other | 3,882 | 3,747 | 134 |
| Eliminations | (23,754) | (24,799) | 1,045 |
| Revenue from Operations | 1,009,408 | 1,110,259 | (100,851) |
| Building Business | 108,940 | 102,820 | 6,120 |
| Lifestyle Property Business | 25,842 | 26,162 | (319) |
| Residential Business | 18,035 | 11,532 | 6,502 |
| International Business | 19,421 | 25,901 | (6,479) |
| Investment Management | 5,082 | 4,282 | 800 |
| Architectural Design & Engineering | 1,754 | 663 | 1,091 |
| Hotel Business | 1,490 | 754 | 736 |
| Real Estate Services | 602 | 1,105 | (503) |
| Other | (37) | 16 | (53) |
| Eliminations or Corporate | (14,933) | (16,906) | 1,972 |
| Operating Income | 166,199 | 156,332 | 9,866 |
| Non-operating revenue | 10,949 | 9,087 | 1,861 |
| Non-operating expense | 32,296 | 32,306 | (10) |
| Income Before Taxes and Special Items | 144,851 | 133,113 | 11,738 |
| Extraordinary income | 19,421 | 48,807 | (29,386) |
| Extraordinary loss | 22,423 | 81,719 | (59,296) |
| Income Before Income Taxes and Minority Interests | 141,850 | 100,201 | 41,648 |
| Corporate tax, etc. | 43,571 | 13,375 | 30,196 |
| Profit | 98,278 | 86,825 | 11,452 |
| Profit attributable to non-controlling interests | 14,851 | 13,487 | 1,364 |
| Profit Attributable to Owners of Parent | 83,426 | 73,338 | 10,088 |

| | Millions of yen (rounded down) | | |
|---|--------------------------------|-------------------|-----------------|
| ■ Breakdown of Extraordinary income | 2016/3 Results | 2015/3 Results | Change |
| Gain on sales of fixed assets | 2,709 | 36,551 | (33,842) |
| Gain on sales of investment securities | 11,350 | - | 11,350 |
| Gain on negative goodwill | - | 12,256 | (12,256) |
| Reversal of accrued payment | 4,098 | - | 4,098 |
| Reversal of allowance for loss on obligations of additional investments | 1,262 | - | 1,262 |
| Total | 19,421 | 48,807 | (29,386) |

| | Millions of yen (rounded down) | | |
|---|--------------------------------|-------------------|-----------------|
| ■ Breakdown of Extraordinary income | 2016/3 Results | 2015/3 Results | Change |
| Loss related to retirement of fixed assets | 4,223 | 6,190 | (1,967) |
| Impairment loss | 2,561 | 73,725 | (71,163) |
| Provision for loss on obligations of additional investments | - | 1,804 | (1,804) |
| Provision for environmental measures | 5,068 | - | 5,068 |
| Provision for loss on business transfer | 10,570 | - | 10,570 |
| Total | 22,423 | 81,719 | (59,296) |

2. Income Statement Results for 2016/3 and Previous Estimates (announced on February 4, 2016) for 2016/3

| Millions of yen (rounded down) | | | |
|--|-------------------|---------------------------------|----------------|
| | 2016/3 Results | 2016/3 Previous Estimates | Change |
| Building Business | 422,349 | 422,000 | 349 |
| Lifestyle Property Business | 86,569 | 87,000 | (431) |
| Residential Business | 345,226 | 356,000 | (10,774) |
| International Business | 75,956 | 76,000 | (44) |
| Investment Management | 24,994 | 24,000 | 994 |
| Architectural Design & Engineering | 21,279 | 20,000 | 1,279 |
| Hotel Business | 33,089 | 33,000 | 89 |
| Real Estate Services | 19,815 | 20,000 | (185) |
| Other | 3,882 | 4,000 | (118) |
| Eliminations | (23,754) | (25,000) | 1,246 |
| Revenue from Operations | 1,009,408 | 1,017,000 | (7,592) |
| Building Business | 108,940 | 105,000 | 3,940 |
| Lifestyle Property Business | 25,842 | 25,000 | 842 |
| Residential Business | 18,035 | 14,000 | 4,035 |
| International Business | 19,421 | 18,000 | 1,421 |
| Investment Management | 5,082 | 4,000 | 1,082 |
| Architectural Design & Engineering | 1,754 | 500 | 1,254 |
| Hotel Business | 1,490 | 1,500 | (10) |
| Real Estate Services | 602 | 1,000 | (398) |
| Other | (37) | 0 | (37) |
| Eliminations or Corporate | (14,933) | (14,000) | (933) |
| Operating Income | 166,199 | 155,000 | 11,199 |
| Non-operating revenue | 10,949 | 8,000 | 2,949 |
| Non-operating expense | 32,296 | 33,000 | (704) |
| Income Before Taxes and Special Items | 144,851 | 130,000 | 14,851 |
| Extraordinary income | 19,421 | 18,000 | 1,421 |
| Extraordinary loss | 22,423 | 10,000 | 12,423 |
| Income Before Income Taxes and Minority Interests | 141,850 | 138,000 | 3,850 |
| Corporate tax, etc. | 43,571 | 50,000 | (6,429) |
| Profit | 98,278 | 88,000 | 10,278 |
| Profit attributable to non-controlling interests | 14,851 | 13,000 | 1,851 |
| Profit Attributable to Owners of Parent | 83,426 | 75,000 | 8,426 |

| Millions of yen (rounded down) | | | |
|---|-------------------|---------------------------------|--------------|
| ■ Breakdown of Extraordinary income | 2016/3 Results | 2016/3 Previous Estimates | Change |
| Gain on sales of fixed assets | 2,709 | 3,000 | (291) |
| Gain on sales of investment securities | 11,350 | 11,000 | 350 |
| Reversal of accrued payment | 4,098 | 4,000 | 98 |
| Reversal of allowance for loss on obligations of additional investments | 1,262 | - | 1,262 |
| Total | 19,421 | 18,000 | 1,421 |

| Millions of yen (rounded down) | | | |
|--|-------------------|---------------------------------|---------------|
| ■ Breakdown of Extraordinary loss | 2016/3 Results | 2016/3 Previous Estimates | Change |
| Loss related to retirement of fixed assets | 4,223 | 10,000 | (5,777) |
| Impairment loss | 2,561 | - | 2,561 |
| Provision for environmental measures | 5,068 | - | 5,068 |
| Provision for loss on business transfer | 10,570 | - | 10,570 |
| Total | 22,423 | 10,000 | 12,423 |

3. Income Statement Estimates for 2017/3 and Results for 2016/3

| Millions of yen (rounded down) | | | |
|--|---------------------|-------------------|---------------|
| | 2017/3 Estimates | 2016/3 Results | Change |
| Building Business | 443,000 | 422,349 | 20,651 |
| Lifestyle Property Business | 85,000 | 86,569 | (1,569) |
| Residential Business | 426,000 | 345,226 | 80,774 |
| International Business | 65,000 | 75,956 | (10,956) |
| Investment Management | 22,000 | 24,994 | (2,994) |
| Architectural Design & Engineering | 20,000 | 21,279 | (1,279) |
| Hotel Business | 34,000 | 33,089 | 911 |
| Real Estate Services | 23,000 | 19,815 | 3,185 |
| Other | 7,000 | 3,882 | 3,118 |
| Eliminations | (23,000) | (23,754) | 754 |
| Revenue from Operations | 1,102,000 | 1,009,408 | 92,592 |
| Building Business | 112,000 | 108,940 | 3,060 |
| Lifestyle Property Business | 24,000 | 25,842 | (1,842) |
| Residential Business | 28,000 | 18,035 | 9,965 |
| International Business | 22,000 | 19,421 | 2,579 |
| Investment Management | 3,000 | 5,082 | (2,082) |
| Architectural Design & Engineering | 500 | 1,754 | (1,254) |
| Hotel Business | 2,000 | 1,490 | 510 |
| Real Estate Services | 1,500 | 602 | 898 |
| Other | 0 | (37) | 37 |
| Eliminations or Corporate | (18,000) | (14,933) | (3,067) |
| Operating Income | 175,000 | 166,199 | 8,801 |
| Non-operating revenue | 7,000 | 10,949 | (3,949) |
| Non-operating expense | 32,000 | 32,296 | (296) |
| Income Before Taxes and Special Items | 150,000 | 144,851 | 5,149 |
| Extraordinary income | 4,000 | 19,421 | (15,421) |
| Extraordinary loss | 9,000 | 22,423 | (13,423) |
| Income Before Income Taxes and Minority Interests | 145,000 | 141,850 | 3,150 |
| Corporate tax, etc. | 46,000 | 43,571 | 2,429 |
| Profit | 99,000 | 98,278 | 722 |
| Profit attributable to non-controlling interests | 13,000 | 14,851 | (1,851) |
| Profit Attributable to Owners of Parent | 86,000 | 83,426 | 2,574 |

| Millions of yen (rounded down) | | | |
|---|---------------------|-------------------|-----------------|
| ■ Breakdown of Extraordinary income | 2017/3 Estimates | 2016/3 Results | Change |
| Gain on sales of fixed assets | - | 2,709 | (2,709) |
| Gain on sales of investment securities | 4,000 | 11,350 | (7,350) |
| Reversal of accrued payment | - | 4,098 | (4,098) |
| Reversal of allowance for loss on obligations of additional investments | - | 1,262 | (1,262) |
| Total | 4,000 | 19,421 | (15,421) |

| Millions of yen (rounded down) | | | |
|--|---------------------|-------------------|-----------------|
| ■ Breakdown of Extraordinary loss | 2017/3 Estimates | 2016/3 Results | Change |
| Loss related to retirement of fixed assets | 9,000 | 4,223 | 4,777 |
| Impairment loss | - | 2,561 | (2,561) |
| Provision for environmental measures | - | 5,068 | (5,068) |
| Provision for loss on business transfer | - | 10,570 | (10,570) |
| Total | 9,000 | 22,423 | (13,423) |

4. Balance Sheet Results at Periods Ended 2016/3 and 2015/3

| | Millions of yen (rounded down) | | |
|--|--------------------------------|-----------------|----------|
| | At Mar 31, 2016 | At Mar 31, 2015 | Change |
| Assets | | | |
| I. Current assets | | | |
| 1. Cash | 412,983 | 197,169 | 215,813 |
| 2. Notes and accounts receivable-trade | 35,261 | 35,873 | (611) |
| 3. Marketable securities | 14 | 2,179 | (2,165) |
| 4. Property for sale | 54,827 | 52,102 | 2,725 |
| 5. Property for sale in progress | 366,354 | 314,305 | 52,049 |
| 6. Property for development | 8,905 | 8,646 | 259 |
| 7. Appropriated construction in progress | 7,942 | 6,594 | 1,348 |
| 8. Other inventories | 1,014 | 1,002 | 12 |
| 9. Equity investments | 276,842 | 251,249 | 25,592 |
| 10. Deferred income taxes | 14,552 | 17,010 | (2,457) |
| 11. Other current assets | 55,764 | 65,244 | (9,480) |
| 12. Allowance for doubtful accounts | (528) | (571) | 43 |
| Total current assets | 1,233,935 | 950,806 | 283,128 |
| II. Fixed assets | | | |
| 1. Property and equipment | | | |
| (1) Buildings and structures | 886,494 | 846,652 | 39,841 |
| (2) Machinery and equipment | 21,939 | 21,161 | 777 |
| (3) Land | 1,955,451 | 1,839,707 | 115,743 |
| (4) Land in trust | 549,811 | 532,774 | 17,036 |
| (5) Construction in progress | 122,261 | 90,694 | 31,566 |
| (6) Other property and equipment | 15,105 | 15,022 | 83 |
| Total property and equipment | 3,551,062 | 3,346,013 | 205,048 |
| 2. Intangible assets | | | |
| (1) Leaseholds | 75,494 | 87,021 | (11,527) |
| (2) Other intangible assets | 32,289 | 33,210 | (921) |
| Total intangible assets | 107,784 | 120,232 | (12,448) |
| 3. Investments and other assets | | | |
| (1) Investment securities | 216,334 | 280,809 | (64,475) |
| (2) Long-term loans | 1,406 | 1,448 | (42) |
| (3) Lease deposits | 115,382 | 112,397 | 2,984 |
| (4) Net defined benefit asset | 9,810 | 23,194 | (13,383) |
| (5) Deferred income taxes | 16,170 | 10,504 | 5,665 |
| (6) Other investments | 61,578 | 57,840 | 3,737 |
| (7) Allowance for doubtful accounts | (1,623) | (1,722) | 98 |
| Total investments and other assets | 419,058 | 484,473 | (65,415) |
| Total fixed assets | 4,077,904 | 3,950,719 | 127,185 |
| Total assets | 5,311,840 | 4,901,526 | 410,313 |

| | Millions of yen (rounded down) | | |
|--|--------------------------------|-----------------|----------|
| | At Mar 31, 2016 | At Mar 31, 2015 | Change |
| Liabilities | | | |
| I. Current liabilities | | | |
| 1. Notes and accounts payable-trade | 58,331 | 95,632 | (37,301) |
| 2. Short-term borrowings | 103,125 | 77,881 | 25,244 |
| 3. Current portion of long-term debt | 163,651 | 86,617 | 77,034 |
| 4. Commercial Paper | - | 28,000 | (28,000) |
| 5. Bonds due within one year | 78,023 | 40,225 | 37,798 |
| 6. Accrued income taxes | 22,903 | 9,934 | 12,968 |
| 7. Deferred tax liability | - | 205 | (205) |
| 8. Allowance for loss on business transfer | 10,570 | - | 10,570 |
| 9. Other current liabilities | 234,271 | 181,210 | 53,061 |
| Total current liabilities | 670,877 | 519,707 | 151,169 |
| II. Long-term liabilities | | | |
| 1. Bonds | 825,000 | 645,000 | 180,000 |
| 2. Long-term borrowings | 1,114,426 | 1,044,387 | 70,039 |
| 3. Lease deposits received | 393,309 | 381,605 | 11,703 |
| 4. Deferred tax liability | 180,205 | 206,079 | (25,874) |
| 5. Deferred tax liabilities on land revaluation | 265,912 | 280,672 | (14,760) |
| 6. Net defined benefit liability | 32,464 | 23,068 | 9,395 |
| 7. Accrued directors' retirement benefits | 685 | 656 | 28 |
| 8. Provision for environmental measures | 5,068 | - | 5,068 |
| 9. Negative goodwill | 83,827 | 77,172 | 6,655 |
| 10. Other long-term liabilities | 80,882 | 83,012 | (2,129) |
| Total long-term liabilities | 2,981,782 | 2,741,655 | 240,127 |
| Total liabilities | 3,652,660 | 3,261,362 | 391,297 |
| Net Assets | | | |
| I. Shareholders' Equity | | | |
| 1. Capital | 141,373 | 141,373 | - |
| 2. Capital surplus | 161,188 | 162,638 | (1,449) |
| 3. Retained earnings | 600,116 | 538,687 | 61,428 |
| 4. Less treasury stock, at cost | (5,385) | (5,259) | (126) |
| Total shareholders' equity | 897,293 | 837,440 | 59,852 |
| II. Other accumulated comprehensive income | | | |
| 1. Unrealized holding gain on securities | 89,945 | 127,609 | (37,663) |
| 2. Deferred gains or losses on hedging instruments | (30) | (5) | (25) |
| 3. Land revaluation reserve | 521,248 | 504,756 | 16,492 |
| 4. Foreign currency translation adjustments | 13,900 | 20,798 | (6,898) |
| 5. Remeasurements of defined benefit plans | (12,676) | 5,238 | (17,914) |
| Total other accumulated comprehensive income | 612,387 | 658,398 | (46,010) |
| III. Stock acquisition rights | 529 | 500 | 29 |
| IV. Profit attributable to non-controlling interests | 148,970 | 143,825 | 5,145 |
| Total net assets | 1,659,180 | 1,640,163 | 19,016 |
| Total liabilities and net assets | 5,311,840 | 4,901,526 | 410,313 |

II. Highlights

1. Major Performance Items (Consolidated)

(Millions of yen)

| | 2013/3 | 2014/3 | 2015/3 | 2016/3 | 2017/3 (Estimates) |
|---|-----------|-----------|-----------|-----------|--------------------|
| Revenue from operations | 927,157 | 1,075,285 | 1,110,259 | 1,009,408 | 1,102,000 |
| Operating income | 118,349 | 161,271 | 156,332 | 166,199 | 175,000 |
| Income before taxes and special items | 92,381 | 139,638 | 133,113 | 144,851 | 150,000 |
| Profit attributable to owners of parent | 45,507 | 64,297 | 73,338 | 83,426 | 86,000 |
| Total assets | 4,711,521 | 4,765,368 | 4,901,526 | 5,311,840 | 5,280,000 |
| Shareholders' equity *1 | 1,239,547 | 1,329,057 | 1,495,838 | 1,509,680 | 1,550,000 |
| Interest-bearing debt | 2,085,417 | 1,973,042 | 1,929,355 | 2,291,038 | 2,425,000 |
| Cash flow from operating activities | 122,286 | 336,489 | 200,078 | 135,821 | 44,000 |
| Cash flow from investing activities | (217,992) | (133,537) | (46,568) | (231,003) | (326,000) |
| Cash flow from financing activities | 27,150 | (177,514) | (189,109) | 309,237 | 94,500 |
| EBITDA *2 | 200,587 | 246,332 | 239,934 | 252,034 | 262,500 |
| Return on assets (ROA) *3 | 2.7 % | 3.5 % | 3.4 % | 3.4 % | 3.3 % |
| Interest coverage ratio (ICR) *4 | 5.0 times | 7.5 times | 7.7 times | 8.5 times | 7.1 times |
| Return on equity (ROE) *5 | 3.6 % | 5.0 % | 5.2 % | 5.6 % | 5.6 % |
| Earnings per share (EPS) (Yen) | 32.79 | 46.34 | 52.85 | 60.13 | 61.98 |

*1 Shareholders' equity = Net assets - Stock acquisition rights - Non-controlling interests *6

*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 = Profit attributable to owners of parent *6 / Shareholders' equity (average)

2. Segment Information (Consolidated)

| (Millions of yen; as percentage of total) | | | | | | | | | | | | | | | | |
|--|----------|-------|-----------|-------|------------------------------------|-----------|-------|-----------|-------|------------------------------------|-----------|-------|-----------|-------|--------------------|-------|
| (1) Revenue from Operations | 2013/3 | | 2014/3 | | | 2014/3 | | 2015/3 | | | 2015/3 | | 2016/3 | | 2017/3 (Estimates) | |
| Building Business | 442,748 | 46.3% | 484,229 | 43.9% | *1 Building Business | 525,829 | 48.0% | 587,660 | 51.9% | *2 Building Business | 484,816 | 42.7% | 422,349 | 40.9% | 443,000 | 39.4% |
| Residential Business | 315,351 | 33.0% | 403,259 | 36.6% | Residential Business | 403,259 | 36.8% | 377,736 | 33.4% | Lifestyle Property Business | 105,706 | 9.3% | 86,569 | 8.4% | 85,000 | 7.6% |
| Commercial Property Development & Investment | 50,278 | 5.3% | 48,029 | 4.4% | | | | | | Residential Business | 383,887 | 33.8% | 345,226 | 33.4% | 426,000 | 37.9% |
| International Business | 60,892 | 6.4% | 80,366 | 7.3% | International Business | 80,366 | 7.3% | 77,794 | 6.9% | International Business | 71,176 | 6.3% | 75,956 | 7.4% | 65,000 | 5.8% |
| Investment Management | 7,108 | 0.7% | 6,288 | 0.6% | Investment Management | 6,288 | 0.6% | 8,050 | 0.7% | Investment Management | 14,885 | 1.3% | 24,994 | 2.4% | 22,000 | 2.0% |
| Architectural Design & Engineering | 19,568 | 2.0% | 19,946 | 1.8% | Architectural Design & Engineering | 19,946 | 1.8% | 19,467 | 1.7% | Architectural Design & Engineering | 19,467 | 1.7% | 21,279 | 2.1% | 20,000 | 1.8% |
| Hotel Business | 28,299 | 3.0% | 29,219 | 2.7% | Hotel Business | 29,219 | 2.7% | 30,827 | 2.7% | Hotel Business | 30,827 | 2.7% | 33,089 | 3.2% | 34,000 | 3.0% |
| Real Estate Services | 27,209 | 2.8% | 27,097 | 2.5% | Real Estate Services | 27,097 | 2.5% | 27,295 | 2.4% | Real Estate Services | 20,543 | 1.8% | 19,815 | 1.9% | 23,000 | 2.0% |
| Other | 4,408 | 0.5% | 3,674 | 0.2% | Other | 3,674 | 0.3% | 3,747 | 0.3% | Other | 3,747 | 0.4% | 3,882 | 0.3% | 7,000 | 0.5% |
| Eliminations or corporate | (28,707) | | (26,825) | | Eliminations or corporate | (20,396) | | (22,321) | | Eliminations or corporate | (24,799) | | (23,754) | | (23,000) | |
| | 927,157 | | 1,075,285 | | | 1,075,285 | | 1,110,259 | | | 1,110,259 | | 1,009,408 | | 1,102,000 | |

| (Millions of yen) | | | | | | | | | |
|--|----------|----------|------------------------------------|----------|----------|------------------------------------|----------|----------|--------------------|
| (2) Operating income | 2013/3 | 2014/3 | | 2014/3 | 2015/3 | | 2015/3 | 2016/3 | 2017/3 (Estimates) |
| Building Business | 107,667 | 108,172 | *1 Building Business | 116,277 | 128,982 | *2 Building Business | 102,820 | 108,940 | 112,000 |
| Residential Business | 2,317 | 27,778 | Residential Business | 27,778 | 11,605 | Lifestyle Property Business | 26,162 | 25,842 | 24,000 |
| Commercial Property Development & Investment | 11,180 | 8,130 | | | | Residential Business | 11,532 | 18,035 | 28,000 |
| International Business | 8,371 | 25,579 | International Business | 25,579 | 26,068 | International Business | 25,901 | 19,421 | 22,000 |
| Investment Management | 2,129 | 3,046 | Investment Management | 3,046 | 4,064 | Investment Management | 4,282 | 5,082 | 3,000 |
| Architectural Design & Engineering | 1,234 | 1,252 | Architectural Design & Engineering | 1,252 | 663 | Architectural Design & Engineering | 663 | 1,754 | 500 |
| Hotel Business | 474 | 737 | Hotel Business | 737 | 754 | Hotel Business | 754 | 1,490 | 2,000 |
| Real Estate Services | 1,058 | 1,544 | Real Estate Services | 1,544 | 1,111 | Real Estate Services | 1,105 | 602 | 1,500 |
| Other | (10) | (246) | Other | (246) | 16 | Other | 16 | (37) | 0 |
| Eliminations or corporate | (16,074) | (14,724) | Eliminations or corporate | (14,698) | (16,934) | Eliminations or corporate | (16,906) | (14,933) | (18,000) |
| | 118,349 | 161,271 | | 161,271 | 156,332 | | 156,332 | 166,199 | 175,000 |

| (3) Rate of return | 2013/3 | 2014/3 | | 2014/3 | 2015/3 | | 2015/3 | 2016/3 | 2017/3 (Estimates) |
|--|---------|---------|------------------------------------|---------|--------|------------------------------------|--------|---------|--------------------|
| Building Business | 24.3 % | 22.3 % | *1 Building Business | 22.1 % | 21.9 % | *2 Building Business | 21.2 % | 25.8 % | 25.3 % |
| Residential Business | 0.7 % | 6.9 % | Residential Business | 6.9 % | 3.1 % | Lifestyle Property Business | 24.7 % | 29.9 % | 28.2 % |
| Commercial Property Development & Investment | 22.2 % | 16.9 % | | | | Residential Business | 3.0 % | 5.2 % | 6.6 % |
| International Business | 13.7 % | 31.8 % | International Business | 31.8 % | 33.5 % | International Business | 36.4 % | 25.6 % | 33.8 % |
| Investment Management | 30.0 % | 48.4 % | Investment Management | 48.4 % | 50.5 % | Investment Management | 28.8 % | 20.3 % | 13.6 % |
| Architectural Design & Engineering | 6.3 % | 6.3 % | Architectural Design & Engineering | 6.3 % | 3.4 % | Architectural Design & Engineering | 3.4 % | 8.2 % | 2.5 % |
| Hotel Business | 1.7 % | 2.5 % | Hotel Business | 2.5 % | 2.4 % | Hotel Business | 2.4 % | 4.5 % | 5.9 % |
| Real Estate Services | 3.9 % | 5.7 % | Real Estate Services | 5.7 % | 4.1 % | Real Estate Services | 5.4 % | 3.0 % | 6.5 % |
| Other | (0.2) % | (6.7) % | Other | (6.7) % | 0.4 % | Other | 0.4 % | (1.0) % | 0.0 % |
| Eliminations or corporate | | | Eliminations or corporate | | | Eliminations or corporate | | | |
| | 12.8 % | 15.0 % | | 15.0 % | 14.1 % | | 14.1 % | 16.5 % | 15.9 % |

| (Millions of yen) | | | | | | | | | |
|--|--------|--------|------------------------------------|--------|--------|------------------------------------|--------|--------|--------------------|
| (4) Depreciation | 2013/3 | 2014/3 | | 2014/3 | 2015/3 | | 2015/3 | 2016/3 | 2017/3 (Estimates) |
| Building Business | 56,479 | 57,500 | *1 Building Business | 62,485 | 59,960 | *2 Building Business | 48,665 | 43,752 | - |
| Residential Business | 2,664 | 3,032 | Residential Business | 3,032 | 2,728 | Lifestyle Property Business | 11,294 | 12,288 | - |
| Commercial Property Development & Investment | 6,248 | 4,985 | | | | Residential Business | 2,762 | 3,085 | - |
| International Business | 5,987 | 6,748 | International Business | 6,748 | 7,378 | International Business | 6,404 | 7,033 | - |
| Investment Management | 38 | 43 | Investment Management | 43 | 55 | Investment Management | 1,029 | 5,413 | - |
| Architectural Design & Engineering | 72 | 72 | Architectural Design & Engineering | 72 | 103 | Architectural Design & Engineering | 103 | 126 | - |
| Hotel Business | 1,088 | 1,162 | Hotel Business | 1,162 | 1,322 | Hotel Business | 1,322 | 1,527 | - |
| Real Estate Services | 457 | 407 | Real Estate Services | 407 | 333 | Real Estate Services | 300 | 284 | - |
| Other | 84 | 223 | Other | 223 | 159 | Other | 159 | 90 | - |
| Eliminations or corporate | 242 | 629 | Eliminations or corporate | 629 | 654 | Eliminations or corporate | 654 | 642 | - |
| | 73,364 | 74,805 | | 74,805 | 72,696 | | 72,696 | 74,245 | 76,000 |

*1 As of April 2014, the Commercial Property Development & Investment Business has been integrated into the Building Business.
 *2 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) | | | | | | | | | |
|--|-----------|-----------|------------------------------------|-----------|-----------|------------------------------------|-----------|-----------|--------------------|
| (5) Amortization of goodwill | 2013/3 | 2014/3 | | 2014/3 | 2015/3 | | 2015/3 | 2016/3 | 2017/3 (Estimates) |
| Building Business | 388 | 501 | *1 Building Business | 501 | 479 | *2 Building Business | 409 | 409 | - |
| Residential Business | 3,126 | 3,126 | Residential Business | 3,126 | 3,312 | Lifestyle Property Business | 69 | 318 | - |
| Commercial Property Development & Investment | - | - | | | | Residential Business | 3,312 | 3,030 | - |
| International Business | 746 | 899 | International Business | 899 | 875 | International Business | - | - | - |
| Investment Management | 70 | 70 | Investment Management | 70 | - | Investment Management | 875 | 2,386 | - |
| Architectural Design & Engineering | - | - | Architectural Design & Engineering | - | - | Architectural Design & Engineering | - | - | - |
| Hotel Business | - | - | Hotel Business | - | - | Hotel Business | - | - | - |
| Real Estate Services | - | - | Real Estate Services | - | - | Real Estate Services | - | - | - |
| Other | - | - | Other | - | - | Other | - | - | - |
| Eliminations or corporate | - | - | Eliminations or corporate | - | - | Eliminations or corporate | - | - | - |
| | 4,331 | 4,598 | | 4,598 | 4,667 | | 4,667 | 6,144 | 6,000 |
| (Millions of yen) | | | | | | | | | |
| (6) Operating income before depreciation *3 | 2013/3 | 2014/3 | | 2014/3 | 2015/3 | | 2015/3 | 2016/3 | 2017/3 (Estimates) |
| Building Business | 164,534 | 166,173 | *1 Building Business | 179,263 | 189,421 | *2 Building Business | 151,894 | 153,101 | - |
| Residential Business | 8,107 | 33,936 | Residential Business | 33,936 | 17,645 | Lifestyle Property Business | 37,525 | 38,448 | - |
| Commercial Property Development & Investment | 17,428 | 13,115 | | | | Residential Business | 17,606 | 24,150 | - |
| International Business | 15,104 | 33,226 | International Business | 33,226 | 34,321 | International Business | 32,305 | 26,454 | - |
| Investment Management | 2,237 | 3,159 | Investment Management | 3,159 | 4,119 | Investment Management | 6,186 | 12,881 | - |
| Architectural Design & Engineering | 1,306 | 1,324 | Architectural Design & Engineering | 1,324 | 766 | Architectural Design & Engineering | 766 | 1,880 | - |
| Hotel Business | 1,562 | 1,899 | Hotel Business | 1,899 | 2,076 | Hotel Business | 2,076 | 3,017 | - |
| Real Estate Services | 1,515 | 1,951 | Real Estate Services | 1,951 | 1,444 | Real Estate Services | 1,405 | 886 | - |
| Other | 74 | (23) | Other | (23) | 175 | Other | 175 | 53 | - |
| Eliminations or corporate | (15,832) | (14,095) | Eliminations or corporate | (14,069) | (16,280) | Eliminations or corporate | (16,252) | (14,291) | - |
| | 196,044 | 240,674 | | 240,674 | 233,695 | | 233,695 | 246,588 | 257,000 |
| (Millions of yen) | | | | | | | | | |
| (7) Capital expenditure | 2013/3 | 2014/3 | | 2014/3 | 2015/3 | | 2015/3 | 2016/3 | 2017/3 (Estimates) |
| Building Business | 128,016 | 91,242 | *1 Building Business | 96,149 | 120,704 | *2 Building Business | 87,536 | 175,904 | - |
| Residential Business | 32,254 | 18,380 | Residential Business | 18,380 | 22,108 | Lifestyle Property Business | 33,168 | 40,272 | - |
| Commercial Property Development & Investment | 45,910 | 4,907 | | | | Residential Business | 22,167 | 29,144 | - |
| International Business | 5,196 | 48,394 | International Business | 48,394 | 45,947 | International Business | 21,261 | 35,472 | - |
| Investment Management | 16 | 35 | Investment Management | 35 | 242 | Investment Management | 24,927 | 378 | - |
| Architectural Design & Engineering | 39 | 53 | Architectural Design & Engineering | 53 | 677 | Architectural Design & Engineering | 677 | 116 | - |
| Hotel Business | 793 | 2,040 | Hotel Business | 2,040 | 3,290 | Hotel Business | 3,290 | 1,295 | - |
| Real Estate Services | 469 | 294 | Real Estate Services | 294 | 408 | Real Estate Services | 349 | 433 | - |
| Other | 25 | 869 | Other | 869 | 382 | Other | 382 | 29 | - |
| Eliminations or corporate | 1,759 | 6,360 | Eliminations or corporate | 6,360 | (2,304) | Eliminations or corporate | (2,304) | 369 | - |
| | 214,481 | 172,579 | | 172,579 | 191,457 | | 191,457 | 283,416 | - |
| (Millions of yen) | | | | | | | | | |
| (8) Total assets | 2013/3 | 2014/3 | | 2014/3 | 2015/3 | | 2015/3 | 2016/3 | 2017/3 (Estimates) |
| Building Business | 3,030,858 | 3,040,634 | *1 Building Business | 3,433,585 | 3,416,285 | *2 Building Business | 3,094,967 | 3,208,271 | - |
| Residential Business | 602,166 | 662,350 | Residential Business | 662,350 | 597,587 | Lifestyle Property Business | 321,405 | 372,779 | - |
| Commercial Property Development & Investment | 432,556 | 403,188 | | | | Residential Business | 602,263 | 748,400 | - |
| International Business | 383,824 | 452,048 | International Business | 455,358 | 595,293 | International Business | 479,785 | 515,844 | - |
| Investment Management | 31,240 | 30,035 | Investment Management | 30,035 | 31,030 | Investment Management | 146,538 | 141,126 | - |
| Architectural Design & Engineering | 23,108 | 24,246 | Architectural Design & Engineering | 24,246 | 24,985 | Architectural Design & Engineering | 24,985 | 27,474 | - |
| Hotel Business | 24,152 | 24,636 | Hotel Business | 24,636 | 28,034 | Hotel Business | 28,034 | 28,417 | - |
| Real Estate Services | 25,103 | 24,781 | Real Estate Services | 24,781 | 27,505 | Real Estate Services | 23,972 | 23,608 | - |
| Other | 27,261 | 28,025 | Other | 28,025 | 27,696 | Other | 27,696 | 23,501 | - |
| Eliminations or corporate | 131,248 | 75,420 | Eliminations or corporate | 82,347 | 153,106 | Eliminations or corporate | 151,876 | 222,415 | - |
| | 4,711,521 | 4,765,368 | | 4,765,368 | 4,901,526 | | 4,901,526 | 5,311,840 | 5,280,000 |

*Exchange rate
 ¥ / \$ <2016/3> BS 120.61
 ¥ / £ <2017/3 (Estimates)> PL 121.10 BS 112.00
 PL 185.19 BS 178.78 PL 160.00 BS 160.00

*1 As of April 2014, the Commercial Property Development & Investment Business has been integrated into the Building Business.
 *2 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.
 *3 Operating income before depreciation is included in earnings before depreciation and amortization of goodwill.

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

(Millions of yen)

| | 2013/3 | 2014/3 | 2014/3 *2 | 2015/3 *2 | 2015/3 *3 | 2016/3 *3 | 2017/3(Estimates) *3 |
|---------------------------------------|---------|---------|-----------|-----------|-----------|-----------|----------------------|
| Leasing | 379,525 | 403,319 | 409,175 | 416,631 | 347,757 | 353,958 | 373,000 |
| Property Management | 18,184 | 17,866 | 17,696 | 19,721 | 19,389 | 21,146 | 21,000 |
| Contracted Work | 11,035 | 11,560 | 11,463 | 14,500 | 14,500 | 14,597 | 15,000 |
| District Heating and Cooling Services | 8,326 | 8,991 | 8,991 | 8,724 | 8,724 | 8,387 | 8,000 |
| Other (Sales of assets etc.) | 25,675 | 42,491 | 78,503 | 128,083 | 94,443 | 24,259 | 26,000 |
| Total | 442,748 | 484,229 | 525,829 | 587,660 | 484,816 | 422,349 | 443,000 |

*1 Including revenue from other segments.

*2 As of April 2014, revenue from operations from the former Commercial Property Development & Investment Business is included in calculations.

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

4. Building Business Data (Consolidated)

(Thousands of square meters)

| | 2013/3 | 2014/3 | 2015/3 | 2016/3 |
|-----------------|--------|--------|--------|--------|
| Contracted area | 3,907 | 4,053 | 4,184 | 3,470 |
| Owned by MEC | 2,446 | 2,514 | 2,629 | 2,074 |
| Subleases | 1,460 | 1,539 | 1,555 | 1,395 |

* As of April 2014, figures include the contracted area from the former Commercial Property Development & Investment Business' properties (excluding logistics).

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

5. Building Business Data (Unconsolidated)

(Thousands of square meters)

| | 2013/3 | 2014/3 | 2015/3 | 2016/3 | 2017/3(Estimates) |
|--------------------------------------|---------|---------|---------|---------|-------------------|
| (1) Total operating floor space | | | | | |
| Owned by MEC | 3,293 | 3,288 | 3,326 | 3,265 | 3,390 |
| Subleases | 2,152 | 2,292 | 2,345 | 1,909 | 2,134 |
| Total | 5,444 | 5,580 | 5,670 | 5,174 | 5,524 |
| (2) Leasable area | 3,218 | 3,475 | 3,504 | 3,192 | 3,345 |
| (3) Vacancy rate (All uses in Japan) | 3.98 % | 5.29 % | 2.80 % | 2.22 % | 3.5 % |
| (4) Average rent (All uses in Japan) | ¥23,850 | ¥23,861 | ¥23,587 | ¥25,234 | ¥25,500 |

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

* As of April 2014, the floor space and rent from the former Commercial Property Development & Investment Business (not including logistics) are included in calculations.

* 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)

| | 2013/3 | 2014/3 | 2015/3 | 2016/3 |
|------------------------|----------|----------|----------|----------|
| Operating floor space | 2,758 | 2,755 | 2,583 | 2,531 |
| Leasable area | 1,626 | 1,714 | 1,571 | 1,466 |
| Office vacancy rate | 3.66 % | 4.32 % | 1.82 % | 1.37 % |
| Building lease revenue | ¥194,203 | ¥204,621 | ¥202,784 | ¥202,337 |

7. Lifestyle Property Business Data (Consolidated) (Thousands of square meters)

| | |
|-----------------|--------|
| | 2016/3 |
| Contracted area | 680 |

* These figures are for the contracted area of retail properties of the Lifestyle Property Business.

8. Condominium Business Data

| | 2013/3 | 2014/3 | 2015/3 | 2016/3 | 2017/3(Estimates) |
|-------------------------------------|---------|---------|---------|---------|-------------------|
| Condominiums sold (Millions of yen) | 196,404 | 288,938 | 239,422 | 215,762 | 234,000 |
| Condominiums sold (units) | 4,552 | 6,259 | 4,603 | 3,868 | 4,000 |
| Gross margin | 18.8 % | 19.1 % | 17.3 % | 18.7 % | 17.5 % |
| Inventory (units) | 127 | 107 | 141 | 188 | - |
| New Supply of condominiums (units) | 5,334 | 5,920 | 5,119 | 3,641 | 4,200 |

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

| | Central Tokyo | Other area of Tokyo | Kanagawa, Saitama, Chiba | Other area of Japan |
|---|---------------|---------------------|--------------------------|---------------------|
| Breakdown of Land Acquisition in 2016/3 | 24.4 % | 22.5 % | 37.3 % | 15.8 % |

* The figures are based on Revenue.

9. Total Assets of Major Overseas Subsidiaries

| | Main Location | 2016/3 *1,2 | Currency Exchange Rate |
|-------------------------------------|---------------|-----------------------|------------------------|
| Rockefeller Group, Inc. | USA | 347.8 billions of yen | ¥ / \$(BS) 120.61 |
| Mitsubishi Estate London Limited. | UK | 164.0 billions of yen | ¥ / £ (BS) 178.78 |
| Mitsubishi Estate Asia Pte. Ltd. *3 | Asia | 63.8 billions of yen | ¥ / S\$(BS) 85.39 |

*1 Before consolidation adjustments.

*2 Due to overseas subsidiaries closing accounts in December, figures from 3 months previous are used.

*3 Including the equity investments directly made by Mitsubishi Estate.

10. International Business (Rockefeller Group, Inc.)

(Millions of yen)

| | 2012/12 | 2013/12 | 2014/12 | 2015/12 | 2016/12(Estimates) |
|---|---------|---------|---------|---------|--------------------|
| <Revenue> | | | | | |
| Development, Leasing, Property Management | 51,316 | 33,734 | 62,003 | 63,941 | 49,260 |
| Other | 3,664 | 5,198 | 8,313 | 20,419 | 19,630 |
| Total | 54,980 | 38,933 | 70,316 | 84,360 | 68,890 |
| <Operating Income> | | | | | |
| Development, Leasing, Property Management | 9,887 | 10,497 | 27,969 | 19,490 | 19,581 |
| Other | (242) | 266 | (347) | 2,949 | 3,532 |
| G&A expense | (1,856) | (1,890) | (1,642) | (2,312) | (2,714) |
| Total | 7,788 | 8,873 | 25,979 | 20,128 | 20,400 |

11. Special Purpose Vehicle Data

(Billions of yen)

| | 2013/3 | 2014/3 | 2015/3 | 2016/3 |
|--|----------------|----------------|----------------|----------------|
| Building Business | | | | |
| Equity investment by Mitsubishi Estate (Unconsolidated) | 31.5 31.5 | 64.4 32.2 | 206.8 102.3 | 172.6 79.0 |
| Equity investment by other companies (Unconsolidated) | 58.6 58.6 | 48.5 48.5 | 102.5 102.5 | 76.7 76.7 |
| Interest bearing debt borrowed by SPV (Unconsolidated) | 314.8 296.8 | 255.9 237.8 | 157.9 157.8 | 97.6 97.5 |
| Lifestyle Property Business | | | | |
| Equity investment by Mitsubishi Estate (Unconsolidated) | | | | 31.0 7.2 |
| Equity investment by other companies (Unconsolidated) | | | | 2.4 2.4 |
| Interest bearing debt borrowed by SPV (Unconsolidated) | | | | 8.2 8.1 |
| Residential Business | | | | |
| Equity investment by Mitsubishi Estate (Unconsolidated) | 15.4 - | 15.4 - | 0 - | - - |
| Equity investment by other companies (Unconsolidated) | - - | - - | - - | - - |
| Interest bearing debt borrowed by SPV (Unconsolidated) | - - | - - | - - | - - |
| Commercial Property Development & Investment Business | | | | |
| Equity investment by Mitsubishi Estate (Unconsolidated) | 153.0 72.9 | 136.8 72.9 | | |
| Equity investment by other companies (Unconsolidated) | 27.3 15.8 | 22.6 17.9 | | |
| Interest bearing debt borrowed by SPV (Unconsolidated) | 301.2 139.9 | 314.0 153.3 | | |
| Total | | | | |
| Equity investment by Mitsubishi Estate (Unconsolidated) | 200.0 104.4 | 216.7 105.2 | 206.9 102.3 | 203.7 86.2 |
| Equity investment by other companies (Unconsolidated) | 85.9 74.4 | 71.1 66.5 | 102.5 102.5 | 79.1 79.1 |
| Interest bearing debt borrowed by SPV (Unconsolidated) | 616.0 436.7 | 570.0 391.2 | 157.9 157.8 | 105.9 105.7 |

* 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 2014, the TMK・TK vehicles of the former Commercial Property Development & Investment Business are included in the Building Business.

* As of April 2015, 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.

III. Summary of Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

| | At March 31, 2013 | At March 31, 2014 | At March 31, 2015 | At March 31, 2016 |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash | 192,076 | 224,121 | 197,169 | 412,983 |
| Notes and accounts receivable-trade | 29,925 | 28,539 | 35,873 | 35,261 |
| Marketable securities | 612 | 1,333 | 2,179 | 14 |
| Property for sale | 152,354 | 66,484 | 52,102 | 54,827 |
| Property for sale in progress | 343,621 | 319,355 | 314,305 | 366,354 |
| Property for development | 8,615 | 8,609 | 8,646 | 8,905 |
| Appropriated construction in progress | 5,509 | 7,195 | 6,594 | 7,942 |
| Other inventories | 935 | 1,012 | 1,002 | 1,014 |
| Equity investments | 208,523 | 223,911 | 251,249 | 276,842 |
| Deferred income taxes | 21,064 | 21,152 | 17,010 | 14,552 |
| Other current assets | 63,736 | 45,014 | 65,244 | 55,764 |
| Allowance for doubtful accounts | (201) | (208) | (571) | (528) |
| Total current assets | 1,026,773 | 946,522 | 950,806 | 1,233,935 |
| Fixed assets | | | | |
| Property and equipment | | | | |
| Buildings and structures | 885,994 | 896,947 | 846,652 | 886,494 |
| Machinery and equipment | 24,733 | 23,189 | 21,161 | 21,939 |
| Land | 1,883,246 | 1,897,116 | 1,839,707 | 1,955,451 |
| Land in trust | 377,854 | 440,852 | 532,774 | 549,811 |
| Construction in progress | 33,909 | 53,657 | 90,694 | 122,261 |
| Other property and equipment | 18,098 | 16,841 | 15,022 | 15,105 |
| Total property and equipment | 3,223,836 | 3,328,605 | 3,346,013 | 3,551,062 |
| Intangible assets | | | | |
| Leaseholds | 86,947 | 87,913 | 87,021 | 75,494 |
| Other intangible assets | 7,485 | 8,139 | 33,210 | 32,289 |
| Total intangible assets | 94,432 | 96,052 | 120,232 | 107,784 |
| Investments and other assets | | | | |
| Investment securities | 201,005 | 213,656 | 280,809 | 216,334 |
| Long-term loans | 1,601 | 1,532 | 1,448 | 1,406 |
| Lease deposits | 110,689 | 113,015 | 112,397 | 115,382 |
| Net defined benefit asset | - | 6,320 | 23,194 | 9,810 |
| Deferred income taxes | 16,798 | 10,150 | 10,504 | 16,170 |
| Other investments | 38,309 | 51,356 | 57,840 | 61,578 |
| Allowance for doubtful accounts | (1,924) | (1,844) | (1,722) | (1,623) |
| Total investments and other assets | 366,479 | 394,188 | 484,473 | 419,058 |
| Total fixed assets | 3,684,748 | 3,818,846 | 3,950,719 | 4,077,904 |
| Total assets | 4,711,521 | 4,765,368 | 4,901,526 | 5,311,840 |

| | (Millions of yen) | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | At March 31, 2013 | At March 31, 2014 | At March 31, 2015 | At March 31, 2016 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Notes and accounts payable-trade | 53,044 | 105,271 | 95,632 | 58,331 |
| Short-term borrowings | 68,291 | 63,762 | 77,881 | 103,125 |
| Current portion of long-term debt | 166,445 | 343,127 | 86,617 | 163,651 |
| Commercial paper | 35,000 | - | 28,000 | - |
| Bonds due within one year | 57,567 | 56,595 | 40,225 | 78,023 |
| Accrued income taxes | 8,935 | 14,423 | 9,934 | 22,903 |
| Provision for loss on guarantees | 7,030 | - | - | - |
| Deferred tax liability | 879 | 947 | 205 | - |
| Allowance for loss on business transferv | - | - | - | 10,570 |
| Other current liabilities | 142,249 | 183,619 | 181,210 | 234,271 |
| Total current liabilities | 539,444 | 767,747 | 519,707 | 670,877 |
| Long-term liabilities | | | | |
| Bonds | 689,664 | 645,000 | 645,000 | 825,000 |
| Long-term borrowings | 1,058,240 | 855,052 | 1,044,387 | 1,114,426 |
| Lease deposits received | 378,876 | 383,083 | 381,605 | 393,309 |
| Deferred tax liability | 194,827 | 192,938 | 206,079 | 180,205 |
| Deferred tax liabilities on land revaluation | 321,972 | 319,090 | 280,672 | 265,912 |
| Accrued employees' retirement benefits | 16,671 | - | - | - |
| Net defined benefit liability | - | 20,380 | 23,068 | 32,464 |
| Accrued directors' retirement benefits | 743 | 593 | 656 | 685 |
| Provision for environmental measures | - | - | - | 5,068 |
| Negative goodwill | 88,143 | 92,356 | 77,172 | 83,827 |
| Other long-term liabilities | 56,925 | 42,032 | 83,012 | 80,882 |
| Total long-term liabilities | 2,806,065 | 2,550,527 | 2,741,655 | 2,981,782 |
| Total liabilities | 3,345,509 | 3,318,275 | 3,261,362 | 3,652,660 |
| Net assets | | | | |
| Shareholders' equity | | | | |
| Capital | 141,373 | 141,373 | 141,373 | 141,373 |
| Capital surplus | 170,485 | 170,485 | 162,638 | 161,188 |
| Retained earnings | 413,392 | 465,757 | 538,687 | 600,116 |
| Less treasury stock, at cost | (4,585) | (4,811) | (5,259) | (5,385) |
| Total shareholders' equity | 720,666 | 772,805 | 837,440 | 897,293 |
| Other accumulated comprehensive income | | | | |
| Unrealized holding gain on securities | 70,608 | 75,971 | 127,609 | 89,945 |
| Deferred gains or losses on hedging instruments | (221) | 125 | (5) | (30) |
| Land revaluation reserve | 498,103 | 493,153 | 504,756 | 521,248 |
| Foreign currency translation adjustments | (49,608) | (8,249) | 20,798 | 13,900 |
| Remeasurements of defined benefit plans | - | (4,748) | 5,238 | (12,676) |
| Total other accumulated comprehensive income | 518,881 | 556,252 | 658,398 | 612,387 |
| Stock acquisition rights | 500 | 494 | 500 | 529 |
| Profit attributable to non-controlling interests | 125,963 | 117,540 | 143,825 | 148,970 |
| Total net assets | 1,366,011 | 1,447,093 | 1,640,163 | 1,659,180 |
| Total liabilities and net assets | 4,711,521 | 4,765,368 | 4,901,526 | 5,311,840 |

2. Consolidated Income Statements

(Millions of yen)

| | 2013/3 | 2014/3 | 2015/3 | 2016/3 | 2017/3 (Estimates) |
|---|----------|-----------|-----------|-----------|--------------------|
| Revenue from operations | 927,157 | 1,075,285 | 1,110,259 | 1,009,408 | 1,102,000 |
| Operating income | 118,349 | 161,271 | 156,332 | 166,199 | 175,000 |
| Non-operating income | | | | | |
| Interest income | 420 | 232 | 287 | 284 | 500 |
| Dividend income | 3,603 | 3,876 | 4,577 | 4,556 | 3,000 |
| Amortization of consolidation goodwill | 835 | - | - | - | - |
| Equity in earnings of unconsolidated subsidiaries and affiliates | 517 | 1,547 | 1,372 | 605 | 2,000 |
| Other non-operating income | 4,759 | 3,666 | 2,850 | 5,503 | 1,500 |
| Total non-operating income | 10,136 | 9,323 | 9,087 | 10,949 | 7,000 |
| Non-operating expenses | | | | | |
| Interest expense | 24,540 | 22,129 | 21,072 | 20,183 | 25,000 |
| Loss on disposal of fixed assets | 5,744 | 4,029 | 4,780 | 6,064 | 5,000 |
| Other non-operating expenses | 5,819 | 4,796 | 6,454 | 6,049 | 2,000 |
| Total non-operating expenses | 36,104 | 30,956 | 32,306 | 32,296 | 32,000 |
| Income before taxes and special items | 92,381 | 139,638 | 133,113 | 144,851 | 150,000 |
| Extraordinary income | | | | | |
| Gain on sales of fixed assets | 6,165 | 6,702 | 36,551 | 2,709 | - |
| Gain on sales of investment securities | - | - | - | 11,350 | 4,000 |
| Gain on negative goodwill | 1,374 | 4,942 | 12,256 | - | - |
| Reversal of accrued payment | - | - | - | 4,098 | - |
| Reversal of allowance for loss on obligations of additional investments | - | - | - | 1,262 | - |
| Total extraordinary income | 7,540 | 11,644 | 48,807 | 19,421 | 4,000 |
| Extraordinary loss | | | | | |
| Loss related to retirement of fixed assets | 24,338 | 2,303 | 6,190 | 4,223 | 9,000 |
| Impairment loss | 2,826 | 32,644 | 73,725 | 2,561 | - |
| Impairment loss on equity investments | 8,985 | 7,648 | - | - | - |
| Provision for loss on guarantees | 7,030 | - | - | - | - |
| Provision for loss on obligations of additional investments | - | - | 1,804 | - | - |
| Provision for environmental measures | - | - | - | 5,068 | - |
| Provision for loss on business transfer | - | - | - | 10,570 | - |
| Total extraordinary loss | 43,181 | 42,596 | 81,719 | 22,423 | 9,000 |
| Income before income taxes and minority interests | 56,741 | 108,685 | 100,201 | 141,850 | 145,000 |
| Corporation tax, inhabitants' tax and enterprise tax | 16,528 | 22,403 | 23,190 | 43,994 | 46,000 |
| Income taxes for prior periods *1 | - | 20,684 | - | - | |
| Income taxes-deferred | (14,620) | (2,359) | (9,814) | (422) | |
| Profit | 54,833 | 67,957 | 86,825 | 98,278 | 99,000 |
| Profit attributable to non-controlling interests | 9,325 | 3,660 | 13,487 | 14,851 | 13,000 |
| Profit attributable to owners of parent | 45,507 | 64,297 | 73,338 | 83,426 | 86,000 |

*1 In fiscal years that incurred insignificant Income taxes for prior periods, figures have been included in Corporation tax, inhabitants' tax and enterprise tax.

3. Consolidated Cash Flow Statements

(Millions of yen)

| | 2013/3 | 2014/3 | 2015/3 | 2016/3 | 2017/3 (Estimates) |
|---|-----------|-----------|-----------|-----------|--------------------|
| Income before income taxes and minority interests | 56,741 | 108,685 | 100,201 | 141,850 | 145,000 |
| Adjustment for extraordinary income or loss | 24,715 | 34,955 | 32,954 | (318) | 11,000 |
| Depreciation and amortization | 73,364 | 74,805 | 72,696 | 74,245 | 76,000 |
| Decrease (increase) in inventories | 43,173 | 93,854 | 110,219 | (33,202) | 16,500 |
| Decrease (increase) in equity investments | (24,319) | (18,180) | (35,973) | (32,487) | (91,000) |
| Other | (17,975) | 71,470 | (45,659) | 9,316 | (64,500) |
| Income taxes, etc. | (33,413) | (29,102) | (34,360) | (23,582) | (49,000) |
| Net cash provided by (used in) operating activities | 122,286 | 336,489 | 200,078 | 135,821 | 44,000 |
| Proceeds from sales of marketable securities and investment securities | 2,429 | 1,034 | 624 | 29,043 | 10,000 |
| Proceeds from sales of property and equipment and beneficial interests in trust of property and equipment | 10,000 | 33,854 | 167,645 | 22,806 | 3,500 |
| Purchases of property and equipment | (208,135) | (159,677) | (177,331) | (275,316) | (330,000) |
| Other | (22,287) | (8,748) | (37,506) | (7,536) | (9,500) |
| Net cash provided by (used in) investing activities | (217,992) | (133,537) | (46,568) | (231,003) | (326,000) |
| Newly acquired funds | 587,403 | 181,349 | 328,053 | 503,154 | 375,500 |
| Repayment | (569,256) | (275,254) | (505,027) | (154,773) | (252,500) |
| Cash dividends paid | (25,747) | (25,448) | (21,684) | (29,082) | (28,000) |
| Other | 34,751 | (58,161) | 9,549 | (10,061) | (500) |
| Net cash provided by (used in) financing activities | 27,150 | (177,514) | (189,109) | 309,237 | 94,500 |
| Effect of exchange rate on cash and cash equivalents | 3,838 | 8,321 | 1,235 | (153) | - |
| Net increase (decrease) in cash and cash equivalents | (64,716) | 33,758 | (34,363) | 213,902 | (187,500) |
| Increase in cash and cash equivalents from newly consolidated subsidiary | 42,724 | - | 6,658 | - | - |
| Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation | (1,942) | (856) | - | - | - |
| Increase in cash and cash equivalents resulting from share transfer | - | - | 1,455 | - | - |
| Cash and cash equivalents at the beginning of year | 215,771 | 191,837 | 224,739 | 198,489 | 412,500 |
| Cash and cash equivalents at the end of year | 191,837 | 224,739 | 198,489 | 412,392 | 225,000 |

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

(Millions of yen)

| | 2013/3 | 2014/3 | 2015/3 | 2016/3 | 2017/3 (Estimates) |
|--------------------|-----------|-----------|-----------|-----------|--------------------|
| Total assets | 4,711,521 | 4,765,368 | 4,901,526 | 5,311,840 | 5,280,000 |
| Capital investment | 208,135 | 159,677 | 177,331 | 275,316 | 330,000 |
| Depreciation | 73,364 | 74,805 | 72,696 | 74,245 | 76,000 |

(Billions of yen)

| | | | | | |
|--|-------------------|-------------------|--|--|--|
| 2016/3 Capital investment 275.3 billion yen | Mitsubishi Estate | Building Business | Marunouchi redevelopment construction cost etc. = 104.9 | | |
| | 145.4 | | Refurbishment cost etc. = 12.1 | | |
| | | Other | Lifestyle Property Business = 27.0 | | |
| | Other 129.9 | Group Companies | Consolidated TMK = 51.6 Mitsubishi Estate Europe = 13.5 Marunouchi Heat Supply = 2.1 | Mitsubishi Jisho Residence = 26.4 Mitsubishi Estate・Simon = 12.1 Yokohama Sky Building = 1.0 | Rockefeller Group, Inc. = 17.4 Sunshine City = 4.4 |
| 2017/3 Capital investment (Estimates) 330.0 billion yen | Mitsubishi Estate | Building Business | Marunouchi redevelopment construction cost etc. = 160.0 | | |
| | 197.0 | | Refurbishment cost etc. = 12.0 | | |
| | | Other | Lifestyle Property Business = 23.0 | | |
| | Other 133.0 | Group Companies | Rockefeller Group, Inc. = 37.0 Sunshine City = 8.0 Mitsubishi Estate Asia = 4.0 | Mitsubishi Jisho Residence = 25.0 Marunouchi Heat Supply = 6.0 Mitsubishi Estate・Simon = 3.0 | Mitsubishi Estate Europe = 20.0 Consolidated TMK = 5.0 Yokohama Sky Building = 1.0 |

* Major inter-group transactions are eliminated.

5. Interest-Bearing Debt (Consolidated)

(Millions of yen)

| | 2013/3 | 2014/3 | 2015/3 | 2016/3 | 2017/3 (Estimates) |
|---------------------------------------|-----------|-----------|-----------|-----------|--------------------|
| Interest-bearing debt | 2,085,417 | 1,973,042 | 1,929,355 | 2,291,038 | 2,425,000 |
| Net interest-bearing debt *1 | 1,893,580 | 1,748,303 | 1,730,866 | 1,878,645 | 2,200,000 |
| Interest expense | 24,594 | 22,176 | 21,099 | 20,189 | 25,000 |
| Financial income and expense (net) *2 | (20,571) | (18,067) | (16,234) | (15,348) | (21,500) |
| Average interest rate *3 | 1.29 % | 1.09 % | 1.08 % | 0.96 % | 1.06 % |
| Debt equity ratio *4 | 1.68 | 1.48 | 1.29 | 1.52 | 1.57 |

*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

2016/3 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. | - | 380,951 | 75,925 | 67,770 | 43,418 | 4,486,547 | 1,289,256 | 2,053,148 | 39,922 |
| Mitsubishi Jisho Property Management Co., Ltd. | 100.00% | 67,958 | 4,668 | 4,676 | 3,166 | 77,562 | 25,165 | 19 | 133 |
| Marunouchi Heat Supply Co., Ltd. | 64.16% | 13,226 | 1,100 | 1,115 | 1,506 | 26,938 | 20,394 | 1,200 | 2,145 |
| Sunshine City Corporation | 63.20% | 26,864 | 7,195 | 5,861 | 3,876 | 100,300 | 54,522 | 18,426 | 5,256 |
| Mitsubishi Estate • Simon Co., Ltd. | 60.00% | 43,946 | 16,301 | 16,521 | 10,699 | 101,802 | 34,576 | 30,655 | 6,034 |
| Mitsubishi Jisho Residence Co., Ltd. | 100.00% | 239,637 | 18,491 | 18,163 | 9,113 | 641,736 | 52,906 | 459,042 | 1,739 |
| Mitsubishi Estate Home Co., Ltd. | 100.00% | 27,128 | 475 | 482 | 382 | 12,209 | 2,932 | - | 199 |
| Mitsubishi Jisho Community Co., Ltd. | 71.47% | 34,937 | 2,262 | 2,373 | 1,437 | 10,275 | 4,207 | - | 200 |
| Rockefeller Group, Inc. | 100.00% | 84,360 | 20,128 | 16,855 | 8,615 | 347,895 | 198,644 | 110,576 | 9,498 |
| Mitsubishi Estate Europe Limited | 100.00% | 7,895 | 4,307 | 3,504 | 2,400 | 164,044 | 80,836 | 78,442 | 2,297 |
| Mitsubishi Jisho Sekkei Inc. | 100.00% | 17,106 | 2,934 | 2,996 | 1,944 | 25,378 | 18,818 | - | 117 |
| Royal Park Hotels & Resorts Co., Ltd. | 100.00% | 23,925 | 1,098 | 1,019 | 935 | 11,610 | 1,845 | 4,237 | 806 |
| Royal Park Hotel Co., Ltd. | 55.71% | 10,090 | 346 | 181 | 270 | 15,658 | 7,618 | 3,920 | 726 |
| Mitsubishi Real Estate Services Co., Ltd. | 100.00% | 19,815 | 663 | 847 | 639 | 23,502 | 15,337 | 34 | 284 |
| | - | 1,009,408 | 166,199 | 144,851 | 83,426 | 5,311,840 | 1,509,680 | 2,291,038 | 74,245 |

2017/3 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. | - | 405,000 | 76,000 | 69,000 | 53,000 | 4,570,000 | 1,320,000 | 2,150,000 | 42,000 |
| Mitsubishi Jisho Property Management Co., Ltd. | 100.00% | 68,089 | 4,334 | 4,351 | 2,980 | 75,718 | 27,090 | 7 | 101 |
| Marunouchi Heat Supply Co., Ltd. | 64.16% | 13,646 | 906 | 854 | 589 | 27,666 | 20,872 | 1,450 | 2,404 |
| Sunshine City Corporation | 63.20% | 28,166 | 6,517 | 5,214 | 3,599 | 100,006 | 56,812 | 16,999 | 5,408 |
| Mitsubishi Estate • Simon Co., Ltd. | 60.00% | 44,788 | 16,783 | 16,881 | 11,404 | 105,598 | 40,491 | 27,134 | 5,551 |
| Mitsubishi Jisho Residence Co., Ltd. | 100.00% | 316,000 | 28,000 | 26,700 | 18,500 | 589,000 | 71,000 | 460,000 | 1,660 |
| Mitsubishi Estate Home Co., Ltd. | 100.00% | 29,862 | 312 | 318 | 285 | 12,500 | 3,217 | - | 202 |
| Mitsubishi Jisho Community Co., Ltd. | 71.47% | 48,882 | 2,987 | 3,037 | 1,921 | 14,300 | 6,050 | - | 377 |
| Rockefeller Group, Inc. | 100.00% | 68,890 | 20,400 | 18,662 | 6,721 | 367,418 | 203,559 | 127,944 | 8,031 |
| Mitsubishi Estate Europe Limited | 100.00% | 7,200 | 3,369 | 2,340 | (5,539) | 151,702 | 62,034 | 85,402 | 2,387 |
| Mitsubishi Jisho Sekkei Inc. | 100.00% | 16,000 | 1,640 | 1,670 | 1,120 | 25,850 | 19,290 | - | 96 |
| Royal Park Hotels & Resorts Co., Ltd. | 100.00% | 24,773 | 1,345 | 1,321 | 1,026 | 12,636 | 2,872 | 3,537 | 809 |
| Royal Park Hotel Co., Ltd. | 55.71% | 10,230 | 534 | 431 | 269 | 15,300 | 7,887 | 3,665 | 744 |
| Mitsubishi Real Estate Services Co., Ltd. | 100.00% | 22,950 | 1,450 | 1,599 | 1,103 | 24,315 | 16,227 | 34 | 350 |
| | - | 1,102,000 | 175,000 | 150,000 | 86,000 | 5,280,000 | 1,550,000 | 2,425,000 | 76,000 |

* Before consolidation adjustments.

* As of April 1 2016, Mitsubishi Jisho Community Co., Ltd. and Mitsubishi Jisho Marubeni Residence Services Co.,Ltd. were merged to form a new company that operates under the name of Mitsubishi Jisho Community Co., Ltd.

For FY2017 ongoing, figures for Mitsubishi Jisho Community Co., Ltd are those of the new company.