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MITSUBISHI ESTATE

FACT BOOK 2017/3-3rd Q

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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 2017/3-3Q and 2016/3-3Q

	Millions of yen (rounded down)		
	2017/3-3Q Results	2016/3-3Q Results	Change
Building Business	370,656	316,368	54,287
Lifestyle Property Business	66,794	65,640	1,154
Residential Business	276,947	220,012	56,935
International Business	54,079	55,571	(1,491)
Investment Management	17,047	18,096	(1,048)
Architectural Design & Engineering	11,099	11,271	(171)
Hotel Business	25,575	25,104	470
Real Estate Services	17,000	13,717	3,283
Other	3,102	2,837	265
Eliminations	(18,193)	(16,655)	(1,537)
Revenue from Operations	824,111	711,965	112,145
Building Business	103,625	84,986	18,638
Lifestyle Property Business	19,855	19,690	165
Residential Business	13,899	7,750	6,149
International Business	23,157	14,939	8,217
Investment Management	4,343	3,252	1,090
Architectural Design & Engineering	(621)	(301)	(320)
Hotel Business	2,024	1,818	206
Real Estate Services	504	(196)	700
Other	188	47	141
Eliminations or Corporate	(16,532)	(10,749)	(5,783)
Operating Income	150,444	121,239	29,205
Non-operating revenue	8,004	8,405	(401)
Non-operating expense	21,836	20,454	1,382
Income Before Taxes and Special Items	136,612	109,191	27,420
Extraordinary income	15,471	18,072	(2,600)
Extraordinary loss	9,555	-	9,555
Income Before Income Taxes and Minority Interests	142,528	127,263	15,264
Corporate tax, etc.	42,403	38,105	4,297
Profit	100,125	89,157	10,967
Profit attributable to non-controlling interests	10,740	10,723	16
Profit Attributable to Owners of Parent	89,384	78,434	10,950

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary income	2017/3-3Q Results	2016/3-3Q Results	Change
Gain on sales of fixed assets	-	2,652	(2,652)
Gain on sales of investment securities	-	11,320	(11,320)
Gain on negative goodwill	13,505	-	13,505
Reversal of accrued payment	-	4,098	(4,098)
Settlement received	1,966	-	1,966
Total	15,471	18,072	(2,600)

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary loss	2017/3-3Q Results	2016/3-3Q Results	Change
Loss related to retirement of fixed assets	1,836	-	1,836
Impairment loss	1,287	-	1,287
Loss on step acquisitions	6,431	-	6,431
Total	9,555	-	9,555

2. Current 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	481,000	422,349	58,651
Lifestyle Property Business	89,000	86,569	2,431
Residential Business	414,000	345,226	68,774
International Business	65,000	75,956	(10,956)
Investment Management	21,000	24,994	(3,994)
Architectural Design & Engineering	19,000	21,279	(2,279)
Hotel Business	34,000	33,089	911
Real Estate Services	24,000	19,815	4,185
Other	4,000	3,882	118
Eliminations	(26,000)	(23,754)	(2,246)
Revenue from Operations	1,125,000	1,009,408	115,592
Building Business	128,000	108,940	19,060
Lifestyle Property Business	25,000	25,842	(842)
Residential Business	22,000	18,035	3,965
International Business	24,000	19,421	4,579
Investment Management	4,000	5,082	(1,082)
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	(22,000)	(14,933)	(7,067)
Operating Income	185,000	166,199	18,801
Non-operating revenue	10,000	10,949	(949)
Non-operating expense	33,000	32,296	704
Income Before Taxes and Special Items	162,000	144,851	17,149
Extraordinary income	19,000	19,421	(421)
Extraordinary loss	16,000	22,423	(6,423)
Income Before Income Taxes and Minority Interests	165,000	141,850	23,150
Corporate tax, etc.	56,000	43,571	12,429
Profit	109,000	98,278	10,722
Profit attributable to non-controlling interests	14,000	14,851	(851)
Profit Attributable to Owners of Parent	95,000	83,426	11,574

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)
Gain on negative goodwill	13,000	-	13,000
Reversal of accrued payment	-	4,098	(4,098)
Reversal of allowance for loss on obligations of additional investments	-	1,262	(1,262)
Settlement received	2,000	-	2,000
Total	19,000	19,421	(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	1,000	2,561	(1,561)
Provision for environmental measures	-	5,068	(5,068)
Provision for loss on business transfer	-	10,570	(10,570)
Loss on step acquisitions	6,000	-	6,000
Total	16,000	22,423	(6,423)

3. Current and Previous (announced on November 7, 2016) Income Statement Estimates for 2017/3

	Millions of yen (rounded down)		
	2017/3 Current Estimates	2017/3 Previous Estimates	Change
Building Business	481,000	483,000	(2,000)
Lifestyle Property Business	89,000	89,000	0
Residential Business	414,000	417,000	(3,000)
International Business	65,000	65,000	0
Investment Management	21,000	20,000	1,000
Architectural Design & Engineering	19,000	19,000	0
Hotel Business	34,000	34,000	0
Real Estate Services	24,000	24,000	0
Other	4,000	4,000	0
Eliminations	(26,000)	(26,000)	0
Revenue from Operations	1,125,000	1,129,000	(4,000)
Building Business	128,000	126,000	2,000
Lifestyle Property Business	25,000	24,000	1,000
Residential Business	22,000	22,000	0
International Business	24,000	24,000	0
Investment Management	4,000	3,000	1,000
Architectural Design & Engineering	500	500	0
Hotel Business	2,000	2,000	0
Real Estate Services	1,500	1,500	0
Other	0	0	0
Eliminations or Corporate	(22,000)	(23,000)	1,000
Operating Income	185,000	180,000	5,000
Non-operating revenue	10,000	10,000	0
Non-operating expense	33,000	33,000	0
Income Before Taxes and Special Items	162,000	157,000	5,000
Extraordinary income	19,000	19,000	0
Extraordinary loss	16,000	15,000	1,000
Income Before Income Taxes and Minority Interests	165,000	161,000	4,000
Corporate tax, etc.	56,000	57,000	(1,000)
Profit	109,000	104,000	5,000
Profit attributable to non-controlling interests	14,000	14,000	0
Profit Attributable to Owners of Parent	95,000	90,000	5,000

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary income	2017/3 Current Estimates	2017/3 Previous Estimates	Change
Gain on sales of investment securities	4,000	4,000	0
Gain on negative goodwill	13,000	13,000	0
Settlement received	2,000	2,000	0
Total	19,000	19,000	0

	Millions of yen (rounded down)		
■ Breakdown of Extraordinary loss	2017/3 Current Estimates	2017/3 Previous Estimates	Change
Loss related to retirement of fixed assets	9,000	9,000	0
Impairment loss	1,000	-	1,000
Loss on step acquisitions	6,000	6,000	0
Total	16,000	15,000	1,000

4. Balance Sheet Results at Periods Ended 2016/12 and 2016/3

	Millions of yen (rounded down)		
	At Dec 31, 2016	At Mar 31, 2016	Change
Assets			
I. Current assets			
1. Cash	234,187	412,983	(178,795)
2. Notes and accounts receivable-trade	35,900	35,261	638
3. Marketable securities	13,300	14	13,286
4. Property for sale	40,190	54,827	(14,636)
5. Property for sale in progress	378,513	366,354	12,159
6. Property for development	1,133	8,905	(7,771)
7. Appropriated construction in progress	12,818	7,942	4,876
8. Other inventories	1,157	1,014	142
9. Equity investments	268,576	276,842	(8,266)
10. Deferred tax assets	9,180	14,552	(5,372)
11. Other current assets	78,790	55,764	23,026
12. Allowance for doubtful accounts	(342)	(528)	185
Total current assets	1,073,408	1,233,935	(160,526)
II. Fixed assets			
1. Property and equipment			
(1) Buildings and structures	953,869	886,494	67,375
(2) Machinery and equipment	20,271	21,939	(1,668)
(3) Land	1,960,201	1,955,451	4,750
(4) Land in trust	701,280	549,811	151,469
(5) Construction in progress	136,004	122,261	13,743
(6) Other property and equipment	14,689	15,105	(416)
Total property and equipment	3,786,317	3,551,062	235,254
2. Intangible assets			
(1) Leaseholds	74,360	75,494	(1,133)
(2) Other intangible assets	24,346	32,289	(7,943)
Total intangible assets	98,707	107,784	(9,076)
3. Investments and other assets			
(1) Investment securities	248,838	216,334	32,504
(2) Long-term loans	1,430	1,406	24
(3) Lease deposits	111,124	115,382	(4,257)
(4) Net defined benefit asset	9,656	9,810	(154)
(5) Deferred tax assets	10,877	16,170	(5,292)
(6) Other investments	65,764	61,578	4,185
(7) Allowance for doubtful accounts	(1,616)	(1,623)	7
Total investments and other assets	446,075	419,058	27,017
Total fixed assets	4,331,099	4,077,904	253,194
Total assets	5,404,508	5,311,840	92,668

	Millions of yen (rounded down)		
	At Dec 31, 2016	At Mar 31, 2016	Change
Liabilities			
I. Current liabilities			
1. Notes and accounts payable-trade	51,292	58,331	(7,038)
2. Short-term borrowings	95,906	103,125	(7,218)
3. Current portion of long-term debt	161,226	163,651	(2,425)
4. Bonds due within one year	80,075	78,023	2,051
5. Accrued income taxes	13,194	22,903	(9,709)
6. Deferred tax liability	1,412	-	1,412
7. Allowance for loss on business transfer	-	10,570	(10,570)
8. Other current liabilities	184,626	234,271	(49,644)
Total current liabilities	587,733	670,877	(83,143)
II. Long-term liabilities			
1. Bonds	772,750	825,000	(52,250)
2. Long-term borrowings	1,256,518	1,114,426	142,091
3. Lease deposits received	399,244	393,309	5,934
4. Deferred tax liability	220,435	180,205	40,230
5. Deferred tax liabilities on land revaluation	263,661	265,912	(2,250)
6. Net defined benefit liability	31,299	32,464	(1,164)
7. Accrued directors' retirement benefits	793	685	107
8. Provision for environmental measures	4,831	5,068	(236)
9. Negative goodwill	90,907	83,827	7,079
10. Other long-term liabilities	68,367	80,882	(12,514)
Total long-term liabilities	3,108,809	2,981,782	127,027
Total liabilities	3,696,543	3,652,660	43,883
Net Assets			
I. Shareholders' Equity			
1. Capital	141,659	141,373	285
2. Capital surplus	161,475	161,188	287
3. Retained earnings	664,128	600,116	64,012
4. Less treasury stock, at cost	(5,455)	(5,385)	(69)
Total shareholders' equity	961,808	897,293	64,515
II. Other accumulated comprehensive income			
1. Unrealized holding gain on securities	114,576	89,945	24,631
2. Deferred gains or losses on hedging instruments	(302)	(30)	(272)
3. Land revaluation reserve	524,073	521,248	2,824
4. Foreign currency translation adjustments	(49,753)	13,900	(63,653)
5. Remeasurements of defined benefit plans	(10,111)	(12,676)	2,565
Total other accumulated comprehensive income	578,482	612,387	(33,905)
III. Stock acquisition rights	529	529	-
IV. Non-controlling interests	167,144	148,970	18,174
Total net assets	1,707,964	1,659,180	48,784
Total liabilities and net assets	5,404,508	5,311,840	92,668

II. Highlights

1. Major Performance Items (Consolidated)

Millions of yen (rounded down)

	2014/3	2015/3	2016/3-3Q	2016/3	2017/3-3Q	2017/3 (Estimates)
Revenue from operations	1,075,285	1,110,259	711,965	1,009,408	824,111	1,125,000
Operating income	161,271	156,332	121,239	166,199	150,444	185,000
Income before taxes and special items	139,638	133,113	109,191	144,851	136,612	162,000
Profit attributable to owners of parent	64,297	73,338	78,434	83,426	89,384	95,000
Total assets	4,765,368	4,901,526	5,068,452	5,311,840	5,404,508	5,430,000
Shareholders' equity *1	1,329,057	1,495,838	1,527,758	1,509,680	1,540,290	1,550,000
Interest-bearing debt	1,973,042	1,929,355	2,081,792	2,291,038	2,372,529	2,430,000
Cash flow from operating activities	336,489	200,078	66,353	135,821	97,087	104,500
Cash flow from investing activities	(133,537)	(46,568)	(121,163)	(231,003)	(252,088)	(377,000)
Cash flow from financing activities	(177,514)	(189,109)	101,687	309,237	(9,895)	10,500
EBITDA *2	246,332	239,934	186,499	252,034	216,443	273,500
Return on assets (ROA) *3,6	3.5 %	3.4 %	- %	3.4 %	- %	3.6 %
Interest coverage ratio (ICR) *4	7.5 times	7.7 times	- times	8.5 times	- times	7.6 times
Return on equity (ROE) *5,6	5.0 %	5.2 %	- %	5.6 %	- %	6.2 %
Earnings per share (EPS) (Yen)	46.34	52.85	56.53	60.13	64.42	68.46

*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 + 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 / Shareholders' equity (average)

2. Segment Information (Consolidated)

(Millions of yen (rounded down); as percentage of total)																			
(1) Revenue from Operations	2014/3			2014/3		2015/3			2015/3		2016/3-3Q		2016/3		2017/3-3Q		2017/3 (Estimates)		
Building Business	484,229	43.9%	*1	Building Business	525,829	48.0%	587,660	51.9%	Building Business	484,816	42.7%	316,368	43.4%	422,349	40.9%	370,656	44.0%	481,000	41.8%
Residential Business	403,259	36.6%		Residential Business	403,259	36.8%	377,736	33.4%	Lifestyle Property Business	105,706	9.3%	65,640	9.0%	86,659	8.4%	66,794	7.9%	89,000	7.7%
Commercial Property Development & Investment	48,029	4.4%							Residential Business	383,887	33.8%	220,012	30.2%	345,226	33.4%	276,947	32.9%	414,000	36.0%
International Business	80,366	7.3%		International Business	80,366	7.3%	77,794	6.9%	International Business	71,176	6.3%	55,571	7.6%	75,956	7.4%	54,079	6.4%	65,000	5.6%
Investment Management	6,288	0.6%		Investment Management	6,288	0.6%	8,050	0.7%	Investment Management	14,885	1.3%	18,096	2.5%	24,994	2.4%	17,047	2.0%	21,000	1.8%
Architectural Design & Engineering	19,946	1.8%		Architectural Design & Engineering	19,946	1.8%	19,467	1.7%	Architectural Design & Engineering	19,467	1.7%	11,271	1.5%	21,279	2.1%	11,099	1.3%	19,000	1.7%
Hotel Business	29,219	2.7%		Hotel Business	29,219	2.7%	30,827	2.7%	Hotel Business	30,827	2.7%	25,104	3.4%	33,089	3.2%	25,575	3.0%	34,000	3.0%
Real Estate Services	27,097	2.5%		Real Estate Services	27,097	2.5%	27,295	2.4%	Real Estate Services	20,543	1.8%	13,717	1.9%	19,815	1.9%	17,000	2.0%	24,000	2.1%
Other	3,674	0.2%		Other	3,674	0.3%	3,747	0.3%	Other	3,747	0.4%	2,837	0.5%	3,882	0.3%	3,102	0.5%	4,000	0.3%
Eliminations or corporate	(26,825)			Eliminations or corporate	(20,396)		(22,321)		Eliminations or corporate	(24,799)		(16,655)		(23,754)		(18,193)		(26,000)	
	1,075,285				1,075,285		1,110,259			1,110,259		711,965		1,009,408		824,111		1,125,000	
Millions of yen (rounded down)																			
(2) Operating income	2014/3			2014/3		2015/3			2015/3		2016/3-3Q		2016/3		2017/3-3Q		2017/3 (Estimates)		
Building Business	108,172		*1	Building Business	116,277		128,982		Building Business	102,820		84,986		108,940		103,625		128,000	
Residential Business	27,778			Residential Business	27,778		11,605		Lifestyle Property Business	26,162		19,690		25,842		19,855		25,000	
Commercial Property Development & Investment	8,130								Residential Business	11,532		7,750		18,035		13,899		22,000	
International Business	25,579			International Business	25,579		26,068		International Business	25,901		14,939		19,421		23,157		24,000	
Investment Management	3,046			Investment Management	3,046		4,064		Investment Management	4,282		3,252		5,082		4,343		4,000	
Architectural Design & Engineering	1,252			Architectural Design & Engineering	1,252		663		Architectural Design & Engineering	663		(301)		1,754		(621)		500	
Hotel Business	737			Hotel Business	737		754		Hotel Business	754		1,818		1,490		2,024		2,000	
Real Estate Services	1,544			Real Estate Services	1,544		1,111		Real Estate Services	1,105		(196)		602		504		1,500	
Other	(246)			Other	(246)		16		Other	16		47		(37)		188		0	
Eliminations or corporate	(14,724)			Eliminations or corporate	(14,698)		(16,934)		Eliminations or corporate	(16,906)		(10,749)		(14,933)		(16,532)		(22,000)	
	161,271				161,271		156,332			156,332		121,239		166,199		150,444		185,000	
Millions of yen (rounded down)																			
(3) Rate of return	2014/3			2014/3		2015/3			2015/3		2016/3-3Q		2016/3		2017/3-3Q		2017/3 (Estimates)		
Building Business	22.3 %		*1	Building Business	22.1 %		21.9 %		Building Business	21.2 %		26.9 %		25.8 %		28.0 %		26.6 %	
Residential Business	6.9 %			Residential Business	6.9 %		3.1 %		Lifestyle Property Business	24.7 %		30.0 %		29.9 %		29.7 %		28.1 %	
Commercial Property Development & Investment	16.9 %								Residential Business	3.0 %		3.5 %		5.2 %		5.0 %		5.3 %	
International Business	31.8 %			International Business	31.8 %		33.5 %		International Business	36.4 %		26.9 %		25.6 %		42.8 %		36.9 %	
Investment Management	48.4 %			Investment Management	48.4 %		50.5 %		Investment Management	28.8 %		18.0 %		20.3 %		25.5 %		19.0 %	
Architectural Design & Engineering	6.3 %			Architectural Design & Engineering	6.3 %		3.4 %		Architectural Design & Engineering	3.4 %		(2.7) %		8.2 %		(5.6) %		2.6 %	
Hotel Business	2.5 %			Hotel Business	2.5 %		2.4 %		Hotel Business	2.4 %		7.2 %		4.5 %		7.9 %		5.9 %	
Real Estate Services	5.7 %			Real Estate Services	5.7 %		4.1 %		Real Estate Services	5.4 %		(1.4) %		3.0 %		3.0 %		6.3 %	
Other	(6.7) %			Other	(6.7) %		0.4 %		Other	0.4 %		1.7 %		(1.0) %		6.1 %		0.0 %	
Eliminations or corporate				Eliminations or corporate					Eliminations or corporate										
	15.0 %				15.0 %		14.1 %			14.1 %		17.0 %		16.5 %		18.3 %		16.4 %	
Millions of yen (rounded down)																			
(4) Depreciation	2014/3			2014/3		2015/3			2015/3		2016/3-3Q		2016/3		2017/3-3Q		2017/3 (Estimates)		
Building Business	57,500		*1	Building Business	62,485		59,960		Building Business	48,665		32,103		43,752		35,161		-	
Residential Business	3,032			Residential Business	3,032		2,728		Lifestyle Property Business	11,294		9,054		12,288		9,364		-	
Commercial Property Development & Investment	4,985								Residential Business	2,762		2,232		3,085		2,403		-	
International Business	6,748			International Business	6,748		7,378		International Business	6,404		5,277		7,033		4,710		-	
Investment Management	43			Investment Management	43		55		Investment Management	1,029		4,070		5,413		3,241		-	
Architectural Design & Engineering	72			Architectural Design & Engineering	72		103		Architectural Design & Engineering	103		95		126		82		-	
Hotel Business	1,162			Hotel Business	1,162		1,322		Hotel Business	1,322		1,108		1,527		1,099		-	
Real Estate Services	407			Real Estate Services	407		333		Real Estate Services	300		206		284		255		-	
Other	223			Other	223		159		Other	159		72		90		48		-	
Eliminations or corporate	629			Eliminations or corporate	629		654		Eliminations or corporate	654		337		642		177		-	
	74,805				74,805		72,696			72,696		54,559		74,245		56,545		77,000	
			*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 (rounded down)										
(5) Amortization of goodwill	2014/3		2014/3	2015/3		2015/3	2016/3-3Q	2016/3	2017/3-3Q	2017/3 (Estimates)
Building Business	501	*1 Building Business	501	479	*2 Building Business	409	307	409	307	-
Residential Business	3,126	Residential Business	3,126	3,312	Lifestyle Property Business	69	301	318	52	-
Commercial Property Development & Investment	-				Residential Business	3,312	2,272	3,030	2,272	-
International Business	899	International Business	899	875	International Business	-	-	-	-	-
Investment Management	70	Investment Management	70	-	Investment Management	875	1,789	2,386	1,483	-
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	-	-	-	0	-
Eliminations or corporate	-	Eliminations or corporate	-	-	Eliminations or corporate	-	-	-	-	-
	4,598		4,598	4,667		4,667	4,670	6,144	4,115	5,500

Millions of yen (rounded down)										
(6) Operating income before depreciation *3	2014/3		2014/3	2015/3		2015/3	2016/3-3Q	2016/3	2017/3-3Q	2017/3 (Estimates)
Building Business	166,173	*1 Building Business	179,263	189,421	*2 Building Business	151,894	117,396	153,101	139,093	-
Residential Business	33,936	Residential Business	33,936	17,645	Lifestyle Property Business	37,525	29,045	38,448	29,271	-
Commercial Property Development & Investment	13,115				Residential Business	17,606	12,254	24,150	18,574	-
International Business	33,226	International Business	33,226	34,321	International Business	32,305	20,216	26,454	27,867	-
Investment Management	3,159	Investment Management	3,159	4,119	Investment Management	6,186	9,111	12,881	9,067	-
Architectural Design & Engineering	1,324	Architectural Design & Engineering	1,324	766	Architectural Design & Engineering	766	(206)	1,880	(539)	-
Hotel Business	1,899	Hotel Business	1,899	2,076	Hotel Business	2,076	2,926	3,017	3,123	-
Real Estate Services	1,951	Real Estate Services	1,951	1,444	Real Estate Services	1,405	10	886	759	-
Other	(23)	Other	(23)	175	Other	175	119	53	236	-
Eliminations or corporate	(14,095)	Eliminations or corporate	(14,069)	(16,280)	Eliminations or corporate	(16,252)	(10,412)	(14,291)	(16,355)	-
	240,674		240,674	233,695		233,695	180,468	246,588	211,104	267,500

Millions of yen (rounded down)										
(7) Capital expenditure	2014/3		2014/3	2015/3		2015/3	2016/3-3Q	2016/3	2017/3-3Q	2017/3 (Estimates)
Building Business	91,242	*1 Building Business	96,149	120,704	*2 Building Business	87,536	105,969	175,904	133,950	-
Residential Business	18,380	Residential Business	18,380	22,108	Lifestyle Property Business	33,168	22,298	40,272	28,038	-
Commercial Property Development & Investment	4,907				Residential Business	22,167	17,153	29,144	17,759	-
International Business	48,394	International Business	48,394	45,947	International Business	21,261	21,620	35,472	26,226	-
Investment Management	35	Investment Management	35	242	Investment Management	24,927	221	378	146	-
Architectural Design & Engineering	53	Architectural Design & Engineering	53	677	Architectural Design & Engineering	677	110	116	97	-
Hotel Business	2,040	Hotel Business	2,040	3,290	Hotel Business	3,290	667	1,295	468	-
Real Estate Services	294	Real Estate Services	294	408	Real Estate Services	349	332	433	406	-
Other	869	Other	869	382	Other	382	17	29	156	-
Eliminations or corporate	6,360	Eliminations or corporate	6,360	(2,304)	Eliminations or corporate	(2,304)	620	369	2,442	-
	172,579		172,579	191,457		191,457	169,012	283,416	209,691	-

Millions of yen (rounded down)										
(8) Total assets	2014/3		2014/3	2015/3		2015/3	2015/12	2016/3	2016/12	2017/3 (Estimates)
Building Business	3,040,634	*1 Building Business	3,433,585	3,416,285	*2 Building Business	3,094,967	3,145,235	3,208,271	3,436,174	-
Residential Business	662,350	Residential Business	662,350	597,587	Lifestyle Property Business	321,405	378,523	372,779	450,734	-
Commercial Property Development & Investment	403,188				Residential Business	602,263	626,493	748,400	642,698	-
International Business	452,048	International Business	455,358	595,293	International Business	479,785	478,290	515,844	455,871	-
Investment Management	30,035	Investment Management	30,035	31,030	Investment Management	146,538	140,624	141,126	120,715	-
Architectural Design & Engineering	24,246	Architectural Design & Engineering	24,246	24,985	Architectural Design & Engineering	24,985	24,979	27,474	25,214	-
Hotel Business	24,636	Hotel Business	24,636	28,034	Hotel Business	28,034	28,800	28,417	28,792	-
Real Estate Services	24,781	Real Estate Services	24,781	27,505	Real Estate Services	23,972	23,758	23,608	24,008	-
Other	28,025	Other	28,025	27,696	Other	27,696	27,564	23,501	12,013	-
Eliminations or corporate	75,420	Eliminations or corporate	82,347	153,106	Eliminations or corporate	151,876	194,180	222,415	208,285	-
	4,765,368		4,765,368	4,901,526		4,901,526	5,068,452	5,311,840	5,404,508	5,430,000

Exchange rate	2016/3-3Q			2017/3-3Q			2017/3 (Estimates) *4		
¥ / \$	PL	120.98	BS 119.96	PL	108.57	BS 101.18	PL	105.00	BS 105.00
¥ / £	PL	185.47	BS 181.86	PL	151.42	BS 132.02	PL	145.00	BS 145.00

*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.

*4 The exchange rate used for calculating the 2017/3 estimates. The actual average exchange rate for 2016 was \$1/ ¥108.78 and £1/ ¥147.57.

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

Millions of yen (rounded down)

	2014/3	2014/3 *2	2015/3 *2	2015/3 *3	2016/3-3Q *3	2016/3 *3	2017/3-3Q *3	2017/3(Estimates) *3
Leasing	403,319	409,175	416,631	347,757	265,214	353,958	280,390	373,000
Property Management	17,866	17,696	19,721	19,389	15,623	21,146	15,858	23,000
Contracted Work	11,560	11,463	14,500	14,500	10,641	14,597	8,310	13,000
District Heating and Cooling Services	8,991	8,991	8,724	8,724	6,084	8,387	6,203	8,000
Other (Sales of assets etc.)	42,491	78,503	128,083	94,443	18,803	24,259	59,892	64,000
Total	484,229	525,829	587,660	484,816	316,368	422,349	370,656	481,000

*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)

	2014/3	2015/3	2015/12	2016/3	2016/12
Contracted area	4,053	4,184	3,458	3,470	3,526
Owned by MEC	2,514	2,629	2,092	2,074	2,160
Subleases	1,539	1,555	1,366	1,395	1,365

* 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)

	2014/3	2015/3	2015/12	2016/3	2016/12	2017/3(Estimates)
(1) Total operating floor space						
Owned by MEC	3,288	3,326	3,263	3,265	3,265	3,393
Subleases	2,292	2,345	1,916	1,909	1,972	1,965
Total	5,580	5,670	5,179	5,174	5,237	5,358
(2) Leasable area	3,475	3,504	3,225	3,192	3,308	3,317
(3) Vacancy rate (All uses in Japan)	5.29 %	2.80 %	3.36 %	2.22 %	3.08 %	3.5 %
(4) Average rent (All uses in Japan)	¥23,861	¥23,587	¥25,094	¥25,234	¥25,862	¥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(rounded down))

	2014/3	2015/3	2015/12	2016/3	2016/12
Operating floor space	2,755	2,583	2,569	2,531	2,594
Leasable area	1,714	1,571	1,511	1,466	1,567
Office vacancy rate	4.32 %	1.82 %	1.79 %	1.37 %	1.64 %
Building lease revenue	¥204,621	¥202,784	¥152,332	¥202,337	¥160,300

7. Lifestyle Property Business Data (Consolidated)

(Thousands of square meters)

	2015/12	2016/3	2016/12
Contracted area	691	680	681

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

8. Condominium Business Data

	2014/3	2015/3	2016/3-3Q	2016/3	2017/3-3Q	2017/3(Estimates)
Condominiums sold (Millions of yen)	288,938	239,422	126,907	215,762	137,246	230,000
Condominiums sold (units)	6,259	4,603	2,212	3,868	2,224	3,800
Gross margin	19.1 %	17.3 %	18.1 %	18.7 %	18.9 %	18.0 %
Inventory (units)	107	141	144	188	330	-
New Supply of condominiums (units)	5,920	5,119	2,705	3,641	2,353	3,500

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

9. Special Purpose Vehicle Data

Millions of yen (rounded down)

	2014/3	2015/3	2015/12	2016/3	2016/12
Building Business					
Equity investment by Mitsubishi Estate (Unconsolidated)	64,481 32,282	206,865 102,311	148,039 82,697	172,698 79,005	168,948 76,737
Equity investment by other companies (Unconsolidated)	48,572 48,572	102,552 102,530	84,352 84,352	76,704 76,704	78,440 78,440
Interest bearing debt borrowed by SPV (Unconsolidated)	255,980 237,880	157,971 157,871	130,938 130,838	97,693 97,593	97,568 97,468
Lifestyle Property Business					
Equity investment by Mitsubishi Estate (Unconsolidated)			31,095 7,244	31,097 7,245	32,063 8,211
Equity investment by other companies (Unconsolidated)			2,483 2,483	2,488 2,488	3,221 3,221
Interest bearing debt borrowed by SPV (Unconsolidated)			8,386 8,286	8,297 8,197	10,975 10,875
Residential Business					
Equity investment by Mitsubishi Estate (Unconsolidated)	15,476 -	48 -	- -	- -	- -
Equity investment by other companies (Unconsolidated)	- -	- -	- -	- -	- -
Interest bearing debt borrowed by SPV (Unconsolidated)	- -	- -	- -	- -	- -
Commercial Property Development & Investment Business					
Equity investment by Mitsubishi Estate (Unconsolidated)	136,816 72,965				
Equity investment by other companies (Unconsolidated)	22,622 17,934				
Interest bearing debt borrowed by SPV (Unconsolidated)	314,031 153,322				
Total					
Equity investment by Mitsubishi Estate (Unconsolidated)	216,774 105,248	206,914 102,311	179,135 89,942	203,795 86,250	201,011 84,949
Equity investment by other companies (Unconsolidated)	71,195 66,507	102,552 102,530	86,836 86,836	79,192 79,192	81,661 81,661
Interest bearing debt borrowed by SPV (Unconsolidated)	570,011 391,202	157,971 157,871	139,324 139,124	105,990 105,790	108,543 108,343

* 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 (rounded down)

	At March 31, 2014	At March 31, 2015	At December 31, 2015	At March 31, 2016	At December 31, 2016
Assets					
Current assets					
Cash	224,121	197,169	244,905	412,983	234,187
Notes and accounts receivable-trade	28,539	35,873	29,026	35,261	35,900
Marketable securities	1,333	2,179	25	14	13,300
Property for sale	66,484	52,102	42,756	54,827	40,190
Property for sale in progress	319,355	314,305	355,992	366,354	378,513
Property for development	8,609	8,646	8,801	8,905	1,133
Appropriated construction in progress	7,195	6,594	12,467	7,942	12,818
Other inventories	1,012	1,002	1,175	1,014	1,157
Equity investments	223,911	251,249	241,515	276,842	268,576
Deferred tax assets	21,152	17,010	13,698	14,552	9,180
Other current assets	45,014	65,244	65,777	55,764	78,790
Allowance for doubtful accounts	(208)	(571)	(592)	(528)	(342)
Total current assets	946,522	950,806	1,015,549	1,233,935	1,073,408
Fixed assets					
Property and equipment					
Buildings and structures	896,947	846,652	886,301	886,494	953,869
Machinery and equipment	23,189	21,161	19,049	21,939	20,271
Land	1,897,116	1,839,707	1,912,195	1,955,451	1,960,201
Land in trust	440,852	532,774	545,609	549,811	701,280
Construction in progress	53,657	90,694	94,440	122,261	136,004
Other property and equipment	16,841	15,022	14,830	15,105	14,689
Total property and equipment	3,328,605	3,346,013	3,472,426	3,551,062	3,786,317
Intangible assets					
Leaseholds	87,913	87,021	81,536	75,494	74,360
Other intangible assets	8,139	33,210	33,051	32,289	24,346
Total intangible assets	96,052	120,232	114,588	107,784	98,707
Investments and other assets					
Investment securities	213,656	280,809	251,005	216,334	248,838
Long-term loans	1,532	1,448	1,408	1,406	1,430
Lease deposits	113,015	112,397	116,507	115,382	111,124
Net defined benefit asset	6,320	23,194	24,838	9,810	9,656
Deferred tax assets	10,150	10,504	12,270	16,170	10,877
Other investments	51,356	57,840	61,495	61,578	65,764
Allowance for doubtful accounts	(1,844)	(1,722)	(1,636)	(1,623)	(1,616)
Total investments and other assets	394,188	484,473	465,888	419,058	446,075
Total fixed assets	3,818,846	3,950,719	4,052,902	4,077,904	4,331,099
Total assets	4,765,368	4,901,526	5,068,452	5,311,840	5,404,508

Millions of yen (rounded down)

	At March 31, 2014	At March 31, 2015	At December 31, 2015	At March 31, 2016	At December 31, 2016
Liabilities					
Current liabilities					
Notes and accounts payable-trade	105,271	95,632	54,969	58,331	51,292
Short-term borrowings	63,762	77,881	61,298	103,125	95,906
Current portion of long-term debt	343,127	86,617	120,986	163,651	161,226
Commercial paper	-	28,000	50,000	-	-
Bonds due within one year	56,595	40,225	80,583	78,023	80,075
Accrued income taxes	14,423	9,934	20,028	22,903	13,194
Deferred tax liability	947	205	-	-	1,412
Allowance for loss on business transfer	-	-	-	10,570	-
Other current liabilities	183,619	181,210	200,268	234,271	184,626
Total current liabilities	767,747	519,707	588,134	670,877	587,733
Long-term liabilities					
Bonds	645,000	645,000	585,000	825,000	772,750
Long-term borrowings	855,052	1,044,387	1,176,558	1,114,426	1,256,518
Lease deposits received	383,083	381,605	382,242	393,309	399,244
Deferred tax liability	192,938	206,079	202,220	180,205	220,435
Deferred tax liabilities on land revaluation	319,090	280,672	280,848	265,912	263,661
Net defined benefit liability	20,380	23,068	-	32,464	31,299
Accrued directors' retirement benefits	593	656	23,260	685	793
Provision for environmental measures	-	-	757	5,068	4,831
Negative goodwill	92,356	77,172	81,845	83,827	90,907
Other long-term liabilities	42,032	83,012	75,696	80,882	68,367
Total long-term liabilities	2,550,527	2,741,655	2,808,431	2,981,782	3,108,809
Total liabilities	3,318,275	3,261,362	3,396,565	3,652,660	3,696,543
Net assets					
Shareholders' equity					
Capital	141,373	141,373	141,373	141,373	141,659
Capital surplus	170,485	162,638	161,745	161,188	161,475
Retained earnings	465,757	538,687	595,928	600,116	664,128
Less treasury stock, at cost	(4,811)	(5,259)	(5,367)	(5,385)	(5,455)
Total shareholders' equity	772,805	837,440	893,678	897,293	961,808
Other accumulated comprehensive income					
Unrealized holding gain on securities	75,971	127,609	110,280	89,945	114,576
Deferred gains or losses on hedging instruments	125	(5)	(199)	(30)	(302)
Land revaluation reserve	493,153	504,756	505,112	521,248	524,073
Foreign currency translation adjustments	(8,249)	20,798	14,169	13,900	(49,753)
Remeasurements of defined benefit plans	(4,748)	5,238	4,716	(12,676)	(10,111)
Total other accumulated comprehensive income	556,252	658,398	634,079	612,387	578,482
Stock acquisition rights	494	500	529	529	529
Non-controlling interests	117,540	143,825	143,598	148,970	167,144
Total net assets	1,447,093	1,640,163	1,671,886	1,659,180	1,707,964
Total liabilities and net assets	4,765,368	4,901,526	5,068,452	5,311,840	5,404,508

2. Consolidated Income Statements

Millions of yen (rounded down)

	2014/3	2015/3	2016/3-3Q	2016/3	2017/3-3Q	2017/3 (Estimates)
Revenue from operations	1,075,285	1,110,259	711,965	1,009,408	824,111	1,125,000
Operating income	161,271	156,332	121,239	166,199	150,444	185,000
Non-operating income						
Interest income	232	287	225	284	209	1,000
Dividend income	3,876	4,577	4,244	4,556	4,258	4,000
Equity in earnings of unconsolidated subsidiaries and affiliates	1,547	1,372	1,559	605	869	1,000
Other non-operating income	3,666	2,850	2,375	5,503	2,666	4,000
Total non-operating income	9,323	9,087	8,405	10,949	8,004	10,000
Non-operating expenses						
Interest expense	22,129	21,072	14,757	20,183	17,164	25,000
Loss on disposal of fixed assets	4,029	4,780	4,053	6,064	2,361	5,000
Other non-operating expenses	4,796	6,454	1,643	6,049	2,311	3,000
Total non-operating expenses	30,956	32,306	20,454	32,296	21,836	33,000
Income before taxes and special items	139,638	133,113	109,191	144,851	136,612	162,000
Extraordinary income						
Gain on sales of fixed assets	6,702	36,551	2,652	2,709	-	-
Gain on sales of investment securities	-	-	11,320	11,350	-	4,000
Gain on negative goodwill	4,942	12,256	-	-	13,505	13,000
Reversal of accrued payment	-	-	4,098	4,098	-	-
Reversal of allowance for loss on obligations of additional investments	-	-	-	1,262	-	-
Settlement received	-	-	-	-	1,966	2,000
Total extraordinary income	11,644	48,807	18,072	19,421	15,471	19,000
Extraordinary loss						
Loss related to retirement of fixed assets	2,303	6,190	-	4,223	1,836	9,000
Impairment loss	32,644	73,725	-	2,561	1,287	1,000
Provision for loss on obligations of additional investments	7,648	1,804	-	-	-	-
Provision for environmental measures	-	-	-	5,068	-	-
Provision for loss on business transfer	-	-	-	10,570	-	-
Loss on step acquisitions	-	-	-	-	6,431	6,000
Total extraordinary loss	42,596	81,719	-	22,423	9,555	16,000
Income before income taxes and minority interests	108,685	100,201	127,263	141,850	142,528	165,000
Corporation tax, inhabitants' tax and enterprise tax	22,403	23,190	32,321	43,994	33,262	} 56,000
Income taxes for prior periods	20,684	-	-	-	-	
Income taxes-deferred	(2,359)	(9,814)	5,784	(422)	9,140	
Profit	67,957	86,825	89,157	98,278	100,125	109,000
Profit attributable to non-controlling interests	3,660	13,487	10,723	14,851	10,740	14,000
Profit attributable to owners of parent	64,297	73,338	78,434	83,426	89,384	95,000

3. Consolidated Cash Flow Statements

Millions of yen (rounded down)

	2014/3	2015/3	2016/3-3Q	2016/3	2017/3-3Q	2017/3 (Estimates)
Income before income taxes and minority interests	108,685	100,201	127,263	141,850	142,528	165,000
Adjustment for extraordinary income or loss	34,955	32,954	(8,044)	(318)	(1,117)	4,000
Depreciation and amortization	74,805	72,696	54,559	74,245	56,545	77,000
Decrease (increase) in inventories	93,854	110,219	(19,653)	(33,202)	47,207	60,000
Decrease (increase) in equity investments	(18,180)	(35,973)	874	(32,487)	(23,040)	(91,000)
Other	71,470	(45,659)	(73,995)	9,316	(79,870)	(58,000)
Income taxes, etc.	(29,102)	(34,360)	(14,651)	(23,582)	(45,165)	(52,500)
Net cash provided by (used in) operating activities	336,489	200,078	66,353	135,821	97,087	104,500
Proceeds from sales of marketable securities and investment securities	1,034	624	28,953	29,043	8,607	15,000
Proceeds from sales of property and equipment and beneficial interests in trust of property and equipment	33,854	167,645	18,002	22,806	1,113	3,500
Purchases of property and equipment	(159,677)	(177,331)	(162,104)	(275,316)	(195,603)	(330,000)
Other	(8,748)	(37,506)	(6,015)	(7,536)	(66,206)	(65,500)
Net cash provided by (used in) investing activities	(133,537)	(46,568)	(121,163)	(231,003)	(252,088)	(377,000)
Newly acquired funds	181,349	328,053	248,321	503,154	215,773	316,000
Repayment	(275,254)	(505,027)	(118,028)	(154,773)	(183,775)	(265,500)
Cash dividends paid	(25,448)	(21,684)	(27,259)	(29,082)	(32,417)	(33,000)
Other	(58,161)	9,549	(1,345)	(10,061)	(9,476)	(7,000)
Net cash provided by (used in) financing activities	(177,514)	(189,109)	101,687	309,237	(9,895)	10,500
Effect of exchange rate on cash and cash equivalents	8,321	1,235	(1,025)	(153)	(9,841)	-
Net increase (decrease) in cash and cash equivalents	33,758	(34,363)	45,850	213,902	(174,737)	(262,000)
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	(856)	-	-	-	-	-
Increase in cash and cash equivalents resulting from share transfer	-	1,455	-	-	-	-
Cash and cash equivalents at the beginning of year	191,837	224,739	198,489	198,489	412,392	412,500
Cash and cash equivalents at the end of year	224,739	198,489	244,340	412,392	237,654	150,500

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

Millions of yen (rounded down)

	2014/3	2015/3	2016/3-3Q	2016/3	2017/3-3Q	2017/3 (Estimates)
Total assets	4,765,368	4,901,526	5,068,452	5,311,840	5,404,508	5,430,000
Capital investment	159,677	177,331	162,104	275,316	195,603	330,000
Depreciation	74,805	72,696	54,559	74,245	56,545	77,000

Capital investment

Millions of yen (rounded down)

2017/3-3Q		2017/3 (Estimates)	
Total	195,603	Total	330,000
Mitsubishi Estate	125,626	Mitsubishi Estate	197,000
(Breakdown)		(Breakdown)	
Building Business		Building Business	
Marunouchi redevelopment construction cost etc.	112,911	Marunouchi redevelopment construction cost etc.	161,000
Refurbishment cost etc.	6,252	Refurbishment cost etc.	11,000
Lifestyle Property Business	5,205	Lifestyle Property Business	24,000
Other	69,977	Other	133,000
(Breakdown)		(Breakdown)	
Mitsubishi Jisho Residence	15,916	Rockefeller Group, Inc.	48,000
Rockefeller Group, Inc.	14,687	Mitsubishi Jisho Residence	24,000
Yokohama Sky Building	11,918	Mitsubishi Estate Europe	14,000
Tokyo Ryutsu Center	9,615	Yokohama Sky Building	13,000
Sunshine City	7,378	Tokyo Ryutsu Center	10,000
Marunouchi Heat Supply	3,927	Sunshine City	9,000
Mitsubishi Estate Europe	2,411	Marunouchi Heat Supply	6,000
Consolidated TMK	1,545	Mitsubishi Estate Asia	4,000
Mitsubishi Estate • Simon	1,096	Mitsubishi Estate • Simon	3,000
		Consolidated TMK	2,000

* Major inter-group transactions are eliminated.

5. Interest-Bearing Debt (Consolidated)

Millions of yen (rounded down)

	2014/3	2015/3	2016/3-3Q	2016/3	2017/3-3Q	2017/3 (Estimates)
Interest-bearing debt	1,973,042	1,929,355	2,081,792	2,291,038	2,372,529	2,430,000
Net interest-bearing debt *1	1,748,303	1,730,866	1,837,451	1,878,645	2,134,874	2,280,000
Interest expense	22,176	21,099	14,763	20,189	17,164	25,000
Financial income and expense (net) *2	(18,067)	(16,234)	(10,292)	(15,348)	(12,696)	(20,000)
Average interest rate *3	1.09 %	1.08 %	0.98 %	0.96 %	0.98 %	1.04 %
Debt equity ratio *4	1.48	1.29	1.36	1.52	1.54	1.57
Debt equity ratio after hybrid debt deductions *4,5	-	-	-	1.33	1.28	1.31

*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

2017/3-3Q 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
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

2016/3-3Q 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.	-	286,779	61,148	60,511	51,897	4,223,154	1,303,128	1,855,925	29,117
Mitsubishi Jisho Property Management Co., Ltd.	100.00%	49,790	3,195	3,197	2,116	69,241	24,116	27	98
Marunouchi Heat Supply Co., Ltd.	64.16%	9,751	986	1,009	1,362	24,538	20,252	762	1,591
Sunshine City Corporation	63.20%	20,297	5,694	4,986	3,338	93,581	53,992	16,161	3,905
Mitsubishi Estate • Simon Co., Ltd.	60.00%	32,733	12,062	12,127	7,887	94,599	32,762	31,821	4,513
Mitsubishi Jisho Residence Co., Ltd.	100.00%	144,165	7,594	7,315	4,708	526,343	322,397	122,329	1,260
Mitsubishi Estate Home Co., Ltd.	100.00%	14,657	(657)	(653)	(660)	13,281	1,889	-	150
Mitsubishi Jisho Community Co., Ltd.	71.47%	25,699	1,843	1,906	1,225	8,584	4,180	0	123
Rockefeller Group, Inc.	100.00%	62,074	15,390	12,693	7,121	326,957	193,022	93,283	7,160
Mitsubishi Estate Europe Limited	100.00%	6,092	3,458	2,875	2,253	165,483	82,099	78,552	1,708
Mitsubishi Jisho Sekkei Inc.	100.00%	8,540	498	559	351	22,668	17,225	-	88
Royal Park Hotels & Resorts Co., Ltd.	100.00%	18,233	1,384	1,325	1,244	12,119	2,154	5,037	572
Royal Park Hotel Co., Ltd.	55.71%	7,569	425	336	396	15,459	7,744	4,150	539
Mitsubishi Real Estate Services Co., Ltd.	100.00%	13,717	(154)	15	23	23,799	14,723	36	206
	-	711,965	121,239	109,191	78,434	5,068,452	1,527,758	2,081,792	54,559

* 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.