

February 7, 2018

Earnings Highlights for FY2018-3Q  
(The Fiscal Year Ending on March 31, 2018)

Mitsubishi Estate Co., Ltd.

**●Earnings for FY2018-3Q (Consolidated)**

Millions of yen (rounded down)

	FY2018-3Q Results	FY2017-3Q Results	Change	Change (%)	FY2018 Estimates (Announced on Feb 7, 2018)
Office Building Business	344,209	370,656	(26,446)	(7.1)%	501,000
Lifestyle Property Business	73,691	66,794	6,896	10.3%	108,000
Residential Business	258,296	276,947	(18,651)	(6.7)%	426,000
International Business	55,142	54,079	1,062	2.0%	82,000
<b>Revenue from Operations</b>	<b>790,456</b>	<b>824,111</b>	<b>(33,654)</b>	<b>(4.1)%</b>	<b>1,202,000</b>
Office Building Business	106,486	103,625	2,860	2.8%	143,000
Lifestyle Property Business	21,321	19,855	1,465	7.4%	30,000
Residential Business	12,202	13,899	(1,697)	(12.2)%	20,000
International Business	13,507	23,157	(9,649)	(41.7)%	24,000
<b>Operating Income</b>	<b>143,354</b>	<b>150,444</b>	<b>(7,090)</b>	<b>(4.7)%</b>	<b>205,000</b>
<b>Income Before Taxes and Special Items</b>	<b>128,572</b>	<b>136,612</b>	<b>(8,040)</b>	<b>(5.9)%</b>	<b>179,000</b>
<b>Profit Attributable to Owners of Parent</b>	<b>84,953</b>	<b>89,384</b>	<b>(4,431)</b>	<b>(5.0)%</b>	<b>112,000</b>
<b>EBITDA</b>	<b>211,257</b>	<b>216,443</b>	<b>(5,186)</b>	<b>(2.4)%</b>	<b>293,000</b>

**Summary**
**【Overview】**

There is a decrease in income and profits compared with FY2017-3Q. Despite an increase in rental income and profits in the Office Building Business, there is a decrease in property sales in the Office Building Business, Residential Business and International Business. Factors affecting the individual segments compared with FY2017-3Q are detailed below.

**【Office Building Business】**

There is a decrease in income due to a decrease in property sales. However, an increase of rental profits of new buildings and existing buildings led to an increase in profits.

**(Vacancy rates)**

With leasing is underway for properties within and outside of Marunouchi, the Japan (all purpose) and Marunouchi (offices) vacancy rates for the end of December 2017 improved when compared with the end of September 2017.

**(Average rents)**

As a result of higher rents from new buildings in Marunouchi coming into effect and an increase in rents in the existing portfolio particularly in Marunouchi, as well as the effect of an increase of sales-linked rent from retail property tenants, the average rent for Japan (all purpose) at the end of December 2017 rose by ¥317/tsubo.month compared with the end of September 2017.

(yen/tsubo.month)

		2017/3 Results	2017/9 Results	2017/12 Results	FY2018 Estimates (Announced on Feb 7, 2018)
Vacancy rates	Japan (all purpose)	2.93%	2.75%	2.61%	2.5%
	Marunouchi (offices)	2.42%	2.80%	2.57%	
Average rents (Japan, all purpose)		¥25,842	¥25,840	¥26,157	¥26,200

### 【Lifestyle Property Business】

Factors for the increase in income and profits are the increasing in income from property sales, and the favorable performance of the outlet mall business.

### 【Residential Business】

The large-scale tower condominium sales led to an increase in income and profits in the condominium business, but a decrease in property sales led to an overall decrease in income and profits in the Residential Business.

### 【International Business】

A factor for the increase in income was an increase in income from property sales, but the absence of temporary profits resulted in an overall decrease in profits.

### ●Earnings Estimates for FY2018 (Consolidated)

\* Previous Estimate (announced on November 6, 2017)

Millions of yen (rounded down)

	FY2018 Estimates (Current)	FY2018 Estimates (Previous)	Change	Change (%)
<b>Revenue from Operations</b>	<b>1,202,000</b>	<b>1,202,000</b>	<b>0</b>	<b>0.0%</b>
<b>Operating Income</b>	<b>205,000</b>	<b>205,000</b>	<b>0</b>	<b>0.0%</b>
<b>Income Before Taxes and Special Items</b>	<b>179,000</b>	<b>179,000</b>	<b>0</b>	<b>0.0%</b>
<b>Extraordinary Income</b>	<b>15,500</b>	<b>13,000</b>	<b>2,500</b>	<b>19.2%</b>
<b>Extraordinary Loss</b>	<b>9,500</b>	<b>7,000</b>	<b>2,500</b>	<b>35.7%</b>
<b>Profit Attributable to Owners of Parent</b>	<b>112,000</b>	<b>112,000</b>	<b>0</b>	<b>0.0%</b>
<b>EBITDA</b>	<b>293,000</b>	<b>293,000</b>	<b>0</b>	<b>0.0%</b>

### Summary

#### 【Overview】

The following adjustments were made based on the current state of progress; Extraordinary income (¥13.0 billion→¥15.5 billion), Extraordinary income (¥7 billion→¥9.5 billion) but there is no change to Profit Attributable to Owners of Parent.

#### Disclaimer

This data contains predictions and aims which relate to our future economic performance 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.

The Summary of Financial Statements and Fact Book can be found on the website.

◇<http://www.mec.co.jp/e/investor/irlibrary/materials/index.html>