

Earnings Highlights for FY2020 – 3Q
(The Fiscal Year Ending March 31, 2020)

Mitsubishi Estate Co., Ltd.

● **Earnings for FY 2020 – 3Q (Consolidated)**

Millions of yen (rounded down)

	FY2020-3Q Results	FY2019-3Q Results	Change	Change (%)	FY2020 Estimates (Announced on May 14, 2019)
Office Building Business	374,220	403,525	(29,305)	(7.3)%	590,000
Lifestyle Property Business	89,526	79,048	10,478	13.3%	120,000
Residential Business	217,309	279,660	(62,350)	(22.3)%	402,000
International Business	82,840	47,104	35,736	75.9%	137,000
Revenue from Operations	827,231	874,357	(47,126)	(5.4)%	1,360,000
Office Building Business	105,335	113,478	(8,142)	(7.2)%	153,000
Lifestyle Property Business	24,857	23,591	1,265	5.4%	35,000
Residential Business	3,641	20,358	(16,716)	(82.1)%	20,000
International Business	31,821	16,201	15,620	96.4%	37,000
Operating Income	149,515	162,939	(13,424)	(8.2)%	230,000
Income Before Taxes and Special Items	134,227	148,648	(14,421)	(9.7)%	207,000
Profit Attributable to Owners of Parent	86,646	96,726	(10,079)	(10.4)%	137,000
EBITDA	222,042	231,606	(9,564)	(4.1)%	324,000

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【 Overview 】

There is a decrease both in income and profits compared with FY2019-3Q. Figures are in line with estimate, thus expecting an overall increase for the full year.

There is an increase in rental income and profits in the Office Building Business, the Lifestyle Property Business and the International Business as well as an increase in income and profits from property sales in the International Business. However, the following factors led to an overall decrease: a decrease in income and profits from property sales in the Office Building Business and the Residential Business because the greater part of property sales for this FY is expected to be recognized in 4Q; a decrease in sold units of domestic condominiums because the greater part of unit delivery for this FY is also expected in 4Q.

Factors affecting individual segments compared with FY2019-3Q are detailed below.

【 Office Building Business 】

There is an increase in rental income and profits from new buildings. However, a decrease in income and profits from property sales because the greater part of unit delivery for this FY is expected in 4Q resulted in an overall decrease.

(Vacancy Rate)

With the leasing performing well in overall portfolio, the vacancy rates for Japan (all uses) and Marunouchi (offices) had improved.

(Average Rents)

The average rents increased as a result of rents from new buildings in Marunouchi as well as an increase in rents from existing buildings mainly in Marunouchi.

(yen/tsubo.month)

		2019/3 Results	2019/9 Results	2019/12 Results	2020/3 Estimates (Announced on Nov 7, 2019)
Vacancy rates	Japan (all uses)	1.80%	1.98%	1.47%	1.5%
	Marunouchi (offices)	2.19%	2.51%	1.76%	
Average rents (Japan, all uses)		¥26,702	¥27,177	¥27,493	¥27,300

【Lifestyle Property Business】

Mainly, an increase in income and profits from property sales resulted in an overall increase.

【Residential Business】

The greater part of condominium delivery and rental apartment sales for this FY is expected in 4Q in domestic condominiums and property sales in rental apartments are expected in 4Q. Thus, a decrease both in sold units of condominiums and in income and profits from property sales of rental apartments led to an overall decrease.

【International Business】

An increase in occupancy rates of the office building in the U.S. that has been partially completed under a large-scale renovation as well as an increase in income and profits from property sales in the U.K. resulted in an overall increase.

● Earnings Estimates for FY2020 (Consolidated)

There is no change in the earnings estimates announced on May 14, 2019.

Disclaimer

The forecasts contained in this report, the Summary of Consolidated Financial Statements, and FACT BOOK are based on information available to the Company at the time of disclosure. Therefore, actual performance may differ from such forecasts due to various factors.

The summary of Financial Statements and Fact Book can be found on the homepage.

◇ <https://www.mec.co.jp/j/investor/irlibrary/materials/index.html>

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