

Earnings Highlights for 2015/3-1Q

Mitsubishi Estate Co., Ltd.

●Earnings for 2015/3-1Q

Million yen (figures under a million are rounded down)

	2015/3 1Q Results	2014/3 1Q Results	Change	Change(%)	2015/3 Estimates (Announced 14/5/8)
(New Segment*)					
Building Business	140,518	143,224	(2,705)	(1.9) %	553,000
Residential Business	36,809	60,477	(23,668)	(39.1) %	393,000
International Business	13,063	10,638	2,424	22.8 %	61,000
Revenue from Operations	204,147	227,832	(23,685)	(10.4) %	1,079,000
(New Segment*)					
Building Business	33,463	27,727	5,735	20.7 %	116,000
Residential Business	(4,575)	2,180	(6,755)	(309.9) %	17,000
International Business	3,113	2,269	844	37.2 %	10,000
Operating Income	27,758	28,801	(1,042)	(3.6) %	134,000
Income Before Taxes & Special Items	24,495	24,038	457	1.9 %	95,000
Net Income	25,512	17,105	8,407	49.1 %	60,000
EBITDA	49,754	50,155	(401)	(0.8) %	214,000

*Segment Changes: As of April 2014, the Commercial Property Development & Investment Business has been integrated into the Building Business.

Summary
【Overview】

There is a decrease in income and profits compared with FY2014-1Q. Main factors include the increase of the operating costs ratio and the decrease of condominium units sold in the Residential Business. Factors affecting the individual segments compared with FY2014-1Q are detailed below.

【Building Business】

A decrease of buildings sold led to a decrease in income, the profits increased due to the effect of buildings completed in 2012 and an increase in profits from selling off property. Figures are generally in line with estimates, edging towards slightly positive.

(Vacancy rates)

The temporary effect of a contract ending for a large tenant in Marunouchi led to the vacancy rates for Japan (all purpose) increasing by 0.41% and Marunouchi (offices) by 2.11% compared with the end of March 2014. This was within expectations, and as leasing negotiations are proceeding, figures are in line with estimates.

Japan (all purpose) (2014/3: 5.29% → 2014/6: 5.70%, 2015/3 Estimate: 3.5%)

Marunouchi (offices) (2014/3: 4.32% → 2014/6: 6.43%)

(Average rents)

As a result of the inclusion of calculations of property from the former Commercial Property Development & Investment Business, the decrease of turnover rent from retail property tenants (due to seasonal changes) and the temporary effect of a contract ending for a large tenant in Marunouchi, the average rents for Japan (all purpose) decreased by ¥732/tsubo.month compared with the end of March 2014. Looking forward, the leasing out of high unit price property in Marunouchi is progressing, putting figures are in line with estimates.

Japan (all purpose) (2014/3: ¥23,861/tsubo.month → 2014/6: ¥23,129/tsubo.month)
(2015/3 Estimate: ¥23,500/tsubo.month)

【Residential Business】

Factors for the decrease in income and profits include the increase of the operating costs ratio and the decrease of condominium units sold. At the end of June 2014, 71.9% of contracts for the total year's expected sales (¥255 billion) had been acquired, which put figures in line with expectations.

【International Business】

Factors for the increase in income and profits include the temporary increase of income from management fees. Figures are generally in line with expectations.

●Earnings Estimates for FY2015

There is no change in the earnings estimates announced May 8 2014.

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 Consolidated Financial Statements and Fact Book can be found on the homepage.

◇Summary of Consolidated Financial Statements

(<http://www.mec.co.jp/e/investor/irlibrary/tanshin/index.html>)

◇FACT BOOK (<http://www.mec.co.jp/e/investor/irlibrary/fact/index.html>)