

August 4, 2017

Earnings Highlights for FY2018-1Q
(The Fiscal Year Ending on March 31, 2018)

Mitsubishi Estate Co., Ltd.

●Earnings for FY2018-1Q (Consolidated)

Millions of yen (rounded down)

	FY2018-1Q Results	FY2017-1Q Results	Change	Change (%)	FY2018 Estimates (Announced on May 10, 2017)
Office Building Business	110,344	111,632	(1,287)	(1.2)%	497,000
Lifestyle Property Business	22,570	19,826	2,744	13.8%	105,000
Residential Business	72,135	70,844	1,291	1.8%	423,000
International Business	10,827	20,540	(9,712)	(47.3)%	95,000
Revenue from Operations	234,217	242,147	(7,929)	(3.3)%	1,200,000
Office Building Business	32,016	32,632	(616)	(1.9)%	140,000
Lifestyle Property Business	6,414	5,327	1,087	20.4%	26,000
Residential Business	(1,022)	1,269	(2,291)	(180.5)%	20,000
International Business	2,346	11,475	(9,128)	(79.5)%	23,000
Operating Income	35,843	47,340	(11,496)	(24.3)%	195,000
Income Before Taxes and Special Items	31,645	45,219	(13,573)	(30.0)%	171,000
Profit Attributable to Owners of Parent	17,933	27,400	(9,466)	(34.5)%	108,000
EBITDA	58,708	69,453	(10,745)	(15.5)%	282,500

Summary
【Overview】

There is a decrease in income and profits compared with FY2017-1Q. Despite an increase in rental income and profits in the Office Building Business, there is a decrease in profit from capital gains* in the Office Building Business, Residential Business and International Business. Factors affecting the individual segments compared with FY2017-1Q are detailed below.

* Capital Gains: Disposition of assets and other one-time-only profit with the exclusion of residential condominium sales.

【Office Building Business】

Despite absence of capital gains recorded in the same period of the previous year, an increase in rental income and profits of new buildings and existing buildings resulted in stable income and profits compared with FY2017-1Q.

(Vacancy rates)

The temporary effect of leasing cancellation in a new building in Marunouchi led to the vacancy rates for Japan (all purpose) and Marunouchi (offices) increasing compared with the end of March 2017. This had already been taken into consideration at the beginning of the period, and with leasing underway, figures are in line with estimates.

(Average rents)

Despite upward rent revisions in Marunouchi, the effect of limited-time-only leasing of a building being closed for redevelopment resulted in the stable average rent compared with the end of March 2017.

(yen/tsubo.month)

		2017/3 Results	2017/6 Results	2018/3 Estimates (Announced on May 10, 2017)
Vacancy rates	Japan (all purpose)	2.93%	3.55%	3.0%
	Marunouchi (offices)	2.42%	4.19%	
Average rents (Japan, all purpose)		¥25,842	¥25,722	¥26,000

【Lifestyle Property Business】

Factors for the increase in income and profits are the effect of a new subsidiary consolidated in FY2017-2Q and the favorable performance of the outlet mall business.

【Residential Business】

The effects of an increase in the condominium sales led to a increase in income, but a decrease in capital gains led to an overall decrease in profits.

【International Business】

The decrease in income and profits is due to capital gains in the same period of the previous year.

●Earnings Estimates for FY2018 (Consolidated)

There is no change in the earnings estimates announced on May 10, 2017.

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>