

Earnings Highlights for FY2019 – 1Q
(The Fiscal Year Ending March 31, 2019)

Mitsubishi Estate Co., Ltd.

● Earnings for FY 2019 – 1Q (Consolidated)

Millions of yen (rounded down)

	FY2019-1Q Results	FY2018-1Q Results	Change	Change (%)	FY2019 Estimates (Announced on May 14, 2018)
Office Building Business	149,551	110,344	39,206	35.5%	545,000
Lifestyle Property Business	23,075	22,570	504	2.2%	113,000
Residential Business	68,966	72,135	(3,169)	(4.4)%	440,000
International Business	11,229	10,827	401	3.7%	74,000
Revenue from Operations	272,660	234,217	38,442	16.4%	1,290,000
Office Building Business	37,323	32,016	5,306	16.6%	148,000
Lifestyle Property Business	7,056	6,422	633	9.9%	31,000
Residential Business	1,238	(1,022)	2,260	221.1%	23,000
International Business	3,780	2,346	1,433	61.1%	25,000
Operating Income	45,322	35,843	9,479	26.4%	215,000
Income Before Taxes and Special Items	39,877	31,645	8,231	26.0%	191,000
Profit Attributable to Owners of Parent	25,297	17,933	7,363	41.1%	123,000
EBITDA	68,461	58,708	9,753	16.6%	303,000

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【 Overview 】

There is an increase in income and profits compared with FY2018-1Q. Main factors include an increase of income and profits both on property sales and rental in the Office Building Business as well as an increase of property sales profits in the Residential Business. Factors affecting individual segments compared with FY2018-1Q are detailed below.

【 Office Building Business 】

An increase of income and profits on property sales as well as an increase in rental income and profits from both new and existing buildings resulted in an overall increase.

(Vacancy Rate)

The temporary increase in vacancy due to a change in tenants in Marunouchi led to the vacancy rates for Japan (all uses) and Marunouchi (offices) increasing compared with the end of March 2018. 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)

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)

		2018/3 Results	2018/6 Results	FY2019 Estimates (Announced on May 14, 2018)
Vacancy rates	Japan (all uses)	1.87%	2.08%	2.5%
	Marunouchi (offices)	1.65%	2.03%	
Average rents (Japan, all uses)		¥26,193	¥26,280	¥26,800

【Lifestyle Property Business】

An increase in rental income and profits from Tokyo Ryutsu Center Distribution B Building completed in June 2017 as well as a favorable performance in outlet mall business resulted in an overall increase.

【Residential Business】

A decrease in sales from condominiums, etc. led to a decrease in income; however, an increase in property sales profits led to an increase in profits.

【International Business】

An increase in income and profits related to the Hybrid Investment Business Model* resulted in an overall Increase.

* Hybrid Investment Business Model: Funds structured by the Group companies that combine Mitsubishi Estate's and third-party equity. They support portfolio diversification and increased investment scale while concurrently earning management fees from investors for providing services to them.

● Earnings Estimates for FY2019 (Consolidated)

There is no change in the earnings estimates announced on May 14, 2018.

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.

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

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