

Earnings Highlights for FY2020 – 1Q
(The Fiscal Year Ending March 31, 2020)

Mitsubishi Estate Co., Ltd.

● **Earnings for FY 2020 – 1Q (Consolidated)**

Millions of yen (rounded down)

	FY2020-1Q Results	FY2019-1Q Results	Change	Change (%)	FY2020 Estimates (Announced on May 14, 2019)
Office Building Business	121,081	149,551	(28,469)	(19.0)%	590,000
Lifestyle Property Business	36,982	23,075	13,906	60.3%	120,000
Residential Business	71,386	68,966	2,419	3.5%	402,000
International Business	16,600	11,229	5,371	47.8%	137,000
Revenue from Operations	265,883	272,660	(6,777)	(2.5)%	1,360,000
Office Building Business	33,851	37,323	(3,472)	(9.3)%	153,000
Lifestyle Property Business	10,189	7,056	3,132	44.4%	35,000
Residential Business	2,540	1,238	1,302	105.2%	20,000
International Business	6,082	3,780	2,301	60.9%	37,000
Operating Income	46,850	45,322	1,527	3.4%	230,000
Income Before Taxes and Special Items	43,978	39,877	4,101	10.3%	207,000
Profit Attributable to Owners of Parent	26,420	25,297	1,122	4.4%	137,000
EBITDA	71,969	68,461	3,508	5.1%	324,000

< Summary >

【 Overview 】

There is a decrease in income and an increase in profits compared with FY2019-1Q. One of main factors for the decrease in income is due to selling off property in the previous period in the Office Building Business. Capital gains of a whole company stay at the same level as the previous year.

Main factors for the increase in profits include the effects of new buildings completed in the previous period, an increase in rental profits in a favorable performance in outlet mall business, and also an increase in profits from overseas condominiums. Factors affecting individual segments compared with FY2019-1Q are detailed below.

【 Office Building Business 】

Despite an increase in rental income and profits of new buildings, a decrease in income and profits from property sales resulted in an overall decrease.

(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 2019. 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)

		2019/3 Results	2019/6 Results	2020/3 Estimates (Announced on May 14, 2019)
Vacancy rates	Japan (all uses)	1.80%	2.29%	1.5%
	Marunouchi (offices)	2.19%	2.69%	
Average rents (Japan, all uses)		¥26,702	¥26,910	¥26,900

【Lifestyle Property Business】

An increase of income and profits from property sales and a favorable performance in outlet mall business resulted in an overall increase.

【Residential Business】

Despite a decrease in sales from rental apartments in the domestic residential business, an increase in sales income and profits from overseas condominiums led to an overall increase.

【International Business】

In addition to an increase in income and profits from property sales, an increase in occupancy rates of the office building in the U.S. that has been partially completed under a large-scale renovation 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.

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

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