

Earnings Highlights for FY2020 – 2Q
(The Fiscal Year Ending March 31, 2020)

Mitsubishi Estate Co., Ltd.

● **Earnings for FY 2020 – 2Q (Consolidated)**

Millions of yen (rounded down)

	FY2020-2Q Results	FY2019-2Q Results	Change	Change (%)	FY2020 Estimates (Announced on May 14, 2019)
Office Building Business	250,427	274,266	(23,839)	(8.7)%	590,000
Lifestyle Property Business	64,615	51,626	12,988	25.2%	120,000
Residential Business	151,091	182,005	(30,913)	(17.0)%	402,000
International Business	28,450	27,778	671	2.4%	137,000
Revenue from Operations	535,226	577,289	(42,062)	(7.3)%	1,360,000
Office Building Business	71,414	76,778	(5,363)	(7.0)%	153,000
Lifestyle Property Business	18,163	14,694	3,469	23.6%	35,000
Residential Business	4,741	13,442	(8,700)	(64.7)%	20,000
International Business	9,181	10,760	(1,578)	(14.7)%	37,000
Operating Income	92,276	106,891	(14,614)	(13.7)%	230,000
Income Before Taxes and Special Items	81,083	94,007	(12,923)	(13.7)%	207,000
Profit Attributable to Owners of Parent	48,078	61,812	(13,734)	(22.2)%	137,000
EBITDA	139,820	151,179	(11,359)	(7.5)%	324,000

< Summary >

【 Overview 】

There is a decrease both in income and profits compared with FY2019-2Q. Despite an increase in rental income and profits in the Office Building Business, the Lifestyle Property Business and the International Business, a decrease in income and profits from property sales in the Office Building Business, the Residential Business and the International Business as well as a decrease in domestic condominiums units sold resulted in an overall decrease. However, figures are in line with estimates.

Factors affecting individual segments compared with FY2019-2Q are detailed below.

【 Office Building Business 】

Despite an increase in rental income and profits from new buildings, a decrease in income and profits from property sales 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	2019/6 Results	2019/9 Results	2020/3 Estimates (Announced on Nov 7, 2019)
Vacancy rates	Japan (all uses)	1.80%	2.29%	1.98%	1.5%
	Marunouchi (offices)	2.19%	2.69%	2.51%	
Average rents (Japan, all uses)		¥26,702	¥26,910	¥27,177	¥27,300

【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】

A decrease both in sold units of condominiums and in sold properties of rental apartment in the domestic residential business 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 resulted in an increase in income. However, a decrease in income and profits from property sales led to a decrease in profits.

●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>

(End)