

FY 2021 – 2Q
(For the Year Ending March 31, 2021)

IR Presentation



For details of “Long-Term Management Plan 2030”, which began from April 2020, please refer to the following link.
<https://www.mec.co.jp/j/investor/plan/pdf/plan200124.pdf>

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Summary of FY 2021-2Q Results

1. Summary of Financial Statements

<FY 2021-2Q Financial Results>

- Revenue decreased but profit increased on a year-on-year basis.
- Profits increased mainly due to an increase in rental profits from office building and an increase in capital gains despite the hotel and retail property business being heavily impacted by the spread of COVID-19.
- Revenue decrease is mainly due to a decrease in revenues from the hotel and retail property business.

<FY 2021 Estimates>

- Extraordinary loss items (COVID-19 related, etc.) are reflected to the original estimate and operating income improved by approximately 6 bn yen.
- Profit attributable to owners of parent remains the same.

<Major Topics>

(Current quarter (July to Sep 2020))

- Rinku Premium Outlet (Expansion Phase 5) evolved to the largest outlet center in western Japan* (store floor area of about 50,100m²) and opened in August 2020.
- Official name of the Tokyo Tokiwabashi Project was determined to be "TOKYO TORCH" (September 2020)
- Mizuho Marunouchi Tower, Ginkokaikan, Marunouchi Terrace (Marunouchi 1-3 Project) were completed (September 2020)

*based on store floor area according to a survey by MEC.

2. Income Statement Results for FY2021-2Q

YoY profits have increased due to an increase in building rental profits and capital gains, despite the impact of COVID-19.

Millions of yen (rounded down)

<New Segment>	FY2021 -2Q	FY2020 -2Q	Change
Revenue from Operations	527,312	535,226	△ 7,914
Commercial Property Business	325,885	331,055	△ 5,170
Residential Business	142,741	149,168	△ 6,427
International Business	34,478	30,278	4,199
Investment Management Business	10,106	8,757	1,349
Other*	26,987	28,429	△ 1,442
Elimination	△ 12,886	△ 12,463	△ 423
Operating Income	98,072	92,276	5,795
Commercial Property Business	92,656	90,019	2,637
Residential Business	6,571	3,436	3,135
International Business	12,033	10,487	1,546
Investment Management Business	2,140	1,271	869
Other*	△ 3,478	△ 1,922	△ 1,557
Eliminations or corporate	△ 11,851	△ 11,015	△ 835
Non-Operating Revenue (of affiliates' equity in earnings)	10,218	6,738	3,479
Non-Operating Expense	198	163	34
Non-Operating Expense	16,671	17,931	△ 1,259
Income before Taxes and Special Items	91,618	81,083	10,535
Extraordinary Income	-	-	-
Extraordinary Loss	9,307	-	9,307
Profit Attributable to Owners of Parent	50,939	48,078	2,860

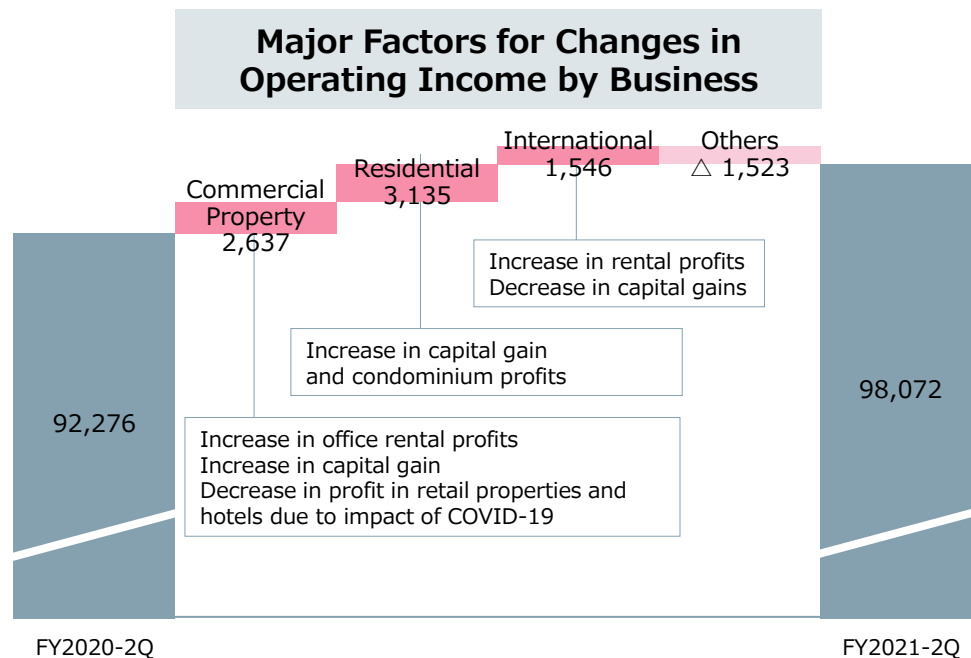
Millions of yen (rounded down)

	FY2021 -2Q	FY2020 -2Q	Change
Business profits	98,270	92,439	5,830
EBITDA	145,354	139,820	5,534
Interest-bearing debt	2,591,971	2,589,350	2,621

*Architectural Design & Engineering / Real Estate Service Business and Other businesses

Millions of yen (rounded off to the nearest billion)

Capital Gains included in Operating Income	FY2021 -2Q	FY2020 -2Q	Change
Total	23,000	12,000	11,000
Commercial Property Business	17,000	6,000	11,000
Residential Business	6,000	3,000	3,000
International Business	0	3,000	△ 3,000
Investment Management Business	-	-	-
Other	-	-	-
Eliminations or corporate	-	-	-



3. Income Statement Estimates for FY2021 (vs Previous Estimates)

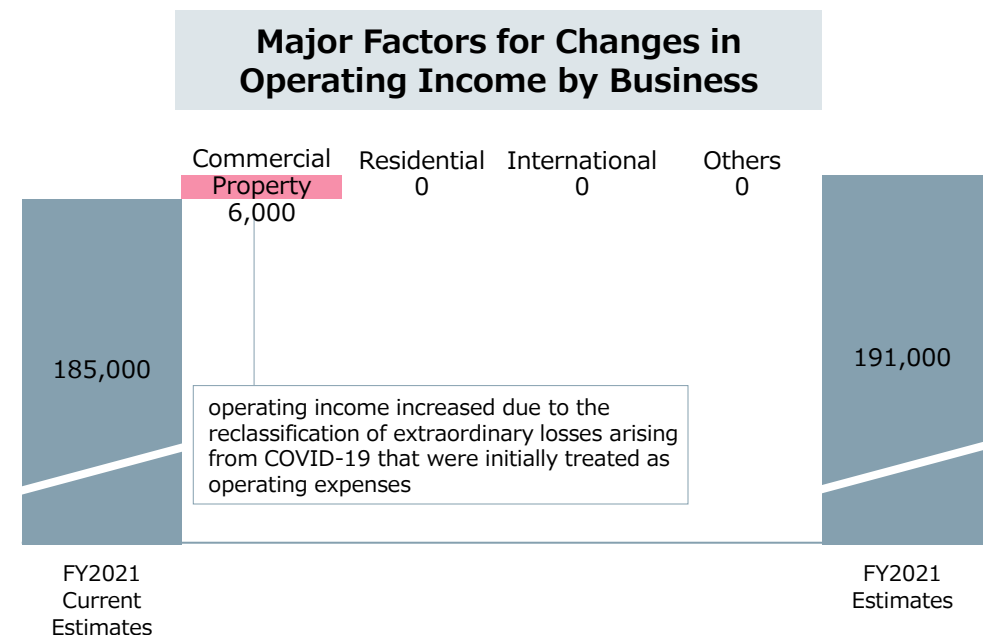
Extraordinary loss items (COVID-19 related, etc.) are reflected to the original estimate. Profit attributable to owners of parent remains the same.

Millions of yen (rounded down)

<New Segment>	FY2021 Current Estimates	FY2021 Previous Estimates	Change
Revenue from Operations	1,142,000	1,142,000	0
Commercial Property Business	674,000	674,000	0
Residential Business	320,000	320,000	0
International Business	88,000	88,000	0
Investment Management Business	20,000	20,000	0
Other*	66,000	66,000	0
Elimination	△ 26,000	△ 26,000	0
Operating Income	191,000	185,000	6,000
Commercial Property Business	169,000	163,000	6,000
Residential Business	12,000	12,000	0
International Business	29,000	29,000	0
Investment Management Business	4,000	4,000	0
Other*	1,000	1,000	0
Eliminations or corporate	△ 24,000	△ 24,000	0
Non-Operating Revenue (of affiliates' equity in earnings)	18,000 300	18,000 300	0
Non-Operating Expense	34,000	34,000	0
Income before Taxes and Special Items	175,000	169,000	6,000
Extraordinary Income	15,000	15,000	0
Extraordinary Loss	31,000	22,000	9,000
Profit Attributable to Owners of Parent	110,000	110,000	0

Millions of yen (rounded off to the nearest billion)

Capital Gains included in Operating Income	FY2021 Current Estimates	FY2021 Previous Estimates	Change
Total	31,000	31,000	0
Commercial Property Business	22,000	22,000	0
Residential Business	6,000	6,000	0
International Business	3,000	3,000	0
Investment Management Business	-	-	-
Other	-	-	-
Eliminations or corporate	-	-	-



Millions of yen (rounded down)

	FY2021 Current Estimates	FY2021 Previous Estimate	Change
Business profits	191,300	185,300	6,000
EBITDA	293,800	289,800	4,000
Interest-bearing debt	2,610,000	2,610,000	0

*Architectural Design & Engineering / Real Estate Service Business and Other businesses

4. Income Statement Estimates for FY2021 (vs Previous FY Results)

Estimated decrease in revenue and profits considering the impact of the COVID-19. An increase in domestic and overseas office rental profits is estimated.

Millions of yen (rounded down)

<New Segment>	FY2021 Current Estimates	FY2020 Results	Change
Revenue from Operations	1,142,000	1,302,196	△ 160,196
Commercial Property Business	674,000	723,712	△ 49,712
Residential Business	320,000	385,538	△ 65,538
International Business	88,000	134,175	△ 46,175
Investment Management Business	20,000	21,316	△ 1,316
Other*	66,000	65,871	129
Elimination	△ 26,000	△ 28,418	2,418
Operating Income	191,000	240,768	△ 49,768
Commercial Property Business	169,000	187,855	△ 18,855
Residential Business	12,000	24,320	△ 12,320
International Business	29,000	46,156	△ 17,156
Investment Management Business	4,000	4,467	△ 467
Other*	1,000	389	611
Eliminations or corporate	△ 24,000	△ 22,420	△ 1,580
Non-Operating Revenue (of affiliates' equity in earnings)	18,000	12,377	5,623
Non-Operating Expense	34,000	33,574	426
Income before Taxes and Special Items	175,000	219,572	△ 44,572
Extraordinary Income	15,000	26,251	△ 11,251
Extraordinary Loss	31,000	21,874	9,126
Profit Attributable to Owners of Parent	110,000	148,451	△ 38,451

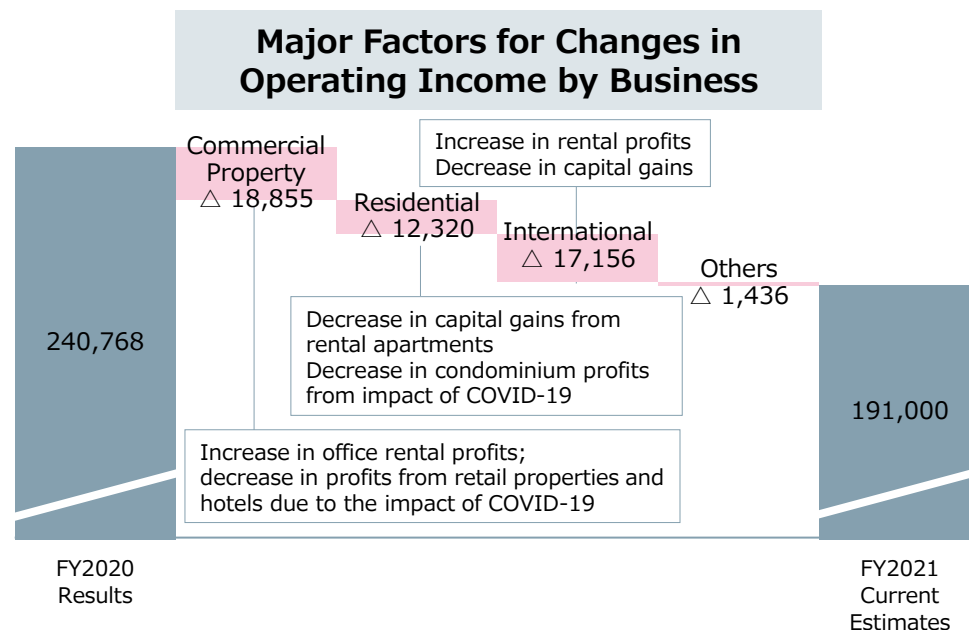
Millions of yen (rounded down)

	FY2021 Current Estimates	FY2020 Results	Change
Business profits	191,300	240,998	△ 49,698
EBITDA	293,800	336,784	△ 42,984
Interest-bearing debt	2,610,000	2,429,883	180,117

*Architectural Design & Engineering / Real Estate Service Business and Other businesses

Millions of yen (rounded off to the nearest billion)

Capital Gains included in Operating Income			
	FY2021 Current Estimates	FY2020 Results	Change
Total	31,000	61,000	△ 30,000
Commercial Property Business	22,000	23,000	△ 1,000
Residential Business	6,000	10,000	△ 4,000
International Business	3,000	28,000	△ 25,000
Investment Management Business	-	-	-
Other	-	-	-
Eliminations or corporate	-	-	-



5. Impacts of COVID-19 (major impacts on 2Q)

The impact is basically in line compared with estimated impact (Full-year).

Categories	Estimated impact (Full-year)	Impact on 2Q (Total)	Operating profits	Major situation and impact	
			Extraordinary loss*2		
Capital Gains	-	-	-	• 74% of full-year forecast has been recorded by 2Q	
Domestic Condominiums, etc.*1	▲JPY 5.0B	_*3	_*3 -	• See P14 for details • Model units visitors on 2Q recovered to numbers seen last year • Despite carry-over of certain sales, the risk of delay in delivery due to construction delay or other reasons is reduced.	
Income Gain	Retail property	▲JPY 16.0B	▲JPY 11.8B	▲JPY 8.5B ▲JPY 3.3B	• See P12 for details • Overall, sales remain the same level as those in June despite the fluctuations due to the spread of COVID-19 and weather.
	Hotels	▲JPY 15.0B	▲JPY 9.9B	▲JPY 7.5B ▲JPY 2.4B	• See P13 for details • Occupancy rate has continued to recover gradually after June
	Offices	▲JPY 0.5B	-	-	• No impact
	Others	▲JPY 8.5B	▲JPY 4.5B	▲JPY 4.5B -	• Impact on the brokerage business due to stagnation of the real estate market • Impact on certain businesses of consolidated subsidiaries (exhibition, parking lot, golf course, etc.) • See P15 for details of the state of overseas businesses
	Subtotal	▲JPY 40.0B	▲JPY 26.2B	▲JPY 20.5B ▲JPY 5.7B	
Total	▲JPY 45.0B	▲JPY 26.2B	▲JPY 20.5B ▲JPY 5.7B		

*1 Excluding capital gains, etc. from the Mitsubishi Estate Residence's operating income

*2 Some costs incurred by retail properties and hotels that were closed during this period are recorded in extraordinary loss for COVID-19 (e.g. depreciation cost or rent)

*3 Although there was a delay from the initial condominium sales schedule, the impact of this delay is not reflected in current financial estimate as there is no finalized delay in delivery for the coming fiscal year.

6. State of Businesses(i): Offices (overview of 2Q result)

Change in vacancy rate and average rent, and key summary of 2Q results

Change in vacancy rate and average rent

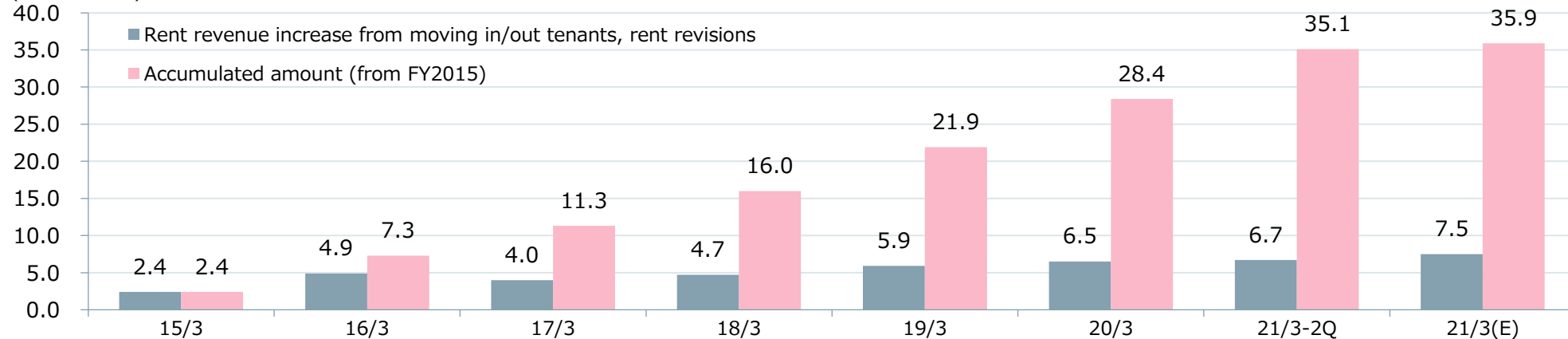
	2020/3	2020/9	2021/3 (estimates)
Vacancy rate (All uses in Japan)	1.07%	1.12%	2.0%
Vacancy rate (Marunouchi Offices)	0.69%	0.63%	-
Average rent (All uses in Japan)	¥ 27,177	¥ 27,724	¥ 28,000

- No impact from COVID-19 on 2Q results
- Vacancy rate remains low for all uses in Japan and Marunouchi offices
- Average rent continues to rise
- Since many companies are currently reluctant to extend floor space, expand or relocate offices, there is an expectation that more time will be required than usual to fill the vacancies
- Change of vacancy rate is generally in line with the original estimate which includes higher vacancy rate at the end of the FY due to tenant relocations to newly completed buildings

Rent increases in Existing Buildings

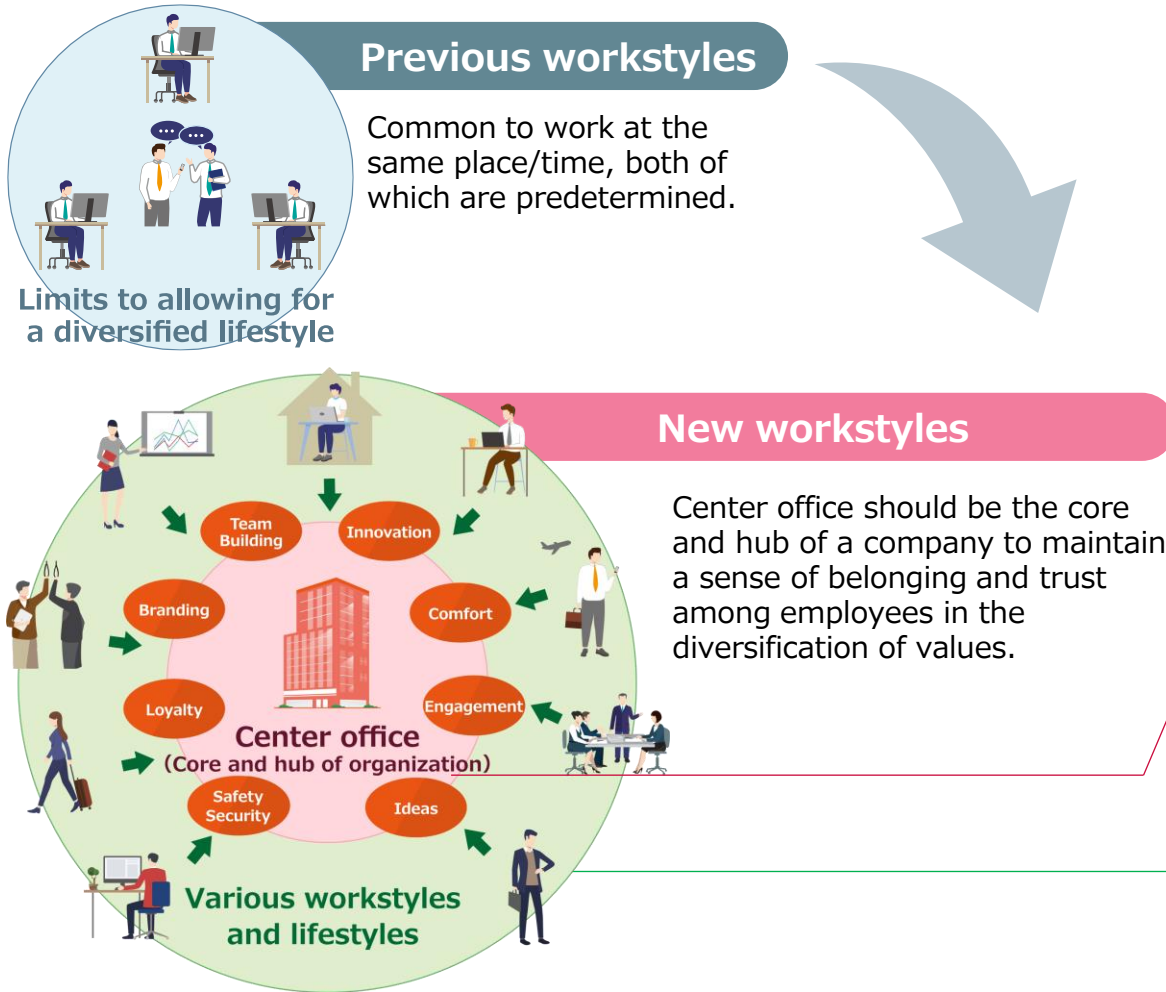
As of the 2Q results, revenue from existing buildings continues to grow, which mainly came from tenants whose contracts were closed before the COVID-19 outbreak (increase of JPY 6.7 billion in 2Q)

(Billions of Yen)



7. State of businesses (ii): Offices (initiatives looking ahead to post-COVID-19)

Enhancing offices' ability to create value through sophisticating the core function of the center office and keeping pace with diversified workstyles.



Sophistication of the center office



TOKYO TORCH(Tokiwabashi PJ)

- 2ha outdoor space
- Communal space for workers
- Flexible office use by multiple tenants
- Implementation of contactless security
- Large hall (2,000 seats)
- World-class hotel (100 rooms)
- Eco-friendly city development (e.g. green bonds)



FINOLAB(renewal)

- Financial support to startups (investing in FINOLAB FUND)
- Renewal and expansion
- Support services for business expansion

Approaches to diversified workstyle



WORK x ation Site (Workation)

- Establishment of a new hub (second hub)
- Reinforcing cooperation with local governments



Telecubes

- Increasing installment
- Establishing a Web meeting center (Demonstration trial)

8. State of businesses (iii) : Offices (safety and security measures)

For the safety of workers and visitors, various measures for infection control are implemented. Competitive edge of our buildings includes attentiveness in property management.

Installation of thermal cameras and monitors



Installation of physical distance posters

PHYSICAL DISTANCE

新型コロナウイルス感染症の拡大防止のため
間隔をあけてご利用ください。

Please keep distance between yourself and others
to prevent the spread of COVID-19.



間隔をあけてご着席をお願いします。
Please be seated by respecting a social

三菱地所プロパティマネジメント株式会社



Installation of reminder posters in elevators

〈新型コロナウイルス感染対策〉 (Prevention Measures against the Novel Coronavirus Infection)

エレベーターをご利用されるみなさまへ
For those who use elevators.

エレベーターは多くの人が利用しますので、
感染対策を行って安全にご利用ください。
Since many people use the elevator,
Please take measures against infection and use it safely.



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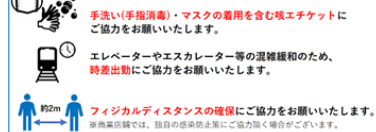
Installation of sanitizers and posters of prevention measures

感染症対策にご協力ください

当施設での取り組み



ご利用の皆様へのお願い



皆様のご理解とご協力をお願い申し上げます。

三菱地所プロパティマネジメント株式会社



Installation of paper towels

感染症対策にご協力ください

Please cooperate in measures against infectious diseases.



新型コロナウイルス感染症の拡大防止のため
こまめな手洗いをお願いします。

Please wash your hands frequently to prevent the spread of COVID-19.

三菱地所グループは換気設備への設置を行い、安心・安全なオフィス環境を提供する。 定期的清掃としてペーパータオルを設置します。 引き続き、ハンカチ等の持ち込みにもご協力を賜りますようお願いいたします。

Mitsubishi Estate Group has installed paper towels as a temporary measure to provide a safe and secure office. We will regularly provide paper towels. We kindly request your cooperation in not bringing in handkerchiefs. An environment friendly workplace by bringing your own handkerchiefs.

三菱地所プロパティマネジメント株式会社



9. State of businesses (iv): Retail properties and outlet malls

Status of retail properties and outlet malls operations (from Jul-Sep 2020)

- Maintaining the sales level in June despite fluctuations in customer volume and store sales due to COVID-19 and weather
- "Outlet malls" and "Stand-alone shopping center" remain steadily recovering
- "Urban, mixed-use buildings Commercial zone" are slow to recover due to a decrease in the number of workers who commute to offices
- In all types of facilities, restaurants are recovering at a slower pace than retail stores. However, restaurants are currently on a recovery trend as well



Outlet malls (GOTEMBA PREMIUM OUTLETS)



Stand-alone shopping center
(MARK IS Minatomirai)



Urban, mixed-use buildings Commercial zone
(Marunouchi Bldg.)

Sales trends in retail properties and outlet malls

Type of facility	Type of facilities (year-on-year comparison)	Sales level from July to September (year-on-year comparison)
Outlet malls	Approx. 80%	Approx. 80-90%
Stand-alone shopping center	Approx. 90%	Approx. 80-90%
Urban, mixed-use buildings Commercial zone	Approx. 50%	Approx. 50-60%

10. State of businesses (v): Hotels

Status of hotel operations (Jul-Sep 2020)

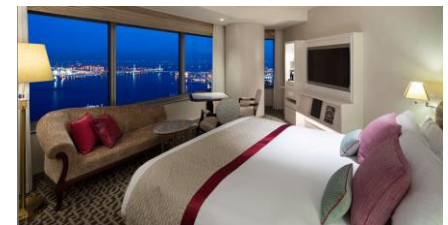
- Occupancy rate has been recovering since June
- Occupancy rate temporarily increased in the second half of July as a result of economic stimulus measures such as GoTo Travel, but recovery is slow due to further spread of COVID-19
- Hotels popular among Japanese consumers and resort-type hotels are relatively steadily recovering. (Occupancy rates of Sendai RPH and Yokohama RPH for Aug.-Sep.: More than 50%)
- Meanwhile, hotels in Tokyo and Osaka areas have been struggling (Occupancy rate: 10-20%)



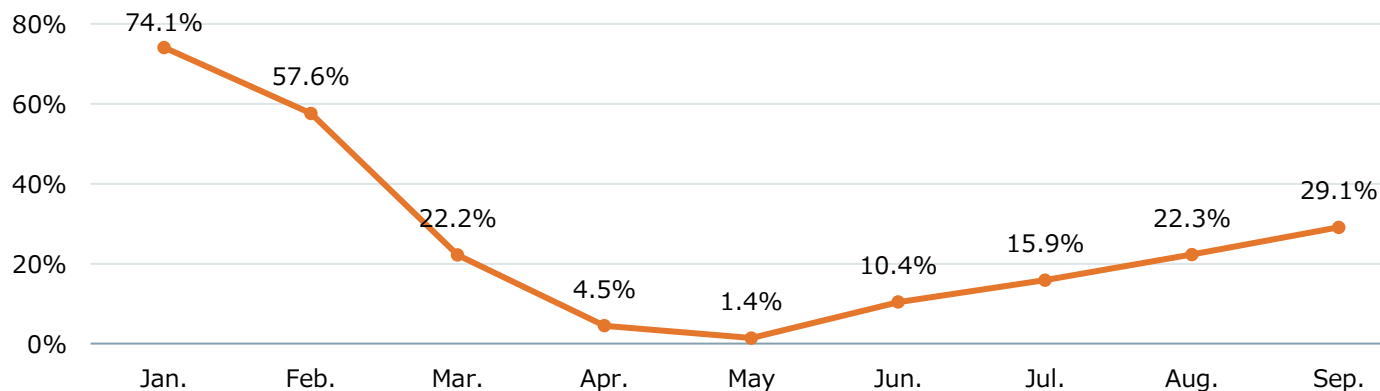
Sendai Royal Park Hotel



Yokohama Royal Park Hotel
(Yokohama Landmark Tower)



Royal Park Hotels/Trend in occupancy rate (Jan-Sep 2020)



11. State of businesses (vi): Domestic condominiums

Highlights of 2Q results

- Sales and number of domestic condominiums sold were almost the same as those of the previous year
- Gross margin improved due to sales of highly profitable large-scale high-rise condominiums (year-on-year increase by 2.5 points)
- Steady decrease in finished inventory (-217 YoY, -75 vs the beginning of FY2021)

■ Data on domestic condominiums

	FY2020-2Q	FY2021-2Q
Revenue	72.5 billion yen	68.3 billion yen
Condominiums Sold (units)	1,213	1,178
Gross margin	17.0%	19.5%
Inventory (units)	515	298



Tsudanuma The Tower
(delivery started in 2Q of FY2021)

After declaration of a state of emergency was lifted

- Model units visitors between July and September recovered mostly to the level of the previous year
- Residences with high convenience in urban areas remain in high demand
- Large residences in suburban areas are drawing a great deal of interest due to spread of WFH
- Overall, no decrease in demand for condominiums is seen
- Decline in risks of delayed delivery due to delays in construction, etc., which were initially estimated



Urban Project: The Residence Yotsuya
(to be delivered in Q3 of FY2021)



Suburban Project: The Parkhouse Shin-Urayasu Marine Villa
(to be delivered in FY2022)

12. State of businesses (vii): International business

Overall state of each area and major topics in the first half

<U.S. and Europe>

- COVID-19 Impact on office business is minor
- Some office tenants delayed their move-in, and rent for certain retail tenants has been reduced or exempted

<Asia>

- Condominiums sales and new office leasing overall tends to require more time while the recovery depends on cities (Housing market in China recovered quickly)

<Capital recycling business and capital gain>

- The sale of mainly logistics facilities, rental houses and offices has become possible in a movement towards normalization of markets

<Topic>

- Decided to enter into a condominium business in the U.K. and Australia
- A U.S. hybrid model investment fund* is adopted as a constituent of "NCREIF Real Estate Investment Index (NFI-ODCE)" (Investment Management Business)



Morello (rental housing in the U.K.)



One Sydney Harbour Residences One (Condominiums in Australia)

* "TA Realty Core Property Fund" which became an open-end fund in 2018

13. Promotion of DX (Digital Transformation)

Selected for DX Stocks 2020 and expansion to urban development

- Selected for DX Stocks 2020 (By Ministry of Economy, Trade and Industry, and Tokyo Stock Exchange)



DX銘柄2020
Digital Transformation

[Major Evaluation Points]

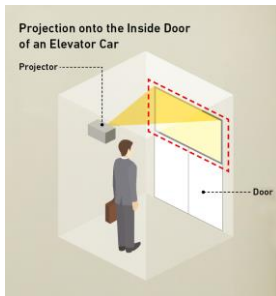
- Streamlining and sophistication of facility management services by utilizing robotics and drones
- Creation of new business models, including the elevator media business, through open innovation with startups



Streamlining and sophistication of facility management by utilizing robotics and drones

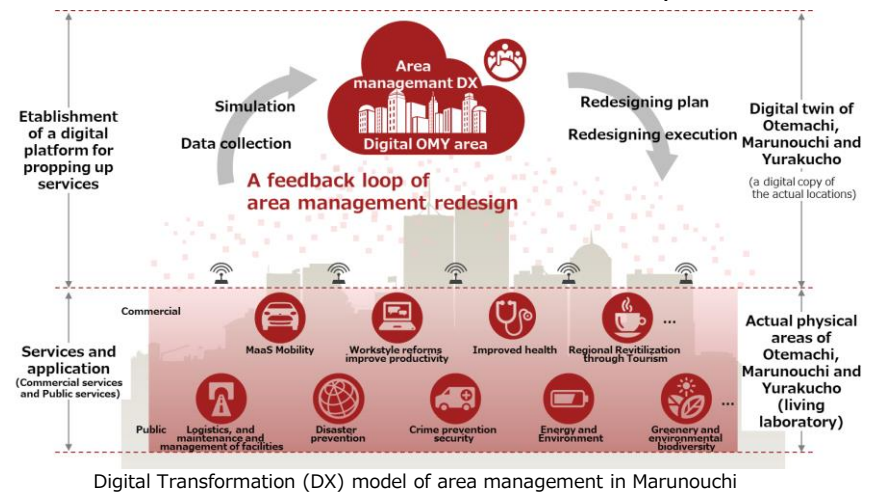


Elevator media business through cooperation with startups



- Transforming Marunouchi into a smart city through DX

Established the area management model which utilizes data to transform the Marunouchi area into a smart city



Digital Transformation (DX) model of area management in Marunouchi



Tests for optimization of waste collection routes by utilizing AI and quantum computers (approx. 57% of CO2 is to be reduced)



Pilot program of electric scooters on public roads (First in Japan)

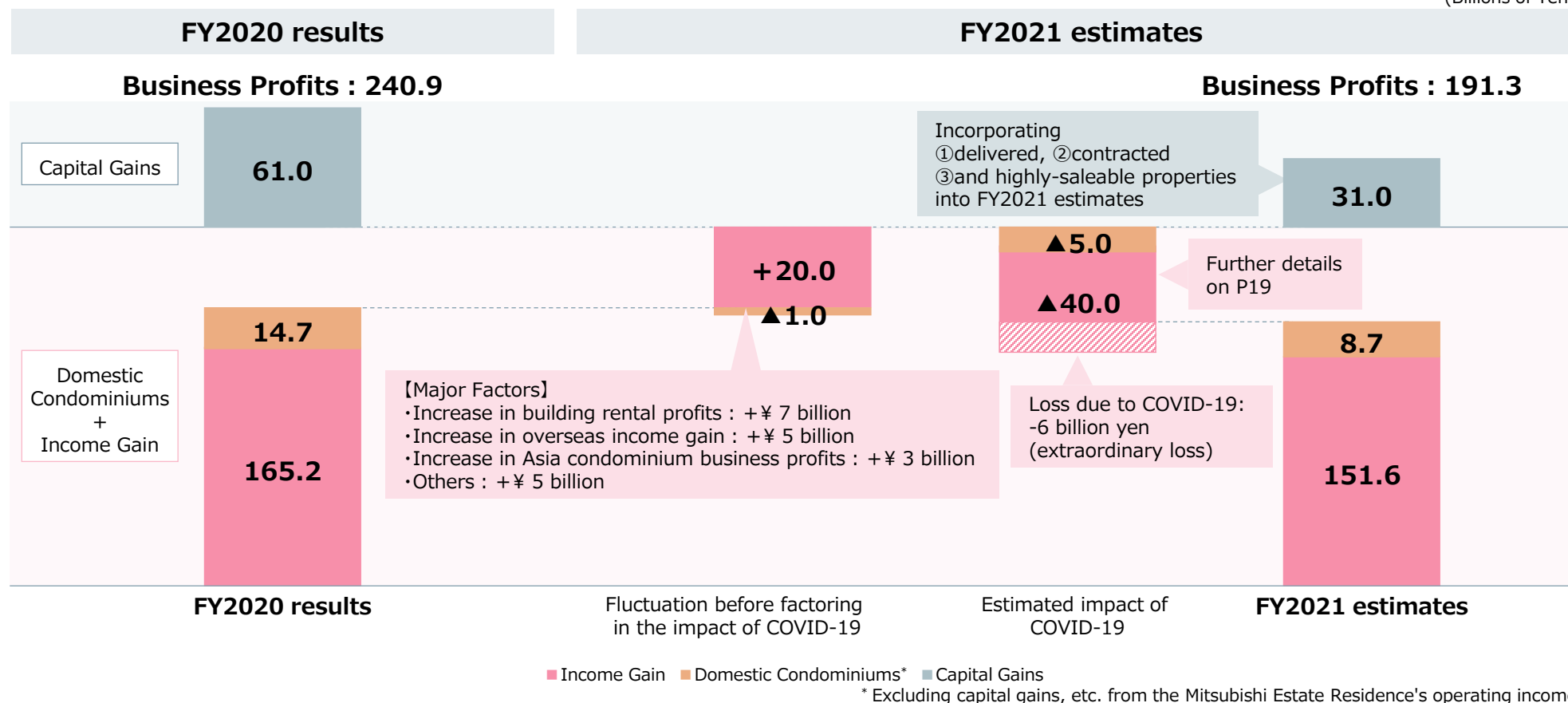
Summary of FY 2021 Estimates

1. Impact of COVID-19 (i) (impact on FY 2021 estimates)

Breakdown of business profits vs FY2020 and estimated impact of COVID-19

Approx. ¥45 billion reduction (including extraordinary losses) is estimated against income gain and domestic condominiums, etc.

(Billions of Yen)

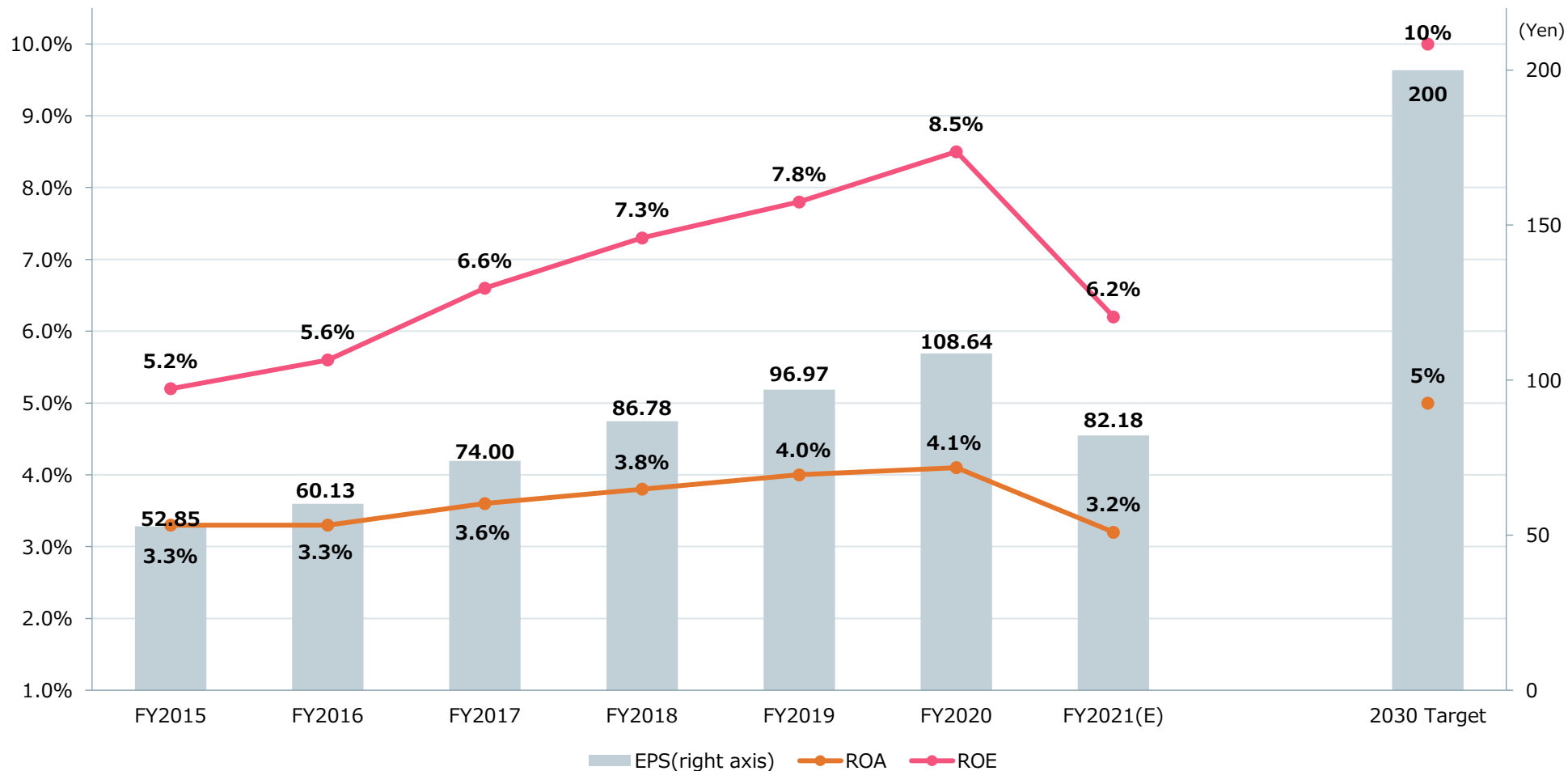


2. Impact of COVID-19 (ii) (basis of preliminary calculations of FY 2021 estimates)

Categories		Estimated Impact (amount of extraordinary loss*2)	Key assumptions for FY2021 estimates and COVID-19 impact
Capital Gains		-	<ul style="list-style-type: none"> Budgeted from delivered, contracted, and highly-saleable properties (60%+ of the planned properties for this fiscal year have already been delivered)
Domestic Condominiums, etc.*1		▲ ¥ 5 billion	<ul style="list-style-type: none"> Approximately 60% of the condominiums estimated to be sold before including the impact of COVID-19 have been contracted No new contracts assumed during the state of emergency (assuming it lasts until the end of May) A decline in new contracts after June is expected considering the anti-COVID-19 measures that limit visitor numbers Incorporating the risk of delivery delays for some of the residential units due to construction delay etc.
Income Gain	Retail Property	▲ ¥ 16 billion (▲ ¥ 3.3 billion)	<ul style="list-style-type: none"> Incorporating the general closure of most facility/stores, with some exceptions, during the state of emergency (assuming it lasts until the end of May) Business environment recovery is assumed for the end of the first half of FY2021
	Hotels	▲ ¥ 15 billion (▲ ¥ 2.4 billion)	<ul style="list-style-type: none"> The impact on the hotel management business is assumed to continue until the end of the fiscal year
	Offices	▲ ¥ 0.5 billion	<ul style="list-style-type: none"> A set vacancy period for all vacant floors is incorporated (no contracting tenant; including future vacancies)
	Others	▲ ¥ 8.5 billion	<ul style="list-style-type: none"> Partial revision of residential sales schedule for international business Incorporating the risk of market stagnation in the investment management and real estate service businesses Slowdown in project orders received in architectural design & engineering businesses
	Subtotal	▲ ¥ 40 billion (▲ ¥ 5.7 billion)	
Total		▲ ¥ 45 billion (▲ ¥ 5.7 billion)	<p>*1 Excluding capital gains, etc. from the Mitsubishi Estate Residence's operating income</p> <p>*2 Some costs incurred by retail properties and hotels that were closed during this period are recorded in extraordinary loss for COVID-19 (e.g. depreciation cost or rent)</p>

3. Changes in ROA / ROE / EPS

Continued efficiency improvements resulted in ROA: 4.1%, ROE: 8.5%, EPS: ¥ 108
 All indicators are forecast to fall in FY2021 due to the impact of COVID-19.

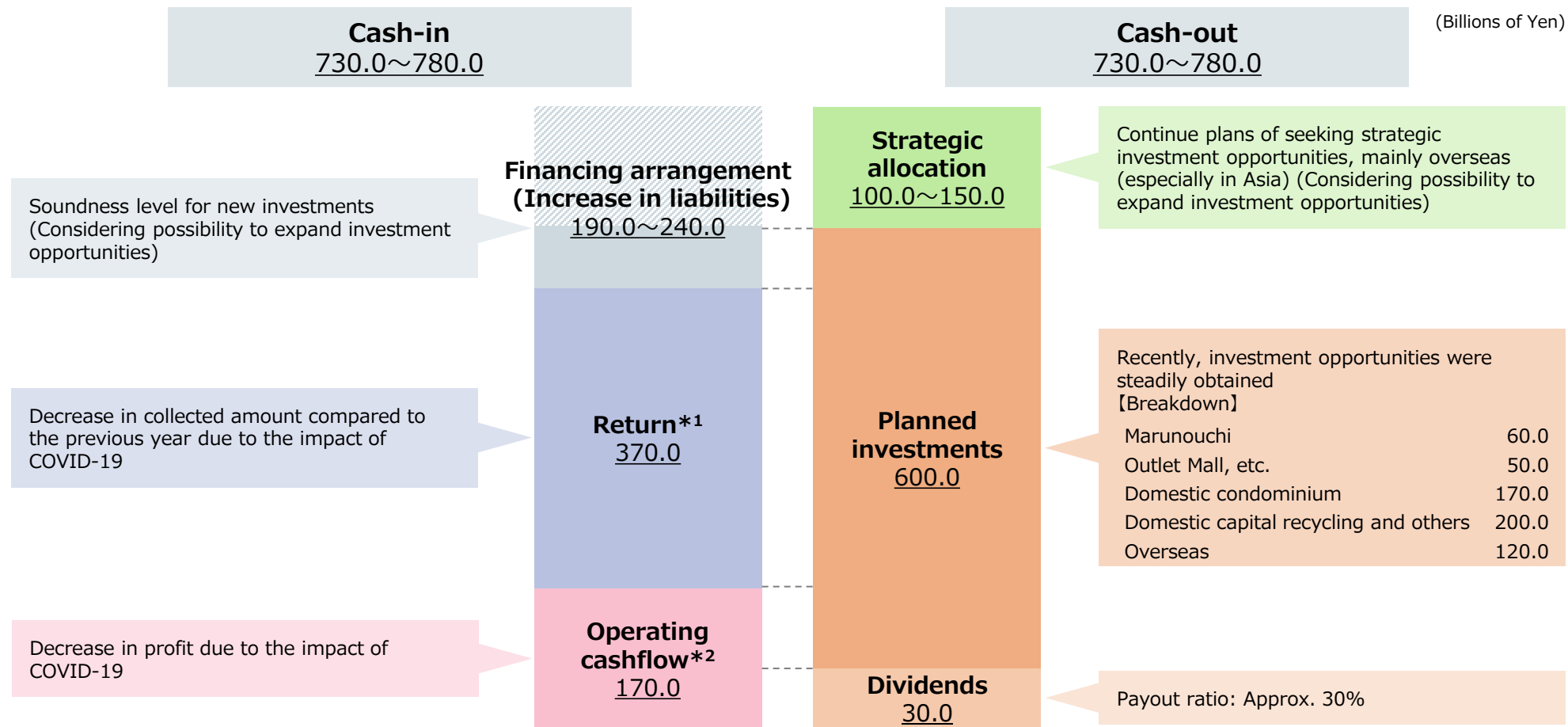


* ROA=Business Profit / Total assets (average)

4. Cashflow forecast for FY2021

*No change from estimates announced on May 14, 2020

Decrease in profits due to COVID-19 and decrease in cash-in due to selection of timing of asset sales.
Cash-out will tend to increase due to steady acquisition of new investment opportunities.

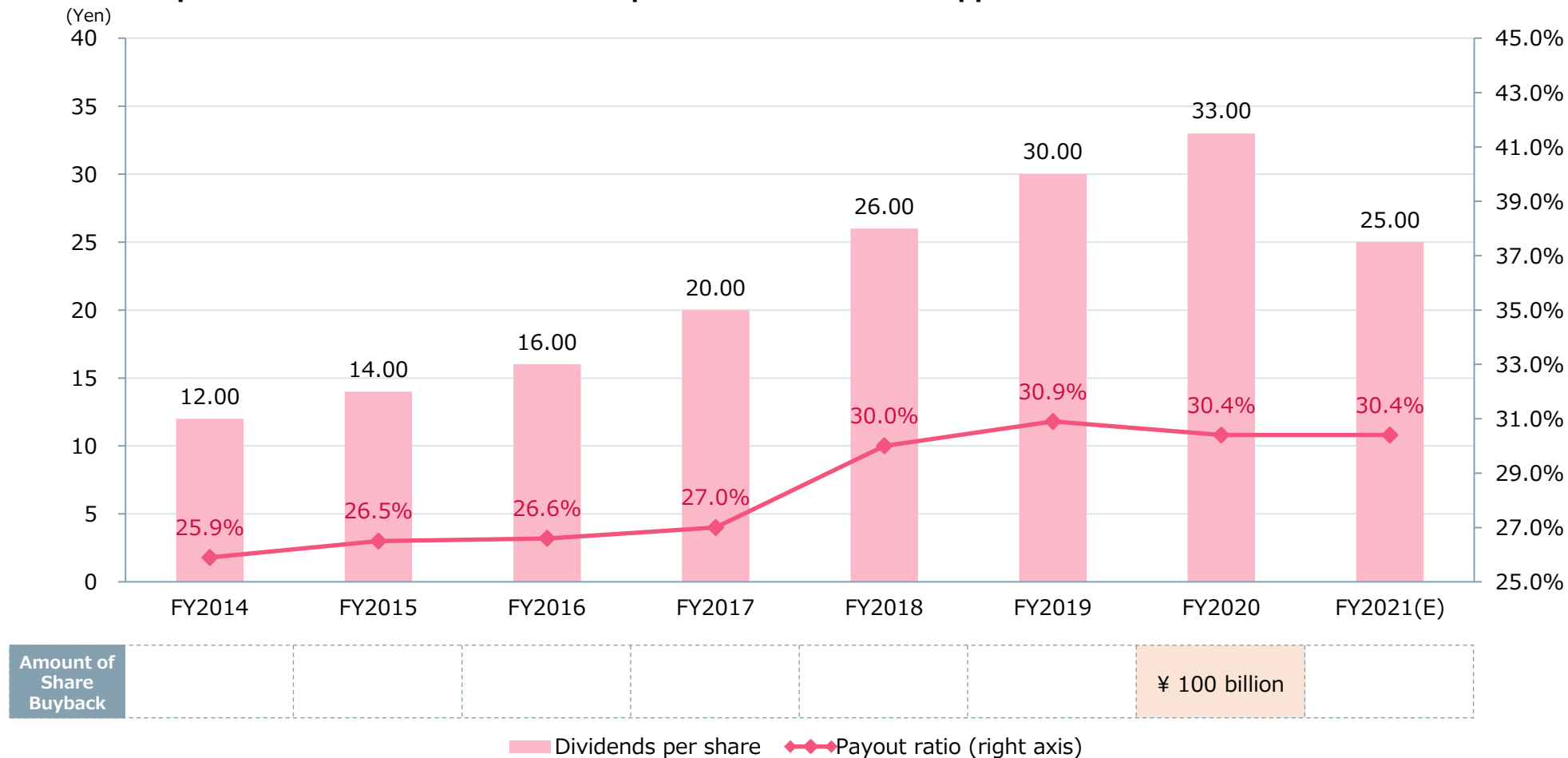


*1 Collected amount (in book value) from asset sales *2 Cash flows from operating activities, excluding change in inventories and change in equity investment

5. Shareholder returns

*No change from estimates announced on May 14, 2020

Policy for increasing dividends continues with support of a strong real estate market. ¥ 100 billion share buyback was executed during FY2020. Dividends are planned based on a payout ratio of approx. 30% during FY2021. Preparation for financial risks and expansion of investment opportunities.



Financial Supplemental Data

1. Management Indicator

	Previous management plan period			Current management plan period	
	FY2018	FY2019	FY2020	FY2021 (Estimate)	2030 Target
Business Profit*¹	¥ 213.4 billion	¥ 229.4 billion	¥ 240.9 billion	¥ 191.3 billion	¥ 350-400 billion
ROA*²	3.8%	4.0%	4.1%	3.2%	5%
ROE	7.3%	7.8%	8.5%	6.2%	10%
EPS	¥ 86.78	¥ 96.97	¥ 108.64	¥ 82.18	¥ 200

*¹ Business Profit = Operating Income + Equity in earnings (loss), unconsolidated subsidiaries and affiliates

*² ROA = Business Profit / Total Asset (average of opening / closing balances)

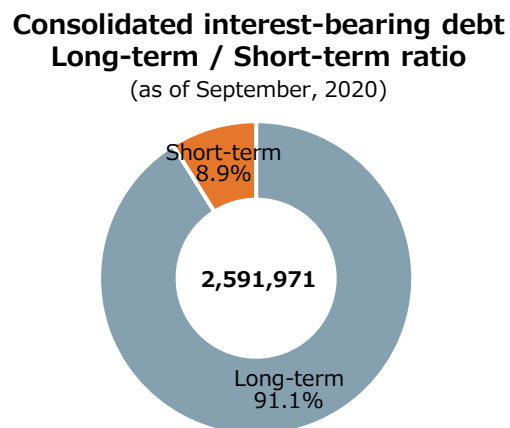
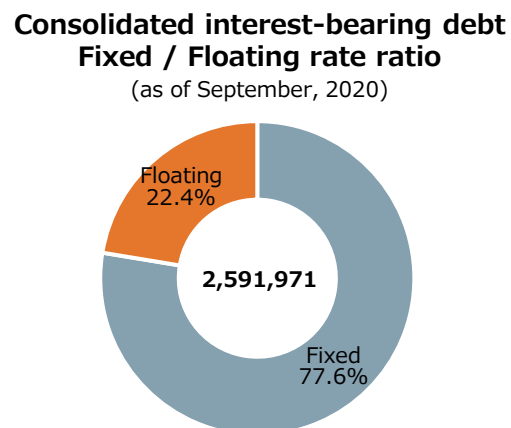
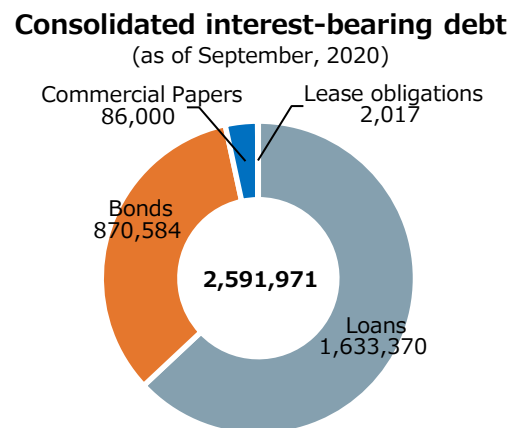
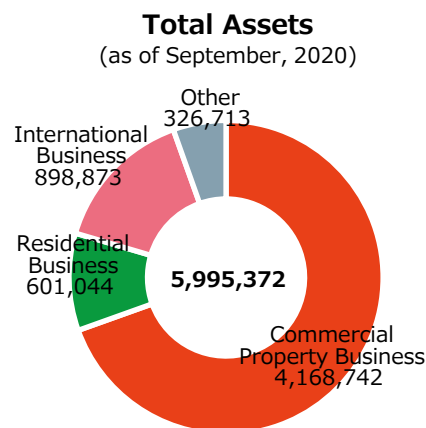
2. Balance Sheet

Millions of yen (rounded down)

	At September 30, 2020	At March 31, 2020	Change
Current assets	1,133,873	1,115,634	18,238
Cash	267,956	207,896	60,059
Notes and accounts receivable-trade	47,424	50,340	△ 2,916
Property for sale	52,183	72,256	△ 20,073
Property for sale in progress	244,690	247,677	△ 2,987
Property for development	975	975	△ 0
Equity investments	429,331	450,520	△ 21,189
Other	91,310	85,966	5,345
Fixed assets	4,861,498	4,742,602	118,896
Tangible assets	4,183,152	4,107,252	75,899
Intangible assets	97,765	96,767	998
Investment securities	255,246	236,969	18,276
Other	325,334	301,611	23,721
Total assets	5,995,372	5,858,236	137,135

Millions of yen (rounded down)

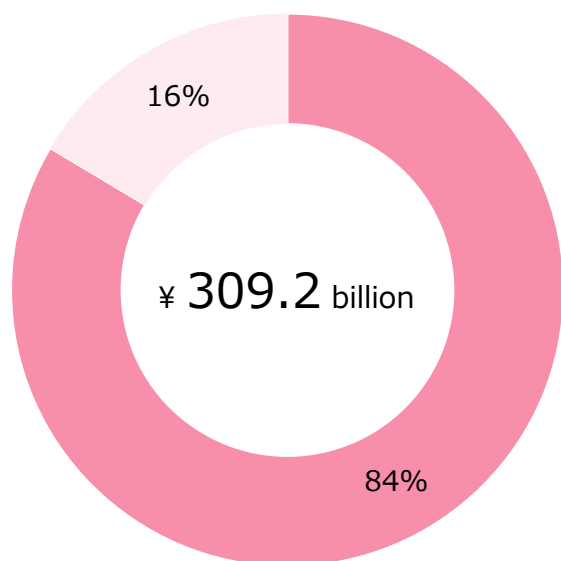
	At September 30, 2020	At March 31, 2020	Change
Liabilities	4,036,437	3,917,030	119,407
Current liabilities	711,586	664,001	47,585
Notes and accounts payable-trade	37,828	66,368	△ 28,539
Short-term borrowings	143,951	115,306	28,644
Current portion of long-term debt	174,055	156,778	17,277
Commercial Papers	86,000	50,000	36,000
Bonds due within one year	65,000	51,550	13,450
Other	204,750	223,998	△ 19,246
Long-term liabilities	3,324,850	3,253,028	71,821
Bonds	805,584	775,584	30,000
Long-term debt	1,315,363	1,278,678	36,684
Other	1,203,900	1,198,762	5,138
Net assets	1,958,934	1,941,206	17,728
Shareholders' equity	1,191,057	1,163,746	27,311
Other accumulated comprehensive income	563,065	570,716	△ 7,650
Stock acquisition rights	269	288	△ 19
Non-controlling interests	204,541	206,454	△ 1,913
Total liabilities and net assets	5,995,372	5,858,236	137,135



3. Asset composition

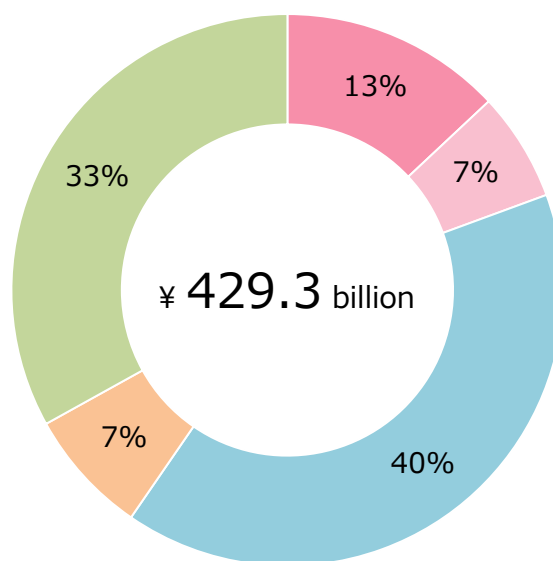
(End of September 2020)

Inventory



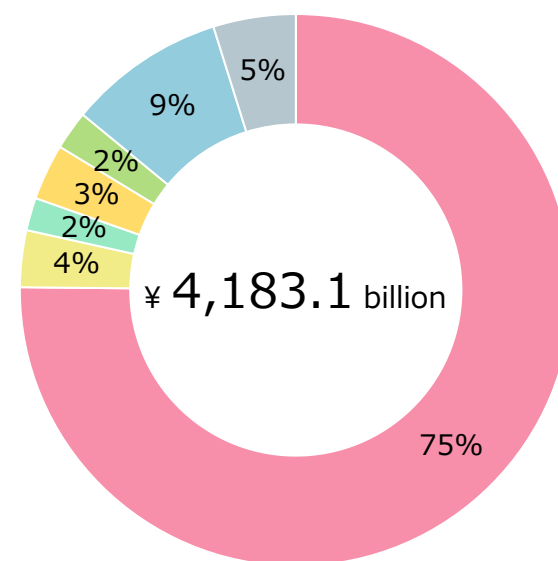
■ Domestic Condominiums ■ Others

Equity investment



■ Domestic (office buildings)
 ■ Domestic (others)
 ■ US
 ■ Europe
 ■ Asia

Tangible fixed asset



■ Office Buildings ■ Outlet Malls
 ■ Logistics Facilities ■ Retail Properties*
 ■ Rental Apartments ■ Overseas
 ■ Others

* Excluding outlet malls

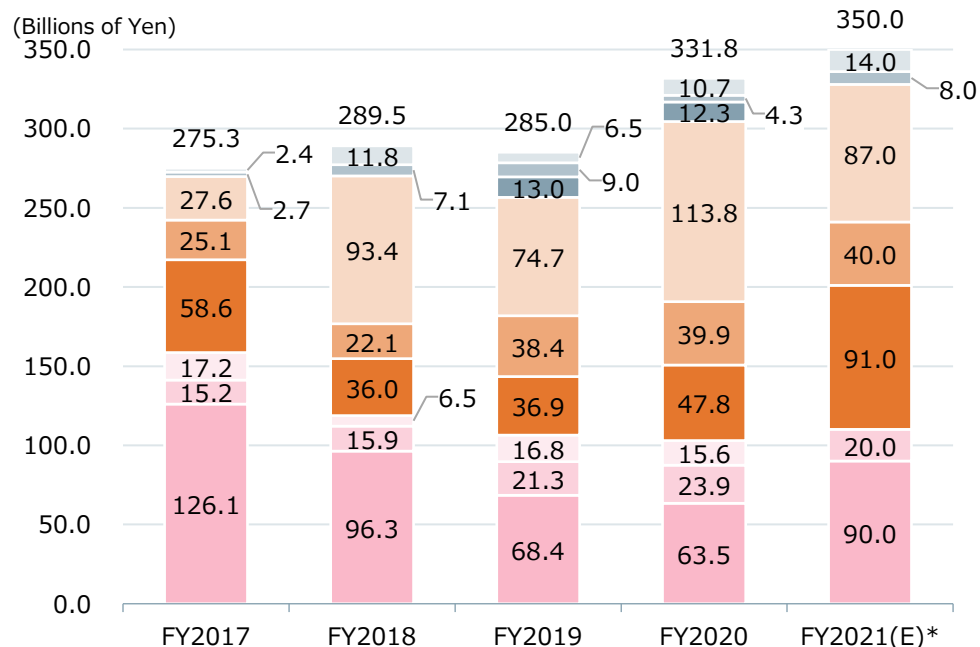
4. Consolidated Cash Flow

Millions of yen (rounded down)

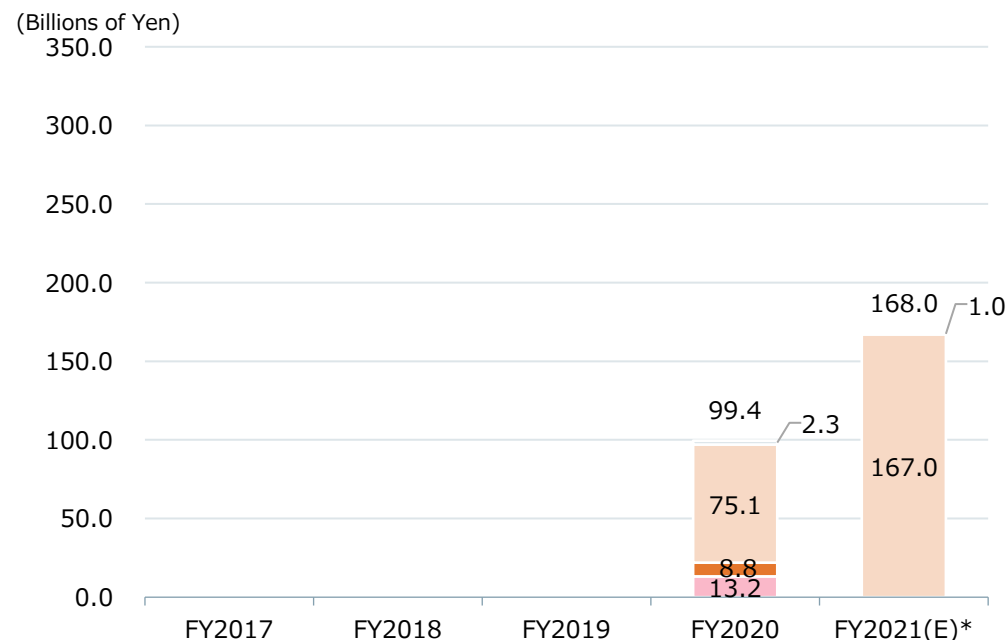
	①FY2020-2Q Results	②FY2021-2Q Results	Change (② – ①)	③FY2020 Results	④FY2021 Estimates	Change (④ – ③)
Cash flows from operating activities	69,113	60,101	△ 9,011	341,766	42,000	△ 299,766
Depreciation and amortization	41,590	43,231	1,640	84,941	87,000	2,059
Change in Inventories	23,311	23,663	351	148,161	18,000	△ 130,161
Change in Equity Investment	△ 13,511	17,480	30,991	△ 43,217	△ 146,000	△ 102,783
Cash flows from investing activities	△ 165,814	△ 142,146	23,668	△ 277,440	△ 299,000	△ 21,560
Proceeds from sales of investment securities	604	10,079	9,475	5,275	12,000	6,725
Capital Investment	△ 153,394	△ 133,967	19,426	△ 331,857	△ 350,000	△ 18,143
Cash flow from financing activities	215,145	142,703	△ 72,442	△ 28,886	194,000	222,886
Cash and cash equivalents at end of year	297,486	271,598	△ 25,888	213,008	147,000	△ 66,008
Free cash flow	△ 96,701	△ 82,044	14,656	64,326	△ 257,000	△ 321,326

5. Investment Data

Major Breakdown of Capital Investment



Major Breakdown of Equity Investments



*Classifications have been changed below from FY2021

<Legend for FY2017 - FY2020>

- Office Building (MEC: New/Redevelopment)
- Office Building (MEC: Refurbishment)
- Office Building (Subsidiaries)
- Lifestyle Property
- Residential
- International
- Hotel & Airport
- Special Purpose Vehicle
- Other (including consolidated eliminations)

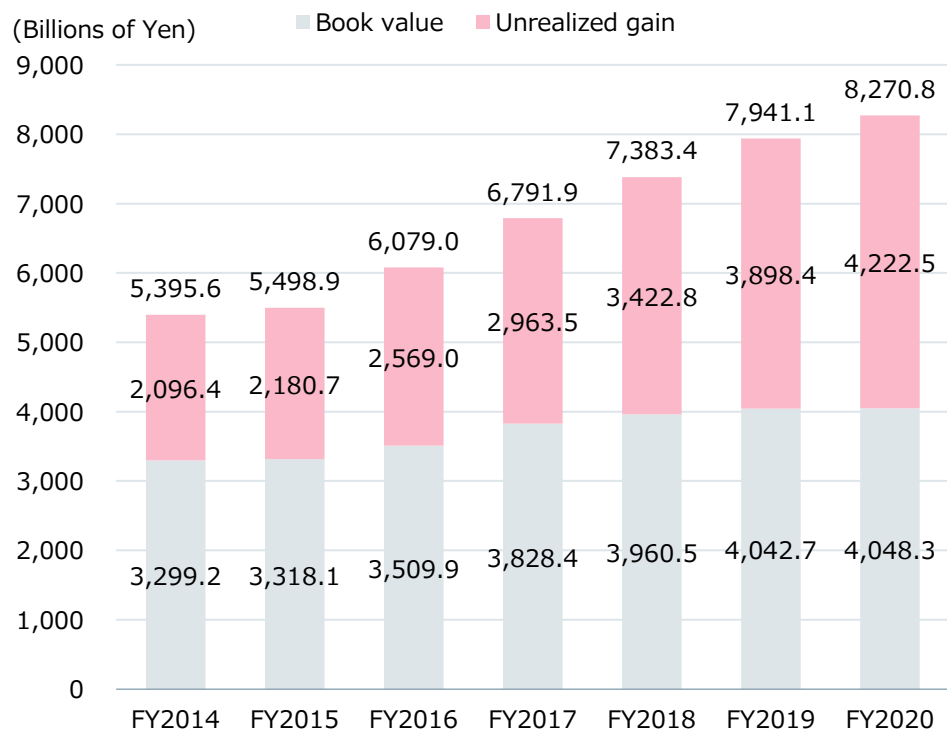
<Legend for FY2021>

- Office (MEC: New / Redevelopment)
- Office (MEC: Refurbishment)
- Commercial Property (excluding MEC office)
- Residential
- International
- Special Purpose Vehicle
- Others (including consolidated eliminations)

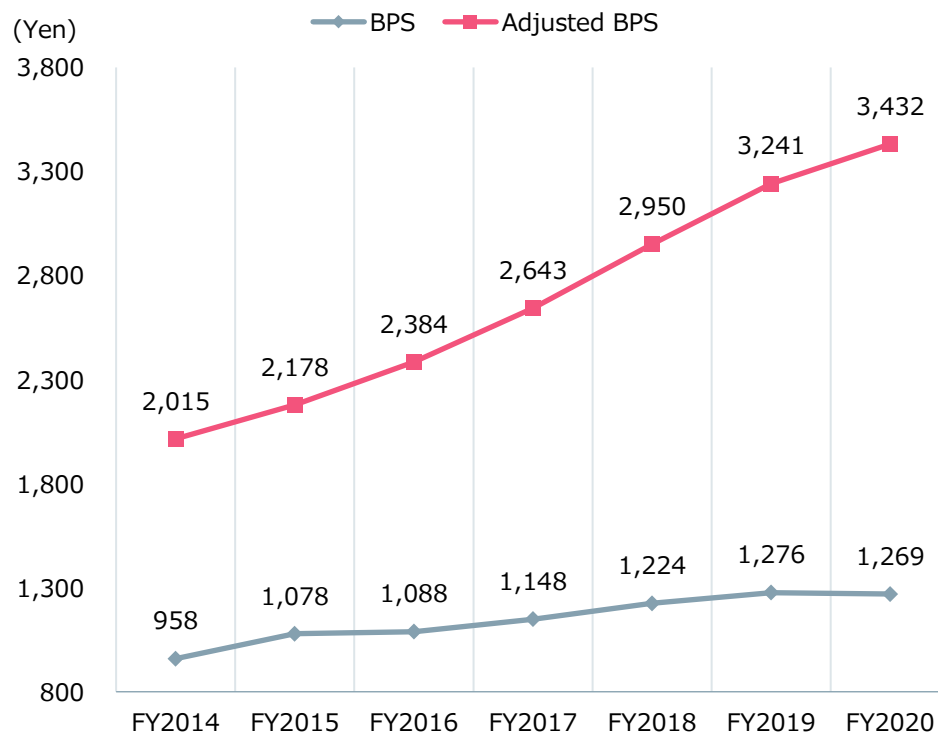
6. Income Generating Assets Unrealized Gain : Current Status ①

Unrealized gain rose approx. ¥300 billion (y-y), supported by declines in cap rates and cash flow improvement.

Income Generating Assets Unrealized Gain



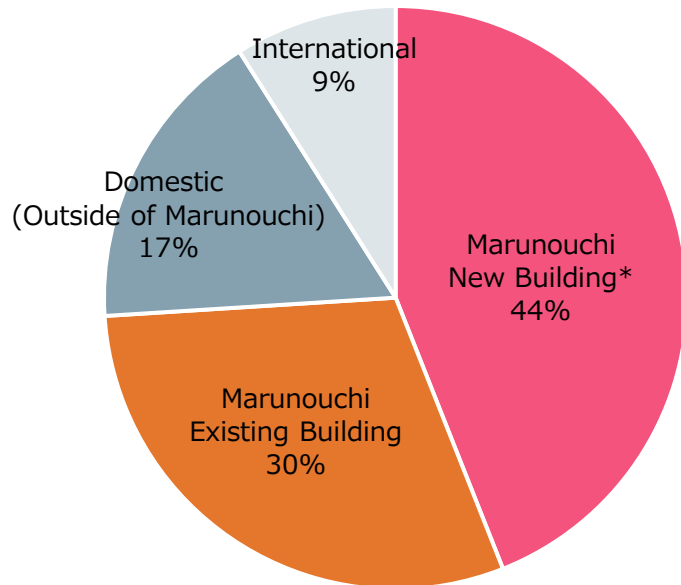
BPS and Adjusted BPS*



* BPS including unrealized gain (after tax)

7. Income Generating Assets Unrealized Gain : Current Status ②

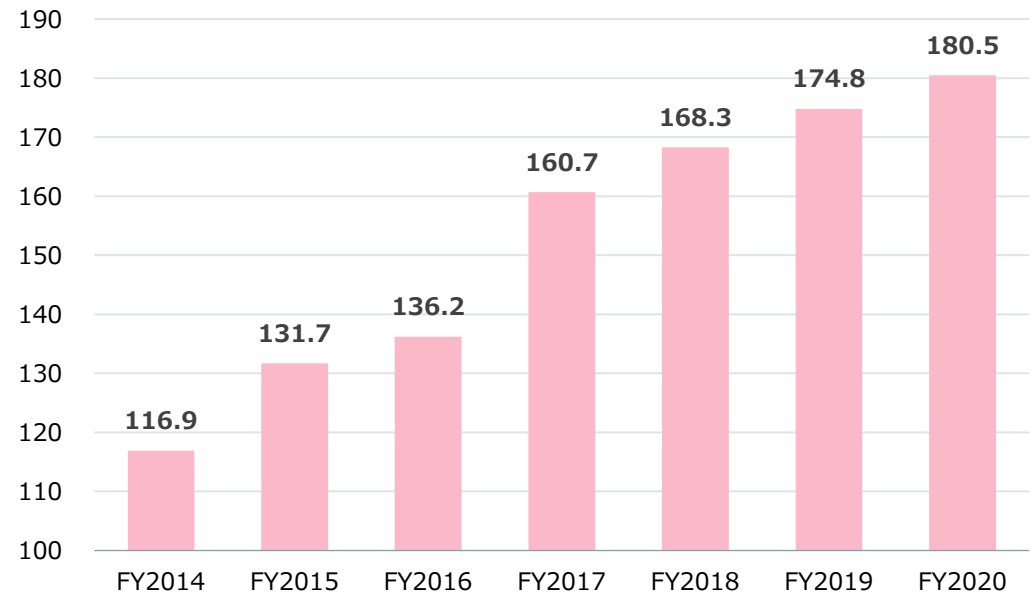
Unrealized Gain Breakdown



*Redeveloped properties after the completion of Marunouchi Building
FY2020 Results

Rental Profits

(Billions of Yen)

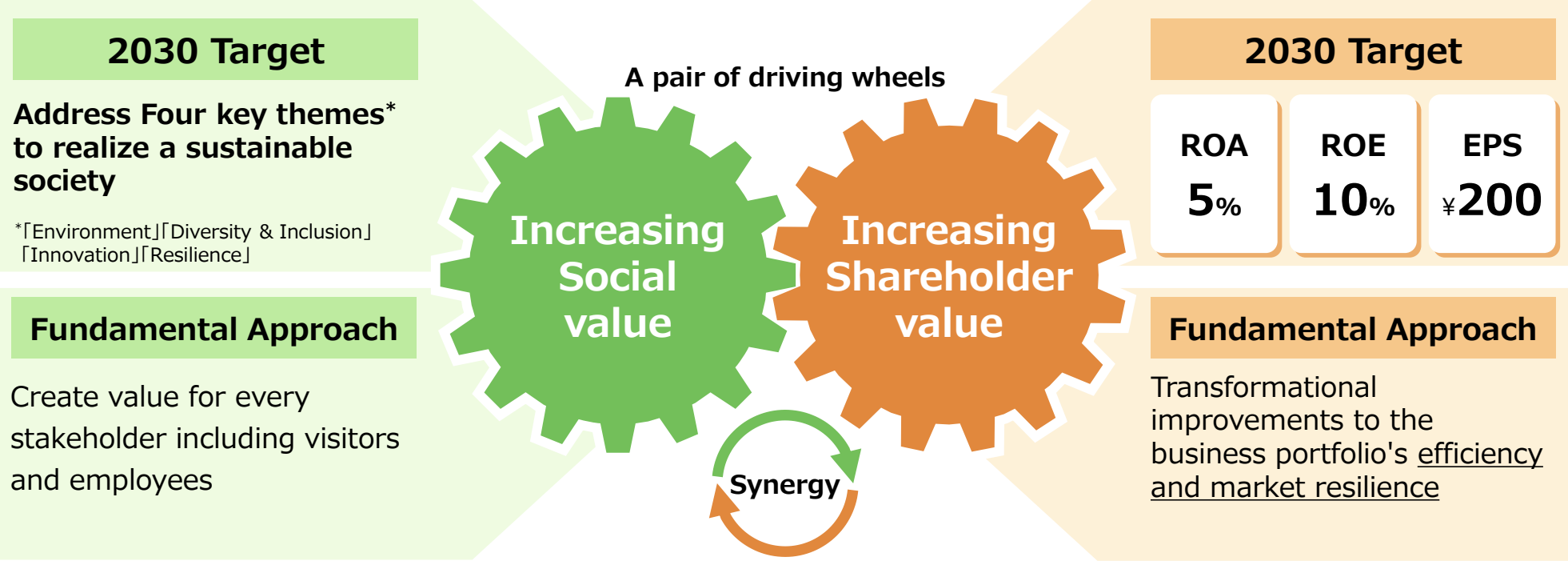


Overview of “Long-Term Management Plan 2030”

1. New Management Plan: Objective

*Repost from "Long-Term Management Plan 2030"

**Mitsubishi Estate Group's Mission:
Creation of a truly meaningful society through urban development**



**Realize our mission and sustainable growth
by increasing both social value and shareholder value**

2. Quantitative Target – 2030 Target

*Repost from “Long-Term Management Plan 2030”

2030 Target		
ROA ^{*1}	ROE	EPS
5%	10%	¥200

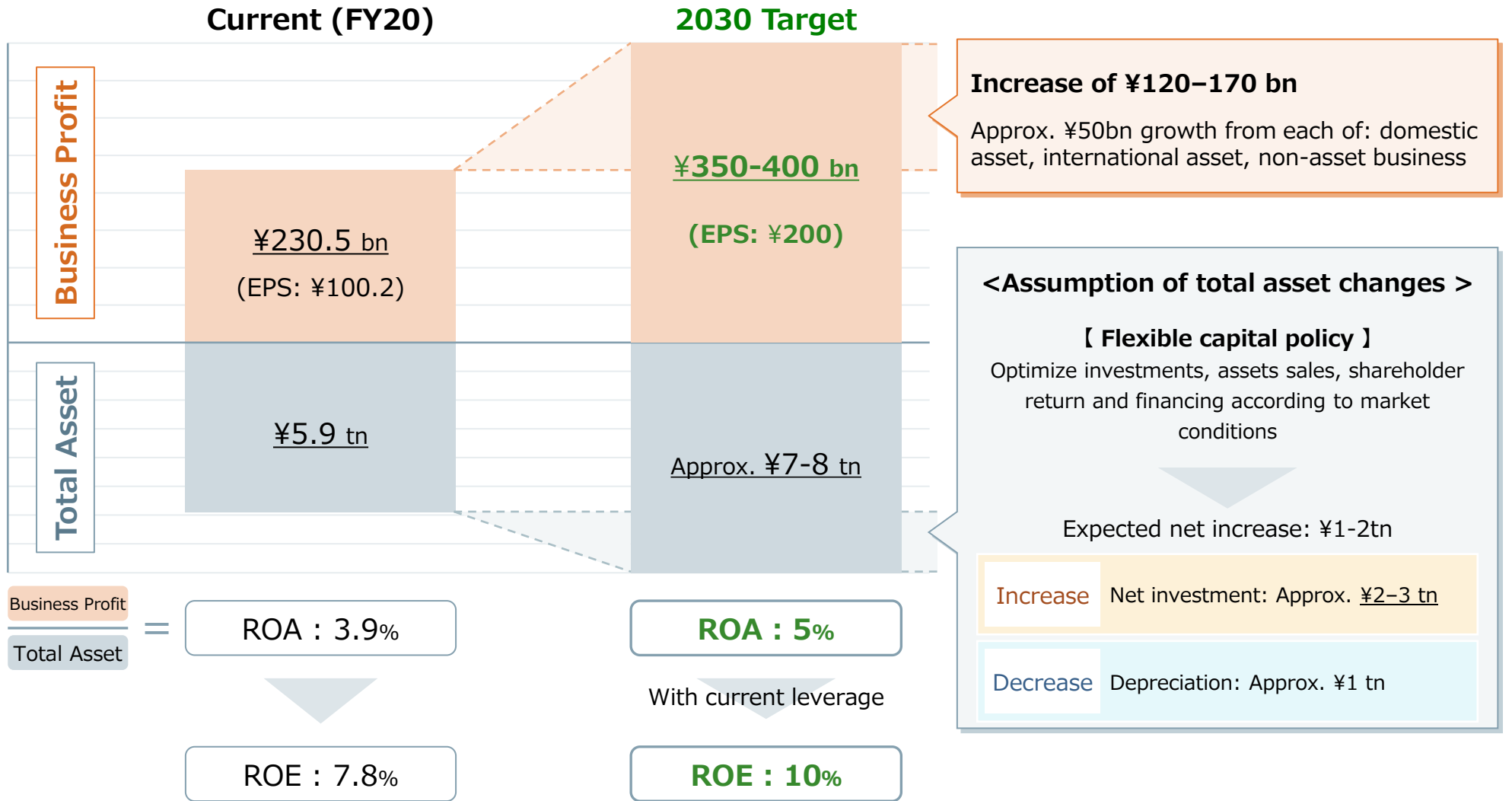
*1 ROA = Business Profit^{*2} / Total Asset (average of opening/closing balances)

Key Assumptions		
Profit Growth	Shareholders Return	Financial Stability
<p>Business Profit^{*2}</p> <p><u>¥350–400 bn</u></p>	<p>Current framework[*]</p> <ul style="list-style-type: none"> • Payout ratio: Approx. 30% <p>+</p> <ul style="list-style-type: none"> • Share buybacks (when determined to be optimal use of funds) <p>[*] Will adjust to business conditions</p>	<p>Maintain current level of credit ratings</p> <p>[Reference]</p> <p>R&I : AA- S&P : A+ Moody's : A2</p>

*2 Business Profit = Operating Income + Equity in earnings (loss) unconsolidated subsidiaries and affiliates

3. 2030 Targets: Realization Plan (ROA·ROE·EPS)

*Repost from “Long-Term Management Plan 2030”

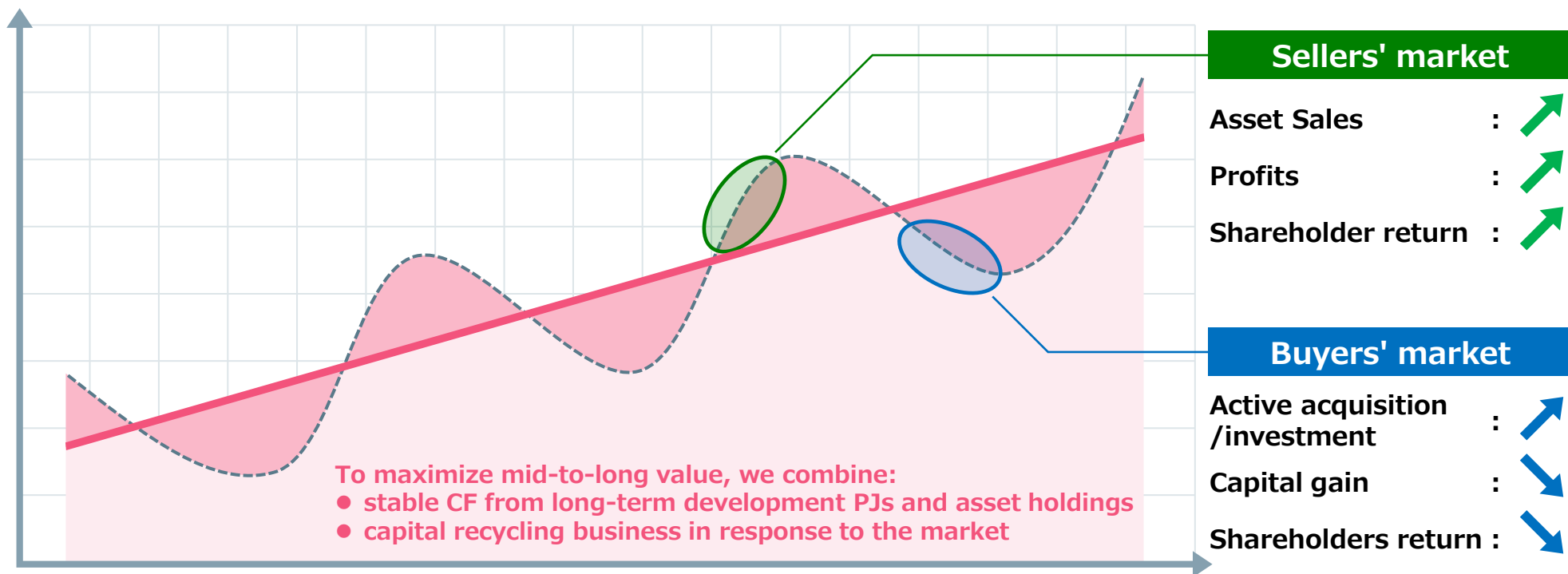


4. Capital Policy – Responsive to market conditions

*Repost from “Long-Term Management Plan 2030”

Flexible capital policy – Responsive to market conditions
 (Value creation through BS management)

Optimize mix of investment, asset sales, shareholders returns and financing in response to the market



5. Value creation through BS management

*Repost from “Long-Term Management Plan 2030”

Flexible Capital Policy – Responsive to market conditions
(Value creation through BS management)

Asset

Capital recycling business optimized for market conditions

- ◆ In seller's market: expedite asset sales
- ◆ Investment in promising PJs to enhance corporate value

Long-term development and asset holdings (core focus: Marunouchi redevelopment)

- ◆ Steady capital investment in core business enables stable, cycle-proof rental cashflow
- ◆ Timely asset sales judged by expected yields and external environment

Sale of underperforming properties and strategic-holding stocks

- ◆ Disposal of underperforming assets, including core asset
- ◆ Ongoing disposal of strategic-holding stocks

Expansion of Non-asset Business

Shareholders' Equity and Liability

Maintaining Financial Stability

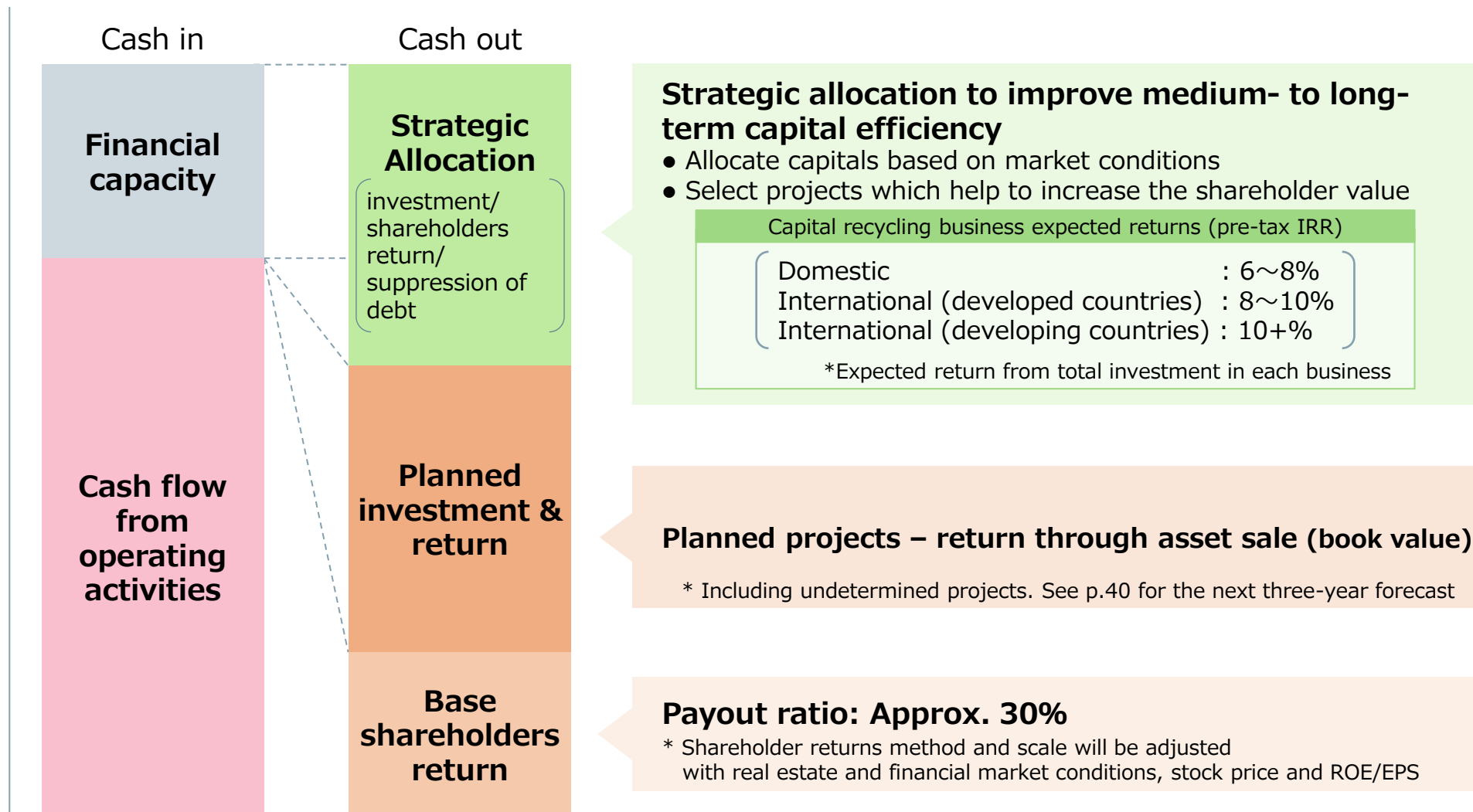
- ◆ Financial reserves for seizing buyer's market opportunities
- ◆ High credit rating enables long-term and low-cost financing
- ◆ In sellers' market, use asset sale proceeds for shareholder returns and to maintain financial stability

Capital Efficiency Improvement

- ◆ Targets: ROA 5%, ROE 10%, EPS ¥200
- ◆ Increase numerator (net income) and decrease denominator (shareholders' equity)
- ◆ Choose measures to manage shareholders' equity according to market conditions

6. Capital Allocation Policy

*Repost from “Long-Term Management Plan 2030”



7. Profit Growth Strategy - 2030 Vision

*Repost from “Long-Term Management Plan 2030”

Profit changes vs FY2020*

① Domestic Asset Business

Approx. +¥50 bn

(FY20E* : Approx. ¥ 201.0 bn)

② International Asset Business

Approx. +¥50 bn

(FY20E* : Approx. ¥ 36 bn)

③ Non-asset Business

Approx. +¥50 bn

(FY20E* : Approx. ¥ 16 bn)

④ Fluctuation Factors

Approx. ±¥20–30 bn

Growth Strategy

① Advance “Marunouchi NEXT Stage” project

② Increase NOI with development projects

③ Optimize capital recycling business to market conditions

④ Optimize residential business profit structure

① Expand development business in Asia

② Enhance development business and revenue base in Europe

③ Enhance and diversify US capital recycling business

① Steady profit growth in existing businesses

② Utilization of technology

③ Provision of service contents focusing on B2C/B2B2C

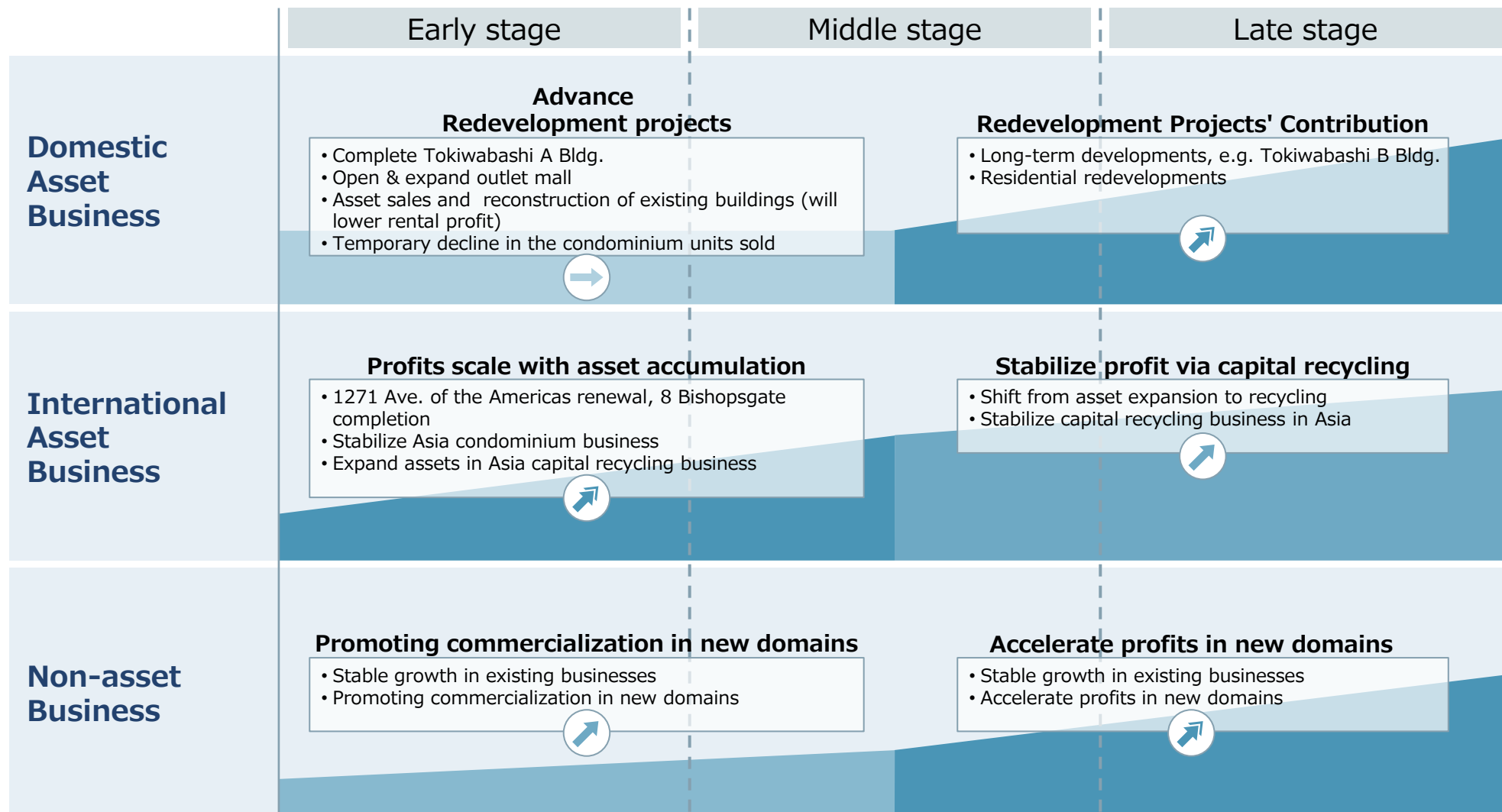
• Asset sales control in response to market conditions

• Capital gain and rental profit fluctuation due to investment opportunities

* Composition of FY20 Business Profit= ① Domestic Asset + ② International Asset + ③ Non-asset Business + Eliminations or corporate
 (Round number) (¥ 201.0 bn) (¥ 36 bn) (¥ 16 bn) (▲ ¥ 23 bn)

8. Roadmap for Profit Growth

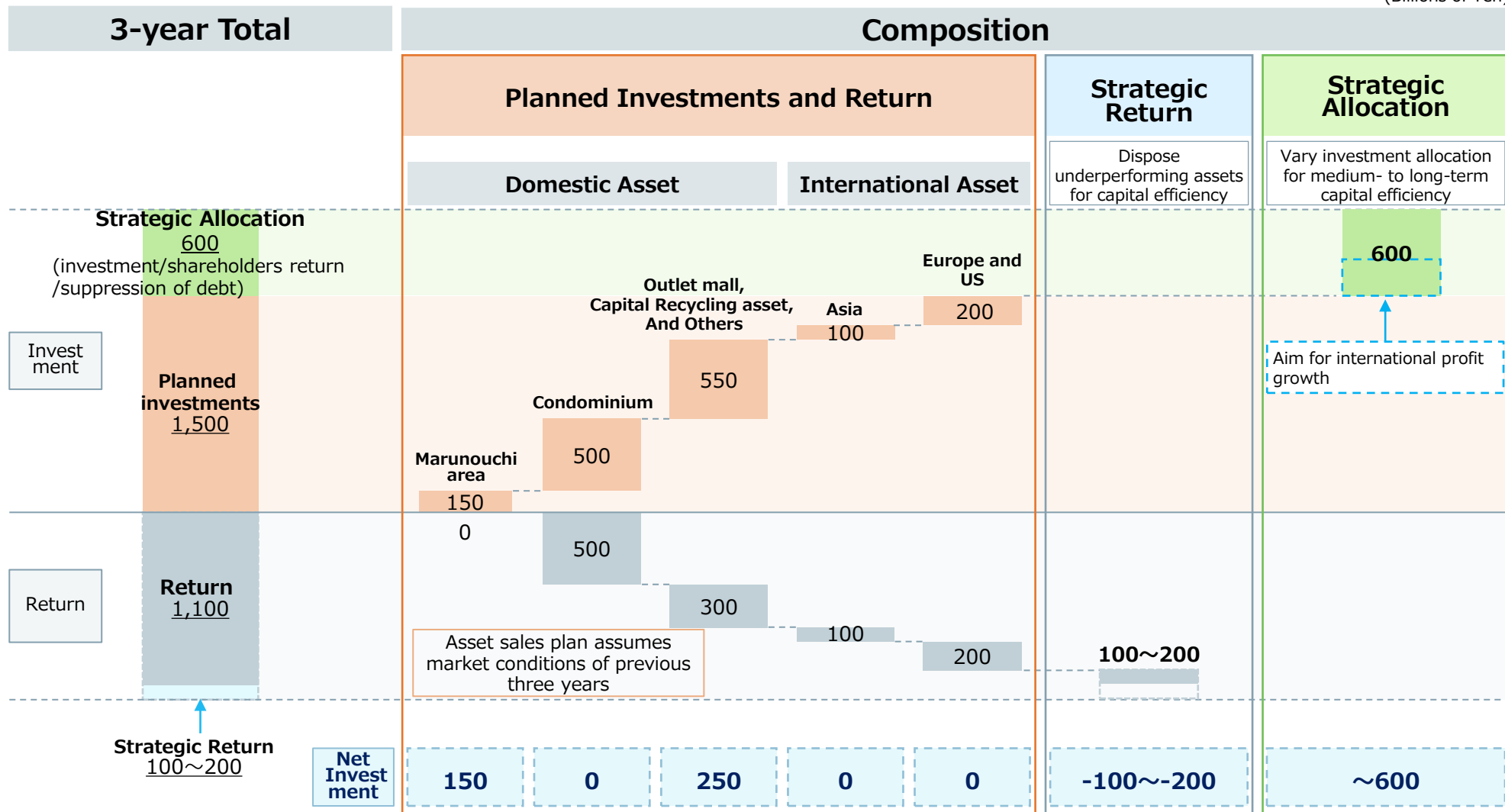
*Repost from "Long-Term Management Plan 2030"



9. Three Year Investment Return Plan (FY2021-FY2023)

*Repost from "Long-Term Management Plan 2030"

(Billions of Yen)



Business Overview

1. Mitsubishi Estate Group's Business Segment

Commercial Property Business

<Office Buildings>

Engages in the development, leasing, and operation management of office buildings, mainly in Marunouchi area and other major Japanese cities.



<Retail Properties>

Developing retail properties and outlet malls nationwide, mainly in the major metropolitan areas.



<Logistics Facilities>

Development, leasing, and management of the "Logicross" series as a foundation of logistics facilities.



<Hotels / Airports>

Undertaking hotel management nationwide as the Royal Park Hotels group. Begun private airport management business.



Residential Business

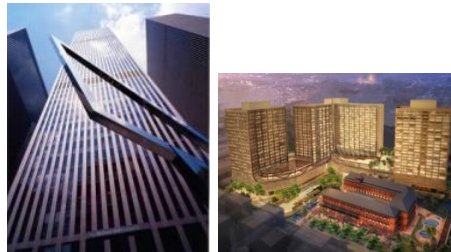
<Domestic Residential>

Operating residential condominium business under "The Parkhouse" brand and rental apartments business under "The Parkhabio" brand.



International Business

Undertaking office building development and leasing businesses in the United States and the United Kingdom, as well as projects in Asia.



Investment Management Business

Providing a wide range of services regarding real estate investment for investors.



Architectural Design & Engineering and Real Estate Service Business

<Architectural Design & Engineering Business>

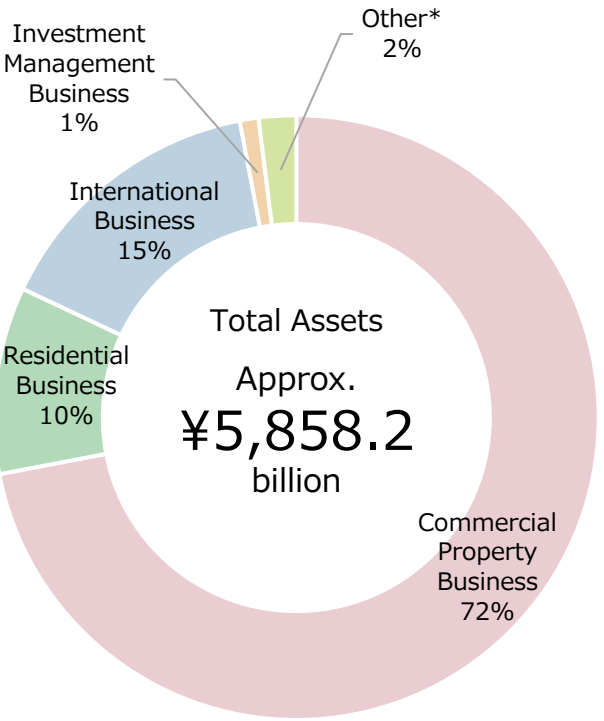
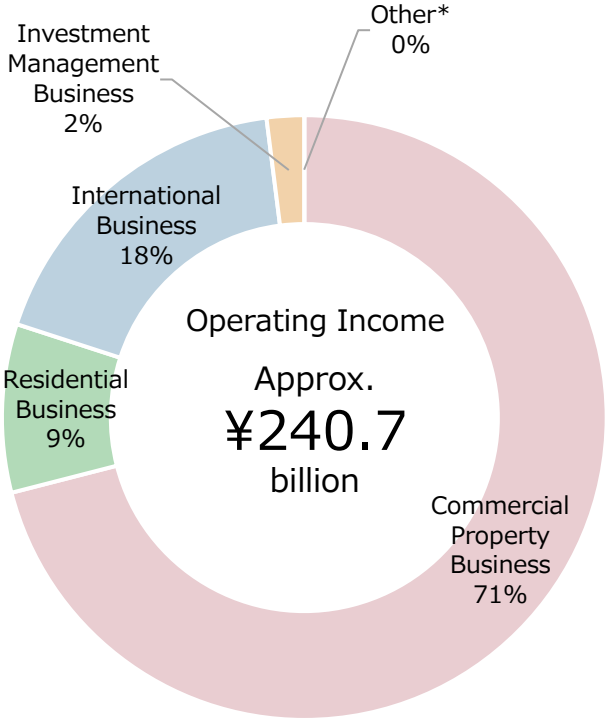
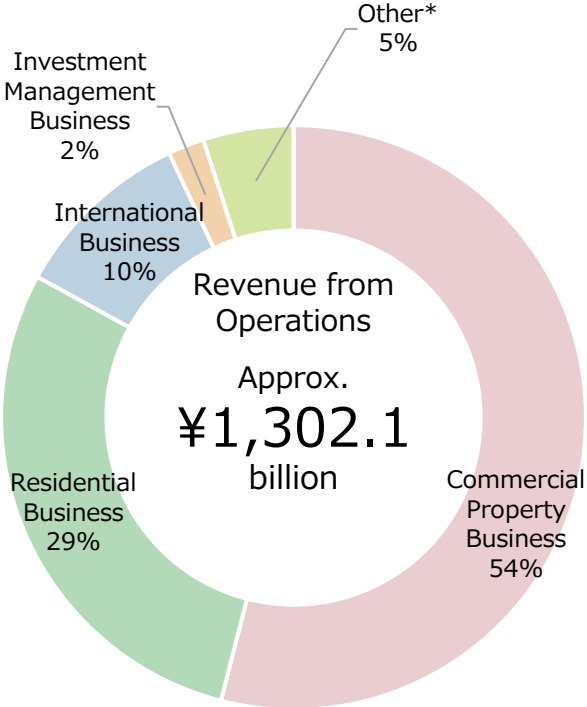
Mitsubishi Jisho Sekkei Inc. provides architectural design and engineering services of construction and civil engineering.



<Real Estate Services Business>
Mitsubishi Real Estate Services Co., Ltd. offers real estate brokerage, parking lot management support, and other services.



2. Business Scale

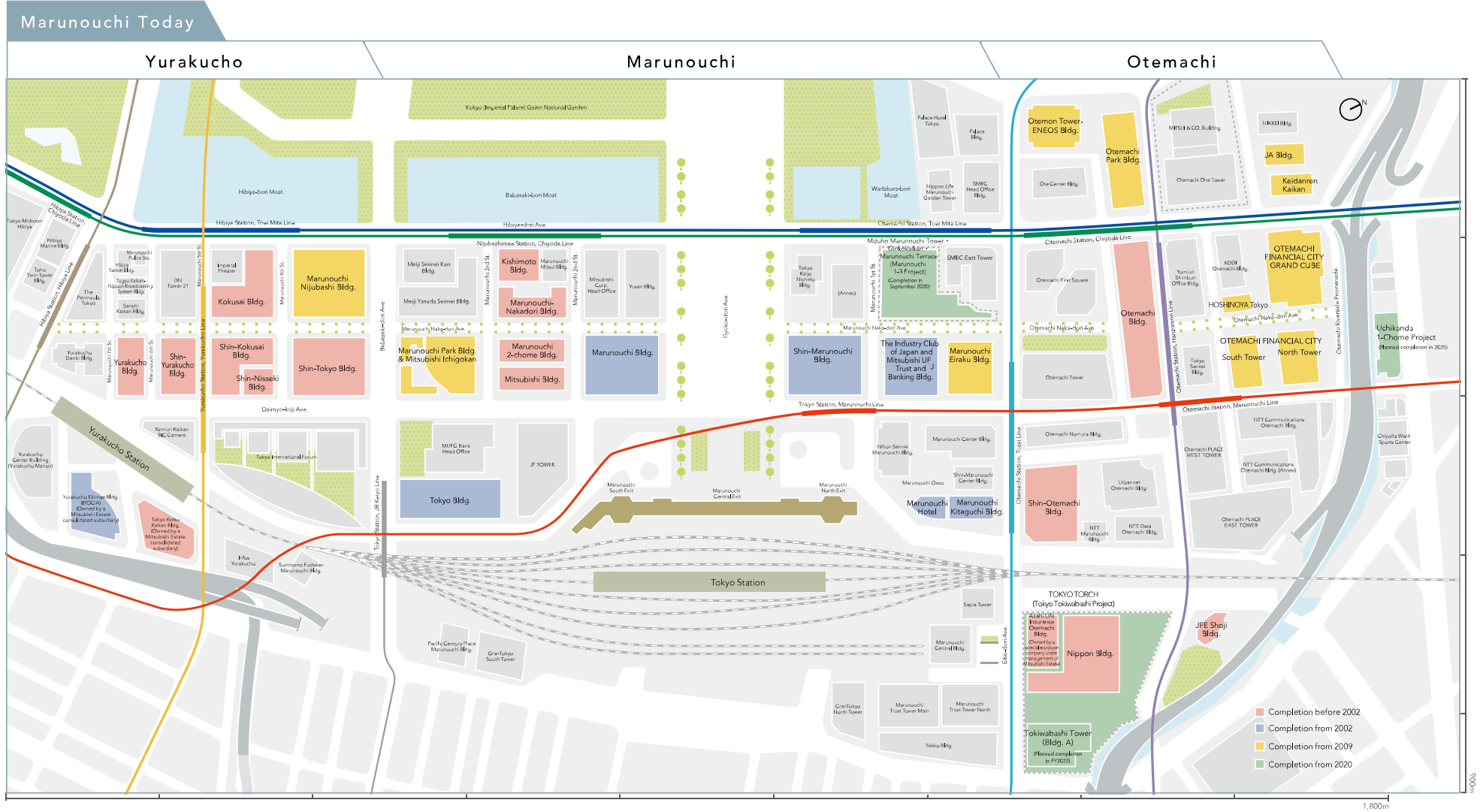


*Hotel / Airport Business, Architectural Design & Engineering, Real Estate Services, Other Business (FY2020 Results)

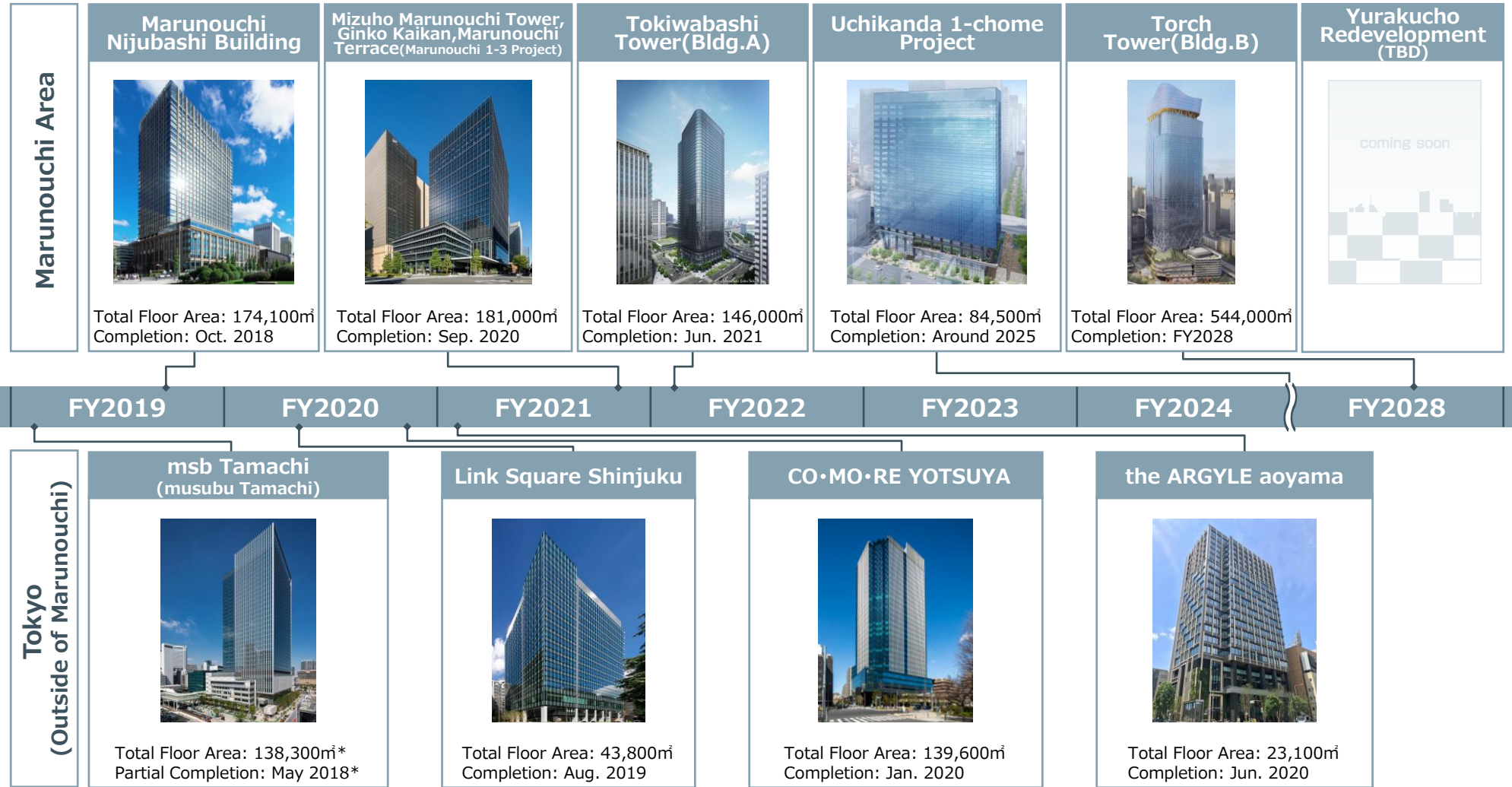
Commercial Property Business

Office Buildings

1. Marunouchi Area Map



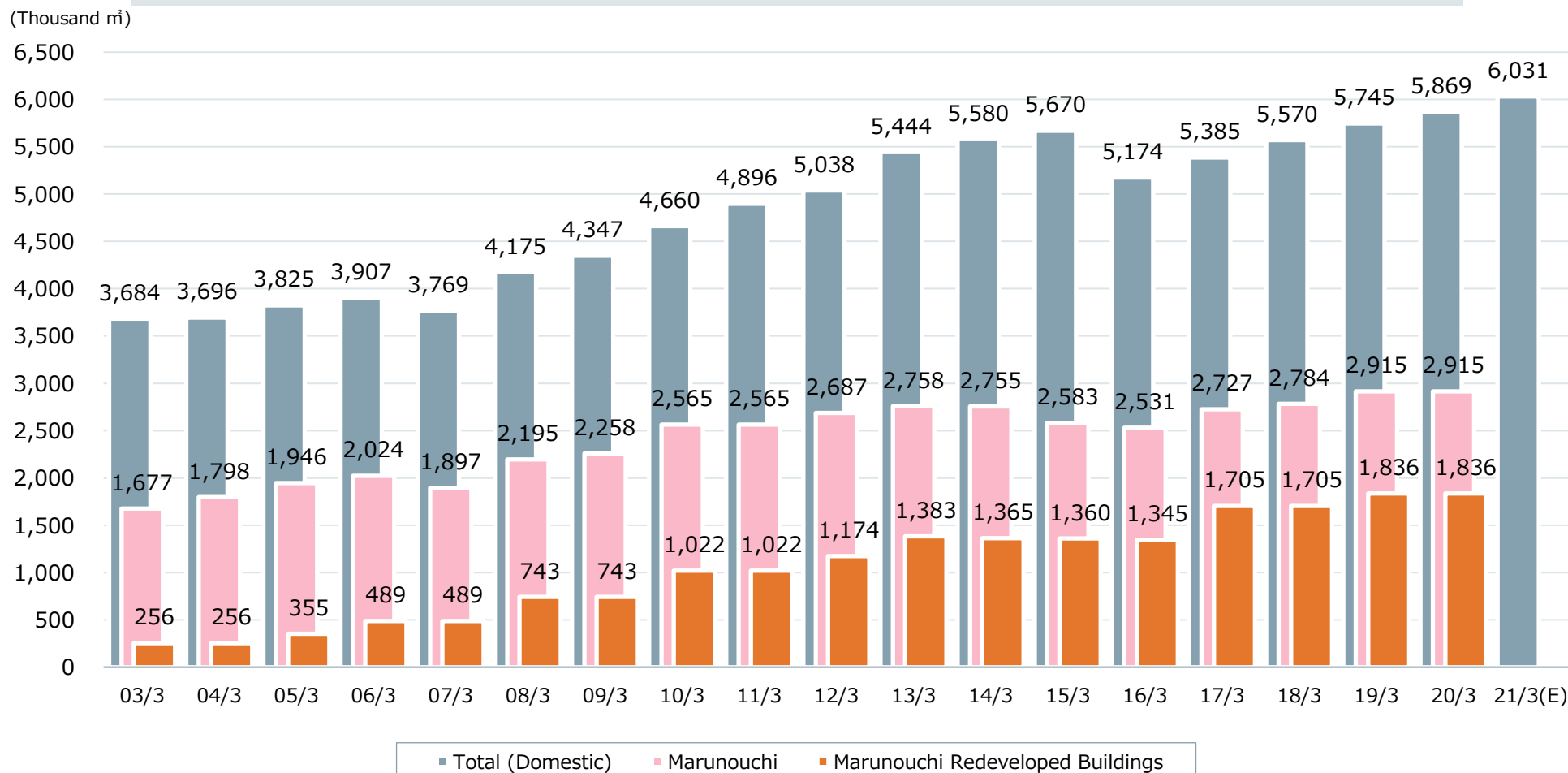
2. Pipeline



*Tower S

3. Earnings Related Data: Total operating floor space (Unconsolidated)

Total (Domestic) / Marunouchi / Marunouchi Redevelopment Buildings

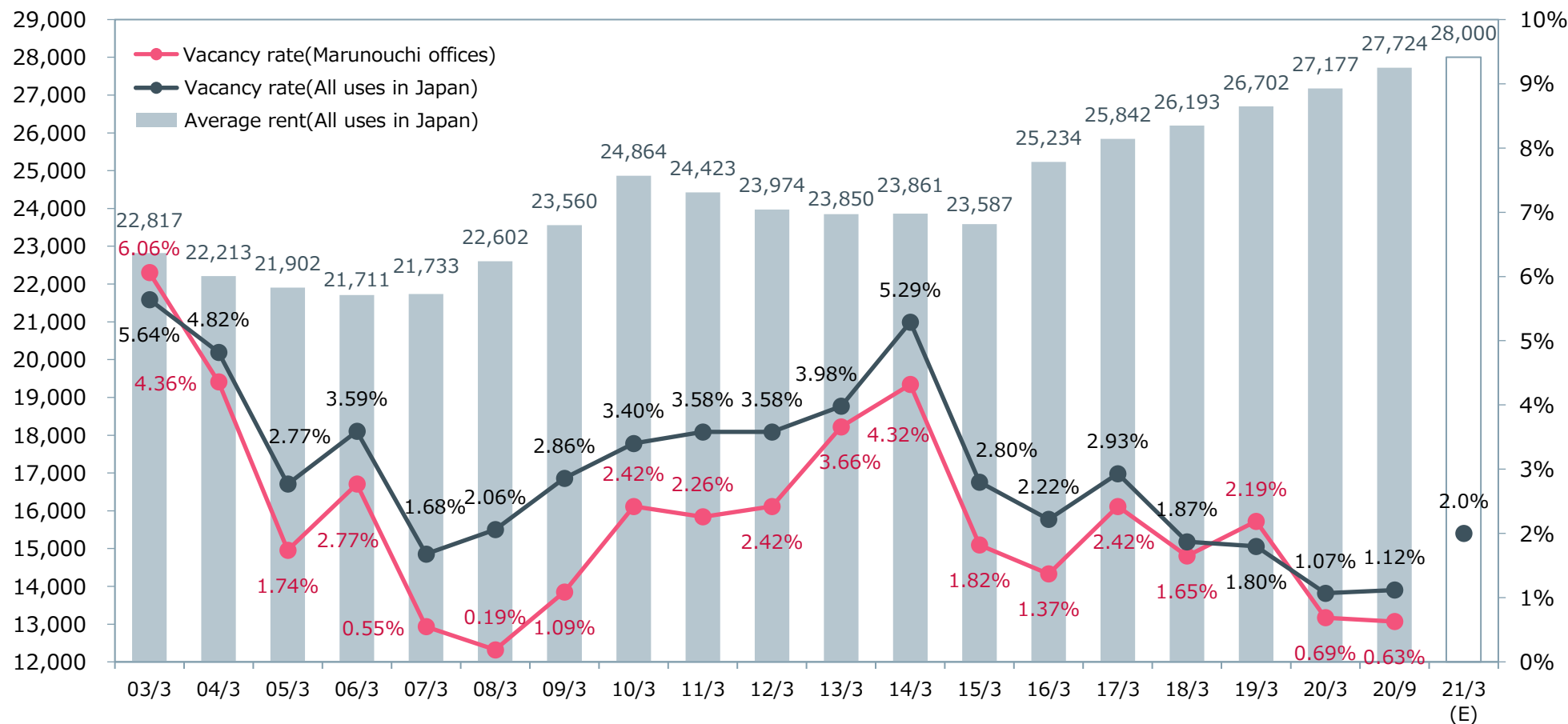


*Excluding floor space in Lifestyle Property Business from 16/3

4. Earnings Related Data: Vacancy Rates / Average Rents (Unconsolidated)

Vacancy Rates (Marunouchi offices / All uses in Japan) / Average Rents (All uses in Japan)

(yen / tsubo-month)



5. Earnings Related Data: Office Building*¹ Business, Revenue Breakdown (Unconsolidated)

(Billions of Yen)

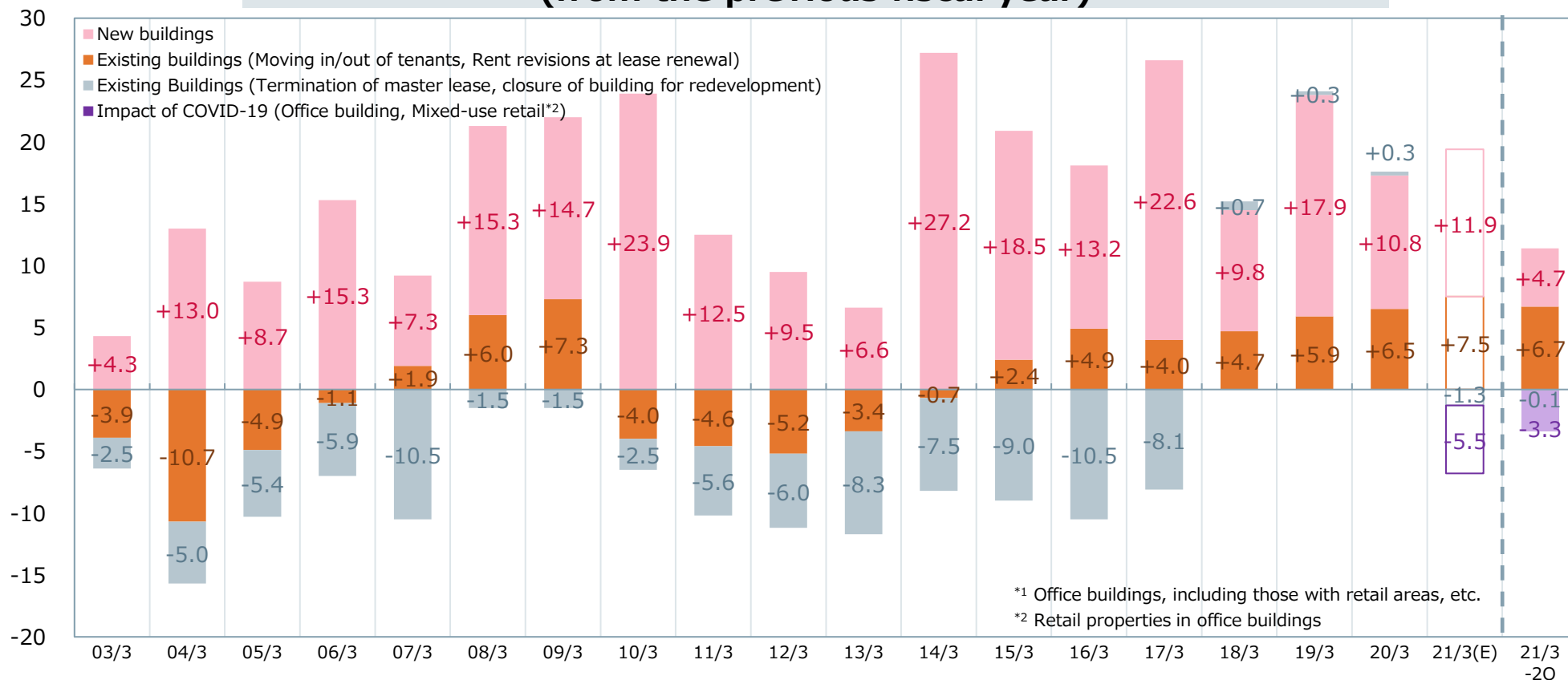
	FY2020-2Q (Results)	FY2020 (Results)	FY2021-2Q (Results)	FY2021 (Estimates)
Rent revenue from office building* ¹	200.2	406.6	208.1	418.6
Changes from Previous Period	+ 8.9	+ 17.9	+ 7.8	+ 11.9
Rent revenue from new buildings	+ 7.0	+ 10.8	+ 4.7	+ 11.9
Rent revenue from existing buildings	+ 2.4	+ 6.8	+ 6.5	+ 6.1
Termination of master lease, closure of building for redevelopment	+ 0.2	+ 0.3	△ 0.1	△ 1.3
Moving in/out of tenants, Rent revisions at lease renewal	+ 2.2	+ 6.5	+ 6.7	+ 7.5
	Impact of COVID-19	Offices	-	△ 0.5
		Mixed-use retail*²	△ 3.3	△ 5.0
Supplementary Revenue, including common area charge	△ 0.6	+ 0.0	△ 0.0	△ 0.6

*¹ Office buildings, including those with retail areas, etc.*² Retail properties in office buildings

6. Earnings Related Data: Trends in rent revenue from office building*1 (Unconsolidated)

Increase / decrease of rent revenue from office building*1 (from the previous fiscal year)

(Billions of Yen)

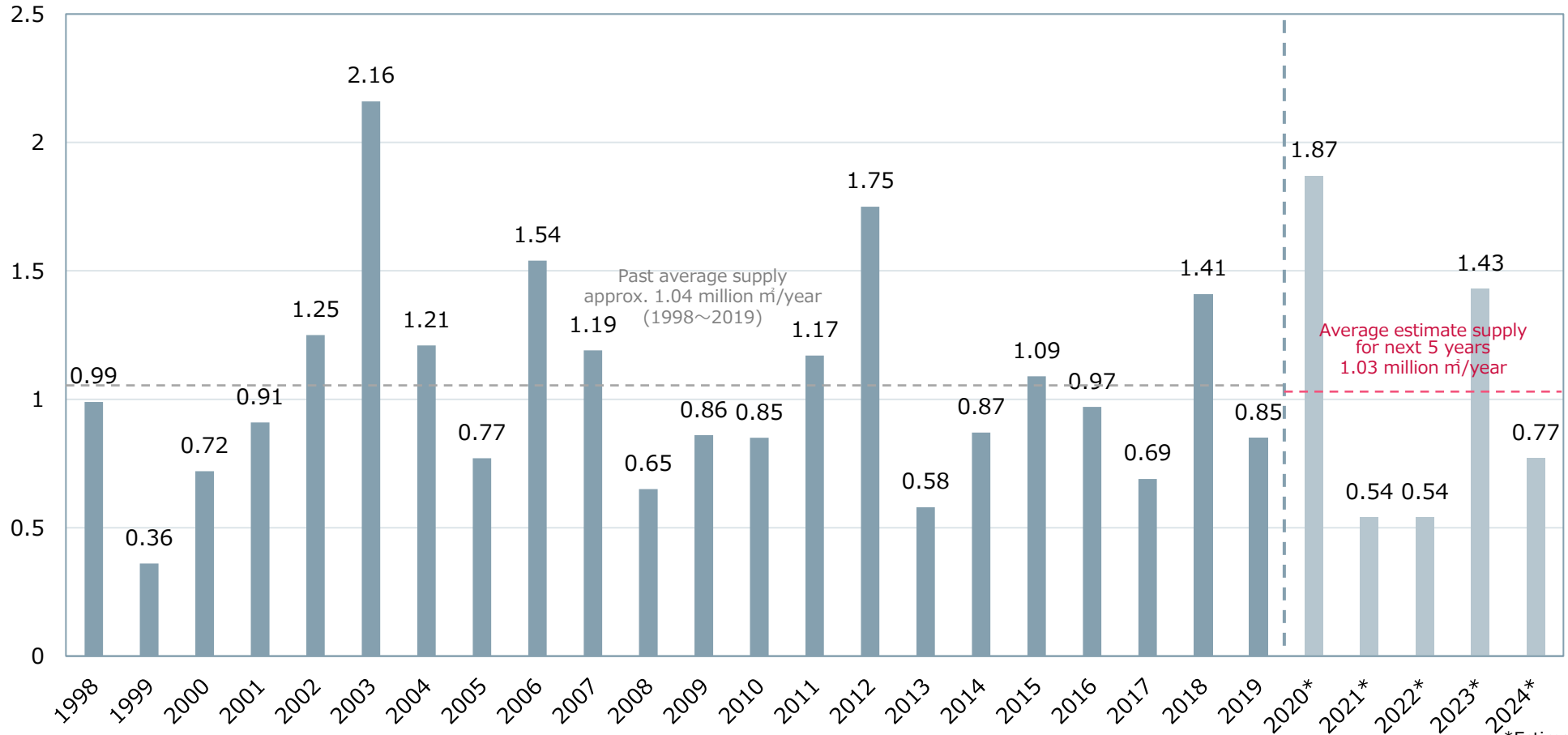


*1 Office buildings, including those with retail areas, etc.

*2 Retail properties in office buildings

7. Office Building Market Data: New Supply of Large-Scale Office Buildings (23 Wards of Tokyo)

(Millions of m²)



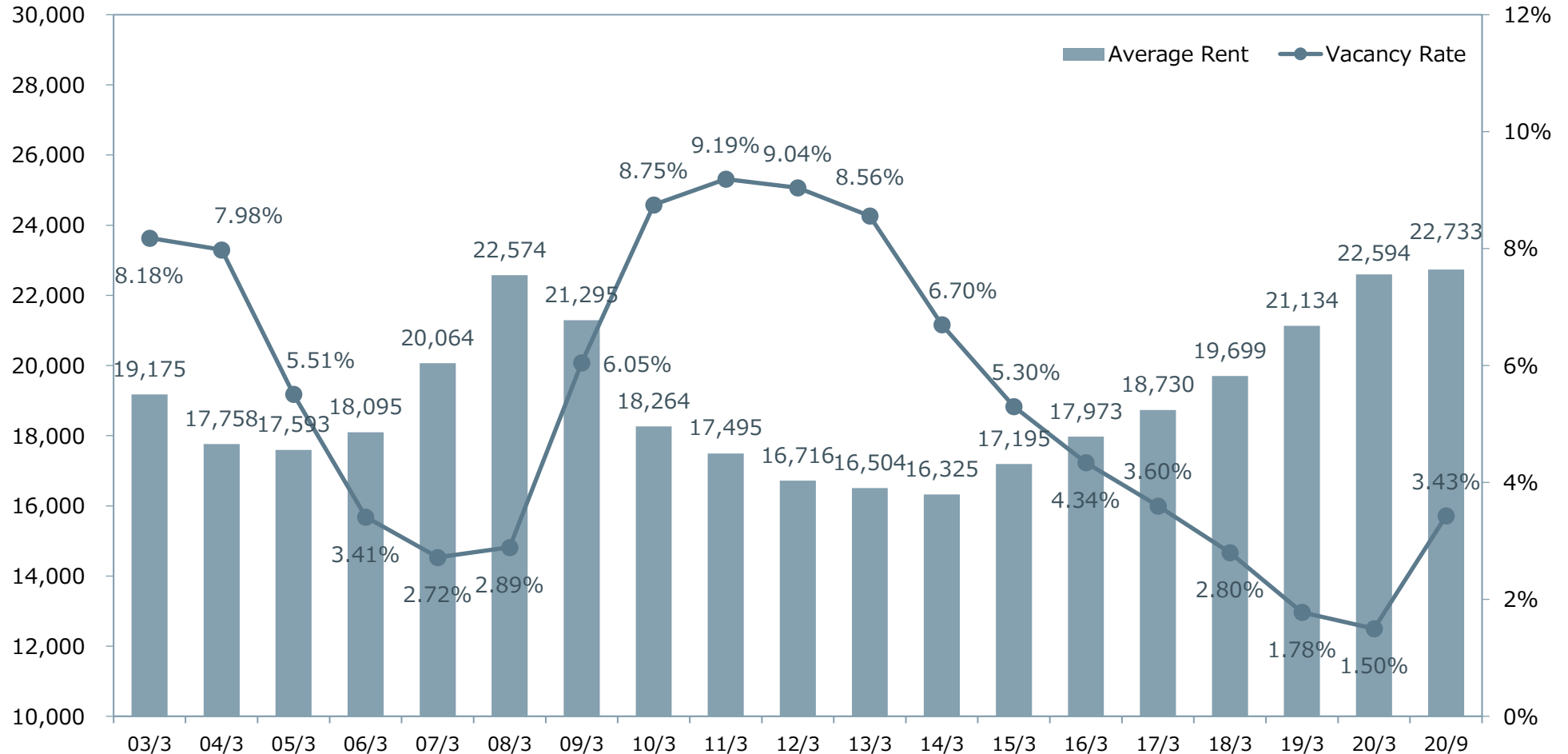
*Estimate

※Research subject buildings: Buildings with total office floor area exceeding 10,000m²

Source: Mori Building

8. Office Building Market Data: Average Rents / Vacancy Rates (5 Central Wards of Tokyo)

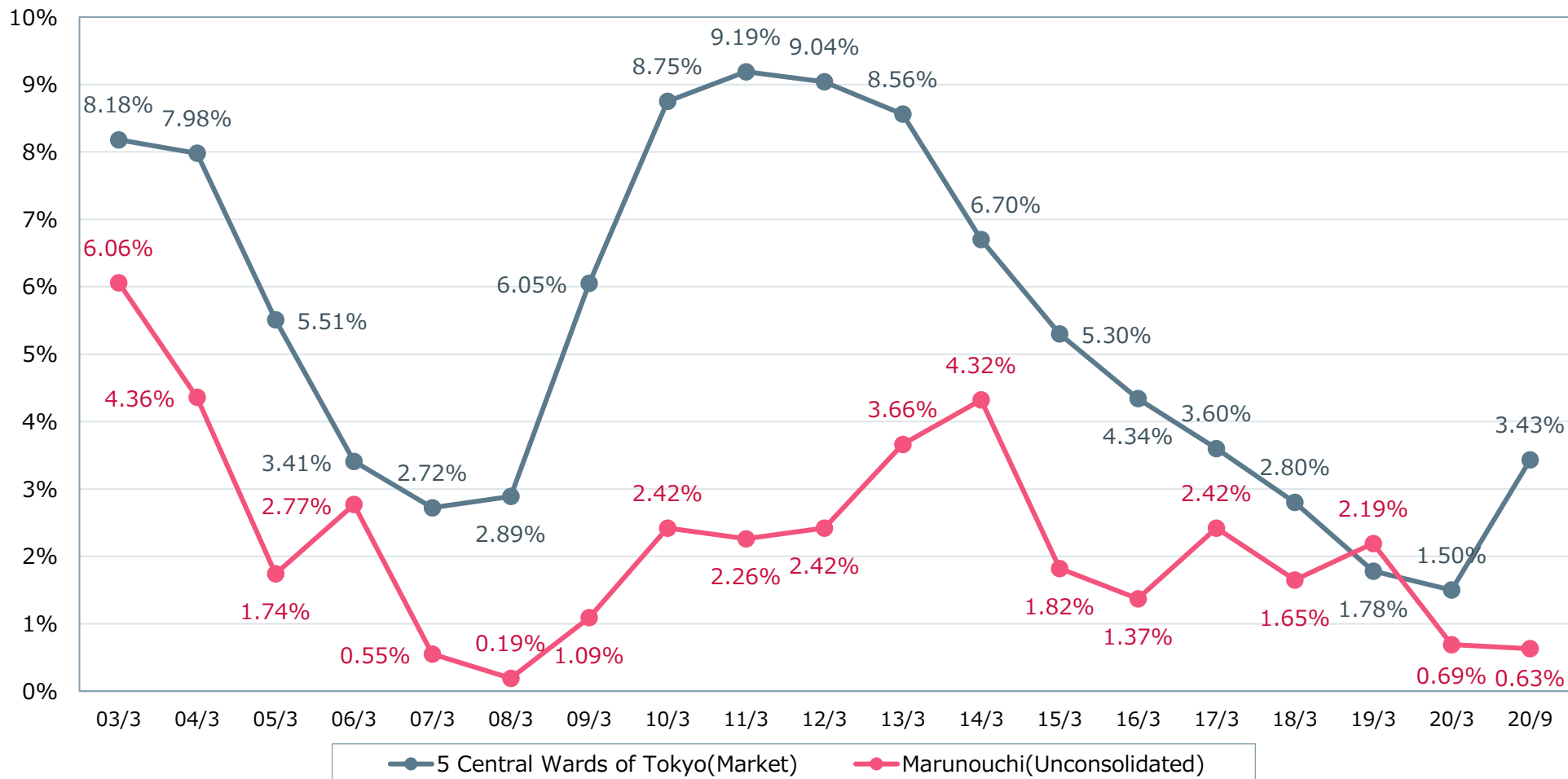
(yen / tsubo-month)



Source: Miki Shoji Co., Ltd.

9. Competitive Edge of Marunouchi: Vacancy Rates

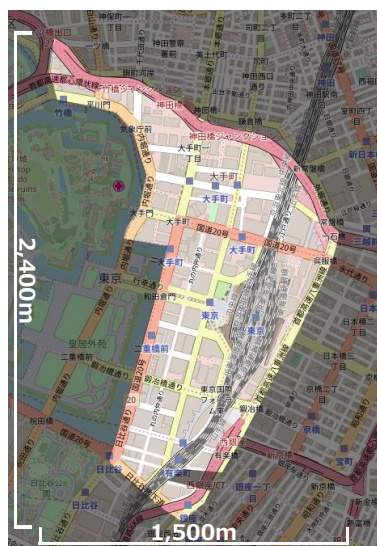
5 Central Wards of Tokyo(Market) vs. Marunouchi(Unconsolidated)



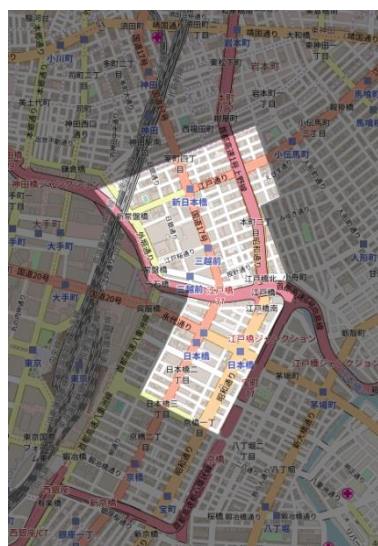
Source: Miki Shoji Co., Ltd.

10. Competitive Edge of Marunouchi: Area / number of railway lines

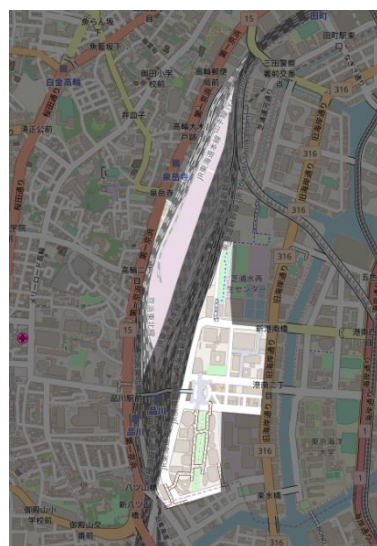
Marunouchi



Nihonbashi



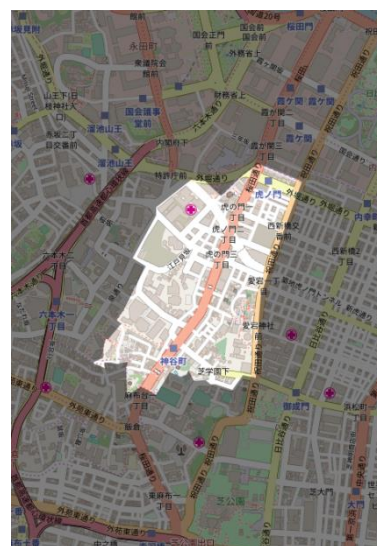
Shinagawa



Shibuya



Toranomon



Area: **123ha**

Area: **76ha**

Area: **49ha**

Area: **86ha**

Area: **58ha**

Railway lines: 28 lines

Railway lines: 5 lines

Railway lines: 9 lines

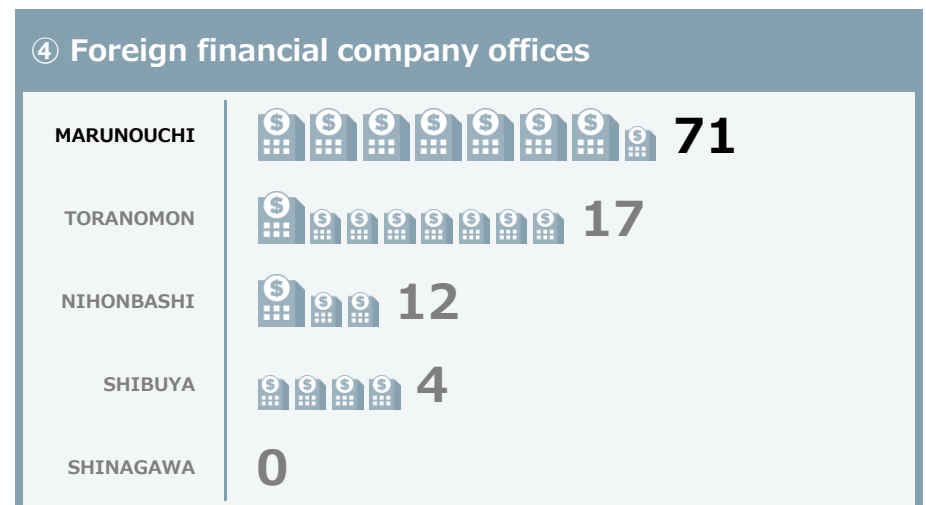
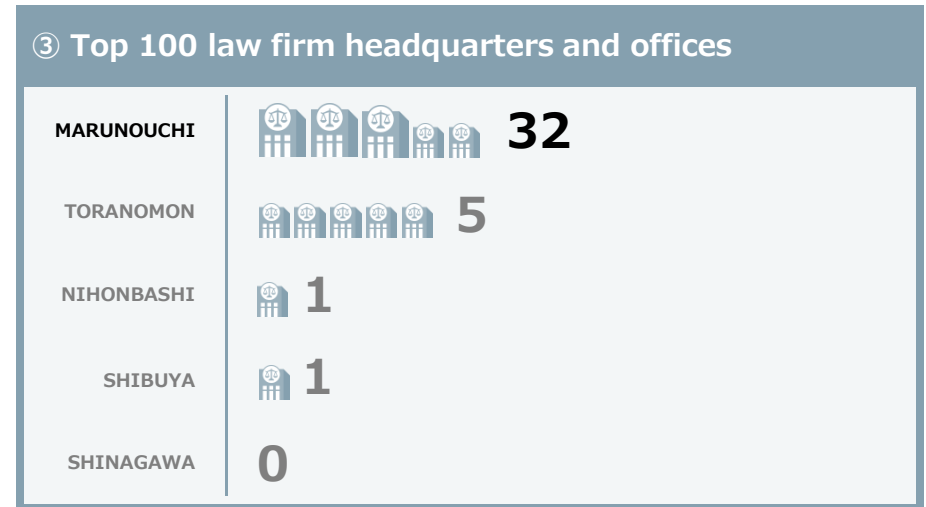
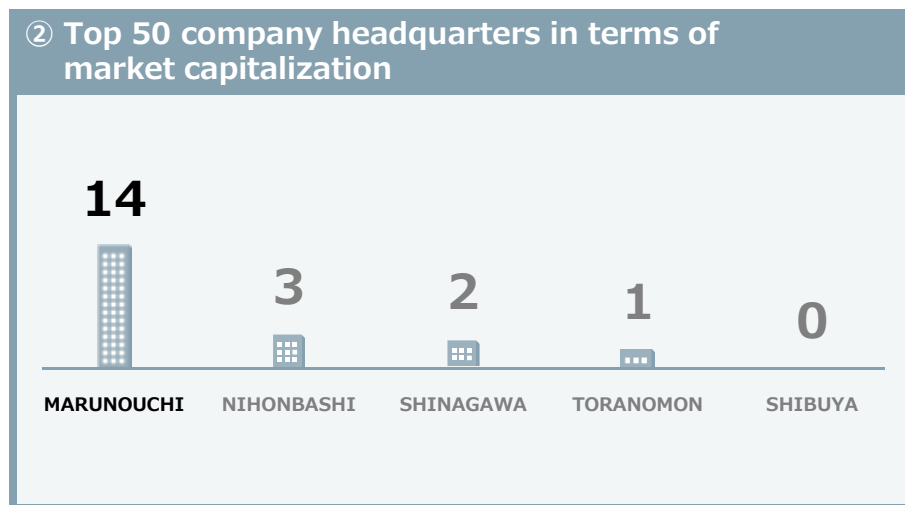
Railway lines: 8 lines

Railway lines: 2 lines

©Open Street Map

11. Competitive Edge of Marunouchi: Number of headquarters and offices

(as of March, 2020)

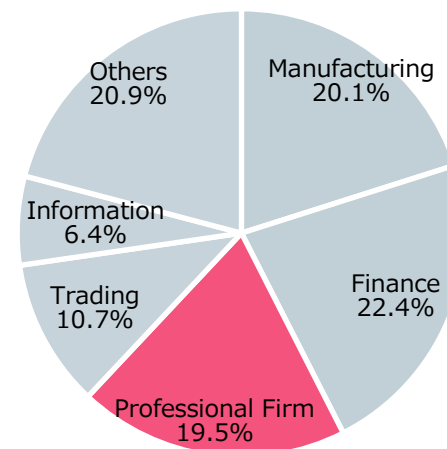
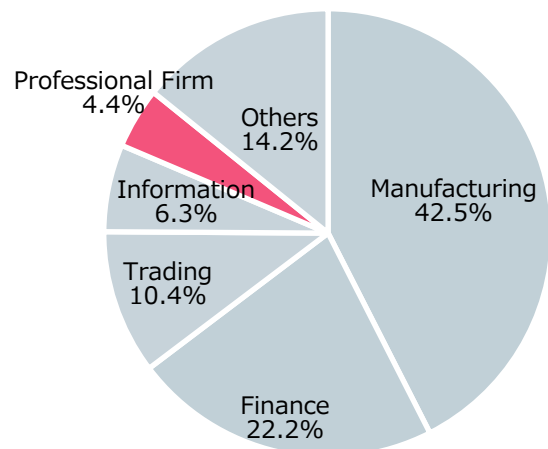


12. Marunouchi Data: Marunouchi Tenant Mix (Unconsolidated)

March 2000	Type of Business	Area ratio
1	Manufacturing	42.5%
2	Finance	22.2%
3	Trading	10.4%
4	Information	6.3%
5	Professional Firm	4.4%
	Others	14.2%



March 2020	Type of Business	Area ratio
1	Finance	22.4%
2	Manufacturing	20.1%
3	Professional Firm	19.5%
4	Trading	10.7%
5	Information	6.4%
	Others	20.9%



13. Marunouchi Data: Approaches for Marunouchi Area Development

Improvement of floor-area-ratio

Improving plot ratio in Marunouchi area by reviewing the use area

1,000% → 1,300% (June, 2004)

*1,200% for limited areas

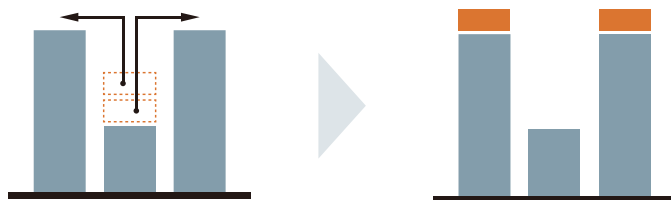
Transfer of plot ratio: Exceptional plot ratio district system

Possible to transfer floor area among several areas meeting a certain conditions

“Exceptional floor-area ratio district” Area



◆ Example: Transfer unused floor-area at Tokyo station to other buildings around the station



Relaxation of plot ratio regulation: Special Urban Renaissance Districts

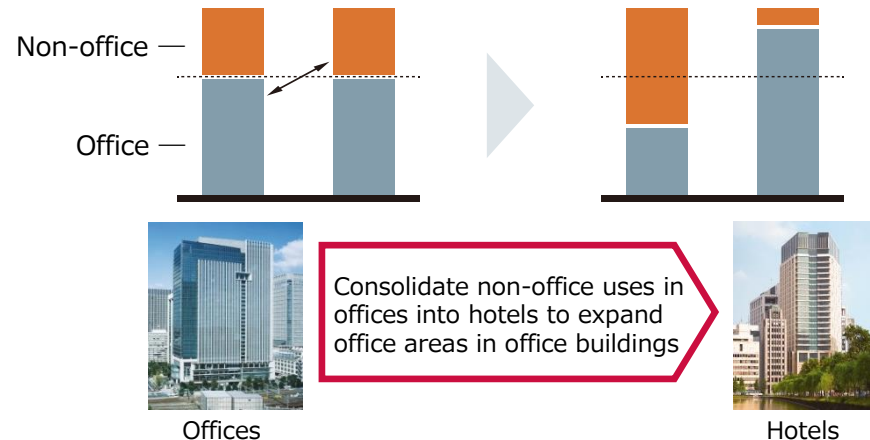
Possible to be permitted for relaxation of floor-area ratio regulation depending on levels of contribution to city regeneration as an exception of urban planning

Example: International business bases (Global Business Hub Tokyo etc.)
 Development of fine urban environment (improvement on water quality of ditch around the Imperial Palace etc.)
 BCP function(self-reliant of electric power and water supply, etc.)

Change of building uses: Consolidation of non-office use

Possible to consolidate and allocate mandated non-office use floor-areas when running several projects simultaneously

◆ Example: Consolidation between offices and hotels

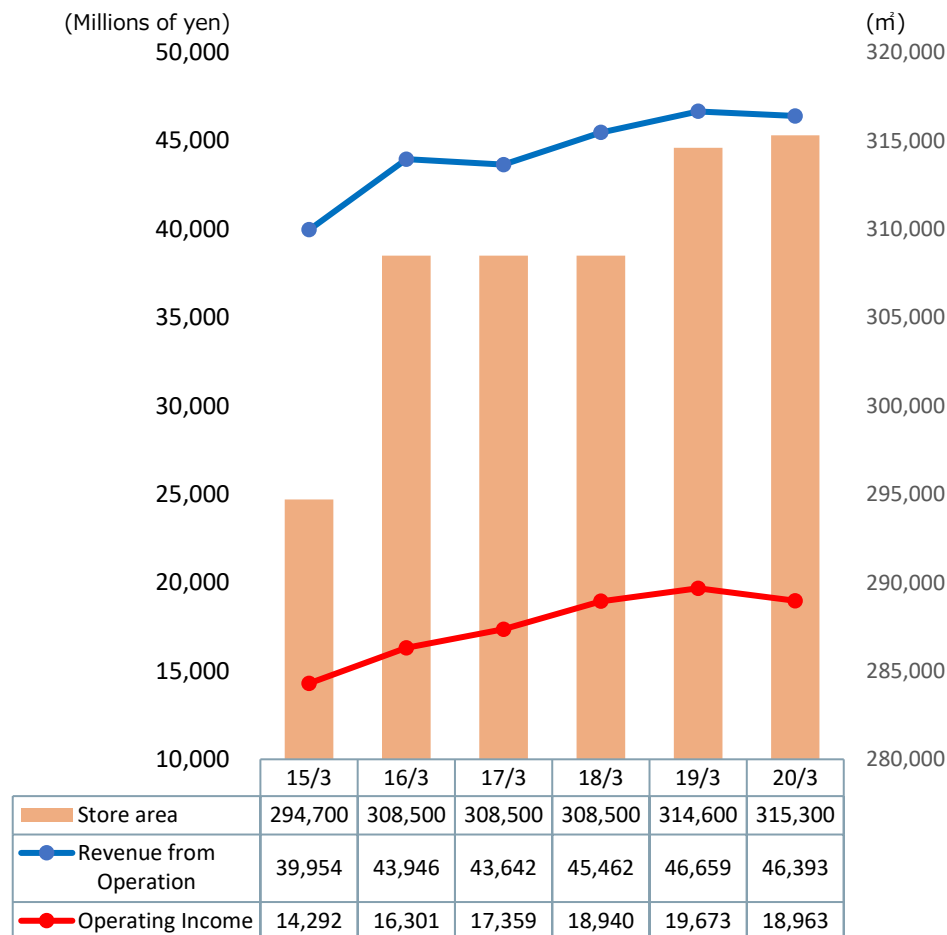


Commercial Property Business

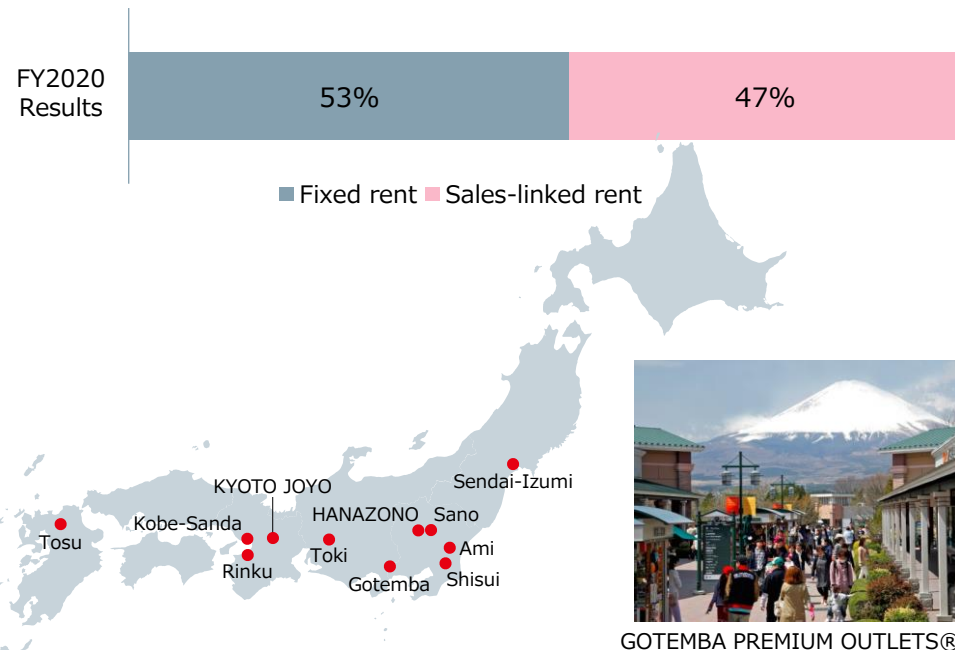
Outlet Malls, Retail Properties, Logistics Facilities, Hotels, and Airports

1. Outlet Mall Business

Change in Store Area, Revenue from Operations, and Operating Income



Average of all facilities Sales-linked & fixed ratio (Rent revenue basis)

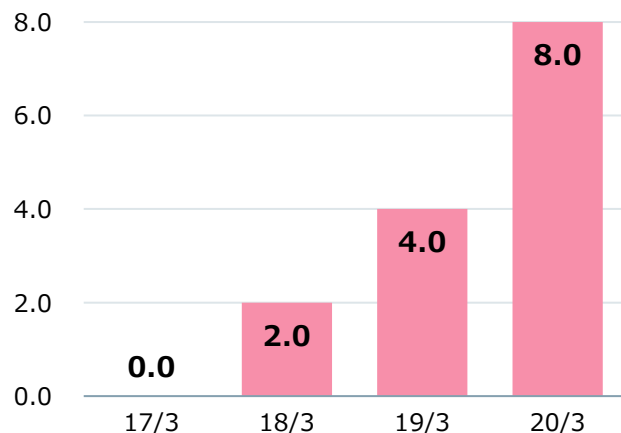


Name	Open	Store Floor Area
Gotemba (Phase 4)	Jun. 2020	Before expansion: Approx. 44,600m ² Currently: Approx. 61,000m ² (+37%)
Rinku (Phase 5)	Aug. 2020	Before expansion: Approx. 39,400m ² Currently: Approx. 50,100m ² (+27%)
Fukaya Hanazono (New)	Fall, 2022	Approx. 25,000m ²
Kyoto Joyo (New)	Spring, 2024	

2. Logistics Facility Business

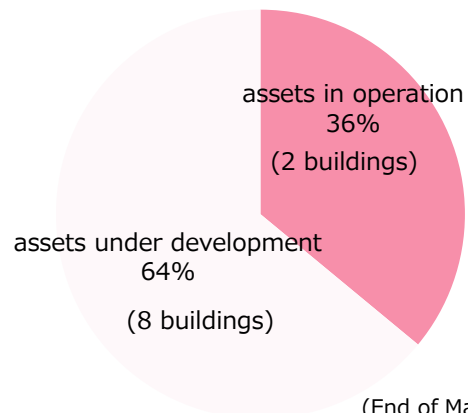
Trends in gain on sale

(Billions of Yen)



Total assets

Approx. ¥ **27 billion**



(End of March 2020)

*Ratio by value

*Excluding Tokyo Ryutsu Center

Operational logistics facilities

Total number of developed facilities

13

Number of facilities in operation

2

Total floor area of facilities in operation

51,000m²

(End of March 2020)

*Excluding Tokyo Ryutsu Center



Tokyo Ryutsu Center Distribution Building B



Logicross Yokohama Kohoku

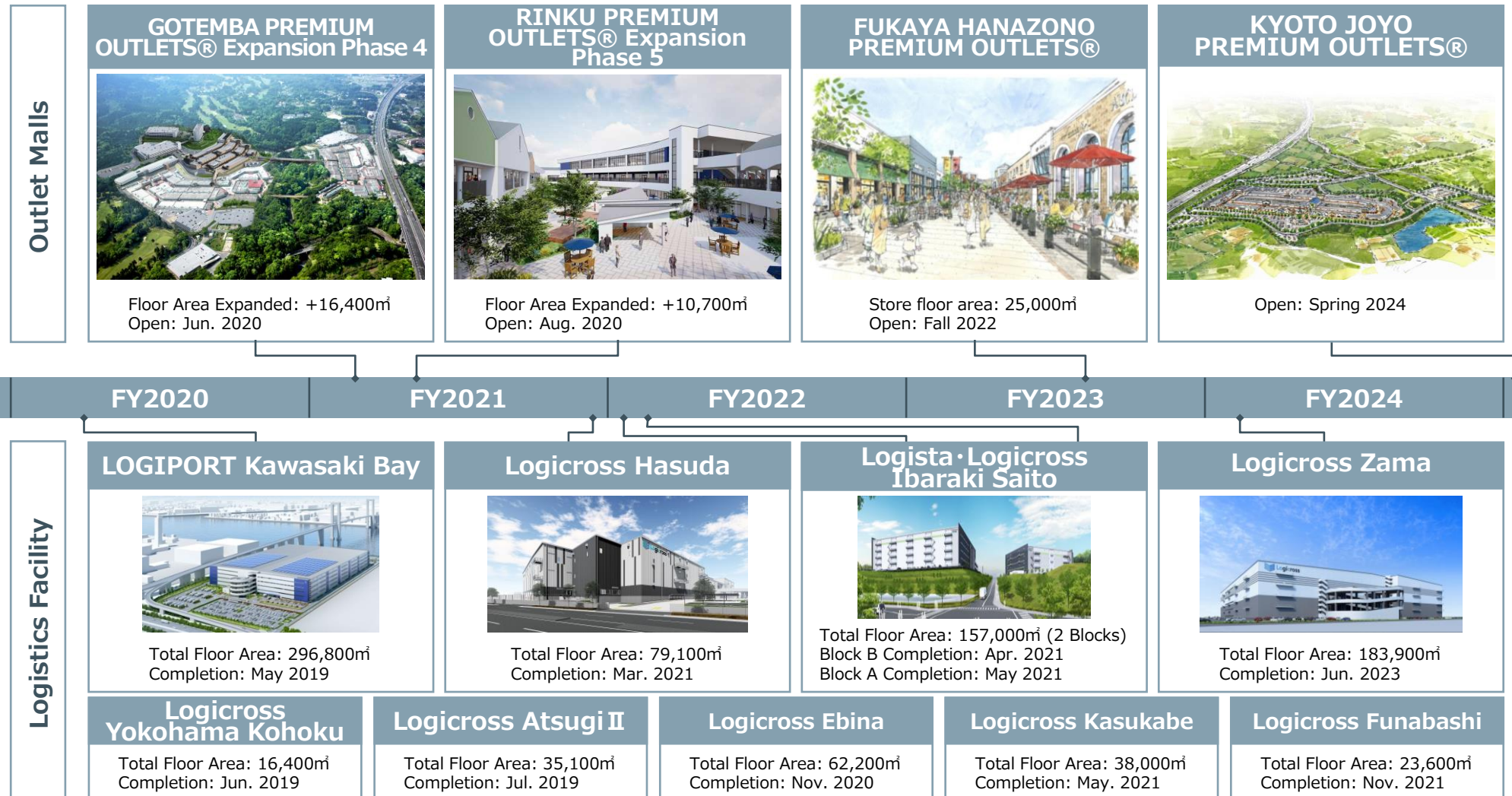


Logicross Atsugi II



Logista・Logicross Ibaraki Saito

3. Outlet Malls and Logistics Facility Pipelines



4. Hotel (Development / Operation) Business



The Royal Park Hotel Iconic Osaka Midosuji

Hotel Management Business

Name	Location	Number of Rooms	Open
Royal Park Hotel	Chuo, Tokyo	419	Jun. 1989
Yokohama Royal Park Hotel	Yokohama, Kanagawa	603	Sep. 1993
Sendai Royal Park Hotel	Sendai, Miyagi	110	Apr. 1995
The Royal Park Hotel Tokyo Shiodome	Minato, Tokyo	490	Jul. 2003
Marunouchi Hotel	Chiyoda, Tokyo	205	Oct.2004
The Royal Park Hotel Kyoto Sanjo	Kyoto, Kyoto	172	Jul. 2011
The Royal Park Hotel Fukuoka	Fukuoka, Fukuoka	174	Oct. 2011
The Royal Park Canvas Nagoya	Nagoya, Aichi	153	Nov. 2013
The Royal Park Hotel Tokyo Haneda	Ota, Tokyo	313	Sep. 2014
The Royal Park Hotel Kyoto Shijo	Kyoto, Kyoto	127	Apr. 2018
The Royal Park Hotel Hiroshima Riverside	Hiroshima, Hiroshima	127	Oct. 2018
The Royal Park Canvas Ginza 8	Chuo, Tokyo	121	Mar. 2019
The Royal Park Canvas Osaka Kitahama	Osaka, Osaka	238	Jun. 2019
The Royal Park Hotel Osaka Iconic Midosuji	Osaka, Osaka	352	Mar. 2020
The Royal Park Canvas Kobe Sannomiya	Kobe, Hyogo	170	Jan. 2021
The Royal Park Hotel Kyoto Umekoji	Kyoto, Kyoto	246	Mar. 2021
The Royal Park Canvas Kyoto Nijo	Kyoto, Kyoto	180	Spring 2021
Odori Nishi 1-chome Project	Sapporo, Hokkaido	130	Fall 2021
The Royal Park Hotel Kyoto Karasumaoike	Kyoto, Kyoto	200	Spring 2022
Ginza 6-chome Hotel Project	Chuo, Tokyo	160	Fall 2022
Nagoya Sakae Hotel Project	Nagoya, Aichi	250	FY2024

Hotel Development Business

Name	Location	Number of Rooms	Construction Begins	Open
The Royal Park Hotel Kyoto Shijo	Kyoto, Kyoto	127	-	Apr. 2018
MJ HOTEL Asakusa	Taito, Tokyo	166	Mar. 2017	To be determined
The Royal Park Canvas Kobe Sannomiya	Kobe, Hyogo	170	Sep. 2019	Jan. 2021
The Royal Park Hotel Kyoto Umekoji	Kyoto, Kyoto	246	Jun. 2019	Mar. 2021
Asakusa Kaminarimon 2-chome Hotel Project	Taito, Tokyo	51	Dec. 2019	Spring 2021
Kyoto Okazaki Hotel Project	Kyoto, Kyoto	60	Feb. 2020	Fall 2021
Odori Nishi 1-chome Project	Sapporo, Hokkaido	130	Mar. 2020	Fall 2021
Hilton Okinawa Miyakojima Resort	Miyakojima, Okinawa	329	-	FY2024



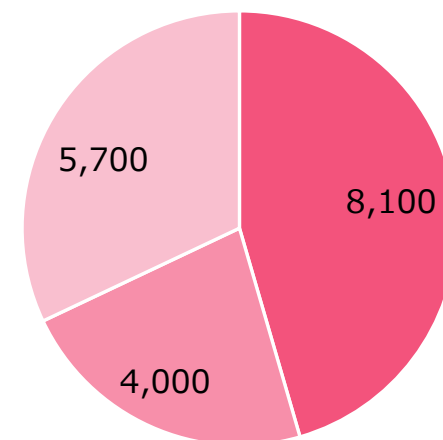
Odori Nishi 1-chome Project

Residential Business

1. Condominium Business Data

	FY2020-2Q (Results)	FY2020 (Results)	FY2021-2Q (Results)	FY2021 (Estimates)
Condominiums Sold (millions of yen)	72,572	202,876	68,307	191,000
Condominiums Sold (units)	1,213	3,214	1,178	3,300
Gross margin	17.0%	17.8%	19.5%	17.5%
Inventory (units)	515	373	298	-
New Supply of Condominiums (units)	1,814	2,924	619	1,800

Land Bank
Breakdown in reporting term
(as of September 2020)



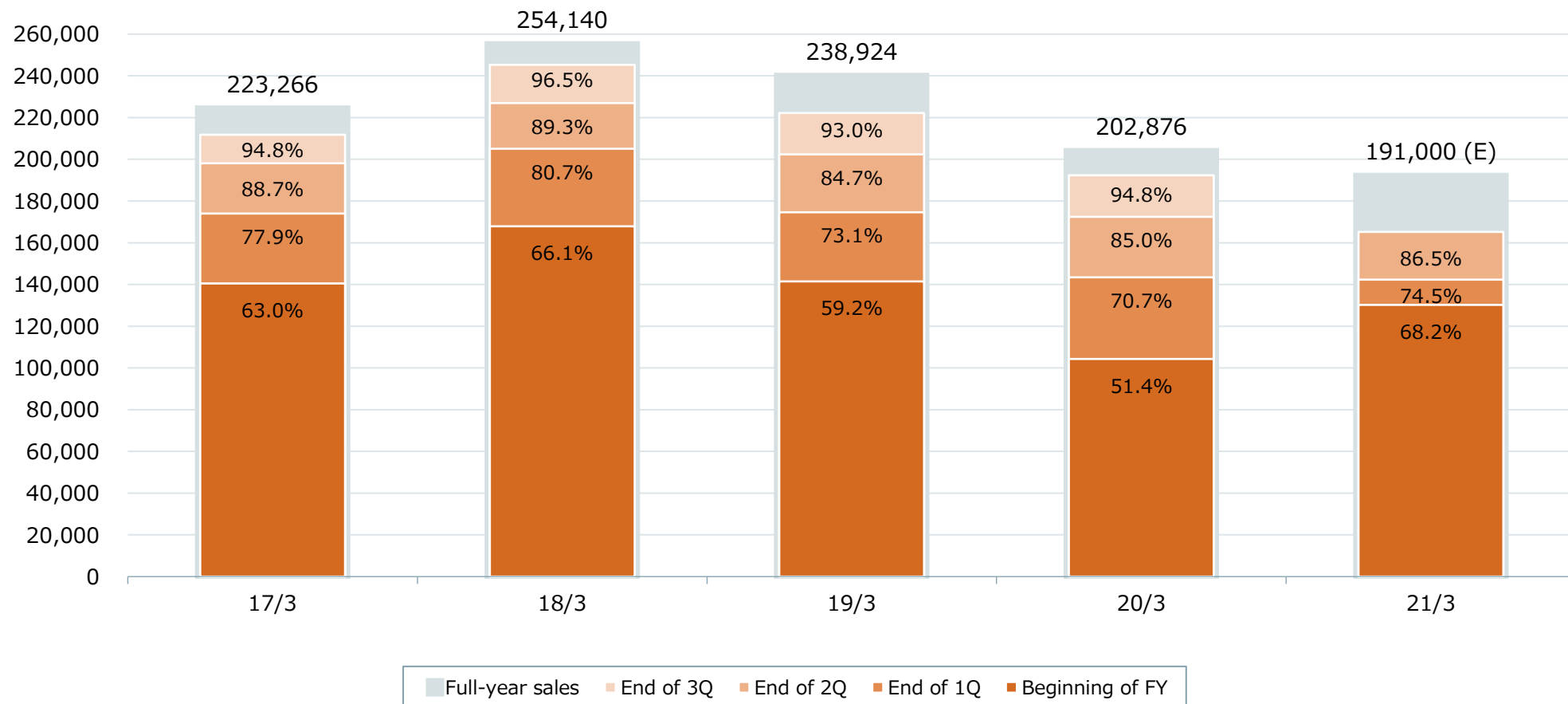
Total: 17,800 units

- FY2021 - FY2023
- FY2024 - FY2026
- FY2027 -

2. Condominium Business Data②

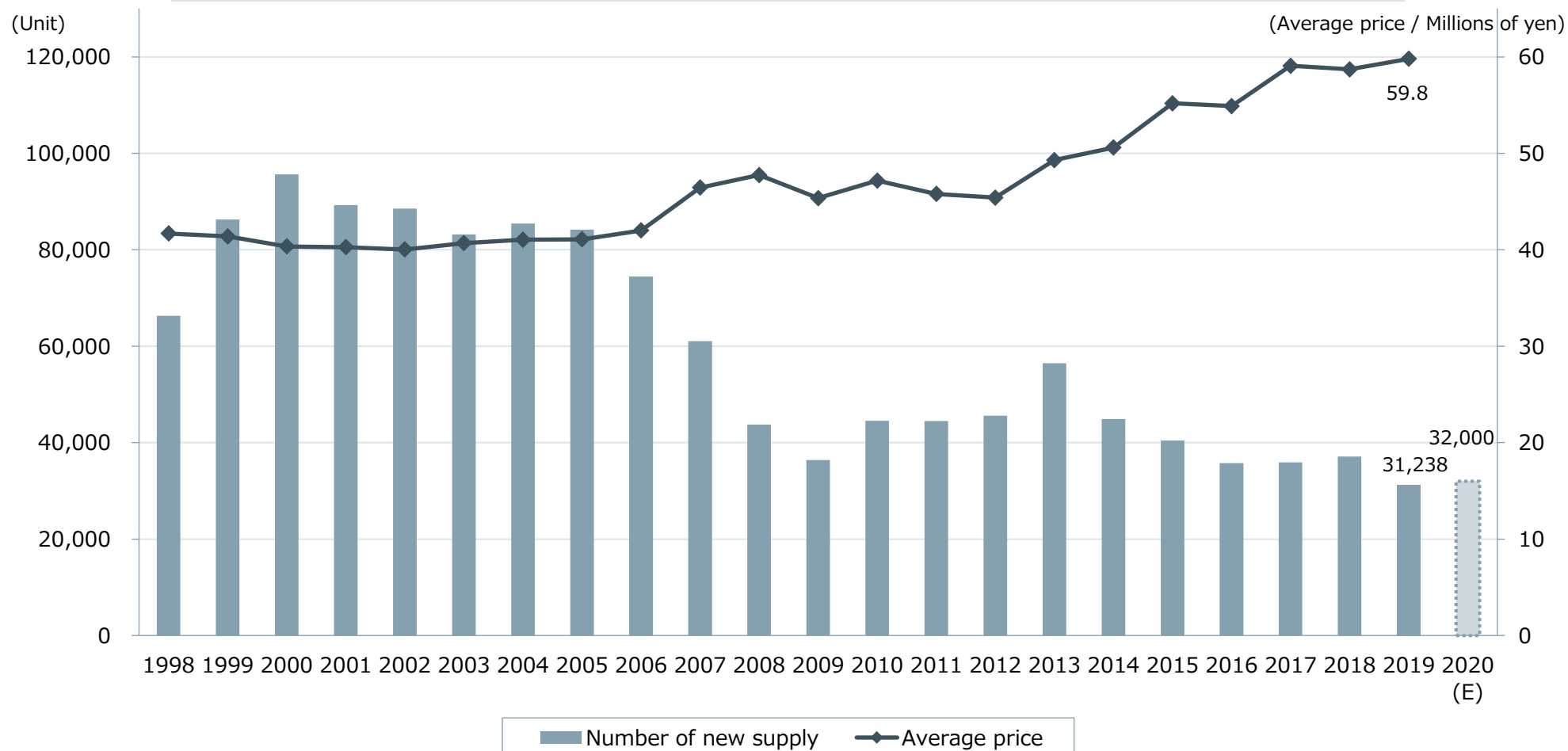
Quarterly Distribution of Sales by Agreement Date

(Millions of yen)



3. Condominium Market Data

Number of New Supply / Average Prices (the Greater Tokyo Area)



Source: Real Estate Economic Institute Co., Ltd.

4. Redevelopment Projects and Large-scale Development Projects

Redevelopment Projects and Large-scale Development Projects

Scheduled Delivery	Location	Project Name	Total Units
FY2021	Narashino, Chiba	Tsudanuma The Tower	759
FY2021	Adachi, Tokyo	Senju The Tower	184
FY2021	Atsugi, Kanagawa	The Parkhouse Hon-Atsugi Tower	163
FY2021	Kawaguchi, Saitama	The Parkhouse Kawaguchi Honcho	162
FY2021	Chiba, Chiba	Makuhari Bay Park Sky Grand Tower	826
FY2021	Kagoshima, Kagoshima	The Parkhouse Kagoshima Chuo Tower	210
FY2021	Shinjuku, Tokyo	The Residence Yotsuya Avenue/Garden	60
FY2021	Shinagawa, Tokyo	Crevia Tower Oimachi THE RESIDENCE	136
FY2022	Bunkyo, Tokyo	Park Court Bunkyo Koishikawa The Tower	571
FY2022	Koto, Tokyo	Proud Tower Kameido Cross	934
FY2023	Nagasaki, Nagasaki	Shin-daikumachi District Redevelopment Project	240
FY2023	Yokohama, Kanagawa	Land Readjustment Project (H block) in West District around Kawawa-cho Station	183
FY2024	Shinagawa, Tokyo	Togoshi 5-chome, 19 District Redevelopment Project	241
From FY2025	The Greater Tokyo Area	Hamamatsucho 2-chome District Redevelopment Project, etc.*1	Total 18,550*2
	Outside of the Greater Tokyo Area	Minatomachi 3-chome C Block District Area Redevelopment Project, etc.*1	Total 3,380*2



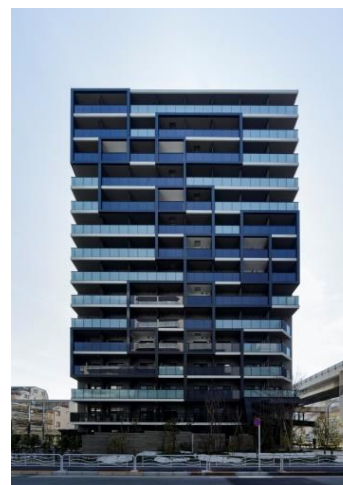
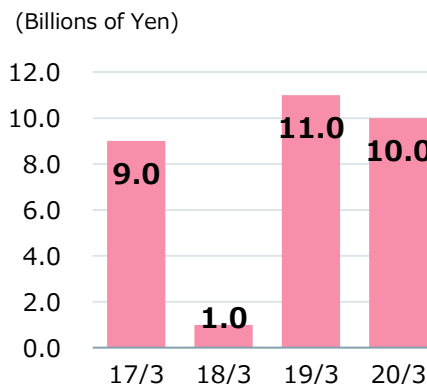
The Parkhouse Hon-Atsugi Tower

*1 There are approx. 25 ongoing projects scheduled for delivery in FY2024 onward

*2 Total of several planned projects

5. Rental Apartment Business

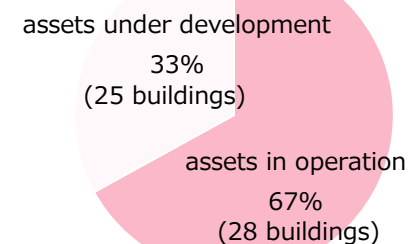
Trends in gain on sale



The Parkhabio Kiba

Total assets

Approx. ¥ **88** billion



(End of March 2020)
*Ratio by value

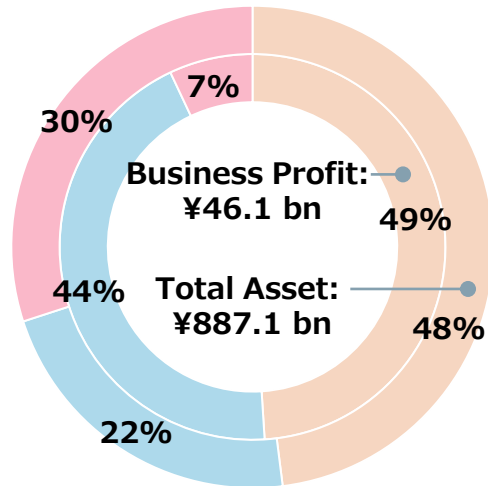


Parkhabio Akasaka Tower

International Business

1. International Business Strategy

FY2020



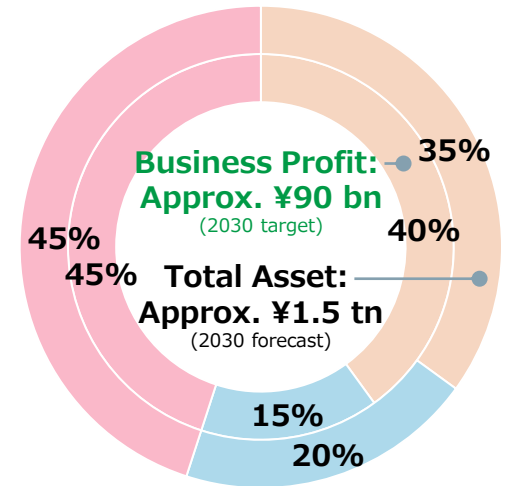
ROA : Approx. 5%

Asia Europe US

Towards 2030 Target

- ◆ Expand Asia development business
- ◆ Annual investment: approx. ¥200–250 bn
- ◆ 1st half of 2020s : Profit increase with asset accumulation
- ◆ 2nd half of 2020s: Balance investment and return

2030 Target



ROA : Approx. 6%

Strategy

① Asia

- ◆ Increase investment, build capital recycling portfolio
- ◆ Two approaches:
 - ① Development with major stake
 - ② Joint businesses with local partners

<Expected Return from Investment>

IRR	Developed countries	8~10%
	Developing countries	10+%

② Europe

- ◆ Investment and return to optimize profit stability and capital efficiency
- ◆ Advance mainly large-scale*

* 8 Bishopsgate, 60-72 Upper Ground

<Expected Return from Investment>

IRR	8~10%
-----	-------

③ US

- ◆ Strengthen capital recycling business, making the most of RGII* know-how
- ◆ Joint venture with local partners

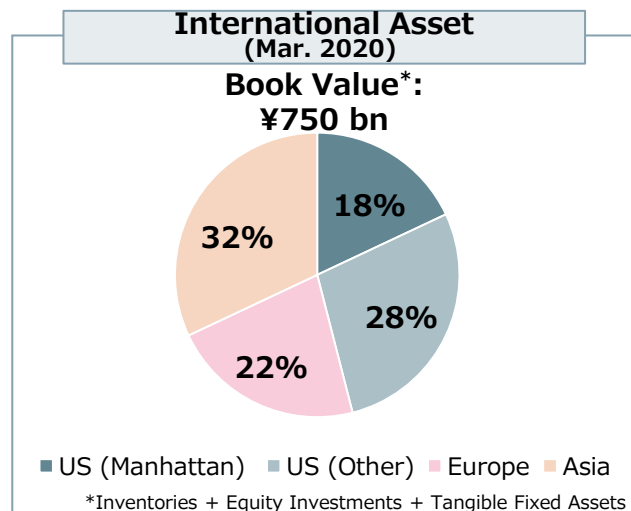
* Rockefeller Group International, Inc.

<Expected Return from Investment>

IRR	8~10%
-----	-------

2. International Asset/Ongoing Projects

Many ongoing developments (rentals and condos) are expected to make early profit contribution.



1271 Avenue of the Americas



Daswin Project



8 Bishopsgate project



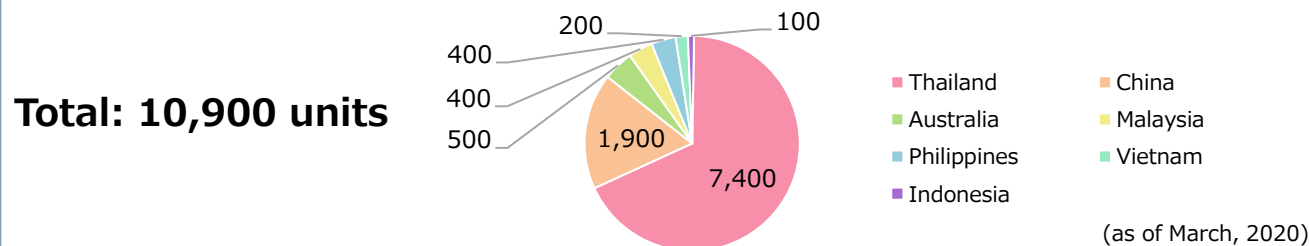
Yoma Central

Major Ongoing Projects

	Property Name	Location	Use	Completion	Area / Units ^{*1}
Asia	Mixed Use Development in Hangzhou	China (Hangzhou)	Office	2020	69,800m ²
	CapitaSpring	Singapore	Multi-use	2021	93,400m ² * ²
	Phase 3 of Singapore-Hangzhou Science & Technology Park	China (Hangzhou)	Office	2021	172,300m ²
	Daswin Project	Indonesia (Jakarta)	Office	2021	75,000m ²
	Yoma Central (4 buildings total)	Myanmar (Yangon)	Multi-use	2021	212,700m ² * ²
	Savya Financial Center North Tower	The Philippines (Manila)	Office	2021	24,600m ² * ³
	180 George Street	Australia (Sydney)	Office	2022	55,000m ²
	One City Centre	Thailand (Bangkok)	Office	2022	66,000m ²
Europe	8 Bishopsgate	UK (London)	Office	2022	53,000m ²
	Nine Elms Park	UK (London)	Rental apartment	2022	196 units
	60-72 Upper Ground (ITV The London Television Centre)	UK (London)	TBD	2020s 2nd half	TBD
US	1271 Avenue of the Americas	US (Manhattan)	Office	Dec. 2019	195,000m ²
	Edison	US (New Jersey)	Logistics facilities	2020	87,200m ²
	Lehigh Valley (4 buildings total)	US (Pennsylvania)	Logistics facilities	2021	325,200m ²

*¹ Leasable area or # of units *² Total floor area *³ Area for sale

Land Bank in Asia (Condominiums)

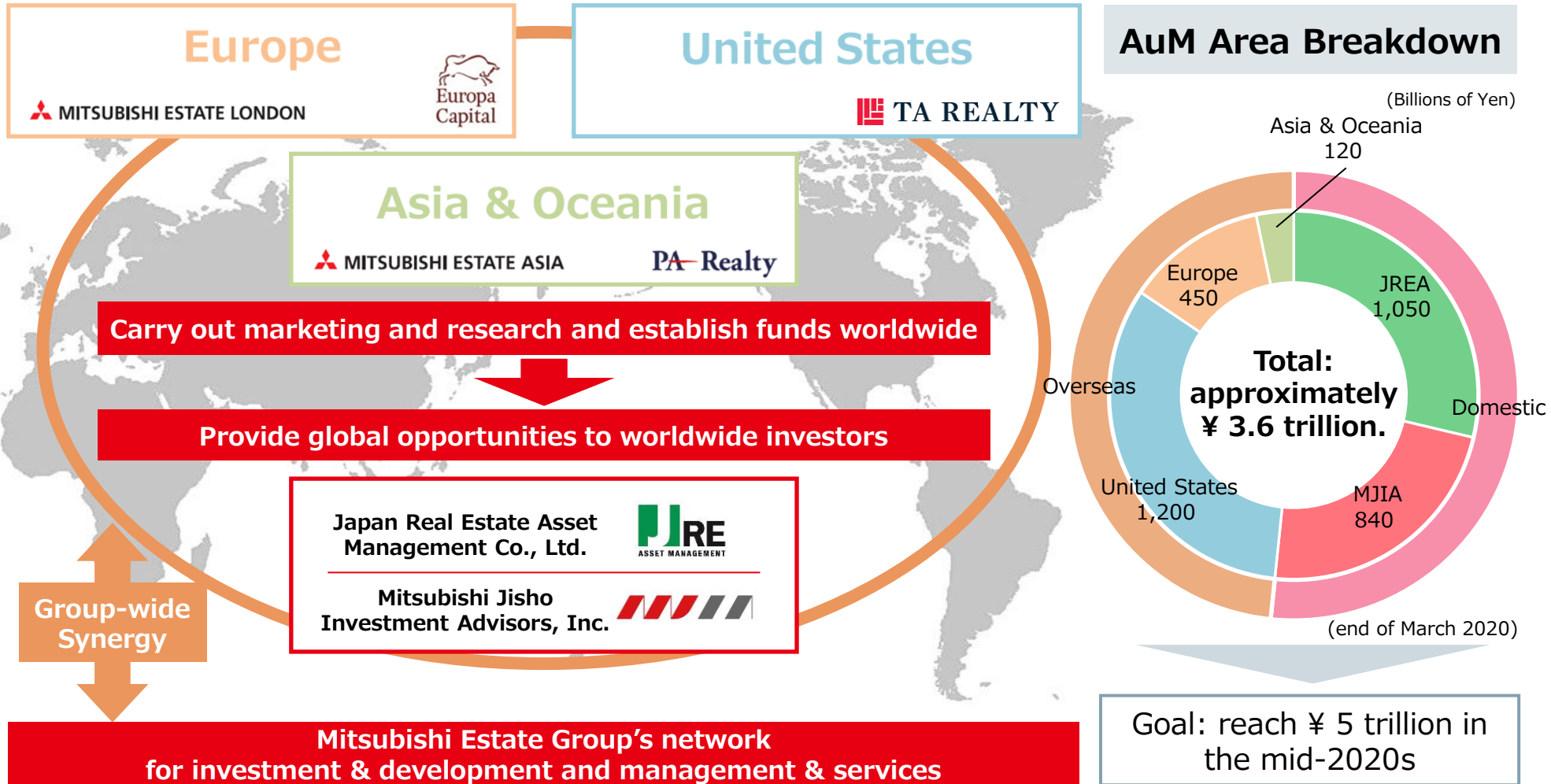


* # of unit MEC owns

Other business

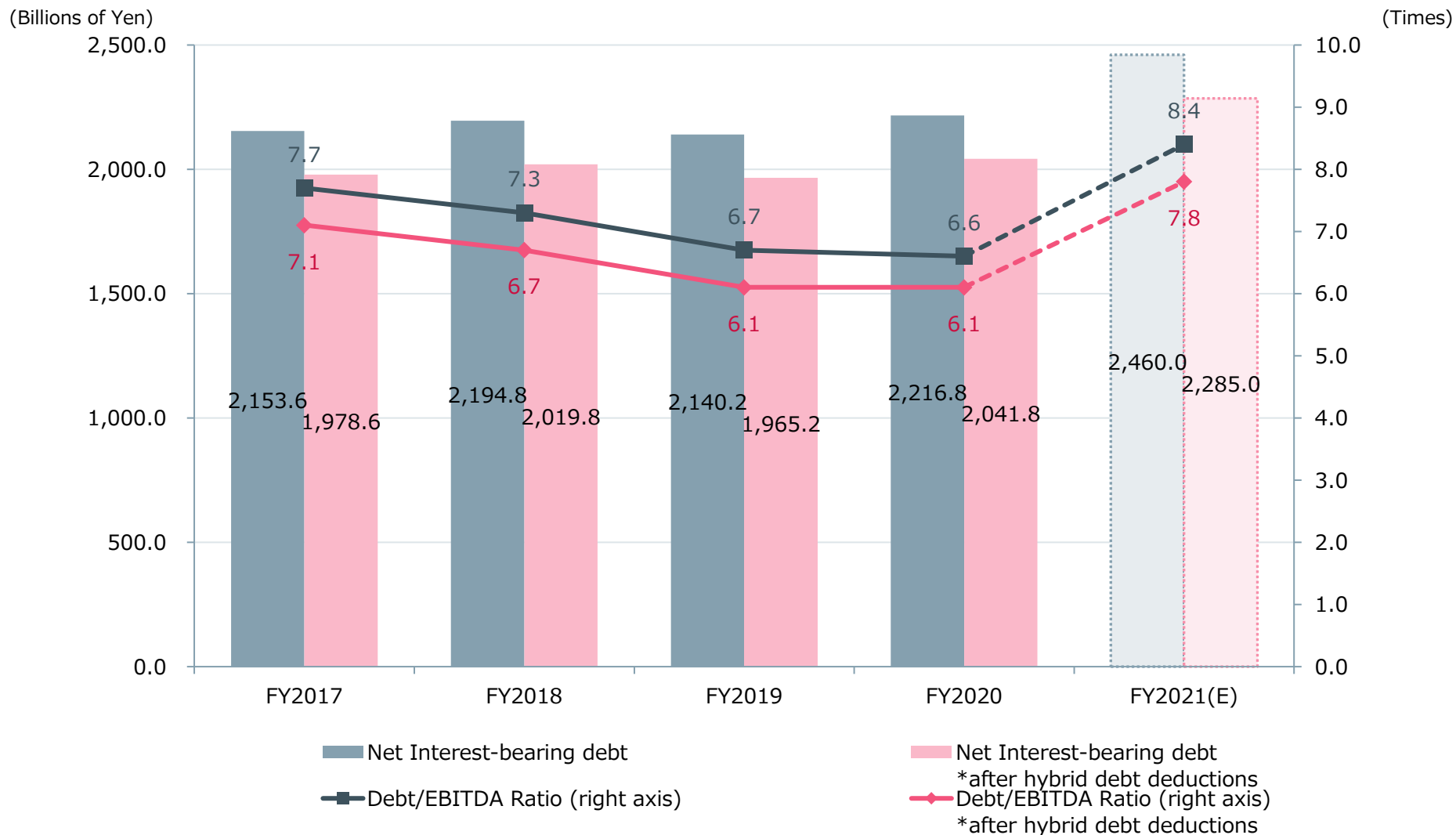
1. Investment Management Business: Global Platform

Globally, we have combined assets under management of approximately ¥ 3.6 trillion.



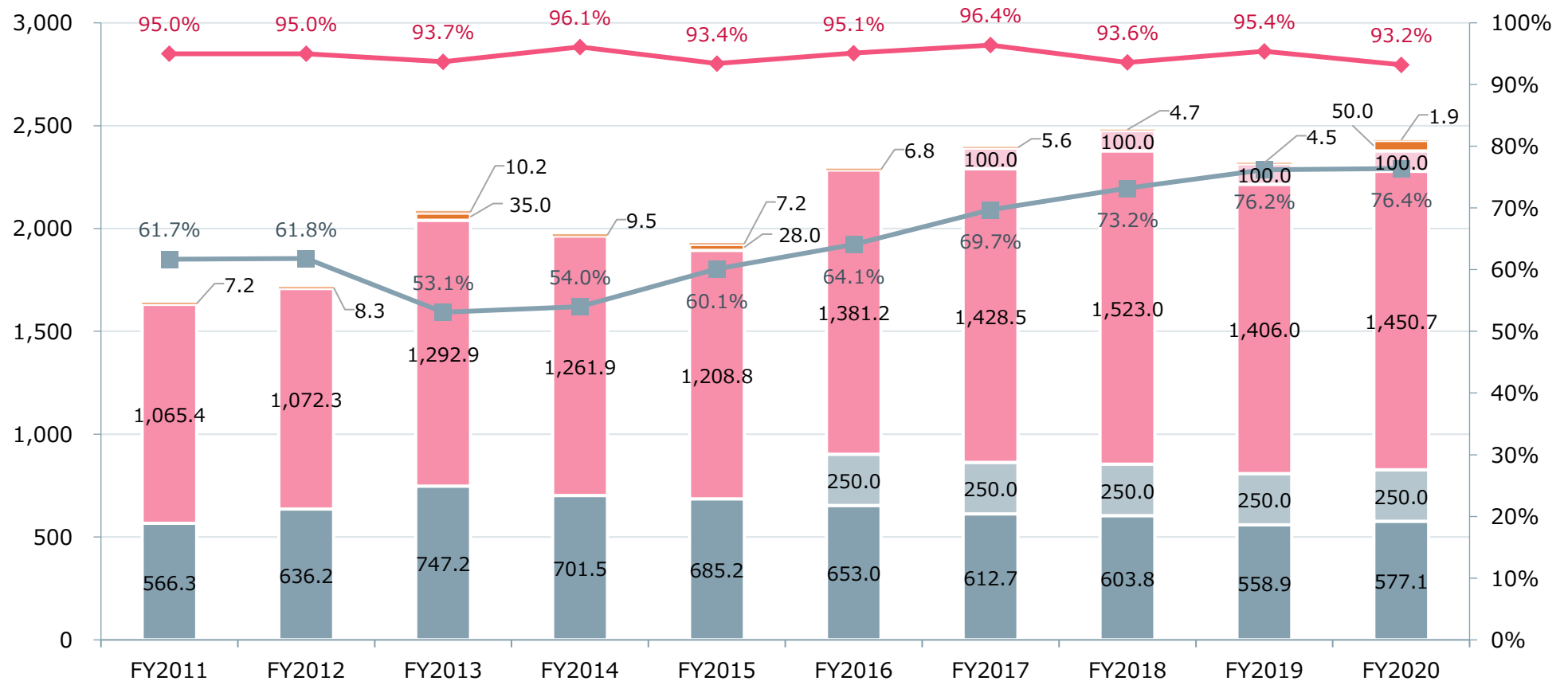
Investment / Financial Data etc.

1. Net Interest-bearing debt/EBITDA Ratio



2. Interest-Bearing Debt Breakdown

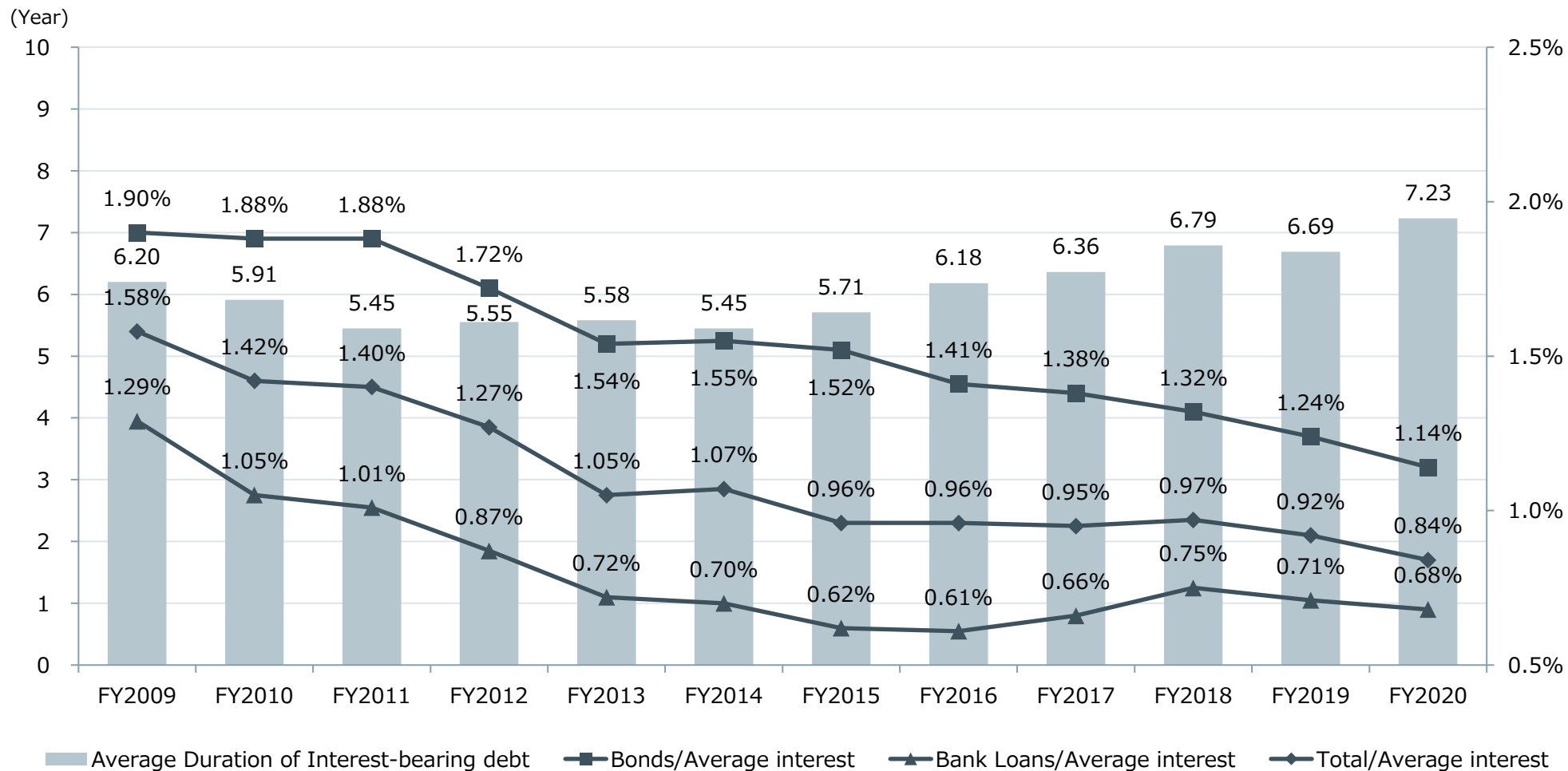
(Billions of Yen)



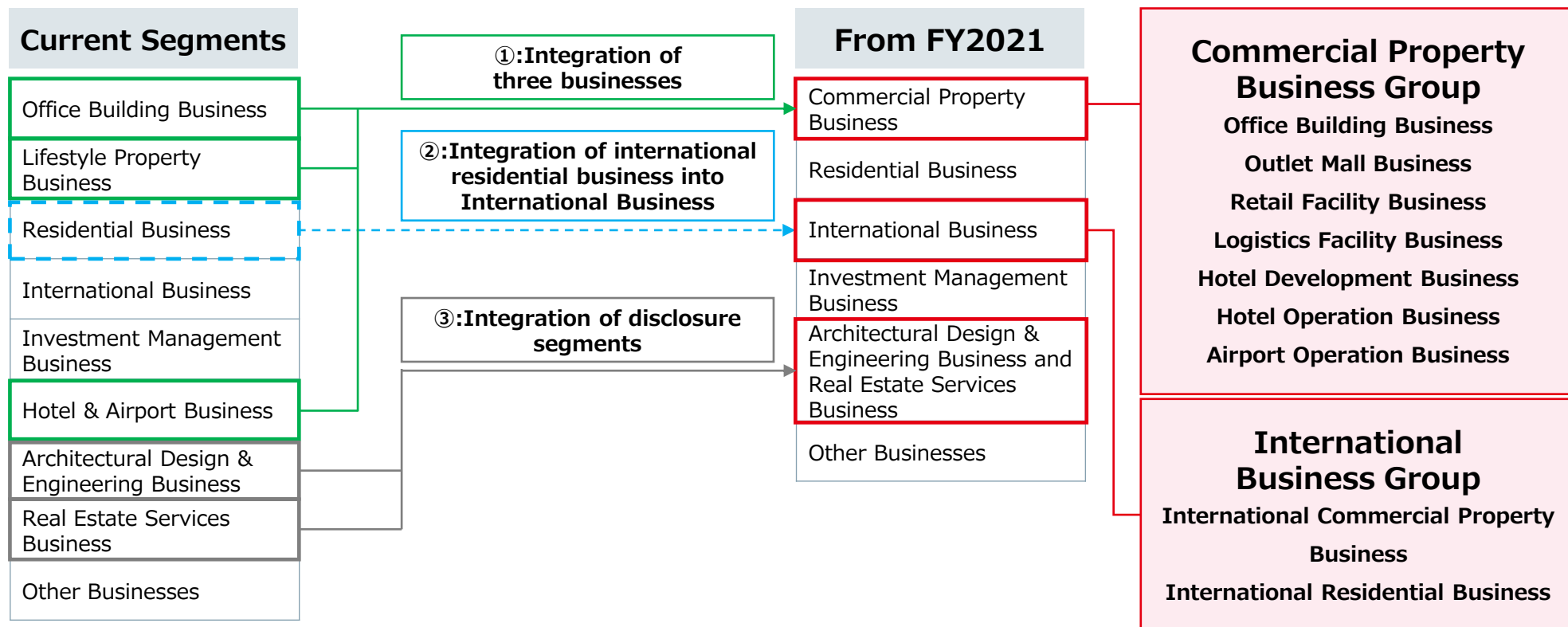
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Total	1,693.0	1,716.8	2,085.4	1,973.0	1,929.3	2,291.0	2,396.9	2,481.6	2,319.5	2,429.8

■ Straight Bond
 ■ Subordinated bond
 ■ Bank Loan
 ■ Subordinated loan
 ■ CP
 ■ Lease liability
 ■ Fixed ratio
 ◆ Long-term ratio

3. Interest-bearing debt: Procurement Interest rates / Average Duration of Interest-bearing debt (Unconsolidated)



4. Segmentation Change from April 1, 2020



<Purpose of Change>

- ① The Office Building, Lifestyle Property, and Hotel & Airport business units will be merged to strengthen capabilities for increasing cross-segment projects.
- ② International Residential business will move from the Residential Business segment to the International Business segment to consolidate international project expertise.
- ③ Architectural Design & Engineering Business, and Real Estate Services Business are integrated as Other Businesses for simplified disclosure.

ESG Initiatives

For details of ESG initiatives in "Long-term Management Plan 2030", please refer to the following link.
https://www.mec.co.jp/e/investor/plan/pdf/plan200124_e.pdf

1. Materialities (Important Issues for Sustainable Management)

Identifying 7 Materialities' Opportunities and Risks

Materialities	Opportunities	Risks
The environment	Increasing need for acquisition and leasing of real estate with low environmental impact	Rising countermeasure expenses due to strengthening of environmental regulations and stricter renovation standards
Globality	Expanding demand for facilities and services that address the needs of international visitors	Increased country, compliance, and supply chain risks
Community	Heightening need for acquisition and leasing of real estate highly resilient to disasters such as Earthquakes	Falling asset value and rising expenses for Maintenance and countermeasures due to disasters such as earthquakes
Diversity	Rising demand for facilities and services tailored to diverse living and working styles	Declining demand for facilities and services where the promotion of diversity is insufficient
Birthrate / Aging	Increasing demand for facilities and services tailored to new needs due to demographic Changes	Contracting demand for facilities and services due to demographic changes (including decrease in working population)
Leveraging existing properties	Reduction in waste as a result of lengthening the time span of demolition and rebuilding work by making effective use of existing stock	Decreasing need for expensive, newly built real estate in comparison with pre-owned and older properties
Digital innovation	Improvements in the efficiency and convenience of facility operations by leveraging IT and robots	Declining demand for facilities and services due to late response to IT and digital innovation

2. Initiatives to Protect Environment (ESG's "E")

Key KPIs and Targets

- CO₂ emissions ■ Waste disposal ■ Renewable energy rate ■ Waste recycle rate
- Water recycle rate ■ # of renovated buildings and condos ■ Domestic lumber usage rate

CO₂ Emissions

- Increase electricity storage facilities
- Optimize thermal circulation
- Employ demand response system

2030 Target

35% reduction (vs. FY2018)

2050 Target

87% reduction (vs. FY2018)

*These targets were approved by
SBT Initiative in April 2019

【Actual: 4,038, thousand t (FY2020)】
Reference value: 3,336 thousand t (FY2018)

Renewable Energy Rate

2030 Target

25%

2050 Target

100%

【Actual : 1.1% (FY2020)】

Waste Recycle Rate

- Raise awareness and distribute information for tenants, visitors, and guests
- System/measures to facilitate waste separation

2030 Target

90%

【Actual : 55.2% (FY2020)】

Waste Disposal

2030 Target

20% reduction (vs. FY2020)

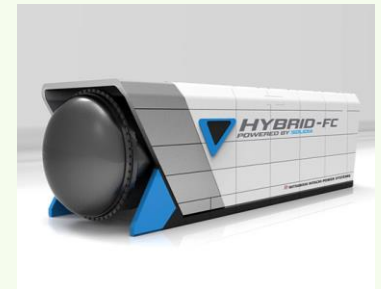
**【Actual value (reference value):
7.1kg/sq m. (FY2020)】**

CO₂ Reduction Case Study

- Use of a fuel cell system manufactured by Mitsubishi Hitachi Power Systems
- Installed in the Marunouchi Building Mar. 2019
- CO₂ emission reduced by 50% vs grid power



Marunouchi Bldg.



Fuel Cell System installed

3. Initiatives to Human Resources and Resilience (ESG's “S”)

<Human Resource> Key KPIs and Targets

- PTO utilization
- Paternity leave utilization
- Retention post-parental-leave

PTO Utilization

FY2021 Goal

5% increase

(Reference value: 66.0%(FY2018))
 [Actual*1 : 68.0% (FY2020)]

Paternity Leave Utilization

FY2030 Goal

100%

[Actual*2 : 17.1% (FY2020)]

Retention Post-parental-Leave

FY2030 Goal

100%

[Actual*2 : 93.8% (FY2020)]

*1 Mitsubishi Estate only

*2 Average of 5 companies (Mitsubishi Estate, Mitsubishi Estate Residence, Mitsubishi Jisho Property Management, Mitsubishi Jisho Sekkei, Mitsubishi Real Estate Services)

<Resilience> Key KPIs and Targets

- Rate of buildings that are to take in stranded commuters
- Rate of people with first aid training course qualifications

Rate of Buildings That are to Take in Stranded Commuters

Actual (FY2020)

Rate of such facilities*3 **92.3%**

Rate of People with First Aid Training Course Qualifications

FY2030 Goal

100%

[Actual*4 : 61.0% (FY2020)]



*3 Covering large-scale properties completed in or after 2002

*4 Average of 3 companies (Mitsubishi Estate, Mitsubishi Jisho Property Management, Mitsubishi Jisho Retail Property Management)

*5 There are certain exceptions

Seismic Performance of New Building (Marunouchi Area)

1.5x

of a standard skyscraper
 (=withstand a level 7 earthquake)

Emergency Generator for BCP in New Buildings (Marunouchi Area)

72 hr*5

4. Corporate Governance (ESG's "G") -1

Establish effective governance that ensures long-term enhancement of corporate value.

(as of Sep. 2020)

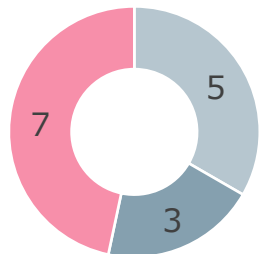
Corporate Structure

- Transitioned to a "Company with Nominating Committee, etc." in June 2016

Structure of the Board of Directors

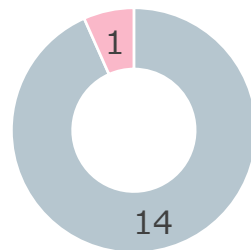
- 15 directors: 8 company directors and 7 independent outside directors (10 of which are non-executive directors)
- 6 of 7 independent outside directors are male and 1 is female.

Board Structure



- Company Director(Executive)
- Company Director(Non-executive)
- Independent/Outside Director (Non-executive)

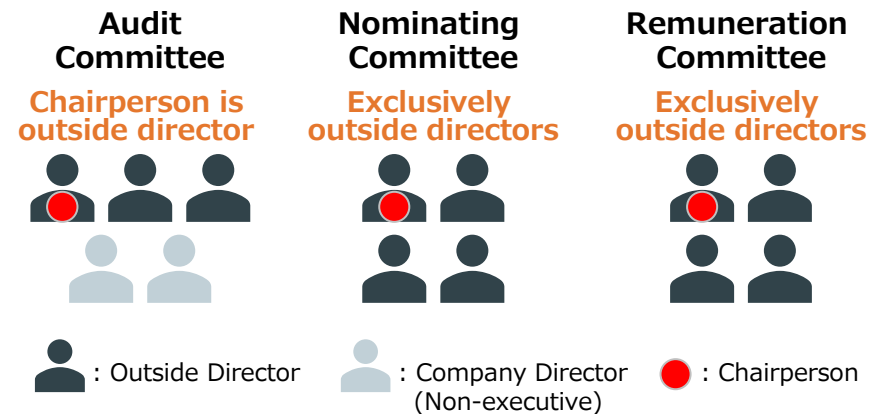
Composition of male/female



- Male
- Female

Committee Members

- Chairpersons of all committees are independent outside directors
- Remuneration and Nominating Committees comprised of independent outside directors only
- With regard to the Audit Committee, two non-executive internal directors, who are familiar with the company's business, were appointed to ensure the effectiveness of audits.

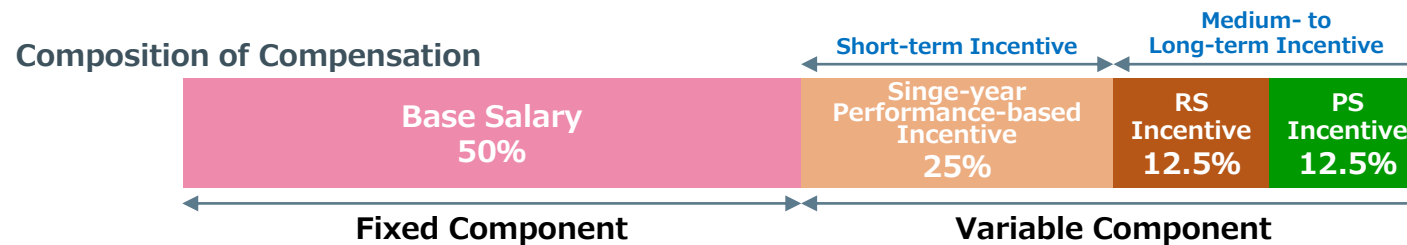


5. Corporate Governance (ESG's "G") -2

Non-Renewal of Anti-takeover Measure

- In 2019, the Company did not renew its anti-takeover measure (the Board of Directors adopted a resolution not to renew the measure due to talks with its shareholders and investors, as well as other factors).

The Executive Compensation Plan Aims to Align Shareholders and Executives' Interests



<Single-year Performance-based Incentive>

- Form : cash
- Calculation: "KPIs" : Operating Profit, ROE etc. of previous year (quantitative evaluation) as well as levels of contributions to medium- to long-term business results, efforts on ESG and other elements (qualitative evaluation)

<New Long-term Performance-based Incentive Plan (PS Incentive) >

- Form : cash
- Performance evaluation period: 3 years
- Calculation: Based on stock price and total shareholder returns(TSR)relative to peer companies*

* Nomura Real Estate Holdings, Inc., Tokyu Fudosan Holdings Corporation, Mitsui Fudosan Co., Ltd., Tokyo Tatemono Co., Ltd., and Sumitomo Realty & Development Co., Ltd

<Restricted Stock Plan (RS Incentive) >

- Form : stock
- Lock-up period: 3 years

Strategic-holding Stock Policies

- Sold 30 entities* with total value of approx. ¥ 35.7 bn in the past five years (FY16–20).
- Current market value of the holdings is approx. ¥ 184.6 bn; routinely review strategic objectives and dispose of stocks as necessary as of March 2020.

* Stocks of listed companies only. Including partial sale

6. External Evaluation

As of November 2020, reputations or ratings below have been given.

- FTSE4Good Global Index (19 years in a row)
- FTSE Blossom Japan Index (Adopted by GPIF)(4 years in a row)
- MSCI Japan ESG Select Leaders Index (Adopted by GPIF) (4 years in a row)
- MSCI Japan Empowering Women Select Index (Adopted by GPIF) (3 years in a row)
- S&P/JPX Carbon Efficient Index (Adopted by GPIF) (3 years in a row)
- SOMPO Sustainability Index (9 years in a row)
- GRESB Public Disclosure (3 years in a row)
- GRESB Real Estate 2019: Three Stars/Green Star
- CDP Climate Change 2019 Questionnaire: A- rating



2020 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX
2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



Contact Information

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<Disclaimer>

Regarding information on the properties of this material, it is based on judgment obtained from information available at the presentation date of this material.

Please be aware that actual information can result in different results depending on various factors.