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MITSUBISHI ESTATE CO., LTD.

FACT BOOK FY2022

(The Fiscal Year Ending on March 31, 2022)

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		Page
I . Performance Comparisons (Consolidated)	1. Income Statement Results for FY2022 and FY2021	3
	2. Current Income Statement Forecasts for FY2023 and Results for FY2022	4
	3. Balance Sheet Results	5
	4. Cash Flow Statements	6
II . Investment Data	1. Investment data	7
	2. Assets Breakdown and Special Purpose Vehicles Data	8
III . Business Data	1. Commercial Property Business Operating Revenue Breakdown (Consolidated)	9
	2. Office Building Data (Consolidated)	9
	3. Office Building Data (Unconsolidated)	9
	4. Marunouchi Area Building Data (Unconsolidated)	9
	5. Domestic Condominium Business Data	10
IV .Historical Performance Data(Consolidated)	1. Major Performance Items	11
	2. Segment Information (Consolidated)	12
V . Mitsubishi Estate Group Companies' Data		13~15

Disclaimer

• This FACT BOOK contains predictions and aims which relate to, without limitation, our future economic performance, our plans and objectives for future operations 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 from the events and results expressed here.

• Please refer to ASSET BOOK for principal projects.

I. Performance Comparisons (Consolidated)

1. Income Statement Results for FY2022 and FY2021

<Summary>
【Overview】
There is a significant increase in operating profit and profit attributable to owners of parent compared with FY2021. Main factors include the followings: an increase in capital gains; an opening of Tokiwabashi Tower; a recovery of retail properties and hotels; an increase in fee income in Investment Management Business.

【Commercial Property Business】
 An increase in capital gains led to an overall increase in revenue and profits compared with FY2021. Sales from office buildings and logistic facilities contributed to a significant increase in capital gains. There is an improvement in income gains of approx. 5 billion yen after excluding the effect of the adjustment in FY2021 that costs during temporary closure of retail properties and hotels were carried at extraordinary loss from operating costs.
 In regards to office buildings, in addition to an increase in rental revenue and profits in new buildings, other factors, such as a record in advance of the amount equivalent to restoration costs in existing buildings, led to an overall increase in revenue and profits. Retail properties and hotels have been affected by prolonged SOE during the first half of FY2022 and Semi-SOE in 4Q; therefore, improvement range is limited.

<Office Buildings>
 In regards to new buildings, there is an increase in rental revenue and profits mainly as a result of opening of Tokiwabashi Tower, which was completed in June, 2021. In existing buildings, despite an impact of a decrease in rental profits as a result of a decrease in rental revenue from buildings to be closed, factors, such as a record in advance of the amount equivalent to restoration costs in existing buildings, led to an overall increase in revenue and profits compared with FY2021.

<Retail Properties (e.g. outlet malls)>
 While showing overall recovery, a temporary closure of some outlet malls during SOE in 1Q and a declaration of Semi-SOE in 4Q affected for a certain level.

<Hotels>
 The recovery is limited due to the following factors: a prolonged SOE during the first half of FY2022, a declaration of Semi-SOE in 4Q, and a decrease of inbound visitors.

【Residential Business】
 There is an increase in revenue and profits compared with FY2021. There is an increase in profits as a result of well progress in domestic condominiums sales, an improvement of the gross margin, and cost reduction.

【International Business】
 There is an increase in revenue and profits compared with FY2021. A significant increase in capital gains from sales of logistic facilities in U.S. and office buildings in Hanoi, Vietnam, is the main factor led to an overall increase.

【Investment Management Business】
 There is an increase in revenue and profits compared with FY2021. Main factors led to an overall increase are: Record of contingent fee from rising market value of managed assets in U.S. funds and an increase in fees as AUM grew. However, the said contingent fee is expected to be distributed to employees in management companies, therefore, contribution of profit attributable to owners of parent is limited.

Millions of yen (rounded down)			
	FY2022 Results	FY2021 Results	Change
Commercial Property Business	760,658	672,441	88,216
Residential Business	380,959	362,755	18,204
International Business	121,234	114,457	6,776
Investment Management Business	46,702	22,199	24,503
Architectural Design & Engineering Business and Real Estate Services Business	57,780	56,064	1,715
Other	10,134	9,055	1,078
Eliminations	(27,979)	(29,378)	1,398
Operating Revenue	1,349,489	1,207,594	141,894
Commercial Property Business	189,909	180,775	9,133
Residential Business	30,173	24,068	6,104
International Business	55,816	37,932	17,884
Investment Management Business	26,537	5,966	20,570
Architectural Design & Engineering Business and Real Estate Services Business	2,802	959	1,843
Other	(1,683)	(1,089)	(593)
Eliminations or Corporate	(24,578)	(24,219)	(359)
Operating Profit	278,977	224,394	54,583
Non-operating income	16,319	26,292	(9,973)
(Share of profit of entities accounted for using equity method)	332	307	25
Non-operating expenses	41,586	39,720	1,865
Ordinary Profit	253,710	210,965	42,744
Extraordinary income	20,189	16,603	3,585
Extraordinary loss	20,120	26,304	(6,183)
Profit before Income Taxes	253,779	201,265	52,513
Total income taxes	70,889	54,195	16,693
Profit	182,889	147,069	35,820
Profit attributable to non-controlling interests	27,718	11,414	16,303
Profit Attributable to Owners of Parent	155,171	135,655	19,516

Millions of yen (rounded down)			
■ Breakdown of Extraordinary income	FY2022 Results	FY2021 Results	Change
Gain on sale of non-current assets	6,781	13,582	(6,800)
Gain on sale of investment securities	7,987	3,021	4,966
Gain on sale of shares of subsidiaries and associates	1,843	-	1,843
Reversal of provision for environmental measures	3,576	-	3,576
Total	20,189	16,603	3,585

Millions of yen (rounded down)			
■ Breakdown of Extraordinary loss	FY2022 Results	FY2021 Results	Change
Loss related to retirement of non-current assets	16,254	2,099	14,154
Impairment loss	3,866	4,679	(813)
Loss on liquidation of subsidiaries	-	13,826	(13,826)
Loss on infectious disease	-	5,698	(5,698)
Total	20,120	26,304	(6,183)

<Reference>

Millions of yen (rounded off to the nearest billion)			
■ Capital Gains included in Operating profit	FY2022 Results	FY2021 Results	Change
Commercial Property Business	42,000	32,000	10,000
Residential Business	5,000	7,000	(2,000)
International Business	29,000	12,000	17,000
Investment Management Business	-	-	-
Other	-	-	-
Eliminations or Corporate	-	-	-
Total	76,000	51,000	25,000

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

<Reference>

Millions of yen (rounded down)			
■ Business profit	FY2022 Results	FY2021 Results	Change
Business profit	279,310	224,701	54,608

*Business profit: Operating profit + Share of profit of entities accounted for using equity method

2. Current Income Statement Forecasts for FY2023 and Results for FY2022

< Summary >
[Overview]
The highest record for two consecutive years is expected in operating profit and profit attributable to owners of parent for FY2023. Contributing factors include a significant increase in overseas capital gains and a recovery of demand in hotels and retail properties as a result of the easing of restrictions. Annual dividends per share is expected to be 38 yen, a record high for two consecutive years. ROE is also expected to keep the 8% level.

[Commercial Property Business]
< Office Buildings >
Despite an increase in rental profits as a result of full-year operation of Tokiwabashi Tower, a decrease is expected in rental revenue from existing buildings being closed for redevelopment and also in revenue for the amount equivalent to restoration costs in existing buildings.

< Retail Properties >
An increase in rental revenue and profits is expected as a result of the relaxing of restrictions.

< Hotels >
An improvement in overall revenue is expected mainly as a result of a recovery of domestic demand followed by the easing of restrictions.

[Residential Business]
Despite a decrease in revenue and profits due to a decrease in the number of units sold of domestic condominiums, a significant increase is expected in capital gains from rental apartments.

[International Business]
An increase in profits is expected mainly as a result of a significant increase in capital gains from sales of Central Saint Giles in London and logistic facilities in U.S.

[Investment Management Business]
While there is an overall decrease in revenue and profits due to an effect of a record of contingent fee in FY 2022, an increase in profits excluding contingent fee is expected as AUM steadily grows.

	Millions of yen (rounded down)		
	FY2023 Forecasts	FY2022 Results	Change
Commercial Property Business	788,000	760,658	27,342
Residential Business	345,000	380,959	(35,959)
International Business	205,000	121,234	83,766
Investment Management Business	35,000	46,702	(11,702)
Architectural Design & Engineering Business and Real Estate Services Business	62,000	57,780	4,220
Other	11,000	10,134	866
Eliminations	(30,000)	(27,979)	(2,021)
Operating Revenue	1,416,000	1,349,489	66,511
Commercial Property Business	182,000	189,909	(7,909)
Residential Business	27,000	30,173	(3,173)
International Business	94,000	55,816	38,184
Investment Management Business	13,000	26,537	(13,537)
Architectural Design & Engineering Business and Real Estate Services Business	4,000	2,802	1,198
Other	(2,000)	(1,683)	(317)
Eliminations or Corporate	(27,000)	(24,578)	(2,422)
Operating Profit	291,000	278,977	12,023
Non-operating income	12,000	16,319	(4,319)
(Share of profit of entities accounted for using equity method)	400	332	68
Non-operating expenses	32,000	41,586	(9,586)
Ordinary Profit	271,000	253,710	17,290
Extraordinary income	6,000	20,189	(14,189)
Extraordinary loss	22,000	20,120	1,880
Profit before Income Taxes	255,000	253,779	1,221
Total income taxes	76,000	70,889	5,111
Profit	179,000	182,889	(3,889)
Profit attributable to non-controlling interests	14,000	27,718	(13,718)
Profit Attributable to Owners of Parent	165,000	155,171	9,829

	Millions of yen (rounded down)		
	FY2023 Forecasts	FY2022 Results	Change
Breakdown of Extraordinary income			
Gain on sale of non-current assets	6,000	6,781	(781)
Gain on sale of investment securities	-	7,987	(7,987)
Gain on sale of shares of subsidiaries and associates	-	1,843	(1,843)
Reversal of provision for environmental measures	-	3,576	(3,576)
Total	6,000	20,189	(14,189)

	Millions of yen (rounded down)		
	FY2023 Forecasts	FY2022 Results	Change
Breakdown of Extraordinary loss			
Loss related to retirement of non-current assets	22,000	16,254	5,746
Impairment loss	-	3,866	(3,866)
Total	22,000	20,120	1,880

<Reference>

	Millions of yen (rounded off to the nearest billion)		
	FY2023 Forecasts	FY2022 Results	Change
Capital Gains included in Operating profit			
Commercial Property Business	35,000	42,000	(7,000)
Residential Business	22,000	5,000	17,000
International Business	65,000	29,000	36,000
Investment Management Business	-	-	-
Other	-	-	-
Eliminations or Corporate	-	-	-
Total	122,000	76,000	46,000

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

<Reference>

	Millions of yen (rounded down)		
	FY2023 Forecasts	FY2022 Results	Change
Business profit			
Business profit	291,400	279,310	12,090

*Business profit: Operating profit + Share of profit of entities accounted for using equity method

3. Balance Sheet Results

Millions of yen (rounded down)

	At Mar 31, 2022	At Mar 31, 2021	Change
Assets			
I. Current assets			
1. Cash and deposits	233,117	170,040	63,077
2. Trade notes accounts receivable, and contract assets	60,645	52,031	8,613
3. Securities	4,280	4,626	(346)
4. Real estate for sale	41,239	88,116	(46,876)
5. Real estate for sale in process	299,532	267,563	31,968
6. Real estate for development	724	975	(250)
7. Costs on construction contracts in progress	4,316	7,144	(2,828)
8. Other inventories	1,575	1,034	541
9. Equity investments	624,521	496,182	128,339
10. Other current assets	87,260	76,875	10,384
11. Allowance for doubtful accounts	(422)	(553)	130
Total current assets	1,356,789	1,164,037	192,752
II. Non-current assets			
1. Property, plant and equipment			
(1) Buildings and structures	1,230,513	1,178,764	51,748
(2) Machinery, equipment and vehicles	31,208	30,460	748
(3) Land	2,310,551	2,237,934	72,617
(4) Land in trust	585,470	578,446	7,024
(5) Construction in progress	169,700	136,273	33,426
(6) Other property, plant and equipment	18,545	18,013	531
Total property, plant and equipment	4,345,989	4,179,893	166,096
2. Intangible assets			
(1) Leasehold interests in land	82,541	76,193	6,347
(2) Other intangible assets	25,550	24,901	649
Total intangible assets	108,092	101,095	6,997
3. Investments and other assets			
(1) Investment securities	299,617	281,996	17,620
(2) Long-term loans receivable	2,324	11,661	(9,337)
(3) Leasehold and guarantee deposits	140,230	136,478	3,751
(4) Retirement benefit asset	45,998	34,370	11,628
(5) Deferred tax assets	25,887	16,536	9,350
(6) Other investments	169,535	146,455	23,080
(7) Allowance for doubtful accounts	(548)	(6)	(542)
Total investments and other assets	683,045	627,493	55,551
Total non-current assets	5,137,127	4,908,481	228,645
Total assets	6,493,917	6,072,519	421,398

Millions of yen (rounded down)

	At Mar 31, 2022	At Mar 31, 2021	Change
Liabilities			
I. Current liabilities			
1. Trade notes and accounts payable	60,516	60,507	9
2. Short-term borrowings	182,052	141,785	40,266
3. Current portion of long-term borrowings	79,928	127,643	(47,714)
4. Commercial papers	-	50,000	(50,000)
5. Current portion of bonds payable	90,000	65,000	25,000
6. Income taxes payable	29,445	24,457	4,987
7. Other current liabilities	189,099	193,043	(3,943)
Total current liabilities	631,043	662,437	(31,394)
II. Non-current liabilities			
1. Bonds payable	786,335	745,759	40,576
2. Long-term borrowings	1,598,562	1,393,858	204,703
3. Leasehold and guarantee deposits received	451,749	466,891	(15,142)
4. Deferred tax liabilities	274,176	243,818	30,358
5. Deferred tax liabilities for land revaluation	264,082	264,082	-
6. Retirement benefit liability	27,402	27,123	278
7. Provision for retirement benefits for directors (and other officers)	464	662	(197)
8. Provision for environmental measures	888	4,537	(3,648)
9. Negative goodwill	85,526	83,604	1,922
10. Other long-term liabilities	137,252	118,294	18,957
Total non-current liabilities	3,626,441	3,348,634	277,807
Total liabilities	4,257,484	4,011,071	246,413
Net assets			
I. Shareholders' Equity			
1. Share capital	142,414	142,279	135
2. Capital surplus	159,749	164,367	(4,617)
3. Retained earnings	1,165,344	1,058,457	106,887
4. Treasury shares	(132,483)	(105,216)	(27,267)
Total shareholders' equity	1,335,024	1,259,887	75,137
II. Accumulated other comprehensive income			
1. Valuation difference on available-for-sale securities	130,841	118,088	12,753
2. Deferred gains or losses on hedges	103	(1,916)	2,020
3. Revaluation reserve for land	526,417	526,417	-
4. Foreign currency translation adjustment	2,162	(53,740)	55,902
5. Remeasurements of defined benefit plans	8,675	3,163	5,512
Total accumulated other comprehensive income	668,200	592,011	76,189
III. Stock acquisition rights	201	231	(30)
IV. Non-controlling interests	233,005	209,316	23,689
Total net assets	2,236,432	2,061,447	174,984
Total liabilities and net assets	6,493,917	6,072,519	421,398

4. Cash Flow Statements

Millions of yen (rounded down)

	①FY2021 Results	②FY2022 Results	Change (②-①)	③FY2023 (Forecasts)	Change (③-②)
Profit before income taxes	201,265	253,779	52,513	255,000	1,221
Adjustment for extraordinary income or loss	10,935	7,349	(3,586)	16,000	8,651
Depreciation	89,107	91,581	2,474	94,000	2,419
Decrease (increase) in inventories	56,443	116,993	60,549	102,000	(14,993)
Decrease (increase) in equity investments	(21,048)	(30,267)	(9,218)	(66,000)	(35,733)
Other	(71,888)	(107,139)	(35,250)	42,000	149,139
Income taxes paid	(57,400)	(52,206)	5,194	(73,000)	(20,794)
Net cash provided by (used in) operating activities	207,414	280,090	72,676	370,000	89,910
Proceeds from sale and redemption of investment securities	14,186	9,562	(4,624)	2,000	(7,562)
Proceeds from sales of property and equipment and beneficial interests in trust of property and equipment	30,403	14,570	(15,832)	9,000	(5,570)
Capital investment	(319,841)	(329,115)	(9,273)	(459,000)	(129,885)
Other	(22,051)	(8,795)	13,255	(32,000)	(23,205)
Net cash provided by (used in) investing activities	(297,303)	(313,778)	(16,474)	(480,000)	(166,222)
Newly acquired funds	437,155	390,678	(46,477)	399,000	8,322
Repayment	(365,441)	(183,951)	181,489	(235,000)	(51,049)
Cash dividends paid	(51,153)	(58,249)	(7,096)	(64,000)	(5,751)
Repurchase and disposal of own shares	(23)	(29,861)	(29,837)	0	29,861
Other	29,888	(27,641)	(57,529)	(85,000)	(57,359)
Net cash provided by (used in) financing activities	50,425	90,973	40,548	15,000	(75,973)
Cash and cash equivalents at end of period	172,307	234,244	61,937	140,000	(94,244)
Free cash flow	(89,889)	(33,687)	56,201	(110,000)	(76,313)

II . Investment Data

1. Investment data

Capital investment*		Millions of yen (rounded down)	
FY2022		FY2023 (Forecasts)	
Total	329,115	Total	459,000
Mitsubishi Estate	130,014	Mitsubishi Estate	154,000
(Breakdown)		(Breakdown)	
Office Building		Office Building	
New/Redevelopment buildings (Marunouchi redevelopment etc.)	63,680	New/Redevelopment buildings (Marunouchi redevelopment etc.)	71,000
Refurbishment cost etc.	14,265	Refurbishment cost etc.	23,000
Hotel	23,139	Hotel	24,000
Logistics Facility	15,581	Logistics Facility	21,000
Retail Property	12,097	Retail Property	12,000
Other	199,100	Other	235,000
(Breakdown)		(Breakdown)	
MEC Group International	59,837	Mitsubishi Estate Residence	70,000
Mitsubishi Estate Europe	52,695	Mitsubishi Estate Europe	58,000
Mitsubishi Estate Residence	49,834	MEC Group International	38,000
Tokyo Ryutsu Center	6,952	Consolidated SPC(Domestic)	16,000
Mitsubishi Estate · Simon	6,372	Mitsubishi Estate · Simon	14,000
Consolidated SPC(Domestic)	6,134	Consolidated SPC(International)	9,000
Marunouchi Heat Supply	4,553	Sunshine City	6,000
Sunshine City	3,596	Yokohama Sky Building	3,000
Royal Park Hotels & Resorts	2,844	Marunouchi Heat Supply	2,000
Ikebukuro District Heating and Cooling	1,232	Royal Park Hotels & Resorts	2,000
URBAN LIFE	1,216		
Yokohama Sky Building	1,091		
		Strategic investment	70,000

* Major inter-group transactions are eliminated.

Equity investment		Millions of yen (rounded down)	
FY2022		FY2023 (Forecasts)	
Total	83,964	Total	140,000
Mitsubishi Estate	24,141	Mitsubishi Estate	59,000
(Breakdown)		(Breakdown)	
Logistics Facility	19,300	Logistics Facility	42,000
Office Building	2,829	Office Building	12,000
Other(Domestic)	1,052	International	3,000
International	960	Other(Domestic)	2,000
Other	59,822	Other	56,000
(Breakdown)		(Breakdown)	
US	38,942	US	35,000
Asia, Oceania	19,866	Asia, Oceania	16,000
Europe	1,013	Europe	3,000
		Strategic investment	25,000

2. Assets Breakdown and Special Purpose Vehicles Data

Assets Breakdown (Consolidated)

Millions of yen (rounded down)

	At Mar 31, 2022	At Mar 31, 2021	Change
Inventories			
Condominium (domestic)	240,992	272,812	(31,820)
International	9,617	1,906	7,711
US	170	1,906	(1,736)
Europe	-	-	-
Asia	9,447	-	9,447
Other	96,779	90,116	6,663
Total inventories	347,388	364,834	(17,446)
Equity investments			
Domestic Office Building	59,017	56,199	2,818
Domestic (other)	73,638	52,723	20,915
International	491,865	387,260	104,605
US	248,518	181,046	67,472
Europe	59,713	57,260	2,453
Asia	183,633	148,952	34,681
Total equity investments	624,521	496,182	128,339
Property, plant and equipment			
Office Building	3,112,604	3,119,190	(6,586)
Outlet Mall	134,724	135,846	(1,122)
Logistics Facility	94,051	81,025	13,026
Retail Property (Except Outlet Mall)	147,400	138,314	9,086
Rental Apartment	139,830	112,130	27,700
International	484,992	374,646	110,346
US	217,318	172,329	44,989
Europe	174,082	115,071	59,011
Asia	93,591	87,246	6,345
Other	232,388	218,742	13,646
Total property, plant and equipment	4,345,989	4,179,893	166,096

Special Purpose Vehicles Data

Millions of yen (rounded down)

	At Mar 31, 2022	At Mar 31, 2021	Change
Equity investments by Mitsubishi Estate			
Domestic Office Building	59,017	56,199	2,818
Domestic(other)	73,638	52,723	20,915
International	491,865	387,260	104,605
US	248,518	181,046	67,472
Europe	59,713	57,260	2,453
Asia	183,633	148,952	34,681
Total equity investments by Mitsubishi Estate	624,521	496,182	128,339
<Reference>			
Millions of yen (rounded off to the nearest billion)			
Equity investments by other companies			
Domestic Office Building	110,000	104,000	6,000
Domestic(other)	0	0	0
International	1,071,000	766,000	305,000
US	588,000	370,000	218,000
Europe	51,000	49,000	2,000
Asia	432,000	347,000	85,000
Total equity investments by other companies	1,181,000	870,000	311,000
Interest bearing debt borrowed by SPV			
Domestic Office Building	77,000	77,000	0
Domestic(other)	4,000	4,000	0
International	983,000	836,000	147,000
US	455,000	385,000	70,000
Europe	9,000	-	9,000
Asia	519,000	451,000	68,000
Total interest bearing debt borrowed by SPV	1,064,000	917,000	147,000

* Domestic Same-Boat investment in Investment Management Business, etc. is not listed in the above reference.

III. Business Data

1. Commercial Property Business Operating Revenue Breakdown (Consolidated)*1

Millions of yen (rounded down)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecasts)
Leasing						
Marunouchi Area Office Building	-	-	243,681	248,249	256,967	252,000
Tokyo Area Office Building (Outside of Marunouchi)	-	-	128,927	140,514	149,361	144,000
Office Building (Outside of Tokyo)	-	-	64,548	59,457	60,450	61,000
Outlet Mall	-	-	46,386	40,027	44,164	51,000
Other*2	-	-	40,919	36,175	35,242	37,000
Total leasing	-	-	524,464	524,423	546,186	545,000
Sales of assets	-	-	91,030	52,878	126,878	124,000
Other*3	-	-	108,217	95,139	87,593	119,000
Total	-	-	723,712	672,441	760,658	788,000

*1 Including revenue from other segments

*2 Including independent shopping center, logistics facility, etc.

*3 Including property management, hotel, dividend from unconsolidated SPV (including capital gain through SPV), etc.

2. Office Building Data (Consolidated)

(Thousands of square meters)

	At Mar 31, 2018	At Mar 31, 2019	At Mar 31, 2020	At Mar 31, 2021	At Mar 31, 2022
Contracted area	3,822	3,968	4,120	4,147	4,151
Owned by MEC	2,404	2,536	2,592	2,543	2,559
Subleases	1,418	1,432	1,528	1,604	1,592

3. Office Building Data (Unconsolidated)

(Thousands of square meters ; yen/tsubo.month)

	At Mar 31, 2018	At Mar 31, 2019	At Mar 31, 2020	At Mar 31, 2021	At Mar 31, 2022	At Mar 31, 2023 (Forecasts)
(1) Total operating floor space						
Owned by MEC	3,556	3,729	3,736	3,732	3,765	3,642
Subleases	2,013	2,016	2,133	2,259	2,275	2,271
Total	5,570	5,745	5,869	5,991	6,040	5,913
(2) Leasable area	3,475	3,631	3,726	3,807	3,834	3,705
(3) Vacancy rate (All uses in Japan*1)	1.87 %	1.80 %	1.07 %	2.35 %	3.3 %	3.5 %
(4) Average rent*2 (All uses in Japan)	26,193	26,702	27,177	27,793	28,228	29,000

*1 Including retail area etc. in office building

*2 The average rent is per 3.3 square meters per month.

4. Marunouchi Area Building Data (Unconsolidated)

(Thousands of square meters; millions of yen(rounded down))

	At Mar 31, 2018	At Mar 31, 2019	At Mar 31, 2020	At Mar 31, 2021	At Mar 31, 2022
Operating floor space	2,784	2,915	2,915	2,952	3,026
Leasable area	1,665	1,755	1,751	1,773	1,820
Office vacancy rate	1.65 %	2.19 %	0.69 %	2.50 %	3.33 %
Building lease revenue	221,674	235,119	243,457	247,558	256,707

5. Domestic Condominium Business Data

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecasts)
Condominiums sold (Millions of yen)*1*3	258,074	242,859	206,684	207,004	216,231	115,000
Condominiums sold (units)	3,938	4,007	3,214	3,476	3,046	1,600
Gross margin*2*3	20.9 %	19.2 %	19.3 %	20.1 %	22.5 %	23.1 %
Inventory (units)	460	542	373	213	62	-
New supply of condominiums (units)	3,615	3,966	2,924	2,350	2,131	1,900
Condominium contract balance (Millions of yen)	156,944	144,970	162,141	140,455	100,026	-
The fiscal year share*2 (Millions of yen)	-	-	-	-	-	-
The following fiscal year share (Millions of yen)	141,408	104,242	130,195	139,475	70,210	-
The post following fiscal year share (Millions of yen)	15,536	40,728	31,946	980	29,816	-

*1 Sales = Sales of new condominiums + supplementary revenue relating to condominiums

*2 Gross profit = Sales - COGS (land acquisition and development costs, building construction costs, etc.)

Gross profit margin = Gross profit ÷ Sales

*3 From FY2022, the definition of sales has been changed (supplementary revenue relating to condominiums is added), and the changed figures are shown, including the results of previous years.

IV. Historical Performance Data(Consolidated)

1. Major Performance Items

Millions of yen (rounded down)

		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecasts)
PL	Operating revenue	1,194,049	1,263,283	1,302,196	1,207,594	1,349,489	1,416,000
	Operating profit	213,047	229,178	240,768	224,394	278,977	291,000
	Ordinary profit	190,506	206,587	219,572	210,965	253,710	271,000
	Profit attributable to owners of parent	120,443	134,608	148,451	135,655	155,171	165,000
BS	Total assets*1	5,801,450	5,774,193	5,858,236	6,072,519	6,493,917	6,800,000
	Inventories	434,638	361,455	329,305	364,834	347,388	-
	Non-current assets (Property, plant and equipment and Intangible assets)	4,076,113	4,183,212	4,204,019	4,280,988	4,454,081	-
	Interest-bearing debt	2,481,675	2,319,597	2,429,883	2,526,142	2,738,632	2,820,000
	Net interest-bearing debt	2,194,815	2,140,288	2,216,874	2,353,835	2,504,387	2,680,000
	Average interest rate	0.95 %	0.98 %	0.93 %	0.87 %	0.79 %	0.76 %
	Shareholders' equity *2	1,698,348	1,770,643	1,734,462	1,851,899	2,003,225	2,120,000
CF	Cash flow from operating activities	293,338	345,954	341,766	207,414	280,090	370,000
	(Depreciation)	77,545	80,336	84,941	89,107	91,581	94,000
	Cash flow from investing activities	(286,841)	(271,083)	(277,440)	(297,303)	(313,778)	(480,000)
	(Capital investment)	(289,570)	(285,089)	(331,857)	(319,841)	(329,115)	(459,000)
	Cash flow from financing activities	37,203	(192,473)	(28,886)	50,425	90,973	15,000
	Free cash flow	6,497	74,871	64,326	(89,889)	(33,687)	(110,000)
Indicator	Business profit *3	213,467	229,442	240,998	224,701	279,310	291,400
	EBITDA *4	302,424	320,641	336,784	331,821 *5	381,434	395,000
	ROA*6	3.8 %	4.0 %	4.1 %	3.8 %	4.4 %	4.4 %
	ROE*7	7.3 %	7.8 %	8.5 %	7.6 %	8.1 %	8.0 %
	EPS(Yen)	86.78	96.97	108.64	101.34	116.45	124.75
	Net interest-bearing debt / EBITDA	7.3 times	6.7 times	6.6 times	7.1 times	6.6 times	6.8 times
	After hybrid debt deductions *8	6.7 times	6.1 times	6.1 times	6.6 times	6.2 times	6.4 times
	Debt equity ratio *9	1.46	1.31	1.40	1.36	1.37	1.33
After hybrid debt deductions*8	1.23	1.10	1.18	1.18	1.19	1.17	
Other	Interest expense	23,122	23,503	22,100	21,623	20,742	21,000
	Interest coverage ratio (ICR) *10	9.5 times	10.1 times	11.3 times	11.2 times	13.9 times	14.2 times
	Annual dividends per share(Yen)	26	30	33	31	36	38
	Dividend payout ratio	30.0 %	30.9 %	30.4 %	30.6 %	30.9 %	30.5 %
	Current value of Income generating assets	7,383,415	7,941,134	8,270,844	8,361,217	8,840,420	-
	Income generating assets unrealized gain	3,422,832	3,898,413	4,222,505	4,250,222	4,573,290	-
	Exchange average rate(¥/\$) /PL	112.16	110.44	109.03	106.77	109.91	120.00
	Exchange average rate(¥/£) /PL	144.49	147.41	139.19	137.01	151.18	160.00
	Exchange current rate(¥/\$) /BS	113.00	111.00	109.56	103.50	115.02	120.00
	Exchange current rate(¥/£) /BS	151.95	140.46	143.48	139.82	155.24	160.00

*1 From FY2019/3-1Q onward, the amendment to Standard for Tax Effect Accounting announced on February 16th, 2018 has been applied.

Thus figure on the Total assets as of the end of March, 2018, is also modified based on the application of the amendment.

*2 Shareholders' equity = Net assets - Stock acquisition rights - Non-controlling interests

*3 Business profit = Operating profit + Share of profit of entities accounted for using equity method

*4 EBITDA = Operating income + Interest income + Dividend income + Share of profit of entities accounted for using equity method + Depreciation + Amortization of goodwill

*5 Depreciation for FY2021 = Total of Depreciation - Depreciation included in Loss on infectious disease (1,976 millions of yen)

*6 ROA = Business profit / Total assets (average)

*7 ROE = Profit attributable to owners of parent / Shareholders' equity (average)

*8 The subordinated bond and subordinated loan subject to equity credit from a credit rating agency (50% equity treatment) are shown after deductions.

*9 Debt equity ratio = Interest-bearing debt / Shareholders' equity

*10 ICR = (Operating profit + Interest income + Dividend income + Share of profit of entities accounted for using equity method) / Interest expense

2. Segment Information (Consolidated)

Millions of yen (rounded down)

		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecasts)
Operating revenue	Commercial Property Business	-	-	723,712	672,441	760,658	788,000
	Residential Business	-	-	385,538	362,755	380,959	345,000
	International Business	-	-	134,175	114,457	121,234	205,000
	Investment Management Business	-	-	21,316	22,199	46,702	35,000
	Architectural Design & Engineering Business and Real Estate Services Business	-	-	57,128	56,064	57,780	62,000
	Others	-	-	8,743	9,055	10,134	11,000
	Eliminations or Corporate	-	-	(28,418)	(29,378)	(27,979)	(30,000)
	Total	1,194,049	1,263,283	1,302,196	1,207,594	1,349,489	1,416,000
Operating profit	Commercial Property Business	-	-	187,855	180,775	189,909	182,000
	Residential Business	-	-	24,320	24,068	30,173	27,000
	International Business	-	-	46,156	37,932	55,816	94,000
	Investment Management Business	-	-	4,467	5,966	26,537	13,000
	Architectural Design & Engineering Business and Real Estate Services Business	-	-	2,407	959	2,802	4,000
	Others	-	-	(2,018)	(1,089)	(1,683)	(2,000)
	Eliminations or Corporate	-	-	(22,420)	(24,219)	(24,578)	(27,000)
	Total	213,047	229,178	240,768	224,394	278,977	291,000
Business Profit*	Commercial Property Business	-	-	188,099	181,084	190,211	182,400
	Residential Business	-	-	24,305	24,066	30,204	27,000
	International Business	-	-	46,156	37,932	55,816	94,000
	Investment Management Business	-	-	4,467	5,966	26,537	13,000
	Architectural Design & Engineering Business and Real Estate Services Business	-	-	2,407	959	2,802	4,000
	Others	-	-	(2,018)	(1,089)	(1,683)	(2,000)
	Eliminations or Corporate	-	-	(22,420)	(24,219)	(24,578)	(27,000)
	Total	213,467	229,442	240,998	224,701	279,310	291,400
Depreciation	Commercial Property Business	-	-	70,927	71,713	73,315	-
	Residential Business	-	-	3,946	4,120	4,570	-
	International Business	-	-	6,646	8,599	8,460	-
	Investment Management Business	-	-	1,333	1,359	1,681	-
	Architectural Design & Engineering Business and Real Estate Services Business	-	-	868	909	894	-
	Others	-	-	98	130	147	-
	Eliminations or Corporate	-	-	1,119	2,274	2,510	-
	Total	77,545	80,336	84,941	89,107	91,581	94,000
Amortization of goodwill	Commercial Property Business	-	-	-	75	75	-
	Residential Business	-	-	386	358	358	-
	International Business	-	-	66	64	67	-
	Investment Management Business	-	-	1,929	2,146	1,665	-
	Architectural Design & Engineering Business and Real Estate Services Business	-	-	208	377	377	-
	Others	-	-	-	-	-	-
	Eliminations or Corporate	-	-	-	-	-	-
	Total	5,561	3,282	2,591	3,022	2,544	2,100
Capital investment	Commercial Property Business	-	-	169,163	193,938	167,689	-
	Residential Business	-	-	45,079	72,629	51,998	-
	International Business	-	-	113,755	47,713	113,323	-
	Investment Management Business	-	-	328	54	938	-
	Architectural Design & Engineering Business and Real Estate Services Business	-	-	948	454	653	-
	Others	-	-	411	321	51	-
	Eliminations or Corporate	-	-	2,172	4,729	(5,539)	-
	Total	289,570	285,089	331,857	319,841	329,115	459,000
Total assets	Commercial Property Business	-	-	4,135,091	4,167,287	4,273,287	-
	Residential Business	-	-	570,282	673,344	666,928	-
	International Business	-	-	887,179	929,869	1,130,973	-
	Investment Management Business	-	-	71,829	77,586	108,984	-
	Architectural Design & Engineering Business and Real Estate Services Business	-	-	55,737	56,067	57,759	-
	Others	-	-	13,270	25,367	25,352	-
	Eliminations or Corporate	-	-	124,847	142,995	230,630	-
	Total	5,801,450	5,774,193	5,858,236	6,072,519	6,493,917	6,800,000

*Business profit: Operating profit + Share of profit of entities accounted for using equity method

V. Mitsubishi Estate Group Companies' Data

Millions of yen (rounded down)

Mitsubishi Estate Co., Ltd.					
	FY2018	FY2019	FY2020	FY2021	FY2022
Operating revenue	472,486	498,273	549,362	542,646	567,286
Operating profit	109,715	110,803	117,176	138,571	120,792
Ordinary profit	127,288	126,115	131,431	158,345	128,934
Net income	108,813	100,980	109,251	110,616	93,612
Total assets	4,708,269	4,749,852	4,782,507	4,936,321	5,079,089
Depreciation	44,494	47,579	51,121	51,455	53,442
Mitsubishi Jisho Property Management Co., Ltd.*					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	71,666	79,547	80,683	83,247	95,773
Operating profit	5,509	5,950	5,960	5,757	5,570
Ordinary profit	5,495	5,936	5,960	5,757	5,528
Net income	3,882	4,282	4,101	3,978	3,781
Total assets	69,761	77,146	77,633	82,448	95,086
Depreciation	113	227	201	209	224
Number of management properties	167	172	184	197	218
Management area	8,000,277 m ²	8,124,226 m ²	8,615,266 m ²	8,963,474 m ²	10,053,028 m ²
Marunouchi Heat Supply Co., Ltd.					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	64.16 %	64.16 %	65.59 %	65.59 %	65.59 %
Operating revenue	13,894	14,833	15,766	15,694	16,836
Operating profit	1,387	1,855	2,037	1,771	1,340
Ordinary profit	1,270	1,837	1,982	1,615	1,204
Net income	974	1,712	4,327	995	989
Total assets	32,684	33,255	39,631	41,923	40,541
Depreciation	2,384	2,600	2,732	3,594	3,750
Sunshine City Corporation					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	63.20 %	63.20 %	63.20 %	63.20 %	63.20 %
Operating revenue	29,212	28,121	26,926	24,079	24,809
Operating profit	8,352	6,933	5,213	5,194	4,492
Ordinary profit	7,260	5,690	3,473	4,344	3,637
Net income	5,016	3,954	2,372	2,085	2,544
Total assets	114,641	111,663	106,081	104,830	106,322
Depreciation	5,298	5,265	5,686	5,732	5,760
Mitsubishi Estate • Simon Co., Ltd.					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	60.00 %	60.00 %	60.00 %	60.00 %	60.00 %
Operating revenue	45,462	46,659	46,393	40,030	44,177
Operating profit	18,940	19,673	18,963	14,619	16,789
Ordinary profit	19,211	19,952	19,219	14,942	17,155
Net income	13,143	13,572	13,165	9,477	11,870
Total assets	109,485	108,913	110,754	121,724	124,609
Depreciation	5,176	5,035	5,197	6,126	6,188
Store floor area	308,500 m ²	314,600 m ²	315,300 m ²	345,500 m ²	345,500 m ²

* As of April 1, 2021, Mitsubishi Jisho Retail Management was merged into Mitsubishi Jisho Property Management thus calculated figures after FY2022 includes figures of Mitsubishi Jisho Retail Management.

Tokyo Ryutsu Center Inc.					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	56.41 %	58.22 %	60.03 %	60.03 %	60.42 %
Operating revenue	8,679	10,349	10,361	9,245	7,811
Operating profit	2,451	3,223	3,238	1,997	1,770
Ordinary profit	2,193	2,874	2,976	1,711	1,653
Net income	1,517	2,543	2,037	1,224	(810)
Total assets	65,517	65,560	65,166	63,777	60,117
Depreciation	1,973	2,686	2,617	2,576	1,930
Royal Park Hotels and Resorts Co., Ltd.					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	100.00	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	24,096	25,388	24,266	9,775	14,464
Operating profit	553	549	(992)	(7,343)	(6,700)
Ordinary profit	503	505	(1,004)	(6,915)	(5,822)
Net income	324	432	(1,304)	67	302
Total assets	11,950	12,327	10,366	13,722	14,799
Depreciation	796	928	1,220	1,157	1,169
Mitsubishi Estate Residence Co., Ltd.					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	306,379	302,180	269,660	251,093	264,647
Operating profit	25,454	26,260	24,729	23,702	32,635
Ordinary profit	23,907	24,777	23,184	22,146	30,825
Net income	16,875	17,692	16,429	14,750	20,364
Total assets	556,464	583,392	570,960	671,252	645,722
Depreciation	1,668	1,853	2,218	2,488	2,998
Mitsubishi Estate Home Co., Ltd.					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	28,005	34,578	35,474	28,200	33,493
Operating profit	148	341	54	318	210
Ordinary profit	162	347	68	324	213
Net income	106	197	(29)	287	187
Total assets	12,805	11,506	11,232	13,092	11,016
Depreciation	250	312	402	400	354
Mitsubishi Jisho Community Co., Ltd.					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	71.47 %	71.47 %	71.47 %	71.47 %	71.47 %
Operating revenue	50,359	52,563	55,514	55,663	57,342
Operating profit	3,029	3,170	3,353	3,629	3,713
Ordinary profit	3,106	3,237	3,427	3,690	3,790
Net income	2,032	2,101	2,222	2,477	2,476
Total assets	17,758	19,440	20,851	21,908	22,901
Depreciation	403	393	401	394	371
Number of condominium management units	342,691 units	349,572 units	352,365 units	350,682 units	345,327 units

MEC Group International, Inc.*1					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	89,759	107,952	91,990	89,222	127,440
Operating profit	23,300	28,143	24,861	30,877	61,692
Ordinary profit	22,780	26,119	22,874	26,353	59,625
Net income	6,237	13,339	12,654	17,077	25,636
Total assets	447,459	410,801	429,135	468,786	592,915
Depreciation	7,531	5,535	4,762	5,744	6,535
Mitsubishi Estate Europe Ltd.					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	7,320	7,912	43,672	22,785	4,028
Operating profit	2,895	4,320	20,361	4,709	786
Ordinary profit	2,534	3,612	19,060	4,342	(6,340)
Net income	(4,511)	2,910	16,982	2,736	(2,824)
Total assets	145,608	156,852	189,954	192,419	255,840
Depreciation	2,083	1,876	1,834	1,846	1,374
Mitsubishi Estate Asia Pte. Ltd.					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	830	2,918	1,905	3,042	2,824
Operating profit	236	1,502	381	1,322	200
Ordinary profit	785	1,625	558	1,809	347
Net income	743	1,647	534	1,788	59
Total assets	34,948	36,599	38,802	38,750	43,105
Depreciation	119	133	130	128	299
Mitsubishi Jisho Design Inc.*2					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	18,887	21,552	18,838	20,034	19,922
Operating profit	2,894	3,474	2,446	3,052	2,816
Ordinary profit	2,875	3,496	2,394	3,073	2,844
Net income	1,955	2,374	1,617	2,110	1,945
Total assets	24,826	25,859	25,053	27,106	27,273
Depreciation	110	239	312	329	326
Mitsubishi Real Estate Services Co., Ltd.					
	FY2018	FY2019	FY2020	FY2021	FY2022
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	25,584	27,524	27,117	22,662	24,820
Operating profit	1,617	2,741	1,031	202	1,554
Ordinary profit	1,684	2,797	1,367	216	1,672
Net income	885	1,838	755	21	1,104
Total assets	21,343	26,359	25,047	23,847	24,977
Depreciation	347	397	416	362	348
Amount of transaction	234,366	307,369	450,048	260,240	273,926
Number of brokerage	1,162	1,129	1,095	932	1,118
Number of parking management	5,737	50,540	55,379	56,596	58,418

*1 Rockefeller Group, Inc. changed its name to MEC Group International, Inc. on January 1, 2020.

*2 Mitsubishi Jisho Sekkei Inc. changed its English name to Mitsubishi Jisho Design Inc. on April 1, 2022.