

FY2022

# IR Presentation



For details of the "Long-Term Management Plan 2030", which began from April 2020, please refer to the following link.  
[https://www.mec.co.jp/e/investor/plan/pdf/plan200124\\_e.pdf](https://www.mec.co.jp/e/investor/plan/pdf/plan200124_e.pdf)

# Contents

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|   |    |
|---|----|
| Financial Overview .....  | 3  |
| Summary of FY2022 Results .....   | 4  |
| Summary of FY2023 Forecasts .....   | 7  |
| Progress of Long-Term Management Plan .....                                       | 11 |
| ESG Initiatives (Sustainability Initiatives) .....                                | 23 |
| Financial Supplemental Data .....   | 32 |
| Business Overview .....   | 40 |
| Commercial Property Business  |    |
| Office Building .....   | 43 |
| Outlet Malls, Retail Properties, Logistics Facilities, Hotels, and Airports ..... | 58 |
| Residential Business .....  | 65 |
| International Business .....  | 71 |
| Investment Management Business .....  | 75 |
| Investment/Financial Data, etc. ....  | 80 |
| Overview of the "Long-Term Management Plan 2030" .....                            | 84 |

## Financial Overview

### <FY2022 Results>

- Operating profit increased significantly YoY due to the following factors (historical high).  
【Main factors】 Capital gain increase, Tokiwabashi Tower operation, decrease in COVID-19 impact on retails and hotels, and fee revenue\* increase in IM business.
- Profit attributable to owners of parent also marked historical high.

\*See page 78 for details.

### <FY2023 Forecasts>

- Expect to increase YoY due to significant capital gains in international businesses, etc.
- Operating profit and net profit attributable to owners of the parent company are expected to reach record highs for the second consecutive year, at ¥291 bn and ¥165 bn.
- Expect record-high DPS (forecast) of ¥38 FY(up ¥2 YoY).

### < Recent Highlights >

- Domestic assets: Tokiwabashi Tower -Almost fully leased.
- International assets: Capital Place (Hanoi, Vietnam) and Central St. Giles (London, UK) were sold.
- Non-asset: Investment Management business -Significant increase in profit due to AuM expansion (4.5 tn) and incentive fees associated with market value increase, etc.
- ESG: Declaration of "the setting of GHG emissions reduction new targets and 2050 Net-Zero based on the new SBTi standards".

# Summary of FY2022 Results

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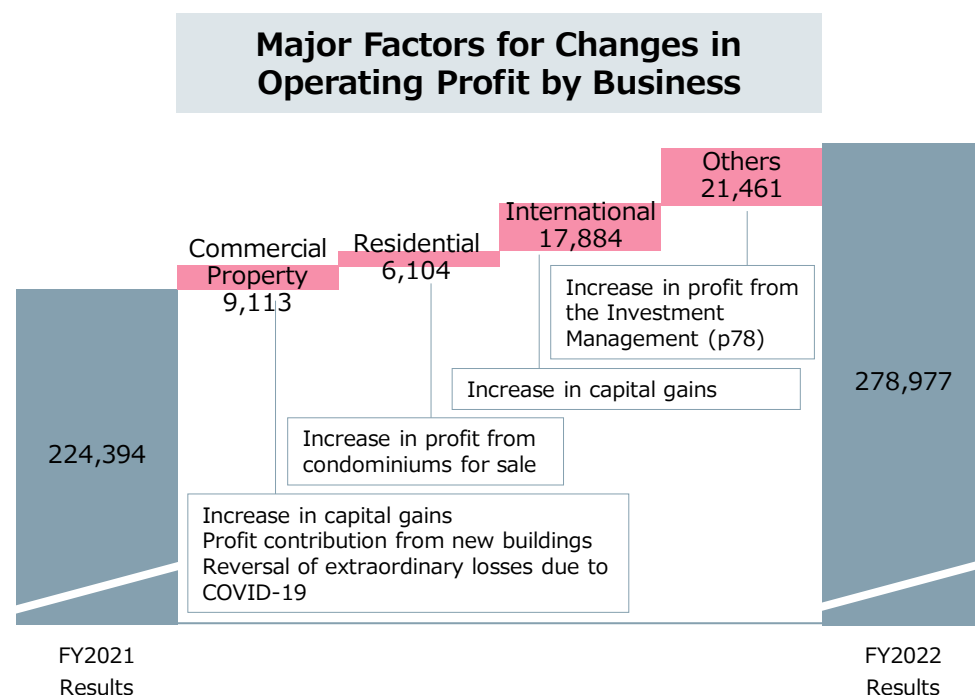
# 1. Income Statement Results for FY2022

Record profits led by higher capital gains, condominiums sales, investment management fees etc.

| Millions of yen (rounded down)                                  |                  |                  |                | Capital Gains included in Operating Profit |               |               |               | Millions of yen (rounded off to the nearest billion) |        |        |        |
|---|------------------|------------------|----------------|--|---------------|---------------|---------------|--|--------|--------|--------|
| <New Segment>   | FY2022           | FY2021           | Change         |  | FY2022        | FY2021        | Change        |  | FY2022 | FY2021 | Change |
| <b>Operating revenue</b>  | <b>1,349,489</b> | <b>1,207,594</b> | <b>141,894</b> | <b>Total</b>                               | <b>76,000</b> | <b>51,000</b> | <b>25,000</b> |  |        |        |        |
| Commercial Property Business                                    | 760,658          | 672,441          | 88,216         | Commercial Property Business               | 42,000        | 32,000        | 10,000        |  |        |        |        |
| Residential Business  | 380,959          | 362,755          | 18,204         | Residential Business                       | 5,000         | 7,000         | - 2,000       |  |        |        |        |
| International Business  | 121,234          | 114,457          | 6,776          | International Business                     | 29,000        | 12,000        | 17,000        |  |        |        |        |
| Investment Management Business                                  | 46,702           | 22,199           | 24,503         | Investment Management Business             | -             | -             | -             |  |        |        |        |
| Other*  | 67,914           | 65,119           | 2,793          | Other                                      | -             | -             | -             |  |        |        |        |
| Elimination   | - 27,979         | - 29,378         | 1,398          | Eliminations or corporate                  | -             | -             | -             |  |        |        |        |
| <b>Operating profit</b>   | <b>278,977</b>   | <b>224,394</b>   | <b>54,583</b>  |  |               |               |               |  |        |        |        |
| Commercial Property Business                                    | 189,909          | 180,775          | 9,113          |  |               |               |               |  |        |        |        |
| 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         |  |               |               |               |  |        |        |        |
| Other*  | 1,119            | - 130            | 1,250          |  |               |               |               |  |        |        |        |
| Eliminations or corporate                                       | - 24,578         | - 24,219         | - 359          |  |               |               |               |  |        |        |        |
| 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          |  |               |               |               |  |        |        |        |
| <b>Ordinary profit</b>  | <b>253,710</b>   | <b>210,965</b>   | <b>42,744</b>  |  |               |               |               |  |        |        |        |
| Extraordinary income  | 20,189           | 16,603           | 3,585          |  |               |               |               |  |        |        |        |
| Extraordinary losses  | 20,120           | 26,304           | - 6,183        |  |               |               |               |  |        |        |        |
| Total income taxes  | 70,889           | 54,195           | 16,693         |  |               |               |               |  |        |        |        |
| Profit attributable to noncontrolling interests                 | 27,718           | 11,414           | 16,603         |  |               |               |               |  |        |        |        |
| <b>Profit attributable to owners of parent</b>                  | <b>155,571</b>   | <b>135,655</b>   | <b>19,516</b>  |  |               |               |               |  |        |        |        |

| Millions of yen (rounded down) |                  |                  |                |
|--------------------------------|------------------|------------------|----------------|
|                                | FY2022           | FY2021           | Change         |
| <b>Business profits</b>        | <b>279,310</b>   | <b>224,701</b>   | <b>54,608</b>  |
| <b>EBITDA</b>                  | <b>381,434</b>   | <b>331,821</b>   | <b>49,613</b>  |
| <b>Interest-bearing debt</b>   | <b>2,738,632</b> | <b>2,526,142</b> | <b>212,490</b> |

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

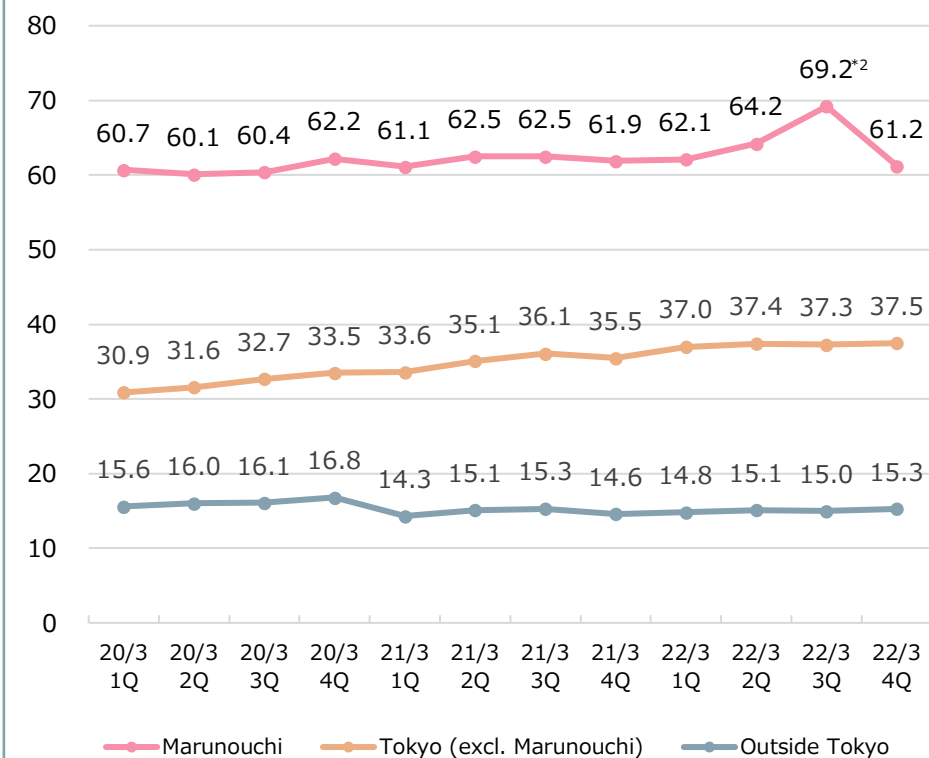


## 2. Changes in Revenue from Operations by Asset Type (Japan)

For retail properties and hotels, operating profit is recovering YoY, but limited recovery in 4Q due to the impact of the Omicron strain.

### Office buildings\*<sup>1</sup>

(Billions of yen)

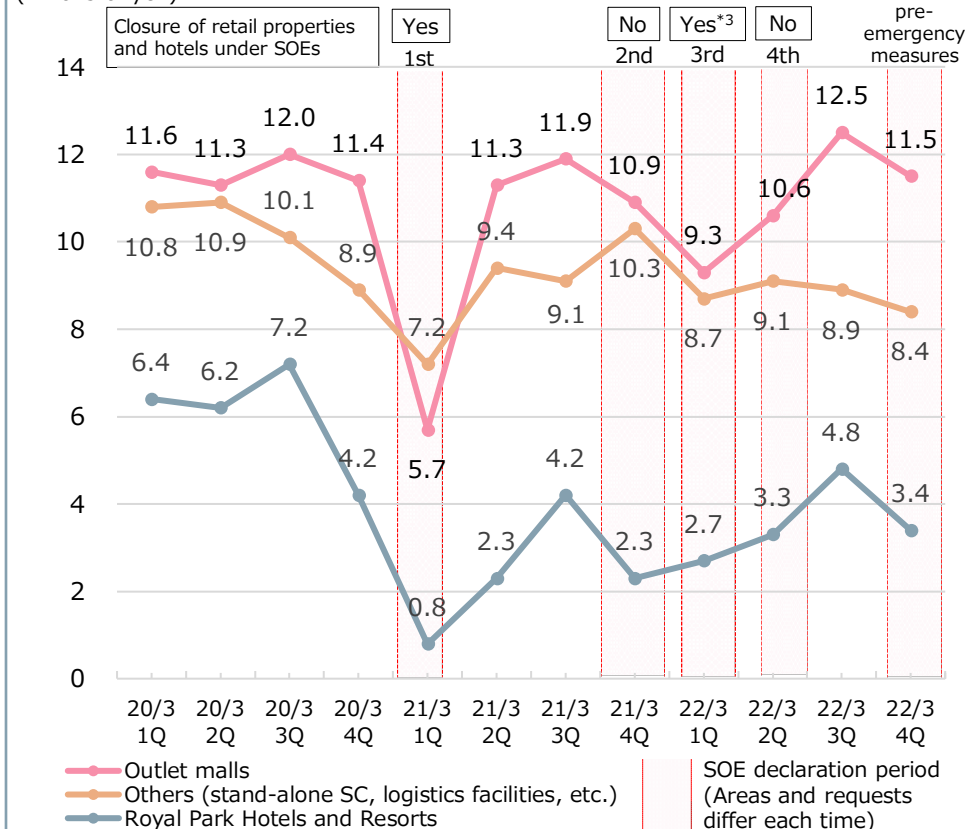


\*<sup>1</sup> Incl. revenue from office complexes and retail properties

\*<sup>2</sup> One-time income from receipt of restoration construction costs, etc.

### Retail properties, outlet malls, hotels, etc.

(Billions of yen)



\*<sup>3</sup> Some outlet malls and retail properties only.

# Summary of FY2023 Forecasts

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# 1. FY2023 Income Statement Forecasts (vs FY2022 Results)

Record-high profits expected from significant increases in capital gains in the International Business.

| Millions of yen (rounded down)                                  |                  |                  |               |
|---|------------------|------------------|---------------|
| <New Segment>   | 2023/3 Forecast  | 2022/3 Results   | Change        |
| <b>Operating revenue</b>  | <b>1,416,000</b> | <b>1,349,489</b> | <b>66,511</b> |
| 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      |
| Other*  | 73,000           | 67,914           | 5,086         |
| Elimination   | - 30,000         | - 27,979         | - 2,021       |
| <b>Operating profit</b>   | <b>291,000</b>   | <b>278,977</b>   | <b>12,023</b> |
| 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      |
| Other*  | 2,000            | 1,119            | 881           |
| Elimination or corporate  | - 27,000         | - 24,578         | - 2,422       |
| 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       |
| <b>Ordinary profit</b>  | <b>271,000</b>   | <b>253,710</b>   | <b>17,290</b> |
| Extraordinary income  | 6,000            | 20,189           | - 14,189      |
| Extraordinary losses  | 22,000           | 20,120           | 1,880         |
| Total income taxes  | 76,000           | 70,889           | 5,111         |
| Profitable attributable to non-controlling interests            | 14,000           | 27,718           | - 13,718      |
| <b>Profit attributable to owners of parent</b>                  | <b>165,000</b>   | <b>155,171</b>   | <b>9,829</b>  |

| Millions of yen (rounded down) |                  |                  |               |
|--------------------------------|------------------|------------------|---------------|
|                                | 2023/3 Forecast  | 2022/3 Results   | Change        |
| <b>Business profits</b>        | <b>291,400</b>   | <b>279,310</b>   | <b>12,090</b> |
| <b>EBITDA</b>                  | <b>395,000</b>   | <b>381,434</b>   | <b>13,566</b> |
| <b>Interest-bearing debt</b>   | <b>2,820,000</b> | <b>2,738,632</b> | <b>81,368</b> |

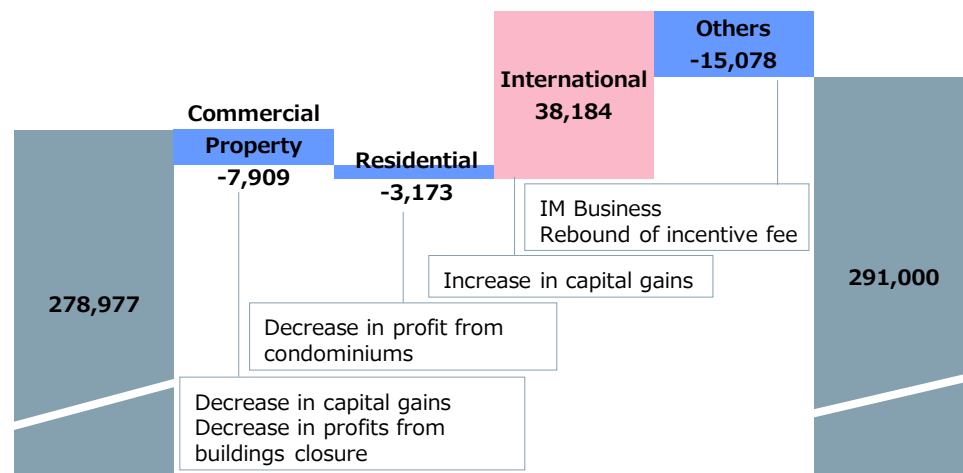
\* Architectural Design & Engineering / Real Estate Service Business and Other businesses

## Capital Gains included in Operating Profit

Millions of yen (rounded off to the nearest billion)

|                                | 2023/3 Forecast | 2022/3 Results | Change        |
|--------------------------------|-----------------|----------------|---------------|
| <b>Total</b>                   | <b>122,000</b>  | <b>76,000</b>  | <b>46,000</b> |
| 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      | -               | -              | -             |

## Major Factors for Changes in Operating Profit by Business



FY2022  
Results

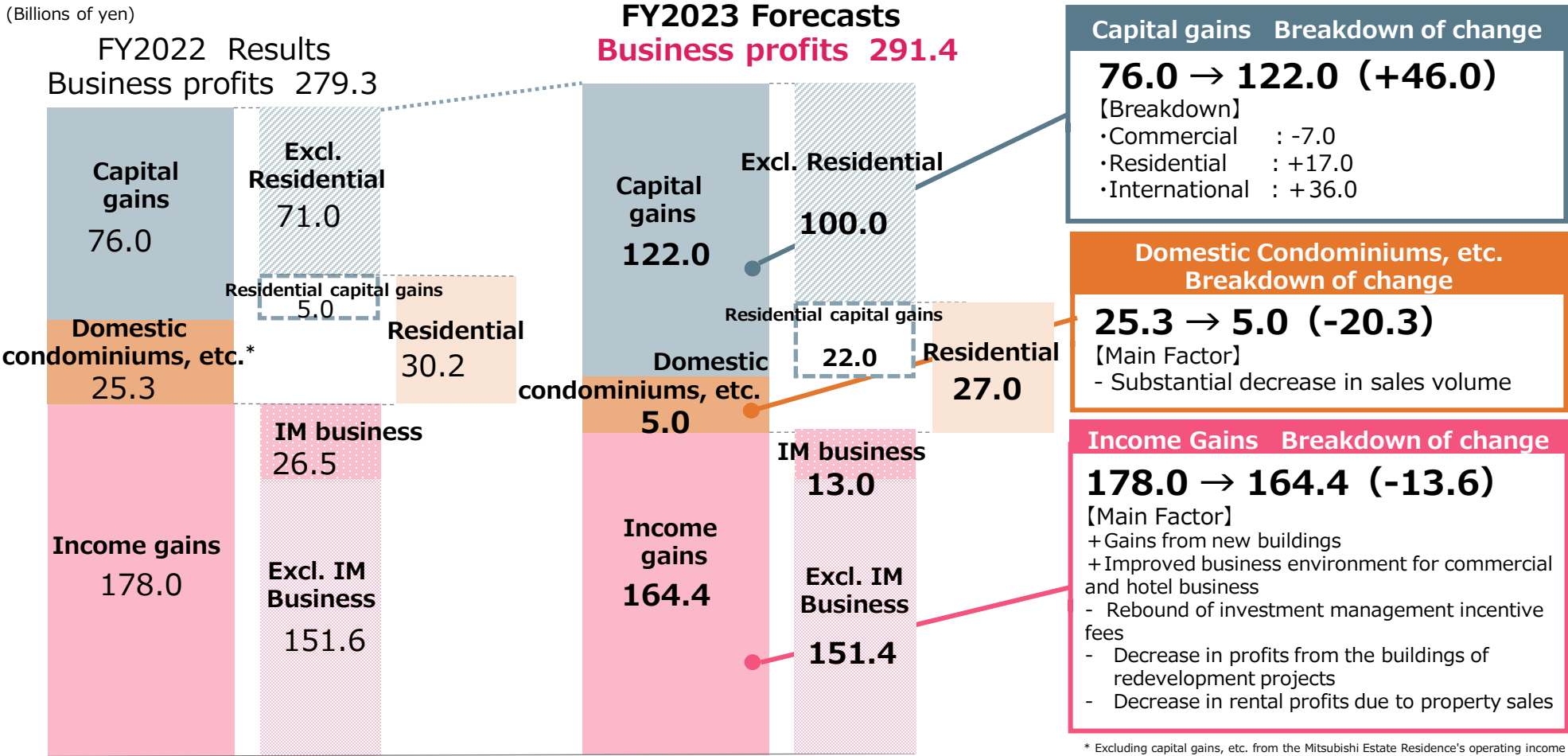
FY2023  
Forecasts



## 2. FY2023 Business Profits Breakdown (vs FY2022)

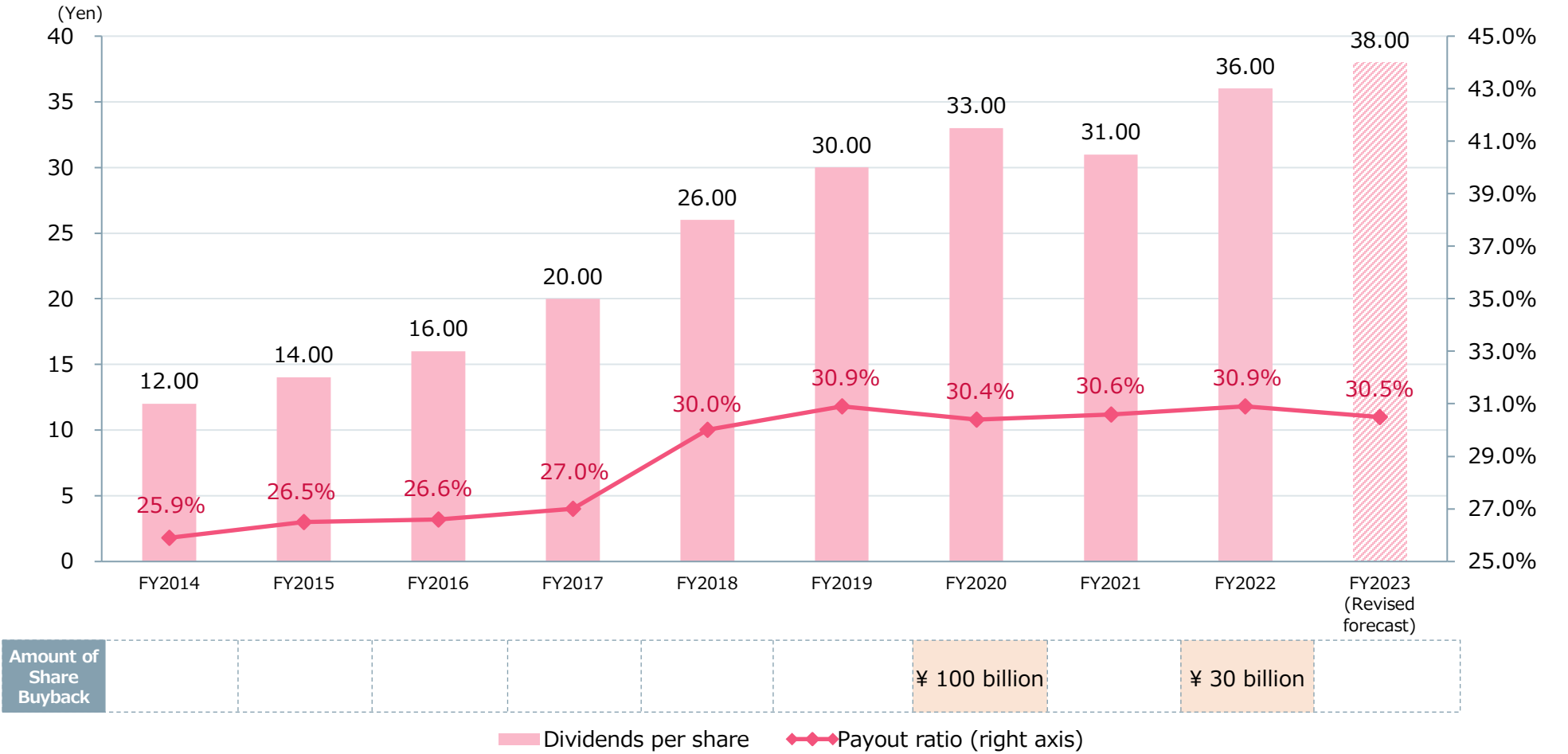
Record-high profits expected, mainly from significant increase in capital gains and business recovery from COVID-19.

(Billions of yen)



### 3. Shareholders Returns

The dividend forecast is ¥38 (up ¥2 YoY). Expect record-high DPS for the second consecutive year.



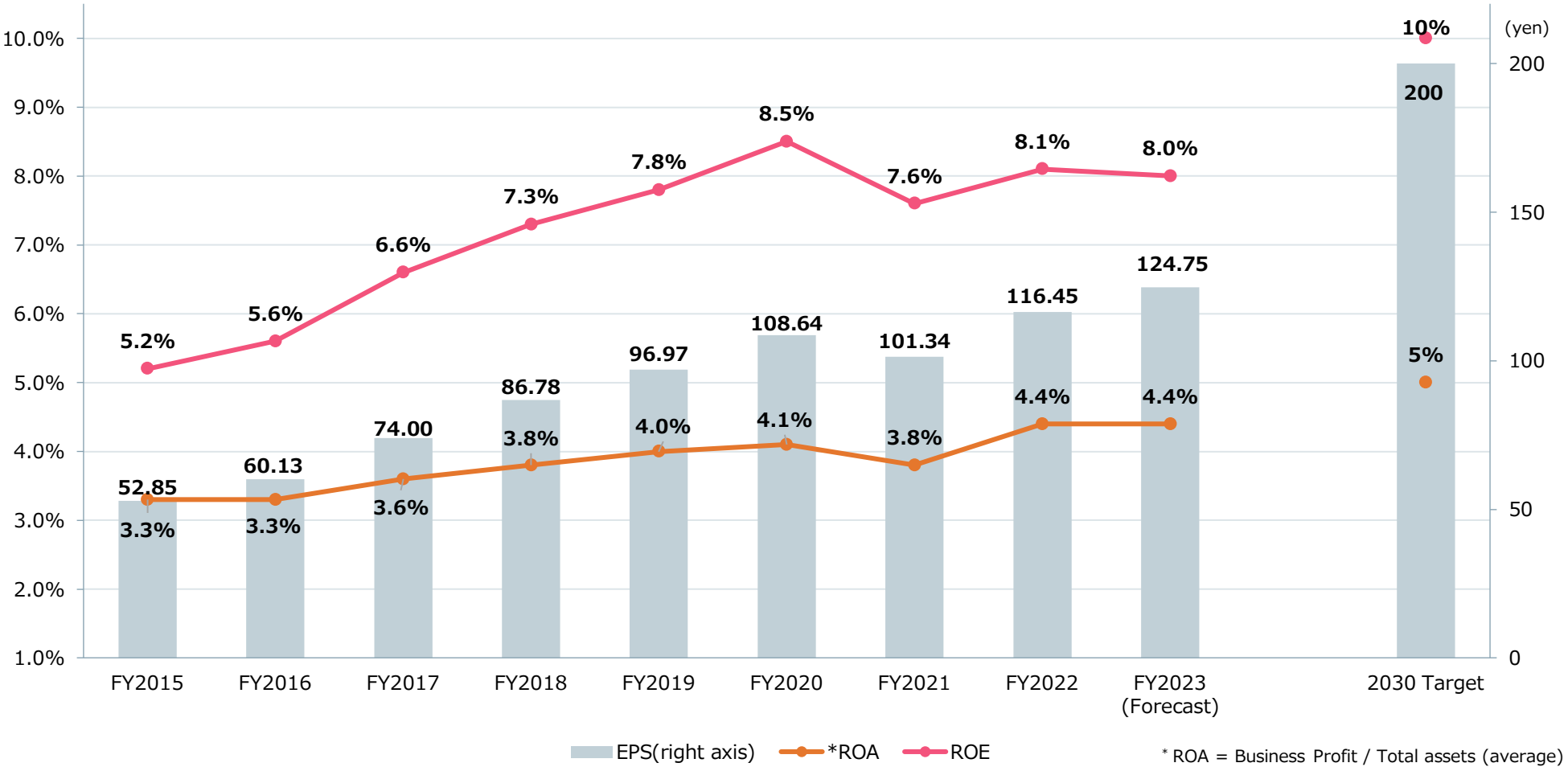
# **Progress of the Long-Term Management Plan**

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For details of the "Long-Term Management Plan 2030", please refer to the following link.  
[https://www.mec.co.jp/e/investor/plan/pdf/plan200124\\_e.pdf](https://www.mec.co.jp/e/investor/plan/pdf/plan200124_e.pdf)

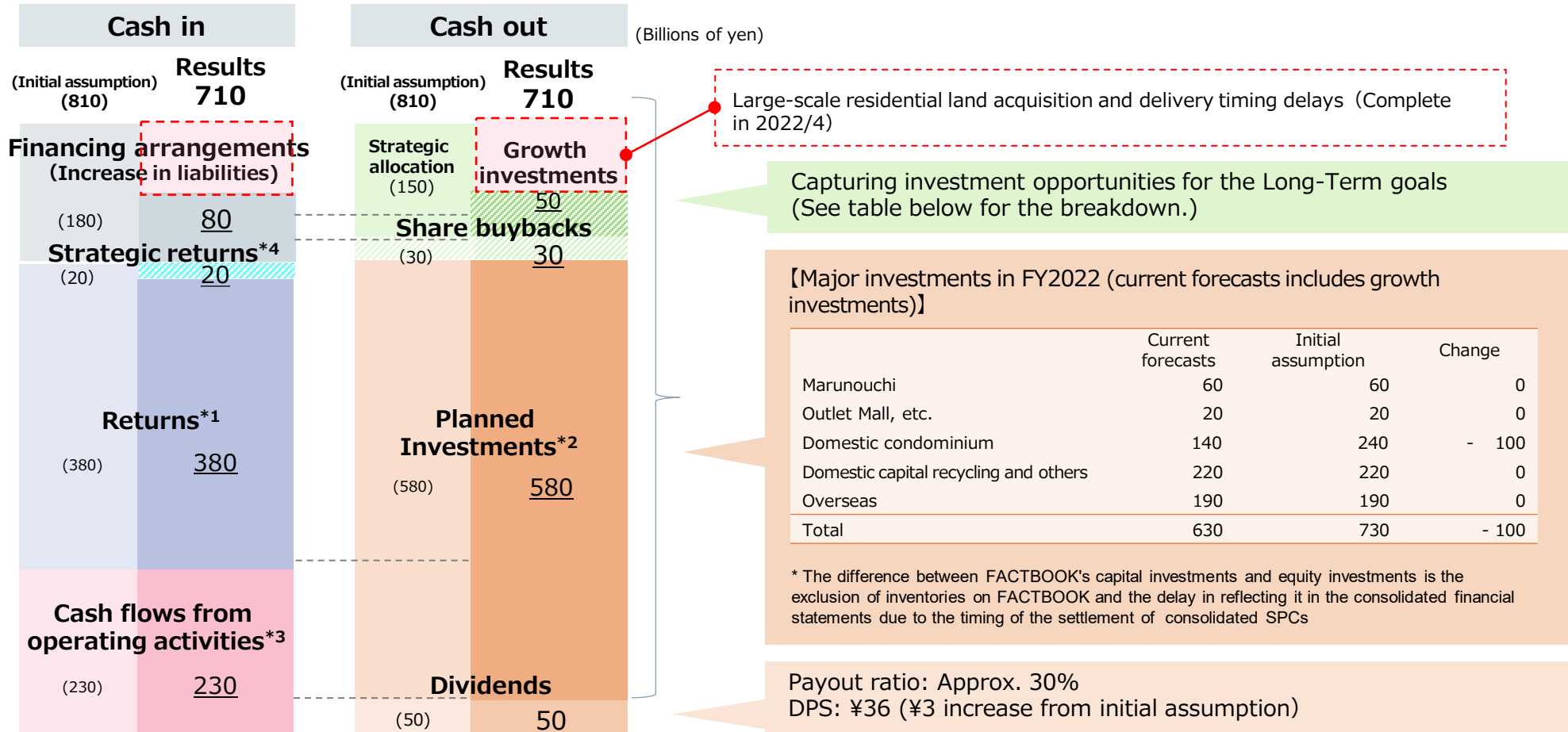
# 1. Changes in ROA/ROE/EPS

For FY2023, EPS is expected to reach record high with ROE maintaining the 8% level.



## 2. Capital Policy #1: Cashflow of FY2022 (Results)

Despite some cash-out period slippage, steady investment opportunities being acquired to realize LT management plan 2030.

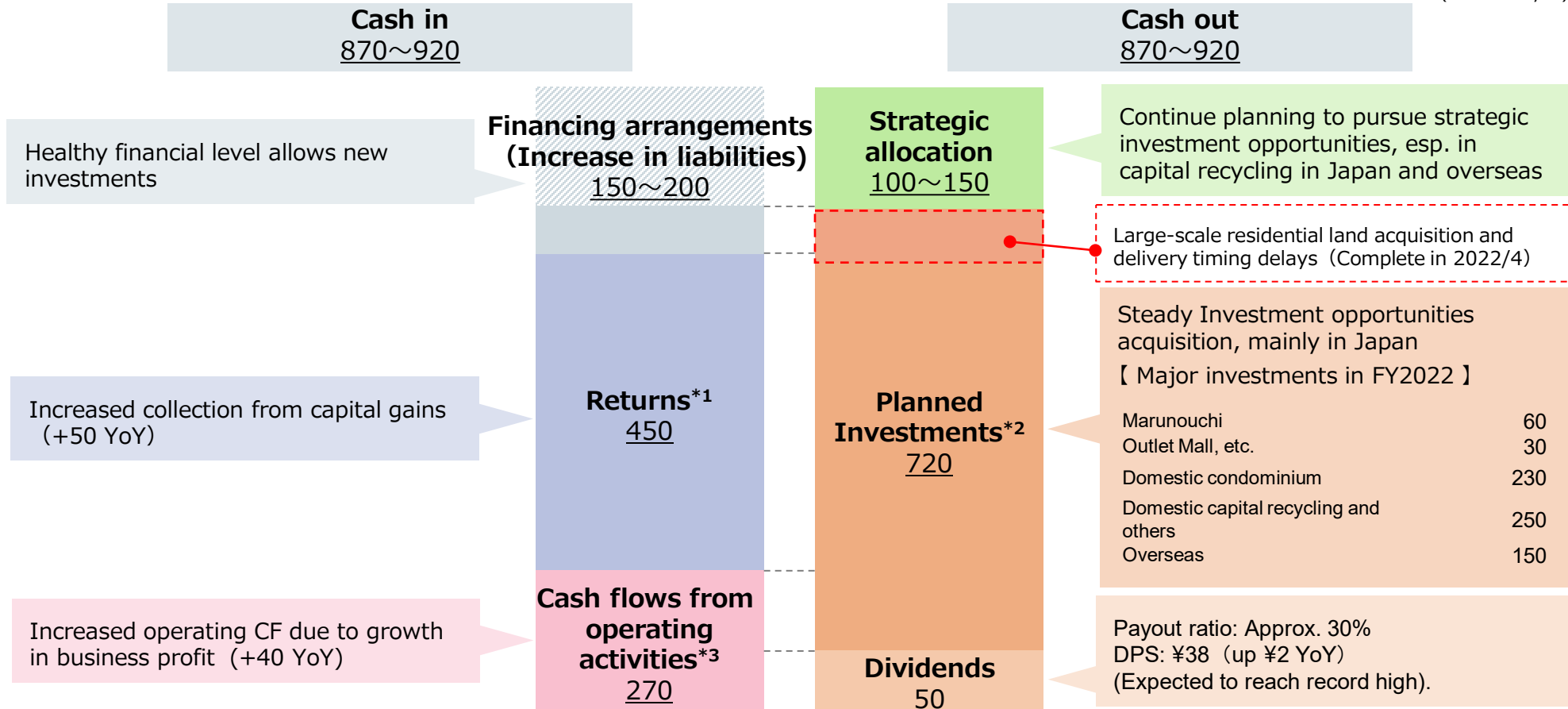


\*1 Collection amount of book values from sale proceeds of properties \*2 Investment amount for approved investment projects (partly incl. expected approvals)  
\*3 Operating cashflows, excl. Change in inventories and change in equity investments \*4 Sale of low-performing assets to improve capital efficiency

### 3. Capital Policy #2: FY2023 Cashflow Forecast

**Increased cash inflows from profit growth and increased collections.**  
**Aiming for accumulating solid planned investments and new investment opportunities.**

(Billions of yen)



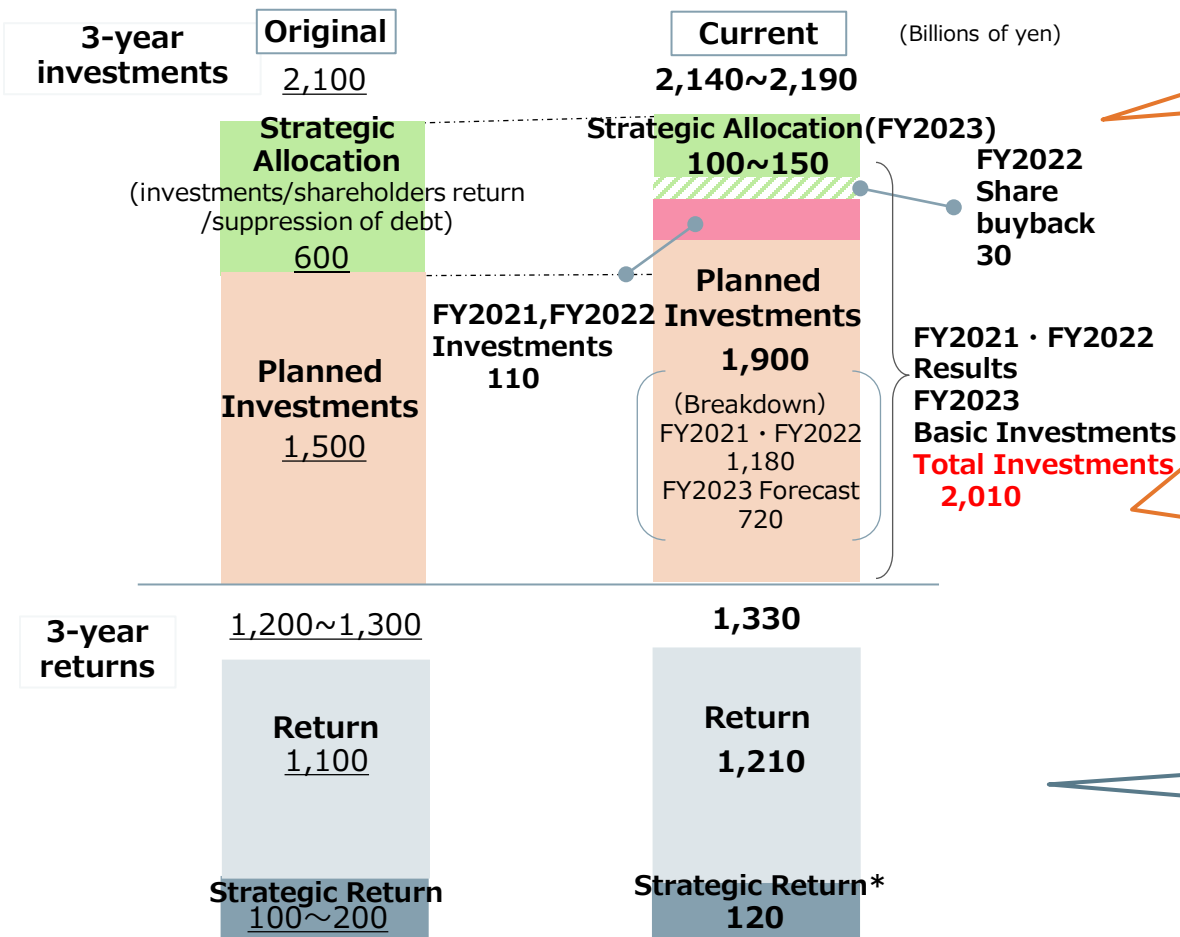
\*1 Collection amount of book values from sale proceeds of properties \*2 Investment amount for approved investment projects (partly incl. expected approvals)

\*3 Operating cashflows, excl. Change in inventories and change in equity investments \*4 Sale of low-performing assets to improve capital efficiency

## 4. Capital Policy # 3 : Investments and Returns FY21 to FY23 (Results, Forecasts)

Obtained more opportunities in both Japan and overseas.

Accelerate capital recycling through increased and portfolio strategy-based collections.



### 【FY2023 Forecasts】

Steady build-up of planned investments therefore aiming to capture new investment opportunities.\*See p. 14.

### 【FY2021 · FY2022 Results】

Achieving steady investment opportunities in Japan and overseas

### 【Major investments】

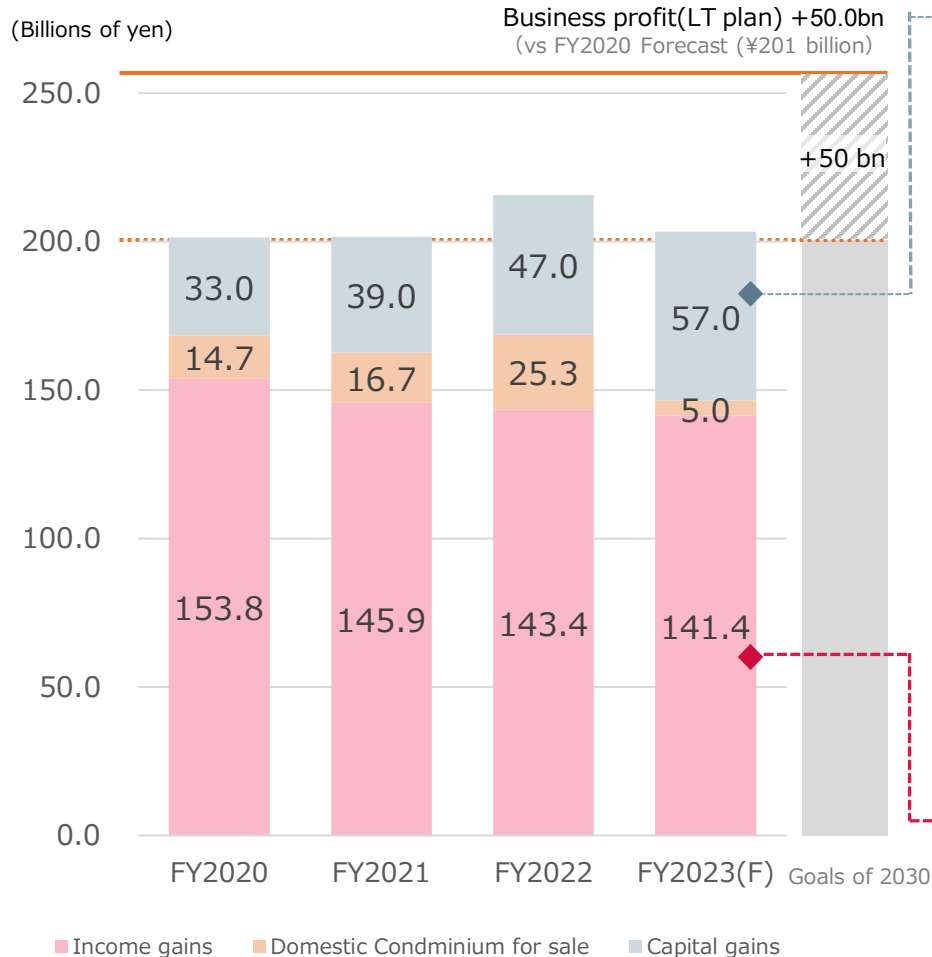
|                                       | Total of FY21 and FY22 | Changes from Initial Assumption |
|---------------------------------------|------------------------|---------------------------------|
| Marunouchi                            | 110                    | -10                             |
| Outlet Mall, etc.                     | 60                     | -20                             |
| Domestic condominium                  | 310                    | -20                             |
| Domestic capital recycling and others | 500                    | +110                            |
| Overseas                              | 310                    | +50                             |
| <b>Total</b>                          | <b>1,290</b>           | <b>+110</b>                     |

- Base collection increase with higher capital gains
- As a portfolio strategy-based collection, partial ownership in Grand Front Osaka is sold following Otemachi Park Building.

Incl. the sale of the Otemachi Park Building, after the release of the FY2020 Long-Term Plan.

## 5. Domestic Asset Business #1 : Profit Trends

Capital gain returns exceeded expectations in each asset, while income gain growth was affected by COVID-19.



### Capital gains

- Continuous capital gains mainly from offices, logistics facilities, and rental apartment.

#### FY2021

**¥39 billion**

Office : ¥ 24.0 bn  
Logistics : ¥ 8.0 bn  
Residential : ¥ 7.0 bn

#### FY2022

**¥47 billion**

Office : ¥ 35.0 bn  
Logistics : ¥ 7.0 bn  
Residential : ¥ 5.0 bn

#### Main Properties for Sale

##### ■ Link Square Shinjuku (partial ownership)

Use : Office  
Total floor area : Approx. 44,000㎡

##### ■ LOGIPOINT KAWASAKI BAY

Use : Logistics facilities  
Total floor area : Approx. 297,000㎡

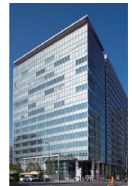


**【Residential Business】  
Sold 6 properties**

#### Main Properties for Sale

##### ■ Toyosu Front (partial ownership)

Use : Office  
Total floor area :  
Approx. 107,000㎡



**【Residential Business】  
Sold 4 properties**

- Steadily disposed of inefficient assets

FY2020: Otemachi Park Building (partial ownership), Atagawa Villa Project

FY2021: Corowa Koshien, FY2022: Grand Front Osaka (partial equity interest)

### Income gains

- New building operations contributed to profit, whereas profit loss derived from redevelopment of buildings, etc.
- Outlets and commercial facilities significantly affected by COVID-19 from FY2021, but gradually recovering



## 6. Domestic Asset Business #2

Progress in capital recycling business investment further expands pipeline.

|   | Property Name<br>(including tentative name)*1                          | Total Floor<br>Area*2 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | ~ | 2030                              | Estimated NOI<br>(Stable operation) | Estimated<br>Investment |
|---|--|-----------------------|--------|--------|--------|--------|--------|---|-----------------------------------|-------------------------------------|-------------------------|
| Marunouchi                              | Tokiwabashi Tower (Building A)   | 146,000㎡              | ●      |        |        |        |        |   |                                   |                                     |                         |
|   | Uchikanda 1-chome Project  | 85,200㎡               |        | ★      |        |        |        | ● |                                   |                                     |                         |
|   | Yurakucho Building + Shin-Yurakucho<br>Building reconstruction project | ※3 10,700㎡            |        |        |        |        |        |   | Under consideration               |                                     |                         |
|   | Torch Tower (Building B)   | 544,000㎡              |        |        | ★      |        |        | ● |                                   |                                     |                         |
| Mixed Use<br>Office                     | Minami-Aoyama 3-chome project  | 14,700㎡               | ★      |        | ●      |        |        |   |                                   |                                     |                         |
|   | Osaka Mitsubishi Building<br>reconstruction project                    | 67,000㎡               | ★      |        |        | ●      |        |   |                                   |                                     |                         |
|   | Toyosu 4-2 development project   | 136,500㎡              |        | ★      |        |        | ●      |   |                                   |                                     |                         |
|   | IMS Reconstruction Project   | ※3 4,600㎡             |        |        | ★      |        |        |   | Under consideration               |                                     |                         |
|   | Umekita Second Zone Development<br>Project (Rental Property)           | 378,450㎡              |        |        |        |        |        |   | Gradual completion and<br>opening |                                     |                         |
|   | Former Hotel Grand Palace site<br>redevelopment project                | ※3 6,600㎡             |        |        |        |        |        |   | Under consideration               |                                     |                         |
|   | Akasaka 2・6-chome Development<br>Project                               | 210,000㎡              |        |        |        | ★      |        | ● |                                   |                                     |                         |
| Outlet Mall                             | FUKAYA HANAZONO PREMIUM<br>OUTLETS®                                    | 34,500㎡               | ★      |        | ●      |        |        |   |                                   |                                     |                         |
|   | KYOTO JOYO PREMIUM OUTLETS®  | ※3 245,000㎡           |        |        |        |        |        |   | Under consideration               |                                     |                         |
| Large-scale<br>Logistics<br>(100,000㎡+) | Tokyo Ryutsu Center Distribution A<br>Building                         | ※4 205,000㎡           | ★      |        |        | ●      |        |   |                                   |                                     |                         |
|   | Logicross Zama   | 178,700㎡              |        | ★      |        | ●      |        |   |                                   |                                     |                         |
|   | Sagamihara-shi Chuo-ku Fuchinobe<br>project                            | 173,000㎡              |        | ★      |        | ●      |        |   |                                   |                                     |                         |
|   | Misato-shi Hikoito Project   | ※3 54,000㎡            |        |        |        |        |        |   | Under consideration               |                                     |                         |
|   | Kyoto Joyo Next-Generation Core<br>Logistics Facilities Project        | 277,000㎡              |        |        |        | ★      |        | ● |                                   |                                     |                         |
|   |  |                       |        |        |        |        |        |   |                                   | Approx.<br>¥65-70 bn                | Approx.<br>¥1-1.1 tn    |

...Project announces after the Long-term Management Plan   
 ★ ...Start Construction   
 ● ...Completion  
Red ... Project added this quarter

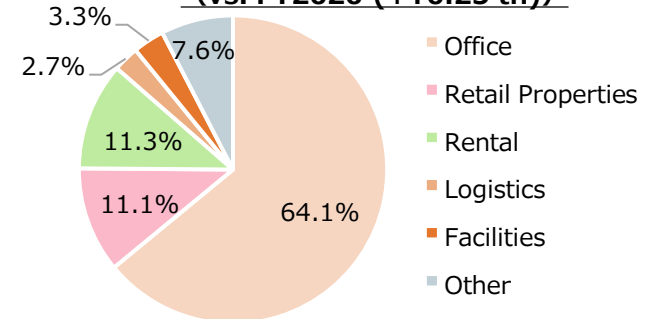
※1 Includes properties expected to be sold by 2030

※2 Total floor area unless otherwise noted.

※3 Site area

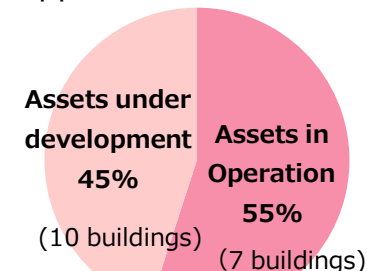
■ Book value of domestic assets\*  
in capital recycling business

**Approx. ¥1.25 tn at the end FY2022**  
(vs. FY2020 (+¥0.25 tn))



【Logistics Facility  
Total Assets】

Approx. ¥ 84.0 billion



(End of March 2022)

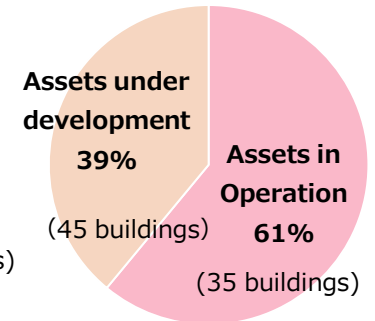
\*Ratio by value

\*Excl. Tokyo Ryutsu Center

\*Includes equity investment balance

【Rental Apartment  
Total Assets】

Approx. ¥ 140 billion



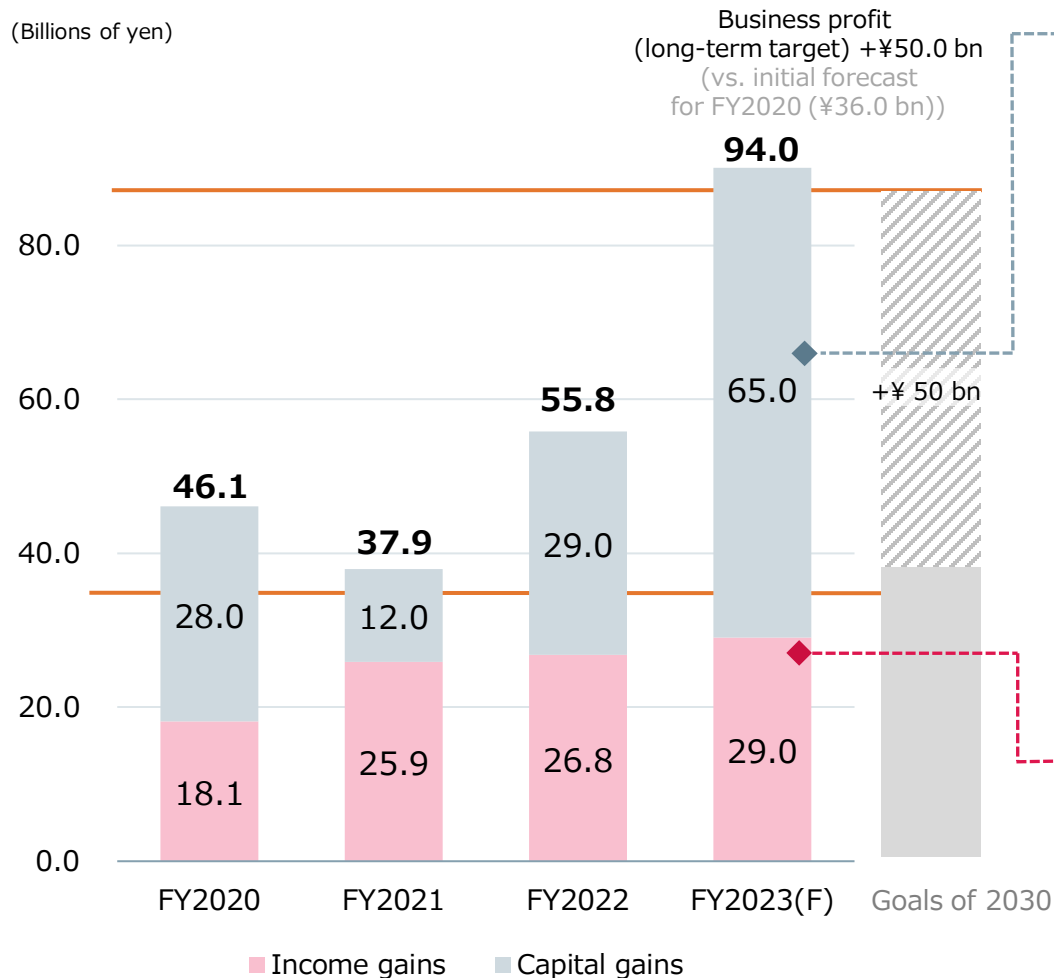
(End of March 2022)

\*Ratio by value

## 7. International Asset Business #1 :Profit Trends

**Steady profit growth in both income and capital gains. +¥58.0 bn growth expected in FY2023 compared to FY2020 forecast (¥36.0 bn), driven by large capital gains.**

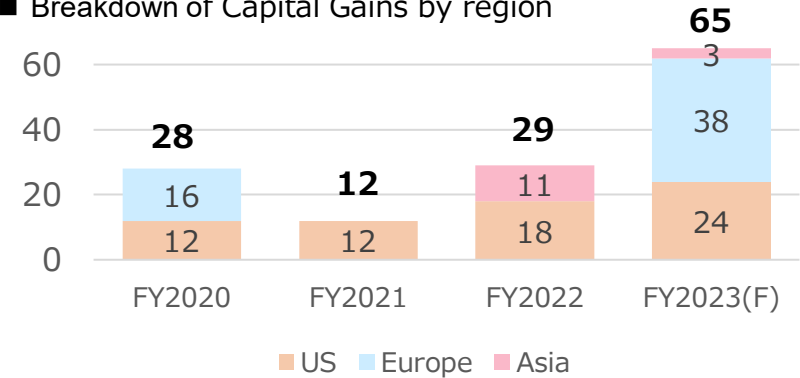
(Billions of yen)



### Capital Gains

- Basis on U.S. capital recycling business (¥10-20 bn/year)
- Continued contribution from capital recycling in Europe and portfolio expansion in Asia to achieve capital gains growth.

#### ■ Breakdown of Capital Gains by region



### Income Gains




- **Achieved ¥10.0 billion growth in FY2020 through area strategies**

|        |  |
|--------|--|
| U.S.A  | Renewal of 1271AoA, hybrid model investment contribution                 |
| Europe | Rich pipeline despite of reductions from sales and renovations           |
| Asia   | Expansion of residential business and development promotion in each area |

## 8. International Asset Business #2

### ■ Results of capital gains

Besides U.S.capital recycling business (¥10-20 billion/Y), capital gains in Asia and Europe also contribute to profit

|                  |  |  |
|------------------|--|--|
| FY2021 Results   | Mainly U.S. ¥ <b>12.0 bn</b>   |  |
|                  | <b>LIV North Valley</b><br>Location : Arizona<br>Use : Rental apartment<br>Building Scale : 385 units<br>EIRR : Over 30%*        | <b>Edison</b><br>Location : New Jersey<br>Use : Logistics<br>Building Scale : Approx. 83,600m <sup>2</sup><br>EIRR : Over 50%* |
|                  |  |  |
| FY2022 Results   | US logistics facilities<br>And Asian office etc. ¥ <b>29.0 bn</b>  |  |
|                  | <b>Harvill</b><br>Location : California<br>Use : Logistics<br>Building Scale : Approx. 31,000m <sup>2</sup><br>EIRR : Over 100%  |   |
|                  | <b>Middlesex</b><br>Location : New Jersey<br>Use : Logistics<br>Building Scale : Approx. 37,200m <sup>2</sup><br>EIRR : Over 50% |   |
| FY2023 Forecasts | In Europe and other areas ¥ <b>65.0 bn</b>   |  |
|                  | <b>Central St. Giles</b><br>Location : London<br>Use : Office<br>Building Scale : Approx.66,000m <sup>2</sup><br>EIRR : Over 10% |   |
|                  |  |  |

### ■ Pipelines in International Business

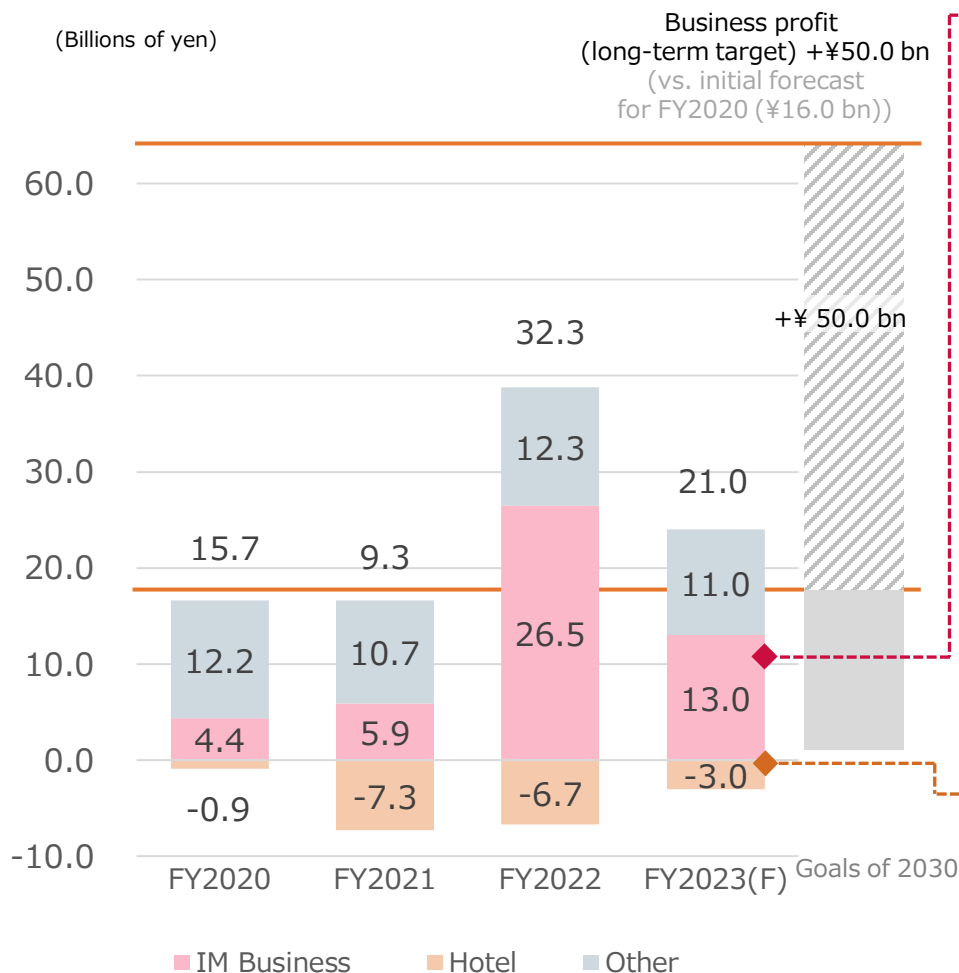
Rich pipelines in each area. Turn into profit at the right time

|        | Property Name+Country <sup>*1</sup>       | Type               | Total Floor Area※2      | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | ~                   | 2030 | Estimated NOI(Stable) | Estimated Investment |
|--------|---|--------------------|-------------------------|--------|--------|--------|--------|--------|---------------------|------|-----------------------|----------------------|
| Asia   | Trinity Tower (Indonesia)                 | Office, Commercial | 143,200m <sup>2</sup>   | ●      |        |        |        |        |                     |      |                       |                      |
|        | ALPHA PARK (China)                        | Office             | 233,600m <sup>2</sup>   | ●      |        |        |        |        |                     |      |                       |                      |
|        | Capita Spring (Singapore)                 | Mixed Use          | 93,400m <sup>2</sup>    | ●      |        |        |        |        |                     |      |                       |                      |
|        | Suzhou New District Business Park (China) | Office             | 220,400m <sup>2</sup>   |        | ★      |        | ●      |        |                     |      |                       |                      |
|        | Yoma Central (Myanmar)                    | Mixed Use          | 212,700m <sup>2</sup>   |        |        |        |        |        | Under consideration |      |                       |                      |
|        | 180 George Street (Australia)             | Office, Commercial | ※3 60,000m <sup>2</sup> |        | ●      |        |        |        |                     |      |                       |                      |
|        | One City Centre (Thailand)                | Office, Commercial | 116,000m <sup>2</sup>   |        | ●      |        |        |        |                     |      |                       |                      |
|        | Parkline Place (Australia)                | Office, Commercial | 65,900m <sup>2</sup>    |        | ★      |        | ●      |        |                     |      |                       |                      |
|        | Oasis Central Sudirman (Indonesia)        | Mixed Use          | 307,000m <sup>2</sup>   |        |        | ★      |        |        |                     | ●    |                       |                      |
| Europe | Warwick Court (London)                    | Renovation         | 29,000m <sup>2</sup>    |        | ●      |        |        |        |                     |      |                       |                      |
|        | 8 Bishopsgate (London)                    | Office, Commercial | 85,000m <sup>2</sup>    |        | ●      |        |        |        |                     |      |                       |                      |
|        | dMoura 1 (Spain)                          | Office             | ※3 11,000m <sup>2</sup> |        | ●      |        |        |        |                     |      |                       |                      |
|        | Fyrkanten 11 (Sweden)                     | Renovation         | ※3 7,800m <sup>2</sup>  |        | ★      |        | ●      |        |                     |      |                       |                      |
|        | 60-72 Upper Ground (London)               | Office Commercial  | ※4 10,400m <sup>2</sup> |        |        |        |        |        |                     | ●    |                       |                      |
| US     | Stalene 77 Building1・2 (South Carolina)   | Logistics          | ※3 93,600m <sup>2</sup> |        | ●      |        |        |        |                     |      |                       |                      |
|        | Hanover (Pennsylvania)                    | Logistics          | ※3 42,200m <sup>2</sup> | ★      |        | ●      |        |        |                     |      |                       |                      |
|        | 55 Paradise (New York)                    | Logistics          | ※3 16,700m <sup>2</sup> |        | ★      |        | ●      |        |                     |      |                       |                      |
|        | Virginia Data Center Building (Building1) | Data Center        | ※5 51,000m <sup>2</sup> |        | ★      |        | ●      |        |                     |      |                       |                      |
|        | Virginia Data Center Building (Building2) | Data Center        |                         |        |        | ★      |        | ●      |                     |      |                       |                      |
|        | Liv Crossroads (Arizona)                  | Rental Apartment   | 356 Units               |        | ●      |        |        |        |                     |      |                       |                      |
|        | Liv Laveen (Arizona)                      | Rental Apartment   | 360 Units               | ★      |        |        | ●      |        |                     |      |                       |                      |
|        | 1158 Delaware (コロラド州)                     | Rental Apartment   | 250 Units               |        | ★      |        | ●      |        |                     |      |                       |                      |
|        | 1072 West Peachtree (Georgia)             | Mixed Use          | ※3 49,300m <sup>2</sup> |        | ★      |        | ●      |        |                     |      |                       |                      |
|        | 600 Fifth Street NW (Washington, D.C.)    | Office             | ※3 37,000m <sup>2</sup> |        |        | ★      |        | ●      |                     |      |                       |                      |

■ ...Project announced after the Long-Term Management Plan 
 ■ ...Project added this quarter  
 ★...Start Construction ●...Completion  
<sup>\*1</sup> Includes properties expected to be sold by 2030 <sup>\*2</sup> Total floor area unless otherwise noted.  
<sup>\*3</sup> Leasable area <sup>\*4</sup> Site area <sup>\*5</sup> Total of two buildings

## 9. Non-asset (Fee-based) Business

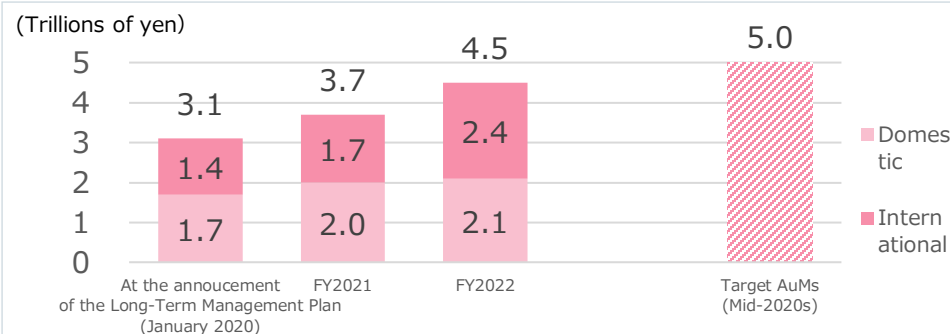
**Significant growth led by increased profits from investment management business despite the large impact of COVID-19 to hotel business.**



### Investment Management Business

#### ■ Base income increase from AuM expansion

• AuM expansion leads to ¥10 bn level business profit with increase in base fees revenue.



#### ■ ■ Includes incentive fees to receive in the future from value-added funds

• A ¥18.5 bn incentive fees associated with real estate market valuation increase of value-added funds in the U.S. etc. in FY2022 (details on p.78)  
• Certain amount of incentive fees for FY2023 and beyond.

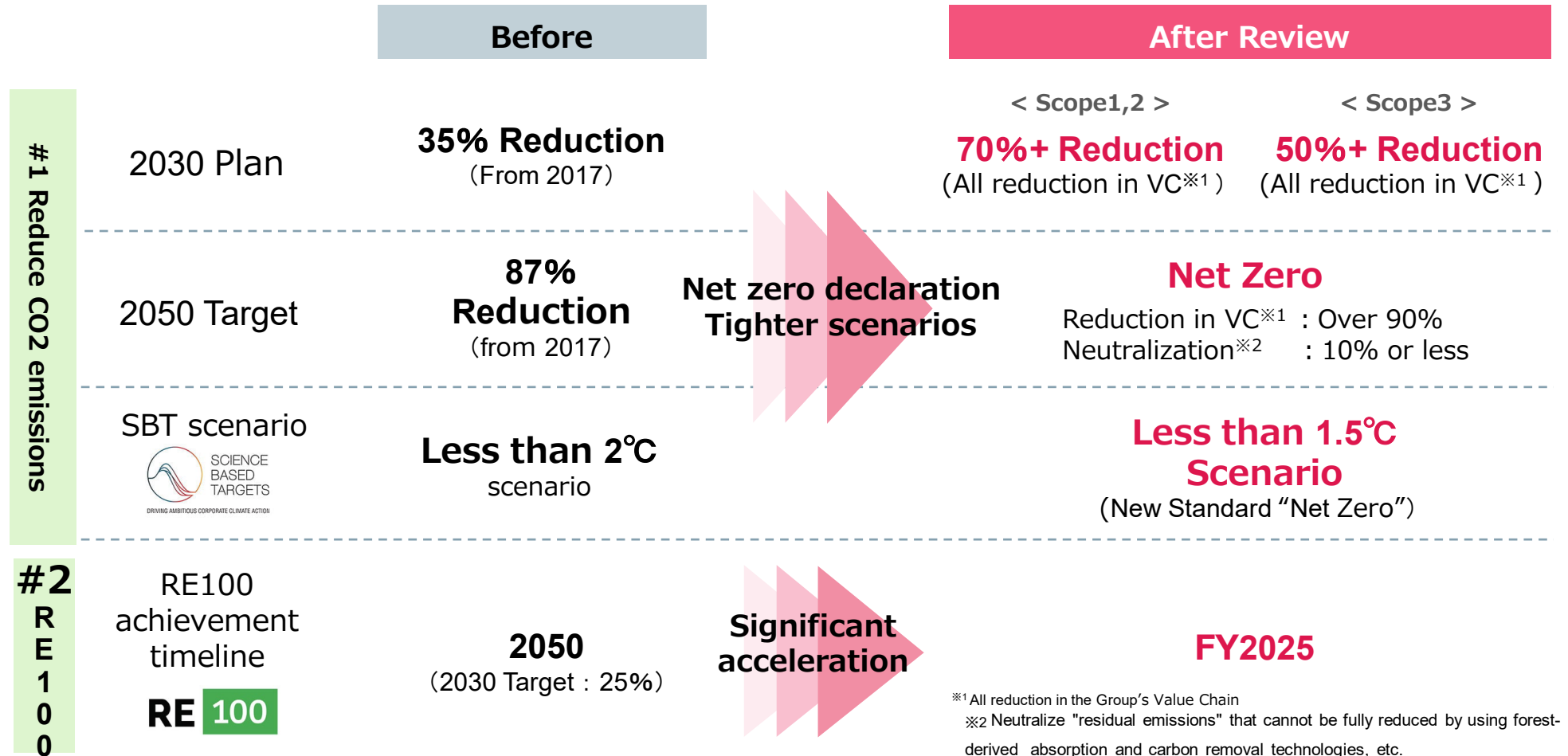
### Hotels Business

#### ● Heavily impacted by COVID-19 but gradual recovery is expected, though it takes time.

Increased deficit in FY2021-FY2022 due to COVID-19 Management reforms and a certain level of domestic demand recovery expected in FY2023.

## 10. Efforts to Improve Social Value #1

**Raised reduction targets for GHG emissions in line with SBTi's new net-zero standards. Substantially accelerated RE100 achievement timeline.**



## 11. Efforts to Improve Social Value #2

### Set new GHG emission reduction targets(Declaration of Net Zero) Substantially accelerated RE100 achievement timeline.

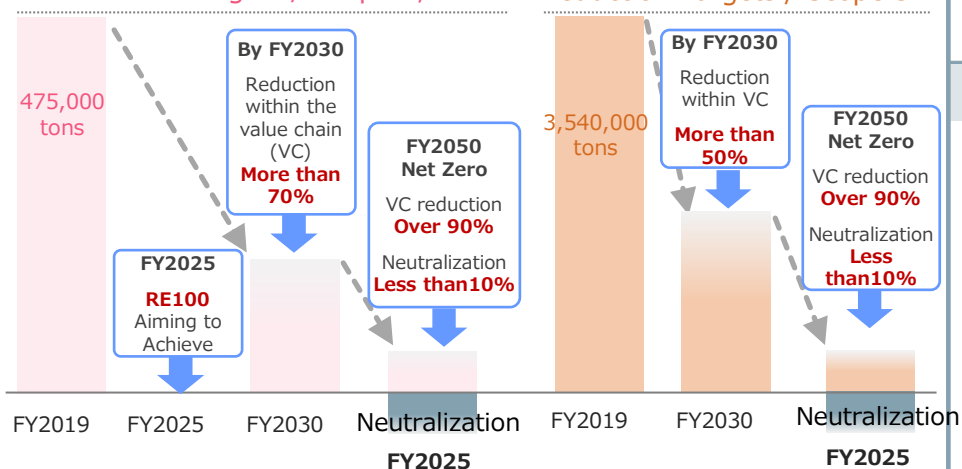
#### Overview of GHG reduction targets

◆Meet the 1.5°C scenario of SBTi (The Science Based Targets initiative) and review in accordance with the new net-zero standard announced by SBTi (application for reduction target certification by SBTi is in process).

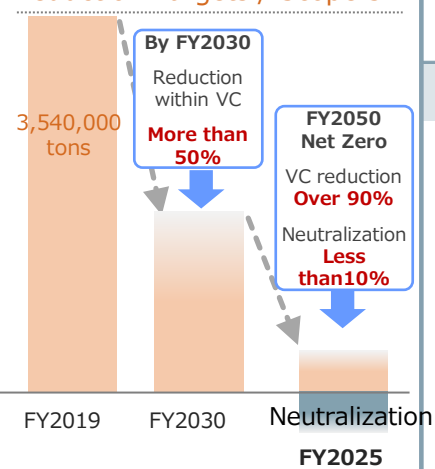
"New Mid- and Long-Term Reduction Targets: relative to base year (FY 2019) emissions,  
**FY2030: Reduce the sum of Scope 1 and 2 by at least 70% and Scope 3 by at least 50%.**  
**2050: Achieving Net Zero."**

Compliant with new SBT net zero standard (1.5°C scenario)

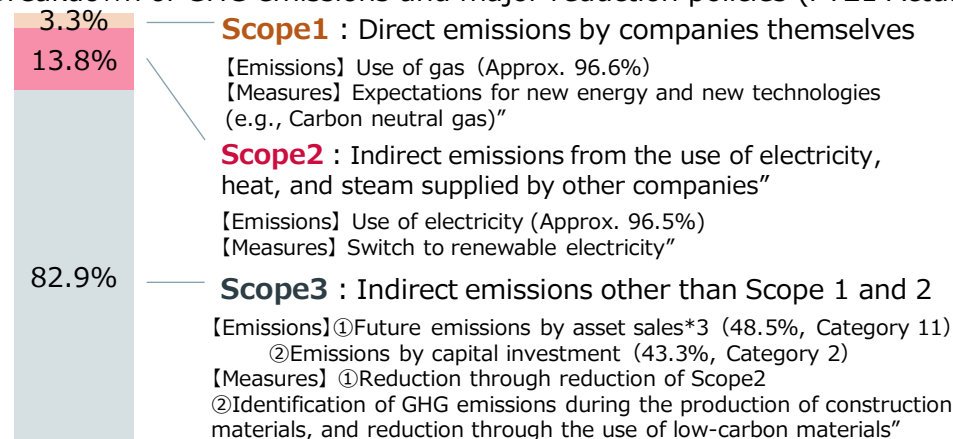
#### New Mid- and Long-Term Reduction Targets / Scope 1, 2



#### New Mid- and Long-Term Reduction Targets / Scope 3



#### ◆Breakdown of GHG emissions and major reduction policies (FY21 Actual)



\* Calculation: Floor space sold x Emissions per m2 in the previous year (Scope 1+2) X 50 years

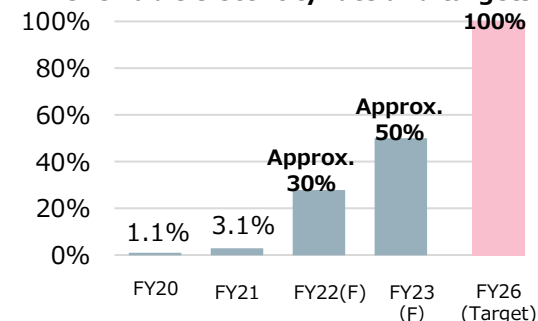
#### Accelerate introduction of renewable energy to achieve RE100

◆Following Otemachi, Marunouchi, and Yurakucho areas, switch to renewable energy-derived power for office buildings and retail properties, owned in Tokyo and Yokohama (including plans).

◆Introduced in approximately 50 buildings by FY2022.

◆Renewable electricity rate is expected to increase to 50% by FY2022. Aiming to achieve RE100 by 2025.

#### Renewable electricity rate and targets



# ESG Initiatives (Sustainability Initiatives)

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For details of ESG initiatives in the "Long-term Management Plan 2030", please refer to the following link.  
[https://www.mec.co.jp/e/investor/plan/pdf/plan200124\\_e.pdf](https://www.mec.co.jp/e/investor/plan/pdf/plan200124_e.pdf)

# 1. Materialities / Material Issues for Sustainability Management

## Mitsubishi Estate Group Sustainability Vision 2050

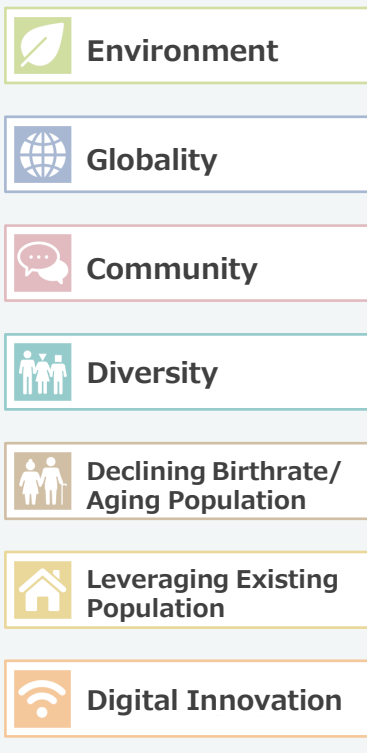
### Be the Ecosystem Engineers

We aspire to be a corporate group (=engineers) that provides spaces and infrastructure (=ecosystems) where all actors (individual, corporations, and more) are able to coexist sustainably and thrive together economically, environmentally, and socially.

Backcasting



### 'Materialities'



Formulation of key themes and KPIs based on our materiality

## Mitsubishi Estate Group 2030 Goals for SDGs

### ① Environment

#### Sustainable urban development that proactively addresses climate change and environmental issues

- CO2 emissions reduction (compared to FY2020)  
2030 : Reduce Scope 1+2 by at least 70% and Scope 3 by at least 50% (2050 : Net zero achieved (SBTi certification in process))
- Renewable electricity rate: 25% (100% by 2025) (joined RE100 in January 2020)
- Waste recycling rate: 90%, Waste disposal: 20% reduction (compared with FY2020 /m)
- Promote sustainable timber use



### ② Diversity & Inclusion

#### Urban development that responds to lifestyle and human resource trends and facilitates active participation for all

- Over 20% female managers
- Strengthen hospitality and realize stress-free cities
- Respect different lifestyles, local customs, religions, and sexual orientation
- Establish traceability of timber to be used in business activities



### ③ Innovation

#### Innovative urban development that continuously renews society

- Innovate business models and maximize performance
- Support the creation of new ideas and businesses from the perspective of urban development and contribute to the growth of cities and industries



### ④ Resilience

#### Dynamic, flexible urban development that builds disaster-resilient communities and prioritizes safety and security

- Enhance disaster preparedness to minimize functional stagnation during disasters
- Enhance BCP function through hardware measures and strengthen neighborhood communication





## 2. 2030 KPIs and Progress (The “E” & “S” in ESG)

### 1 Environment

| Benchmarks                           | 2030 KPIs  | FY2021 Actual  |
|--------------------------------------|--|--|
| GHG emissions                        | Scope1,2 : <b>70% or more</b><br>Scope3 : <b>50% or more</b><br>(vs FY2020)* | 3,533 thousand t<br>(Reference value:<br>3,336 thousand t) |
| Renewable electricity rate           | <b>100%</b><br>(FY2026)*   | 3.1%   |
| per m <sup>2</sup><br>Waste disposal | vs. FY2019<br>20% reduction  | 5.0kg<br>(Reference value:<br>7.1kg)                       |
| Waste recycling rate                 | 90%  | 60.5%  |

### 3 Innovation

| Benchmarks  | <ul style="list-style-type: none"> <li>Maximize performance by innovating business models</li> <li>Support the creation of new ideas and businesses from the perspective of urban development and contribute to the growth of cities and industries</li> </ul> |
|-------------|--|
| Initiatives | See page 28 for details.   |

### 2 Diversity & Inclusion

\*New targets due to KPI review in FY2022

| Benchmarks  | 2030 KPIs        | FY2021 Actual |
|---|------------------|---------------|
| Percentage of female managers                                   | <b>Over 20%*</b> | 7.1%          |
| Percentage of female new graduate hires                         | 30% every year   | 37.8%         |
| Rate of use of male employees taking childcare leave of absence | 100%             | 42.4%         |

### 4 Resilience

| Benchmarks   | 2030 KPIs | FY2021 Actual |
|--|-----------|---------------|
| Percentage of employees with first aid provider qualification    | 100%      | 63.0%         |
| Percentage of buildings that are to take in stranded commuters * | —         | 92.3%         |

\*Large properties completed in 2002 or later are eligible

## 3. Recent Highlights (The “E” in ESG)

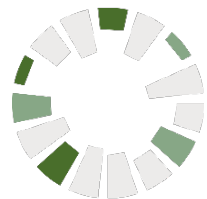
### 1 Environment

#### GRESB Real Estate Assessment Awarded highest “5-Star” rating and named as a sector leader for the first time

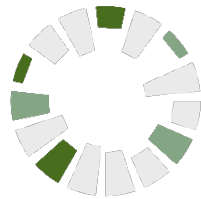
- Received a “5 Star rating\*<sup>1</sup>” in the “GRESB Standing Investments Benchmark,” an evaluation of the existing property portfolio (for the second consecutive year).
- Obtained a “5 Star rating\*<sup>1</sup>” in the “GRESB Development Benchmark,” an evaluation of the new development and major renovation portfolio for the first time. In addition, the company was selected as a “Sector Leader” for the first time in the Asia region and office buildings.

\*<sup>1</sup> The highest rating given to the top 20% of the global ranking of the overall score.

\*<sup>2</sup> The title given to the participant with the highest overall score (and the participant whose score difference is within one point) in each region and property use.



G R E S B  
★★★★★ 2021



G R E S B  
REAL ESTATE  
sector leader 2021

#### GRESB

An organization that provides and operates annual benchmark assessments to measure the ESG considerations of real estate companies and funds. It is the only ESG survey that specializes in the real estate sector, and is also unique in that it conducts ESG assessments on a company/fund basis, rather than certifying individual properties.

#### All electricity at owned buildings in Tokyo, Yokohama to be derived from renewables.

In FY2023, all of our office buildings and commercial facilities\* in Tokyo and Yokohama will be powered by renewables. Annual estimated CO2 reduction is approx. 340,000 tons (equiv. about 120,000 average households).

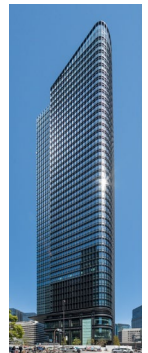
\*Over 50% owned buildings and commercial facilities excluding turnover-type and redeveloping properties.



▲ MARK IS Minatomirai



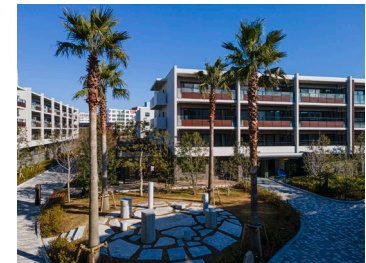
▲ Toyosu Foresia



▲ Tokiwabashi Tower

#### First The Park House to meet "ZEH-M Ready" standards

The Park House Shin-Urayasu Marine Villa completed its first section in October 2021, the first The Park House to meet "ZEH-M (Zetch Mansion) Ready" standards. Improving building "energy-saving" together with "energy creation" by solar power etc. aiming 50% reduction of primary energy consumption.

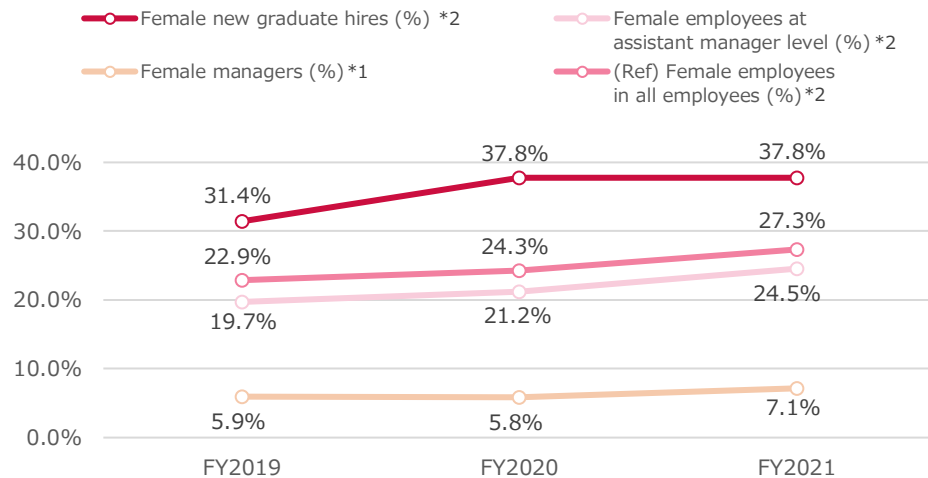


▲ The Park House Shin-Urayasu Marine Villa

## 4. Recent Highlights (The “E” & “S” in ESG)

### 2 Diversity & Inclusion

#### Changes in targets and numbers for improvements in female participation rate



#### KPI

- ① Percentage of female managers\*1: Over 20% by FY2031
- ② Ratio of female employees at the assistant manager level (candidates for management positions)\*2: 30% by FY2026
- ③ Ratio of female new graduate hires\*2: 30% annually

#### ■ Initiatives

- Enhancing personnel systems to create a better working environment for women
- Strengthening mid-career recruitment of female employees at the assistant manager level and candidates for assistant manager level
- Increasing the dissemination of information on the activities of female employees and their working environment
- Holding in-house roundtable discussions with female employees and having employees speak at seminars for women

\*1 Average of Mitsubishi Estate, Mitsubishi Jisho Property Management, Mitsubishi Estate Residence, Mitsubishi Jisho Sekkei, Mitsubishi Real Estate Service

\*2 Mitsubishi Estate

#### Supplier Code of Conduct

Established the Mitsubishi Estate Group Supplier Code of Conduct on April 1, 2022 to promote sustainability and ESG-related initiatives throughout our supply chain.

As challenges like human rights, labor and climate change grow serious, the code clearly states compliance requirements in our group's operations toward our mission "Realizing Sustainable and Profound Valuable Society."

Conducting a survey using interview sheets to check the status of Supplier Code of Conduct compliance. For time being, the survey will cover "contractors" and "cleaning companies" which tend having higher sustainability risks\* in our supply chain," and will be extended further in the future.

Conduct surveys not only of primary suppliers (direct suppliers) but also of secondary and subsequent suppliers (subcontractors of suppliers), identify potential risks, and invite relevant suppliers for improvement initiatives.

\*Criteria for determining that there is a strong tendency to increase sustainability risk

1. The employment of foreign workers, technical intern trainees, and other workers whose positions tend to be weak is assumed.
2. Businesses with high environmental impact
3. There are cases where it is difficult to identify and identify risks due to the multiple outsourcing structure.

## 5. Recent Highlights (The "E" and "S" in ESG)

### 3 Innovation

#### New business creation through open innovation with startups

##### ■ Promoting Accelerator Program

The program aims to create innovation and innovate business models since 2017. In FY2022, the fifth year of the program, 13 themes, including "food tech" and "resort tech," have been set and startups are invited to submit collaboration proposals. About 700 applications over the five terms and 33 companies were selected.

##### ■ New startup investment fund launch

Launched "BRICKS FUND TOKYO by Mitsubishi Estate" to invest in startups working to create a mid-to-long term social impact by solving social challenges and industrial restructuring. About ¥10 bn investment in the next 5 years with an expected cumulative total investment in startups and venture capital to reach ¥50 bn (including confirmed investment) by mid-2020s.



\*Combined offline and online events with countermeasures against COVID-19

### 4 Resilience

#### Conducting disaster prevention drills and demonstration tests

##### ■ Emergency drills through public and private sector cooperation

Conducted every year and all Mitsubishi Estate executives and employees, Group companies, and relevant external entities participate. In FY2021 and FY2022, consideration was given to avoidance of the infection risk of COVID-19. Initial response, collecting and communicating information using tools such as the safety confirmation system and web conferencing, in line with the actual conditions of the work system with limited personnel under infectious disease countermeasures were conducted.

##### ■ Disaster drills using advanced communication technologies

From November 2021, "Disaster Dashboard Beta" for sharing information with disaster response agencies and providing information for stranded people, was tested with Chiyoda Ward, railroad companies, bus operators, building companies, etc. for 4 months.



Disaster response drills (FY2020)  
Conducting drills to simulate the use of security robots in the event of an earthquake



Disaster Dashboard Beta  
(Digital Signage version)

## 6. Corporate Governance (The “G” in ESG) #1

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

(as of Mar. 2022)

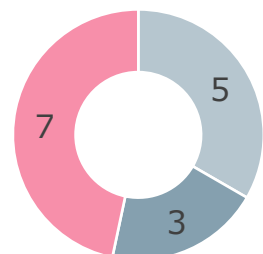
### Corporate Structure

- Transitioned to a “Company with Nominating Committee, etc.” in June 2016
- In 2020, an independent evaluation of the effectiveness of the Board was undertaken

#### Structure of the Board of Directors

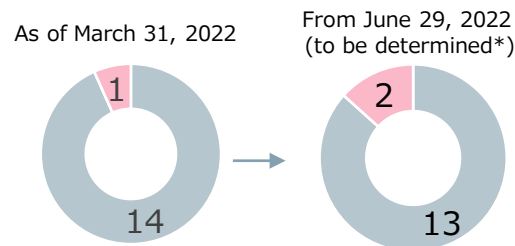
- 15 directors: 8 company directors and 7 independent outside directors (10 of which are non-executive directors)
- 6 of 7 independent outside directors are male and 1 is female

Board Structure



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

Composition of Male/Female



- Male ■ Female

\*Subject to approval of the director election proposal at the annual shareholders' meeting on June 29, 2022.

#### Committee Members

- Chairpersons of all committees are independent outside directors
- Remuneration and Nominating Committees comprised of independent outside directors only
- With regards 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

##### Nominating Committee

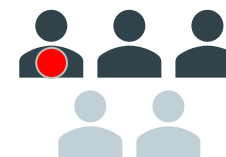
Exclusively outside directors



■ : Outside Director

##### Audit Committee

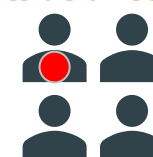
Chairperson is an outside director



■ : Company Director (Non-executive)

##### Remuneration Committee

Exclusively outside directors



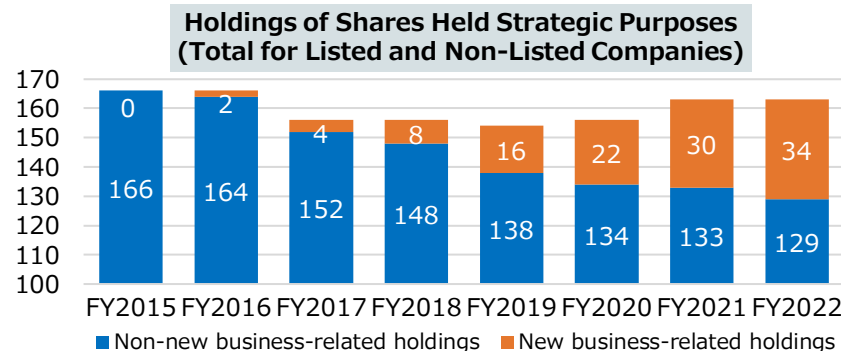
● : Chairperson

## 7. Corporate Governance (The “G” in ESG) #2

### Strategic-Holding Stock Policies

- Sold 25 \*entities with a total value of approx. ¥29.1 bn in the past four years (FY2019-FY2022)
- Approx. ¥244.2 bn (market value) of listed stock as of March 31, 2022. Routinely review strategic objectives and dispose of stocks as necessary

\* Stocks of listed companies only. Including partial sale



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

\*Revised as of April 1, 2022.



#### <Single-Year Performance-Based Incentives : 30%>

- Form: Cash
- Calculation: "KPIs" : Business profit, EPS, ROA, ROE etc., of previous year (quantitative evaluation) as well as levels of contribution to medium- to long-term business results, efforts in ESGs, and other elements (qualitative evaluation)

#### <Phantom Stock Incentives : 10%>

- Form: Cash
- Performance evaluation period: About 3 years
- Calculation: Based on stock price and total shareholder return (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 Incentives : 20%>

- Form : Stock
- Lock-up period : Up to the time of retirement of a director or officer
- \*The evaluation method for the variable portion is the same as for performance-linked cash compensation.



## 8. External Evaluations

As of May 12, 2022

— Not selected

| Category        | Benchmarks   | 2019                 | 2020   | 2021   | Remarks           |
|-----------------|--|----------------------|--------|--------|-------------------|
| ESG in General  | FTSE4Good Global Index                                     | ●                    | ●      | ●      | 20 years in a row |
| ESG in General  | FTSE Blossom Japan Index (Adopted by GPIF)                 | ●                    | ●      | ●      | 5 years in a row  |
| ESG in General  | MSCI Japan ESG Select Leaders Index (Adopted by GPIF)      | ●                    | ●      | ●      | 5 years in a row  |
| ESG in General  | Dow Jones Sustainability Asia Pacific Index                | —                    | ●      | ●      | 2 years in a row  |
| ESG in General  | Member of the "S&P Global Sustainability Yearbook"         | —                    | ●      | ●      | 2 years in a row  |
| ESG in General  | SOMPO Sustainability Index                                 | ●                    | ●      | ●      | 10 years in a row |
| ESG in General  | GRESB Public Disclosure                                    | A                    | A      | A      |                   |
| ESG in General  | GRESB Standing Investment Benchmark                        | 3 Star <sup>*1</sup> | 5 Star | 5 Star |                   |
| ESG in General  | GRESB Development Benchmark                                | — <sup>*2</sup>      | 4 Star | 5 Star |                   |
| E (Environment) | S&P/JPX Carbon Efficient Index (Adopted by GPIF)           | ●                    | ●      | ●      | 4 years in a row  |
| E (Environment) | CDP Climate Change   | A-                   | A      | A-     |                   |
| E (Environment) | CDP Water Security   | —                    | —      | A-     |                   |
| S (Society)     | MSCI Japan Empowering Women Select Index (Adopted by GPIF) | ●                    | ●      | ●      | 4 years in a row  |

For GRESB, the evaluation system differs between before 2019 and after 2020.

\*1 Evaluation results in the Real Estate Assessment

\*2 Started assigning ratings from 2020



2021 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

Member of  
Dow Jones  
Sustainability Indices  
Powered by the S&P Global CSA

Sustainability Yearbook  
Member 2022  
S&P Global



2021 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

# Financial Supplemental Data

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## 1. Management Index, etc.

### ① KPI for 2030 Target

|                   | 2019/3  | 2020/3   | 2021/3   | 2022/3   | 2023/3<br>(F) | 2030<br>(Target) |
|-------------------|---------|----------|----------|----------|---------------|------------------|
| ROA <sup>*1</sup> | 4.0%    | 4.1%     | 3.8%     | 4.4%     | 4.4%          | 5%               |
| ROE               | 7.8%    | 8.5%     | 7.6%     | 8.1%     | 8.0%          | 10%              |
| EPS               | ¥ 96.97 | ¥ 108.64 | ¥ 101.34 | ¥ 116.45 | ¥ 124.75      | ¥ 200            |

### ② Business Profits

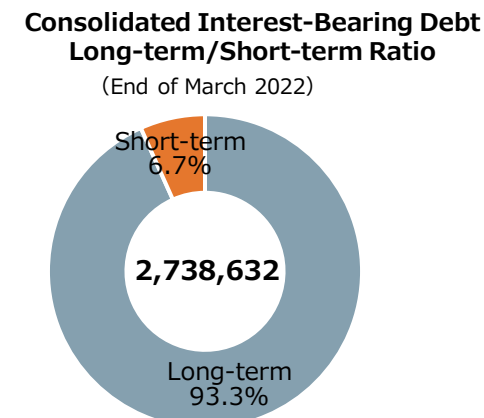
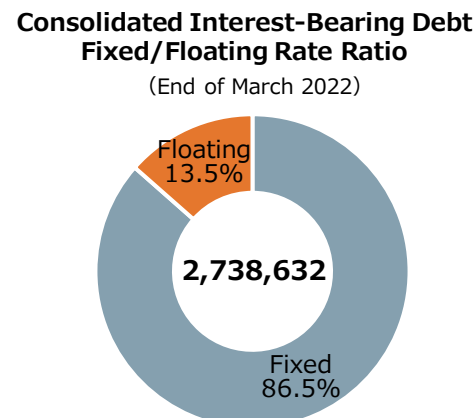
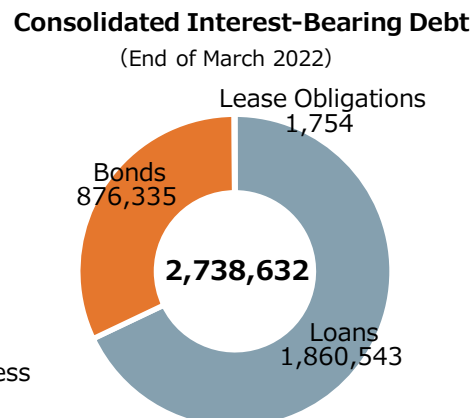
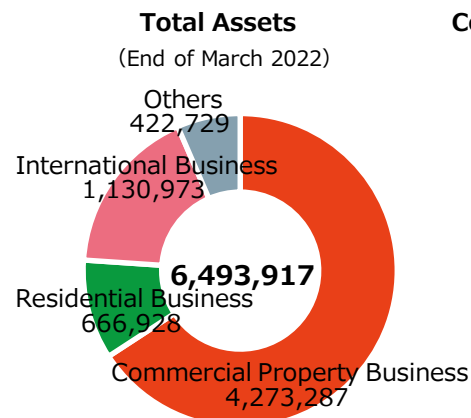
|                                | 2019/3     | 2020/3      | 2021/3      | 2022/3      | 2023/3<br>(F) | 2030<br>(Target)              |
|--------------------------------|------------|-------------|-------------|-------------|---------------|-------------------------------|
| Business profits <sup>*2</sup> | ¥ 229.4 bn | ¥ 240.9 bn  | ¥ 224.7 bn  | ¥ 279.3 bn  | ¥ 291.4 bn    | ¥ 350.0~<br>400.0 bn          |
| Domestic Asset Business        | -          | ¥ 201.5 bn  | ¥ 201.6 bn  | ¥ 215.8 bn  | ¥ 203.4 bn    | Approx. ¥50 bn+ <sup>*3</sup> |
| International Assets Business  | -          | ¥ 46.1 bn   | ¥ 37.9 bn   | ¥ 55.8 bn   | ¥ 94.0 bn     | Approx. ¥50 bn+ <sup>*3</sup> |
| Non-asset Business             | -          | ¥ 15.7 bn   | ¥ 9.3 bn    | ¥ 32.2 bn   | ¥ 21.0 bn     | Approx. ¥50 bn+ <sup>*3</sup> |
| Eliminations or corporate      | -          | (¥ 22.4 bn) | (¥ 24.2 bn) | (¥ 24.5 bn) | (¥ 27.0 bn)   | -                             |

<sup>\*1</sup> ROA = Business Profit / Total assets (average) <sup>\*2</sup> Business Profit = Operating Income + Equity in Net Earnings/Loss (for unconsolidated subsidiaries and affiliates) <sup>\*3</sup> vs FY2020

## 2. Balance Sheet As of March 31, 2022

|  | Millions of yen (rounded down) |                      |                |
|--|--------------------------------|----------------------|----------------|
|  | As of March 31, 2022           | As of March 31, 2021 | Change         |
| <b>Current assets</b>                                    | <b>1,356,789</b>               | <b>1,164,037</b>     | <b>192,752</b> |
| Cash and deposits  | 233,117                        | 170,040              | 63,077         |
| Trade notes and accounts receivable, and contract assets | 60,645                         | 52,031               | 8,613          |
| Real estate for sale                                     | 41,239                         | 88,116               | (46,876)       |
| Real estate for sale in progress                         | 299,532                        | 267,563              | 31,968         |
| Real estate for development                              | 724                            | 975                  | (250)          |
| Equity investments                                       | 624,521                        | 496,182              | 128,339        |
| Other  | 97,009                         | 89,126               | 7,881          |
| <b>Non-current assets</b>                                | <b>5,137,127</b>               | <b>4,908,481</b>     | <b>228,645</b> |
| Total property, plant and equipment                      | 4,345,989                      | 4,179,893            | 166,096        |
| Total intangible assets                                  | 108,092                        | 101,095              | 6,997          |
| Investment securities                                    | 299,617                        | 281,996              | 17,620         |
| Other  | 383,426                        | 345,494              | 37,930         |
| <b>Total assets</b>                                      | <b>6,493,917</b>               | <b>6,072,519</b>     | <b>421,398</b> |

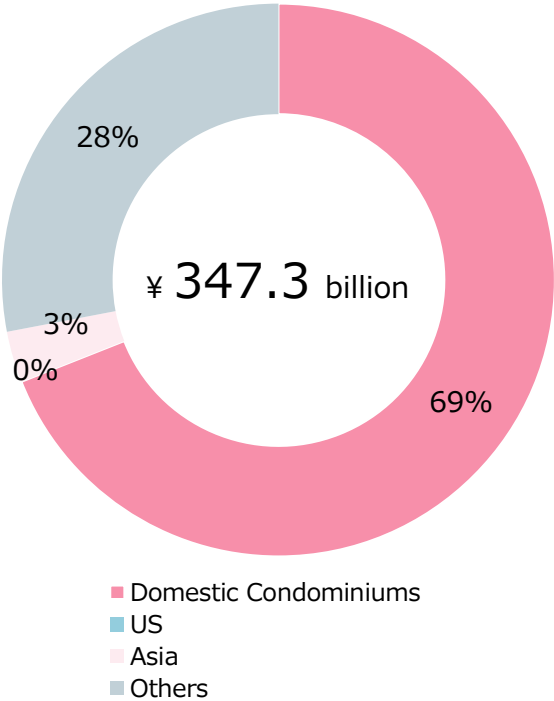
|   | Millions of yen (rounded down) |                      |                 |
|---|--------------------------------|----------------------|-----------------|
|   | As of March 31, 2022           | As of March 31, 2021 | Change          |
| <b>Liabilities</b>                      | <b>4,257,484</b>               | <b>4,011,071</b>     | <b>246,413</b>  |
| <b>Current liabilities</b>              | <b>631,043</b>                 | <b>662,437</b>       | <b>(31,394)</b> |
| Trade notes and accounts payable        | 60,516                         | 60,507               | 9               |
| Short-term borrowings                   | 182,052                        | 141,785              | 40,266          |
| Current portion of long-term borrowings | 79,928                         | 127,643              | (47,714)        |
| Commercial Papers                       | -                              | 50,000               | (50,000)        |
| Current portion of bonds payable        | 90,000                         | 65,000               | 25,000          |
| Other                                   | 218,544                        | 217,500              | 1,044           |
| <b>Non-current liabilities</b>          | <b>3,626,441</b>               | <b>3,348,634</b>     | <b>277,807</b>  |
| Bonds payable                           | 786,335                        | 745,759              | 40,576          |
| Long-term borrowings                    | 1,598,562                      | 1,393,858            | 204,703         |
| Other                                   | 1,241,539                      | 1,209,011            | 32,528          |
| <b>Net assets</b>                       | <b>2,236,432</b>               | <b>2,061,447</b>     | <b>174,984</b>  |
| Shareholders' equity                    | 1,335,024                      | 1,259,887            | 75,137          |
| Accumulated other comprehensive income  | 668,200                        | 592,011              | 76,189          |
| Share acquisition rights                | 201                            | 231                  | (30)            |
| Non-controlling interests               | 233,005                        | 209,316              | 23,689          |
| <b>Total liabilities and net assets</b> | <b>6,493,917</b>               | <b>6,072,519</b>     | <b>421,398</b>  |



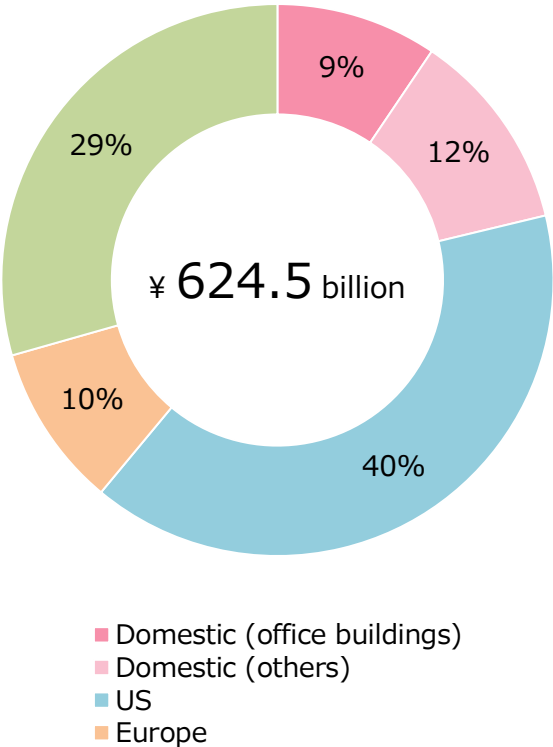
3. Asset Compositions

(End of March 2022)

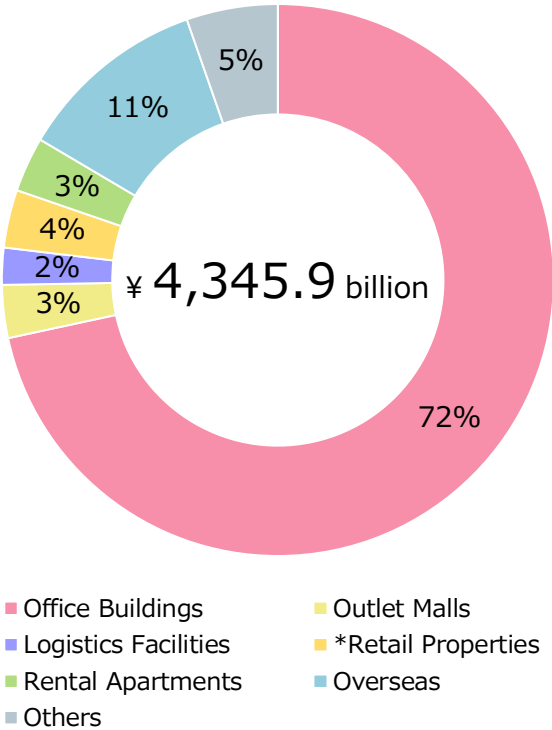
Inventories



Equity Investments



Property, plant and equipment



\* Excluding outlet malls

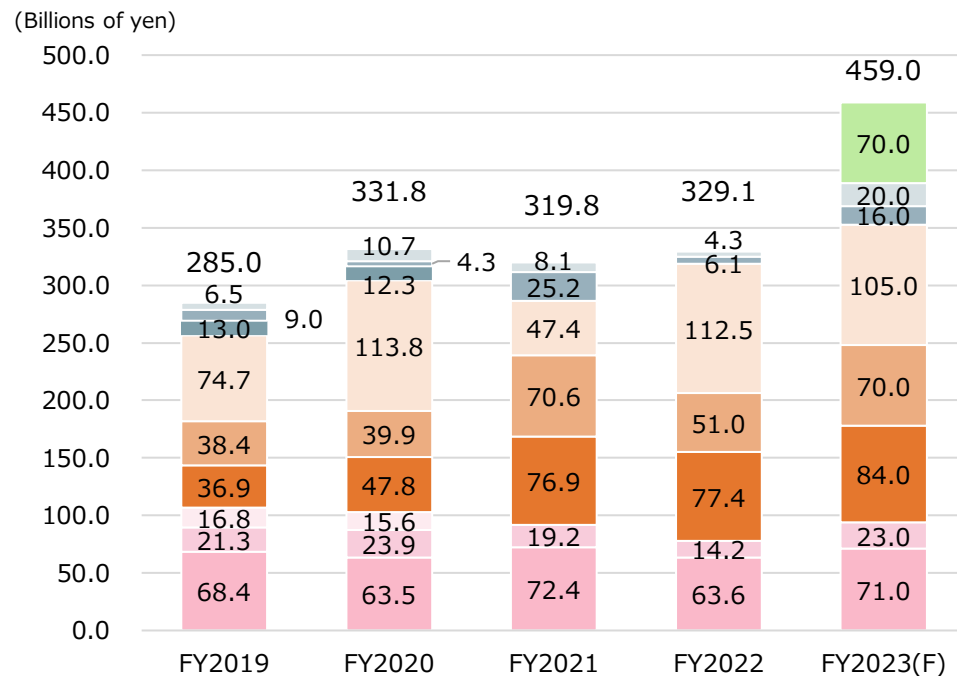
## 4. Consolidated Cash Flow

Millions of yen (rounded down)

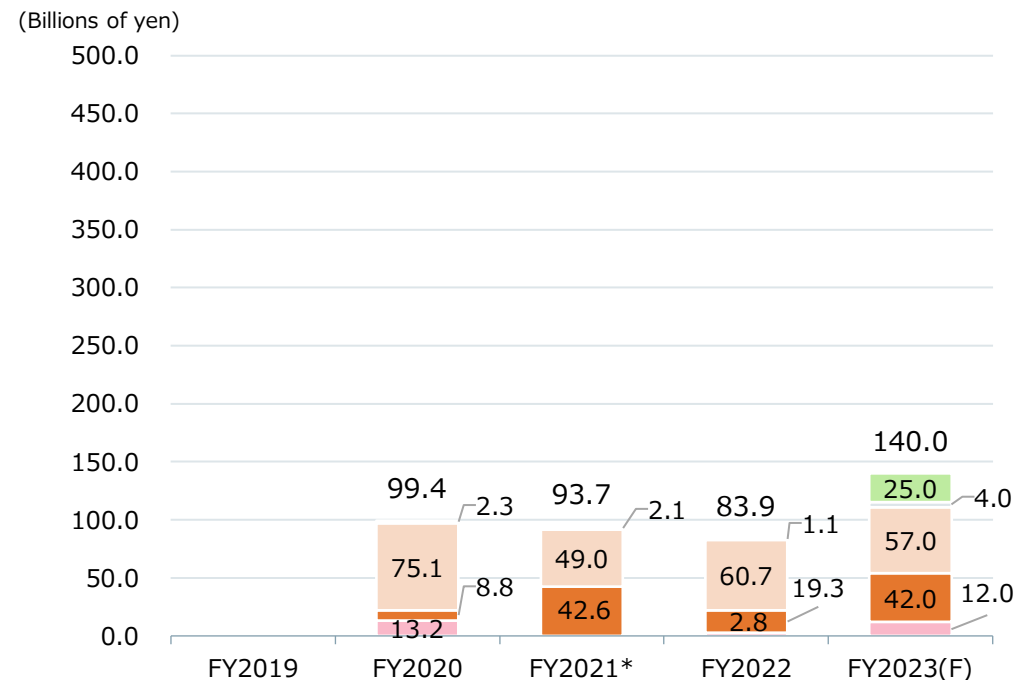
|   | ①FY2021<br>Results | ②FY2022<br>Results | Change<br>(② – ①) | ③FY2023<br>(Forecasts) | Change<br>(③ – ②) |
|---|--------------------|--------------------|-------------------|------------------------|-------------------|
| <b>Cash Flows From Operating Activities</b>       | <b>207,414</b>     | <b>280,090</b>     | <b>72,676</b>     | <b>370,000</b>         | <b>89,910</b>     |
| 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)          |
| <b>Cash Flows From Investing Activities</b>       | <b>(297,303)</b>   | <b>(313,778)</b>   | <b>(16,474)</b>   | <b>(480,000)</b>       | <b>(166,222)</b>  |
| Proceeds from sales of investment securities      | 14,186             | 9,562              | (4,624)           | 2,000                  | (7,562)           |
| Purchase of property, plant and equipment         | (319,841)          | (329,115)          | (9,273)           | (459,000)              | (129,885)         |
| <b>Cash Flows From Financing Activities</b>       | <b>50,425</b>      | <b>90,973</b>      | <b>40,548</b>     | <b>15,000</b>          | <b>(75,973)</b>   |
| <b>Cash and Cash Equivalents at End of Period</b> | <b>172,307</b>     | <b>234,244</b>     | <b>61,937</b>     | <b>(140,000)</b>       | <b>(94,244)</b>   |
|   |                    |                    |                   |                        |                   |
| <b>Free Cash Flow</b>                             | <b>(89,889)</b>    | <b>(33,687)</b>    | <b>56,201</b>     | <b>(110,000)</b>       | <b>(76,313)</b>   |

## 5. Investment Data

### Major Breakdown of Purchase of Property, Plant and Equipment



### Major Breakdown of Equity Investments



\*Classifications have been changed below from FY2021

#### <Legend for FY2018 – 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)
- New Investment

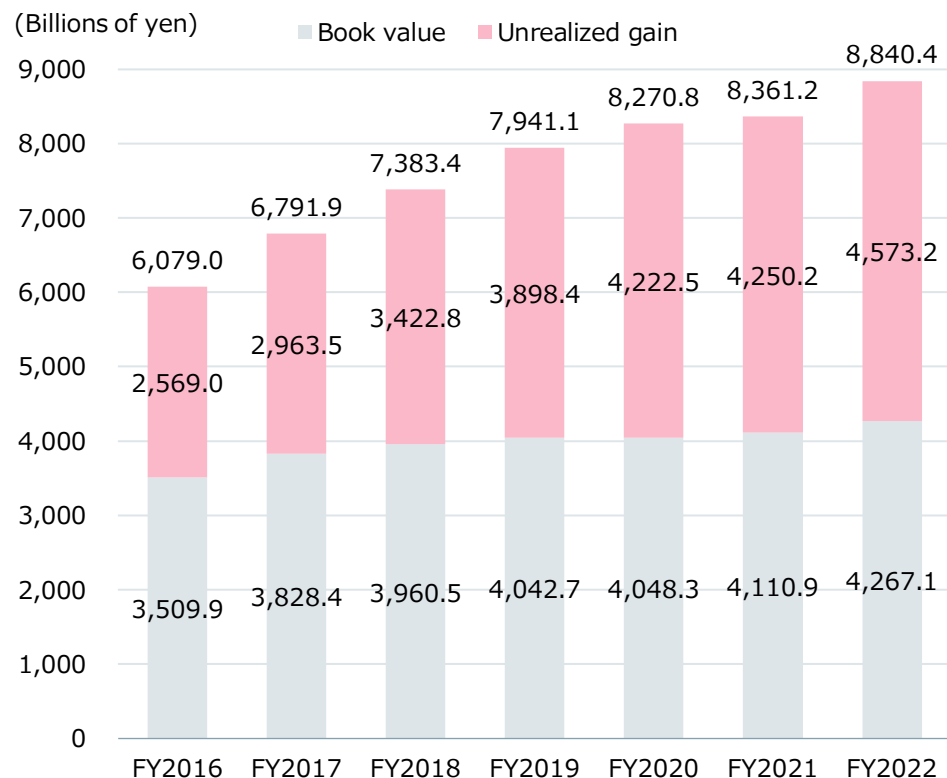
#### <Legend for FY2021 - >

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

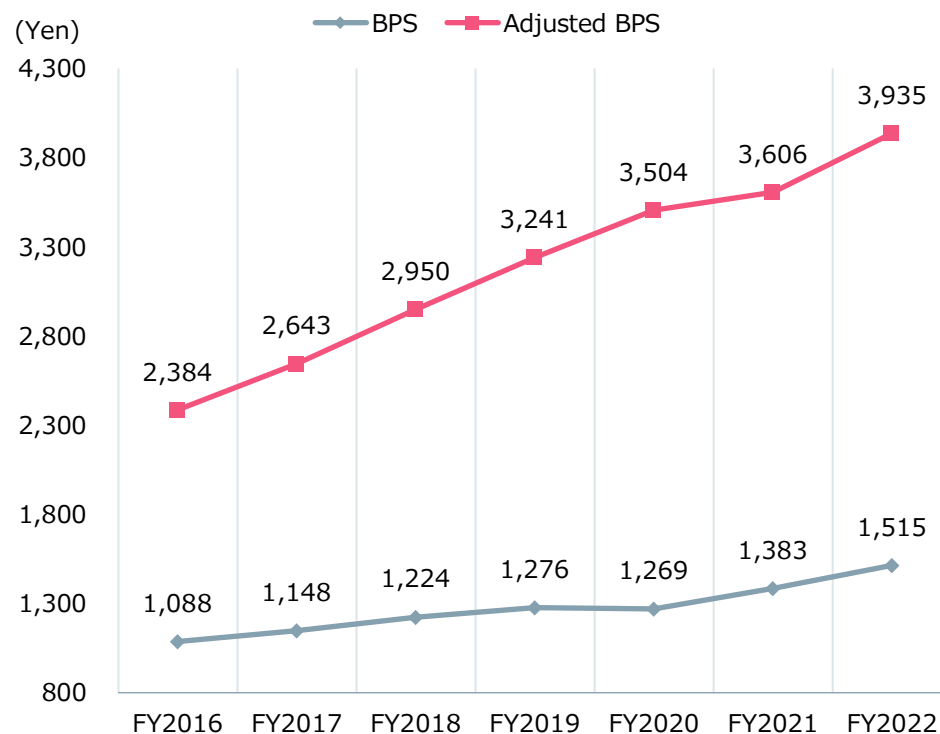
## 6. Income Generating Assets Unrealized Gains: Current Status #1

Increased unrealized gains from new buildings, lower cap rates for overseas assets and domestic rental housing, and foreign exchange rates.

### Income Generating Assets Unrealized Gain



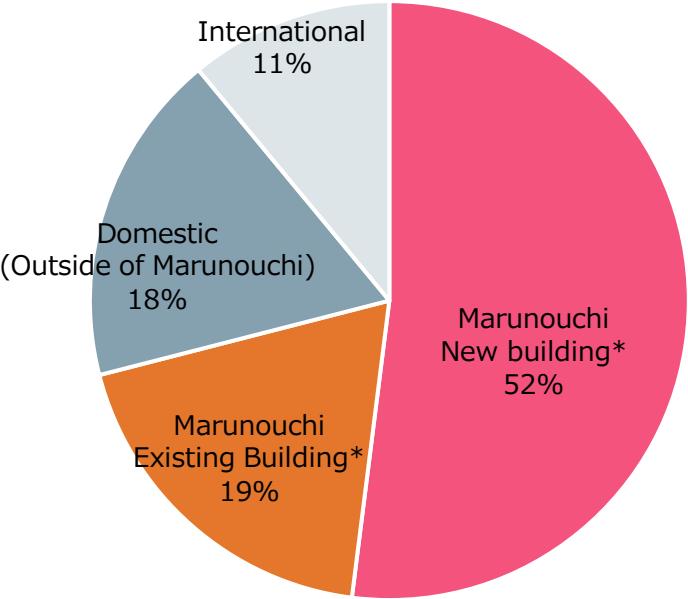
### \*BPS and Adjusted BPS



\* BPS including unrealized gains (after tax)

## 7. Income Generating Assets #2

Unrealized Gain Breakdown

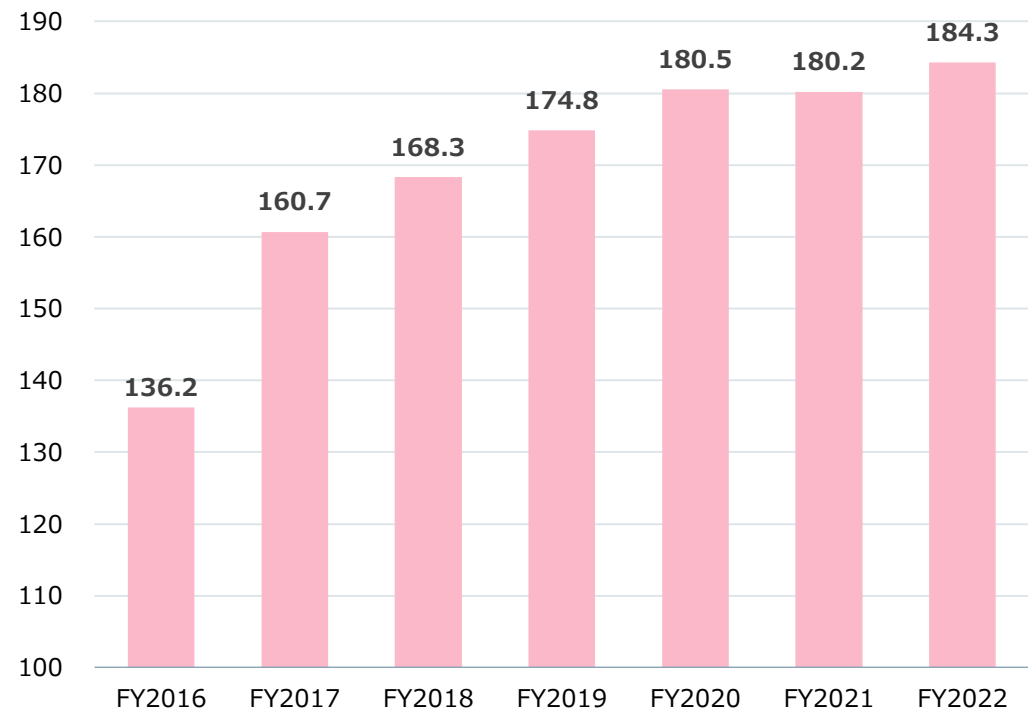


\*Redeveloped properties after the completion of Marunouchi Building  
Since the fiscal year ended March 2022, the entire TOKYO TORCH PJ has been counted as a new Marunouchi building.

(FY2022 Results)

Profit Trends

(Billion of yen)



# Business Overview

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# 1. Mitsubishi Estate Group's Business Segments

## Commercial Property Business

### <Office Buildings>

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



### <Retail Properties>

Develops 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>

Undertakes hotel management nationwide as the Royal Park Hotels group. Began private airport management business.



## Residential Business

### <Domestic Residential>

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



## International Business

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



## Investment Management Business

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



TA REALTY



Europa Capital

MEC  
GLOBAL  
PARTNERS  
ASIA

## 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.



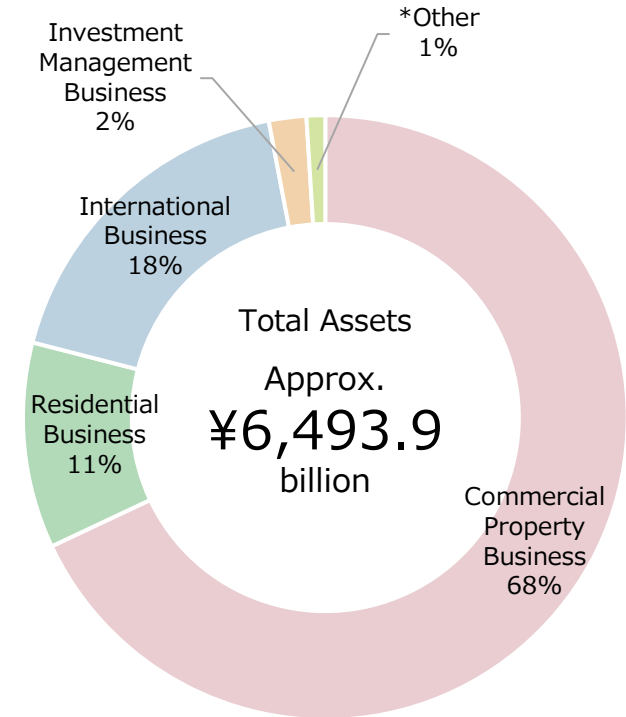
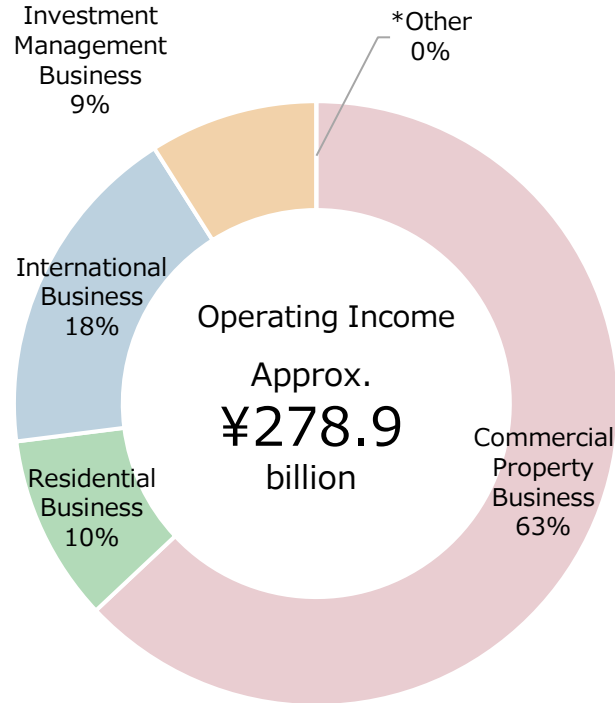
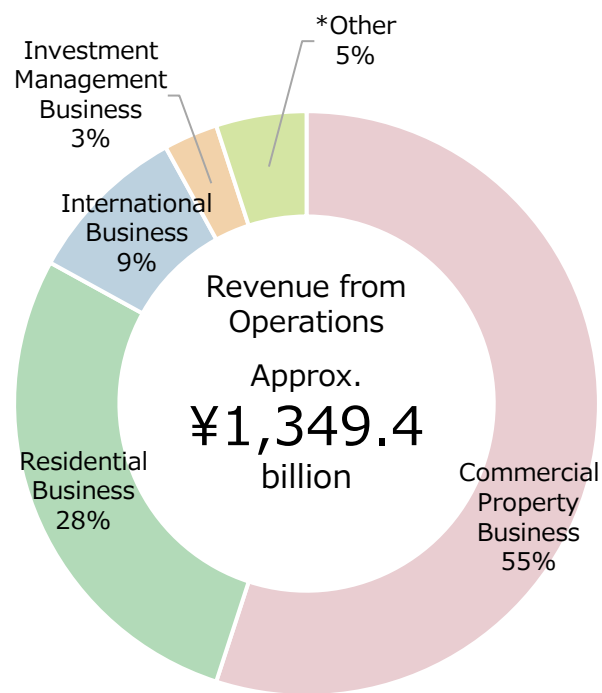
Mitsubishi Jisho Design

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



MITSUBISHI REAL ESTATE SERVICES

## 2. Business Scale



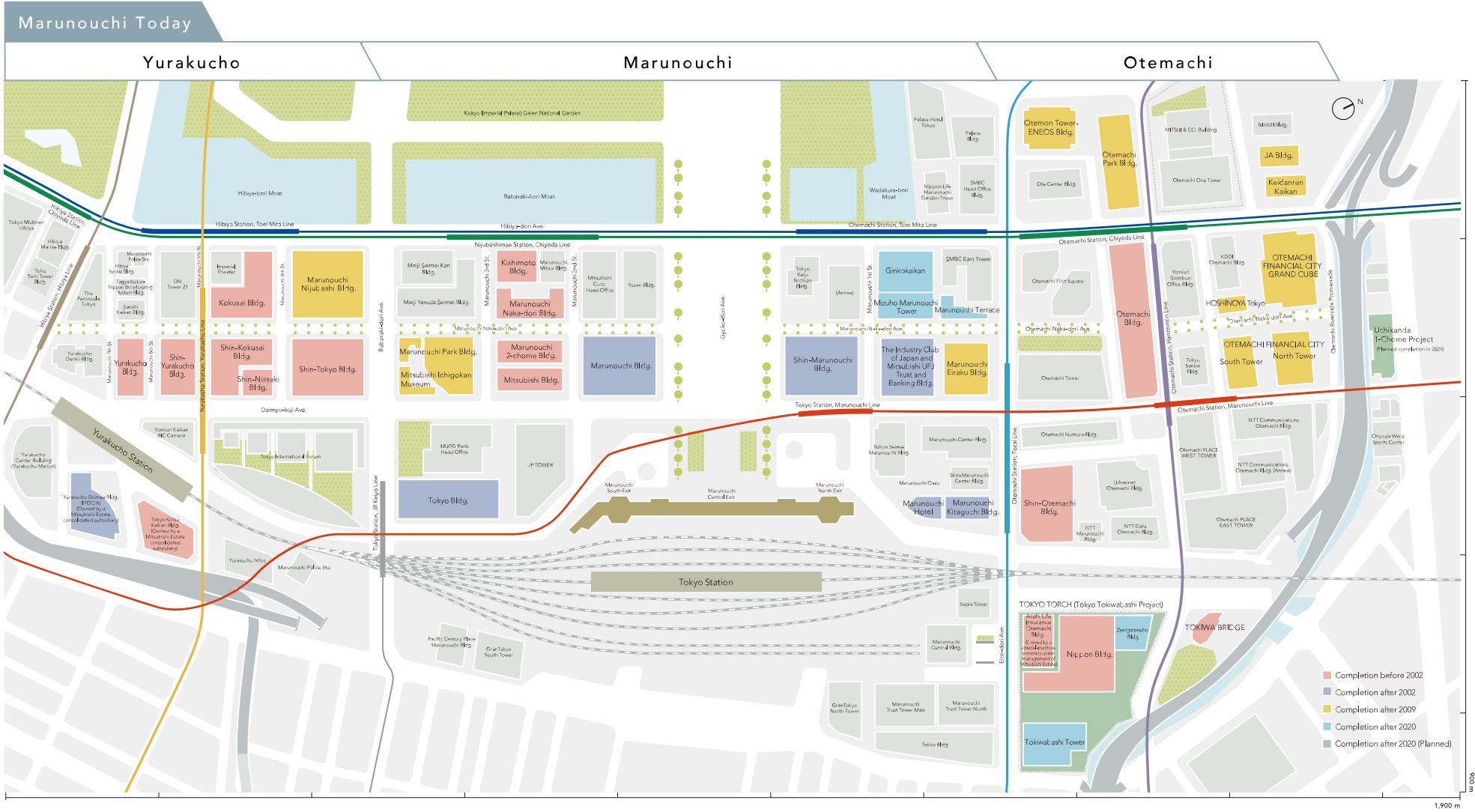
\*Architectural Design & Engineering Business and Real Estate Services Business, Other Business (FY2022 Results)

# Commercial Property Business

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## Office Buildings

1. Marunouchi Area Map

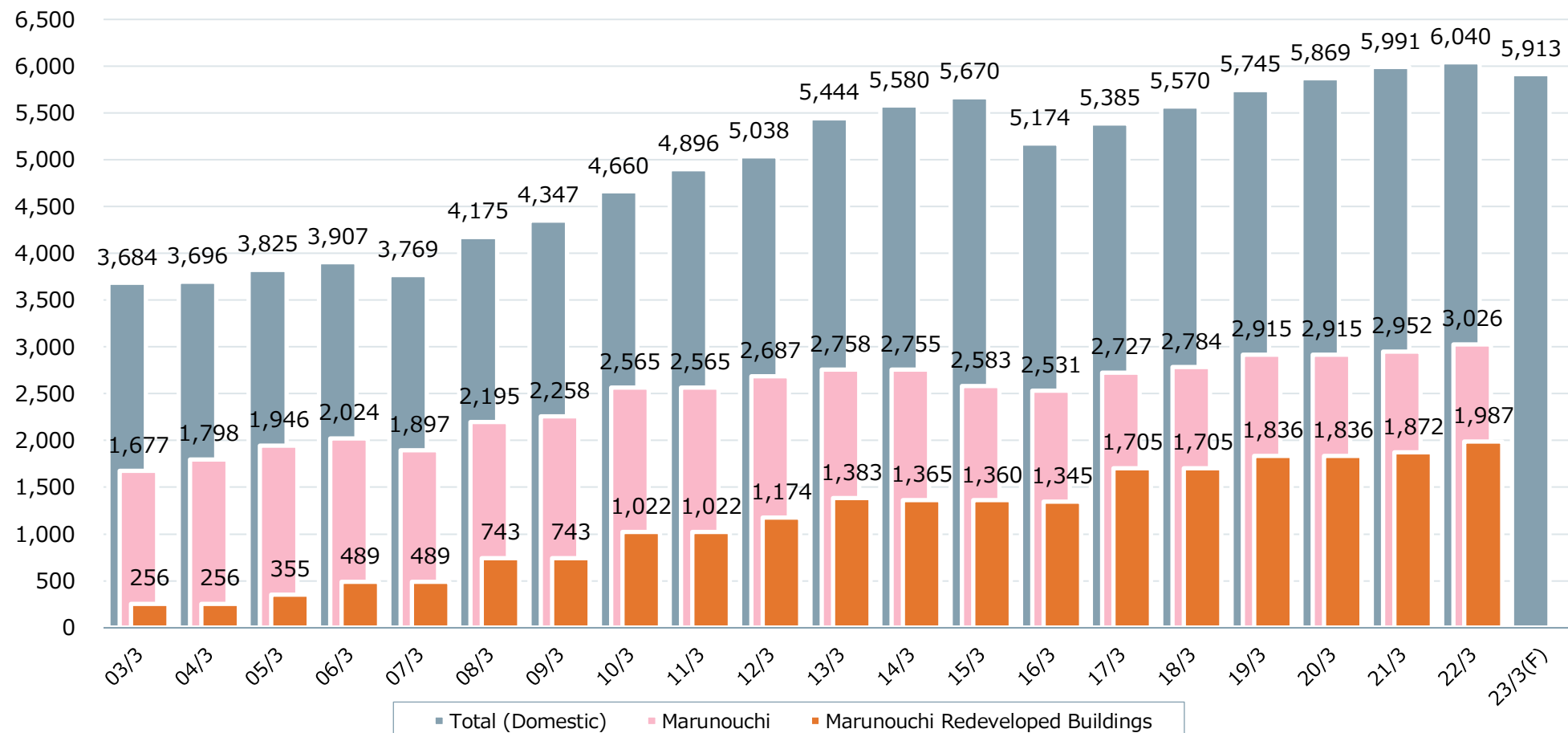


## 2. Pipeline



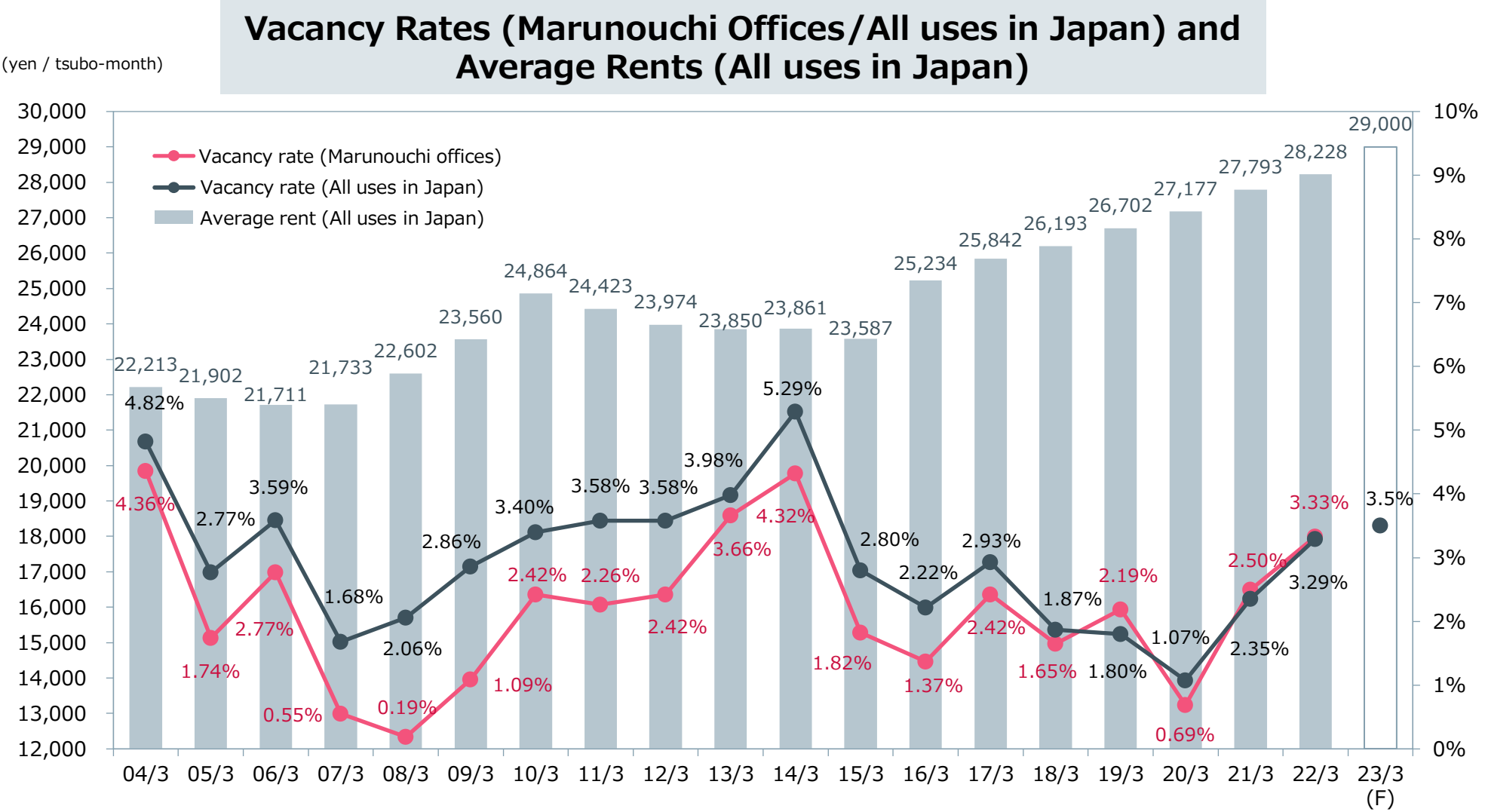
### 3. Earnings Related Data: Total Operating Floor Space (Unconsolidated)

#### Total (Domestic)/Marunouchi/Marunouchi Redevelopment Buildings

(Thousand m<sup>2</sup>)

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

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





## 5. Earnings Related Data: Office Building Business, Revenue Breakdown<sup>\*1</sup> (Unconsolidated)

(Billions of yen)

|   | FY2021<br>Results | FY2022<br>(Previous<br>forecast) | FY2022<br>Results | FY2023<br>Forecasts |
|---|-------------------|----------------------------------|-------------------|---------------------|
| Rent revenue from <sup>*1</sup> office buildings                      | <b>418.0</b>      | <b>434.4</b>                     | <b>435.2</b>      | <b>423.7</b>        |
| Changes from the previous period                                      | <b>+ 11.3</b>     | <b>+ 16.4</b>                    | <b>+ 17.1</b>     | <b>(11.4)</b>       |
| Rent revenue from new buildings                                       | + 12.2            | + 16.0                           | + 16.0            | + 6.2               |
| Rent revenue from existing buildings                                  | + 7.2             | (6.5)                            | (6.7)             | (6.7)               |
| Termination of master lease,<br>closure of building for redevelopment | (0.7)             | (3.5)                            | (3.4)             | (8.4)               |
| Moving in/out of tenants,<br>Rent revisions at lease renewal          | + 8.0             | (3.0)                            | (3.3)             | + 1.7               |
| <b>Impact of COVID-19</b>   |                   |                                  |                   |                     |
| Offices   | <b>(0.5)</b>      |                                  |                   |                     |
| <sup>*2</sup> Mixed-use retail  | <b>(5.0)</b>      |                                  |                   |                     |
| Supplementary revenue, incl. common area charge                       | (2.4)             | + 7.0                            | + 7.8             | (10.9)              |

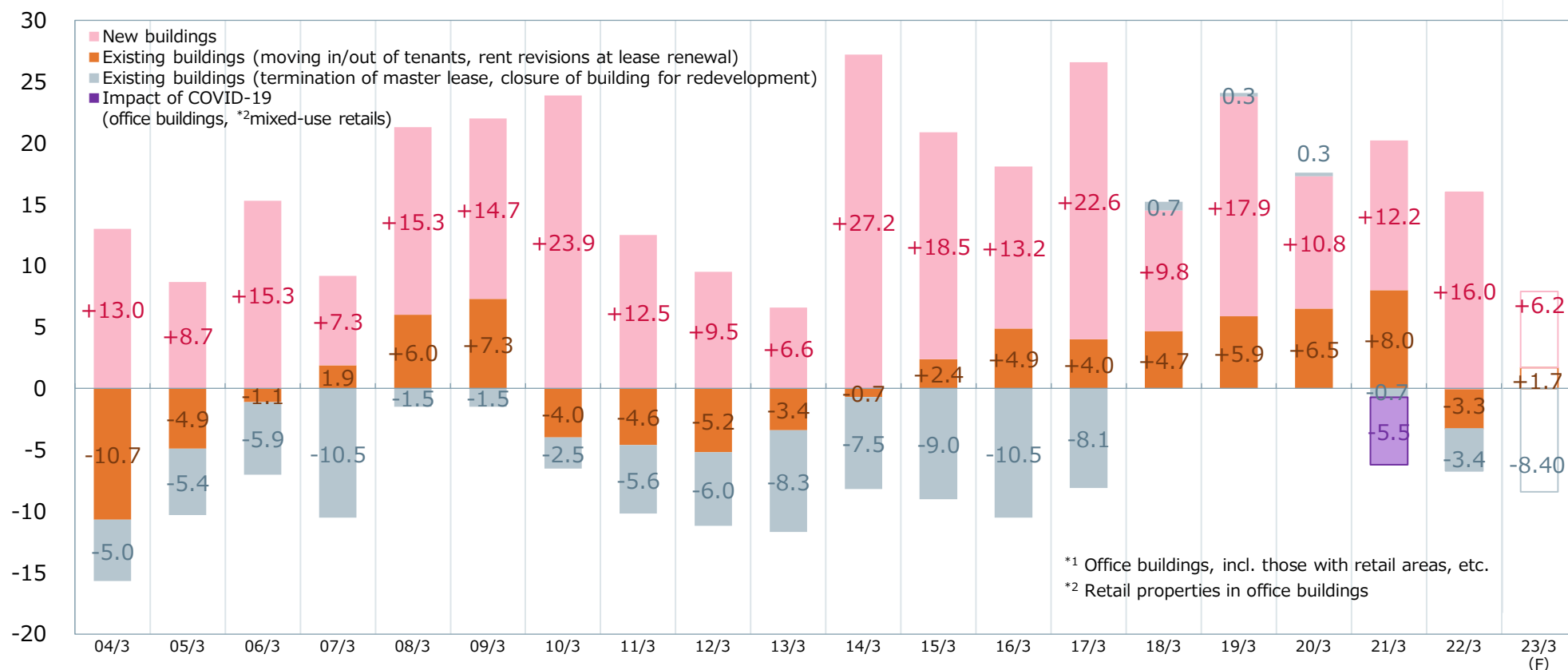
<sup>\*1</sup> Office buildings, incl. those with retail areas, etc.<sup>\*2</sup> Retail properties in office buildings



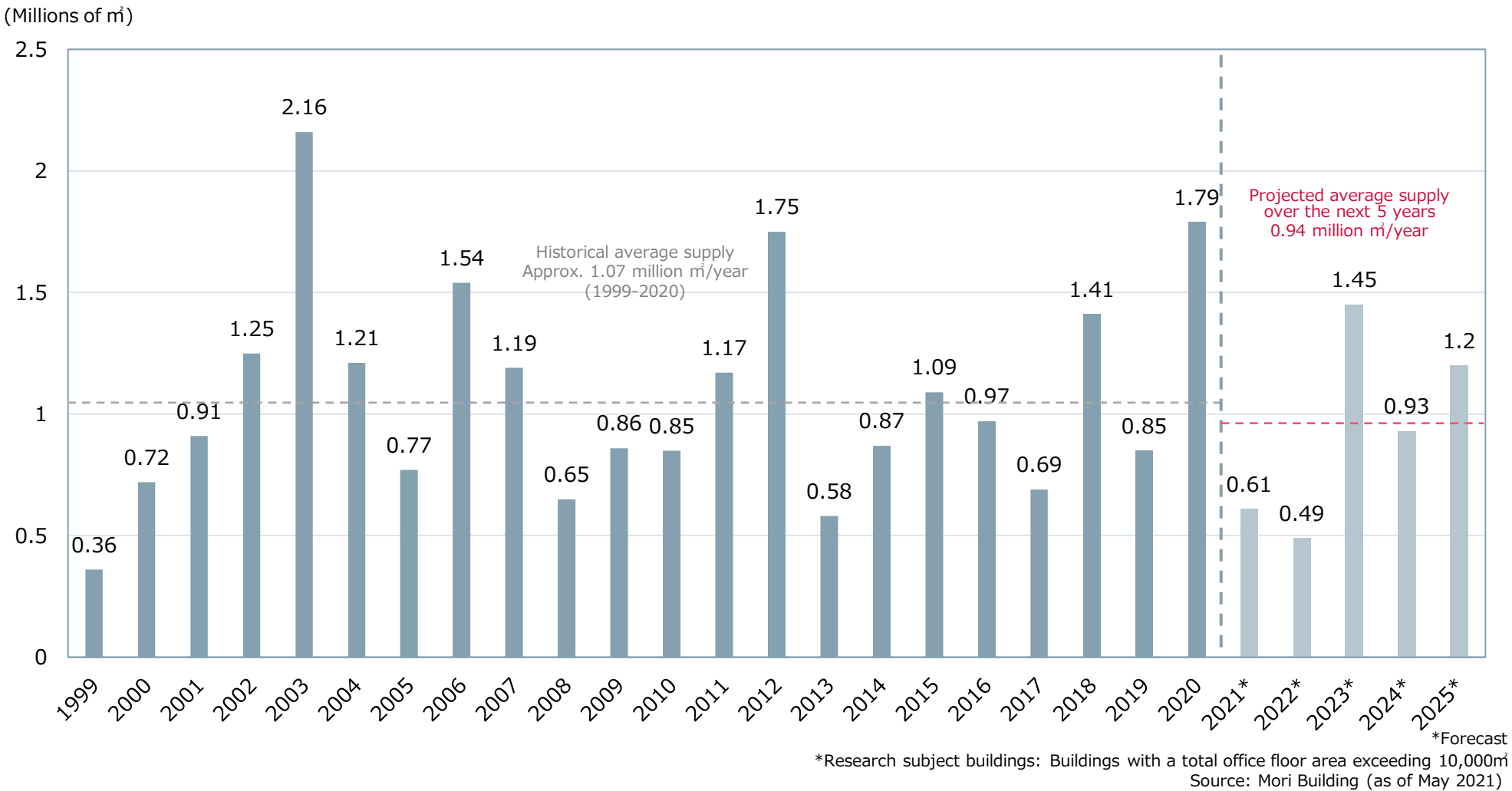
## 6. Earnings Related Data: Trends in Rent Revenue From Office Buildings\*<sup>1</sup> (Unconsolidated)

### Increase/Decrease of Rent Revenue from Office Buildings\*<sup>1</sup> (From the Previous Fiscal Year)

(Billions of yen)

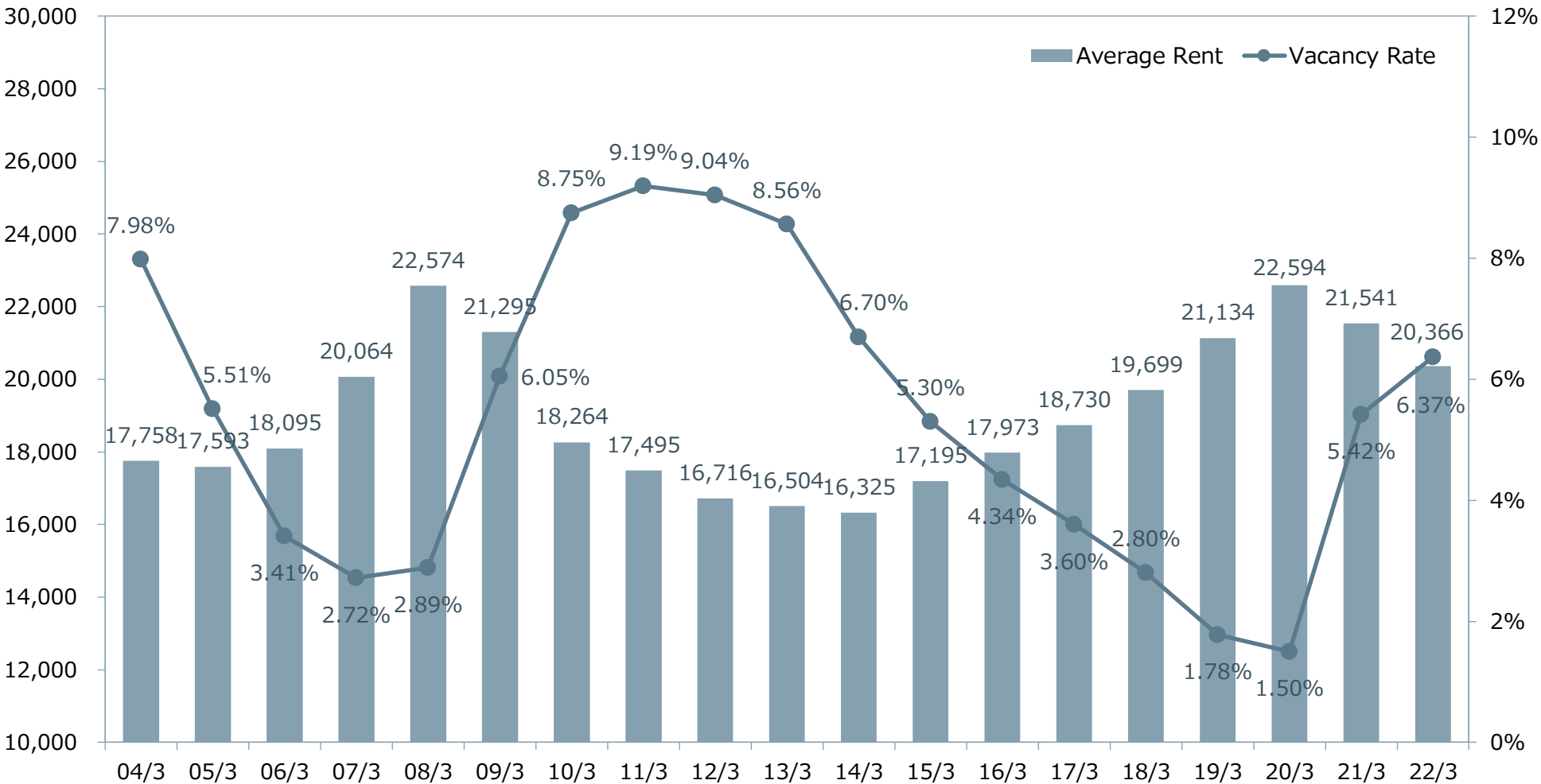
\*<sup>1</sup> Office buildings, incl. those with retail areas, etc.\*<sup>2</sup> Retail properties in office buildings

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



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

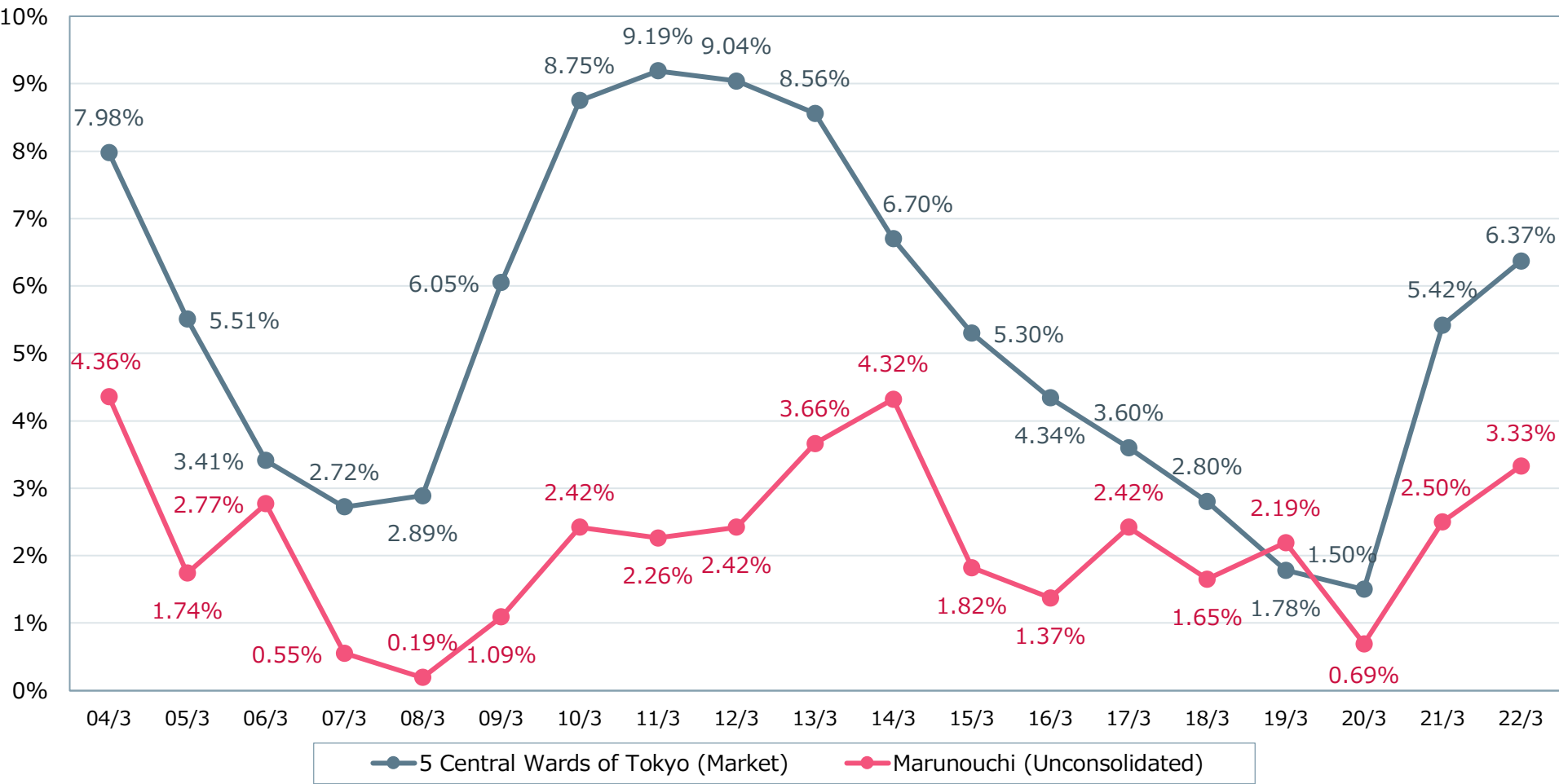
(yen / tsubo-month)



Source: Miki Shoji Co., Ltd.



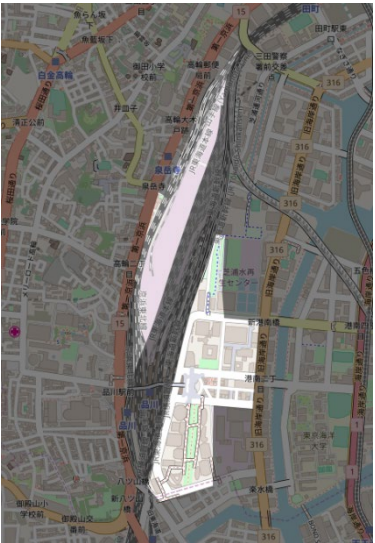
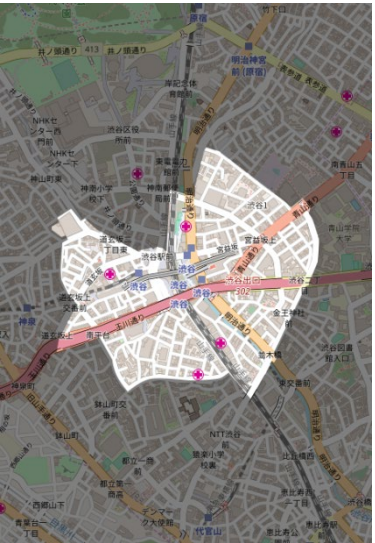
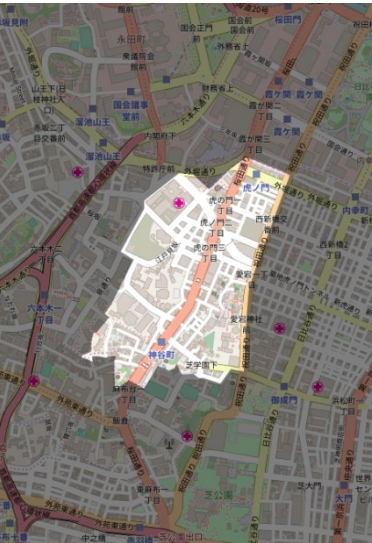
# 9. Competitive Edge of Marunouchi: Vacancy Rates

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: <b>120ha</b>  | Area: <b>76ha</b>  | Area: <b>49ha</b>   | Area: <b>86ha</b>  | Area: <b>58ha</b>  |
| Railway lines: 28 lines   | Railway lines: 5 lines   | Railway lines: 9 lines  | Railway lines: 8 lines   | Railway lines: 2 lines   |

©Open Street Map

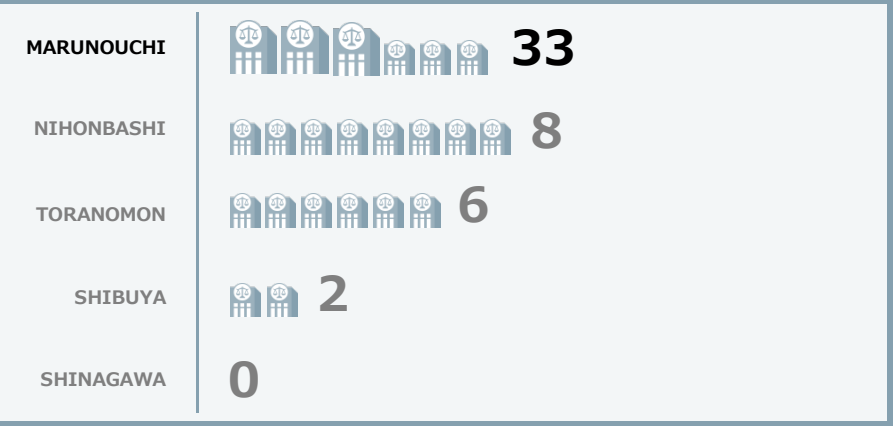
# 11. Competitive Edge of Marunouchi: Number of Headquarters and Offices

(as of March 2021)

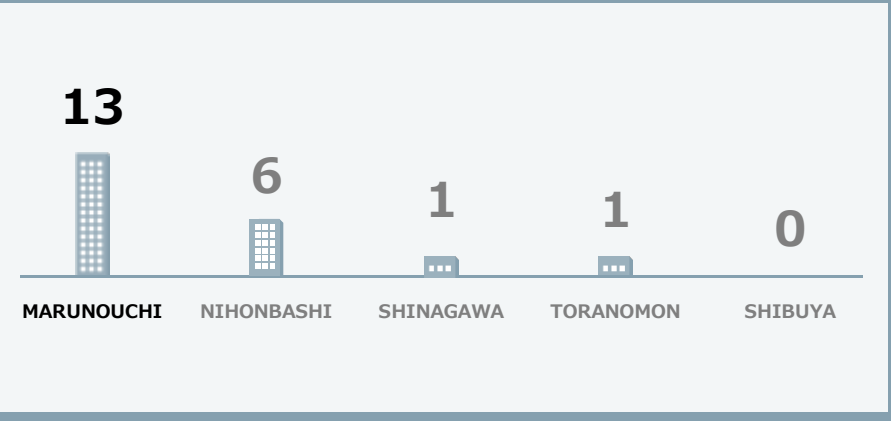
① Fortune Global 500 company headquarters



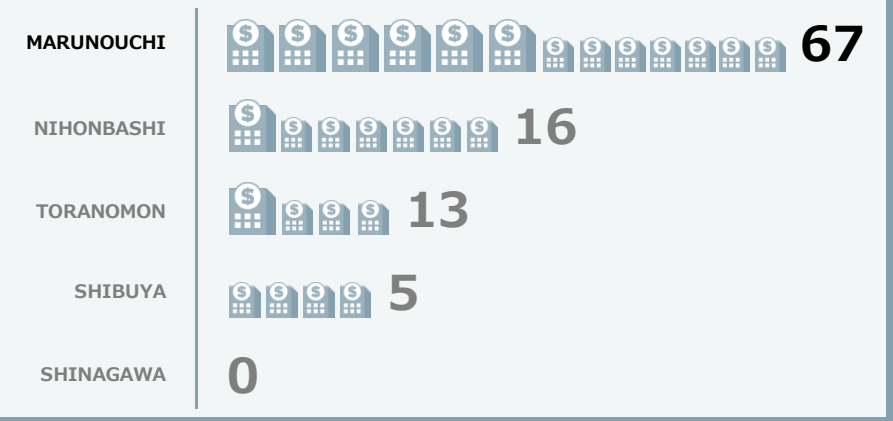
③ Top 100 law firm headquarters and offices



② Top 50 company headquarters in terms of market capitalization



④ Foreign financial company offices

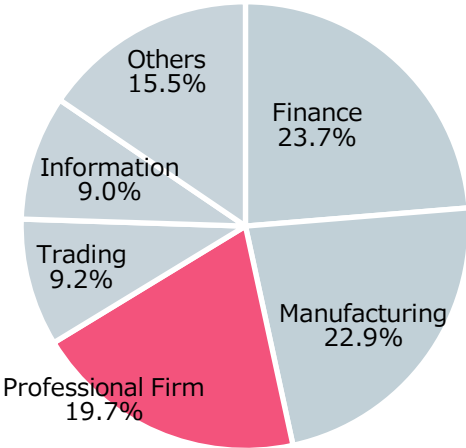
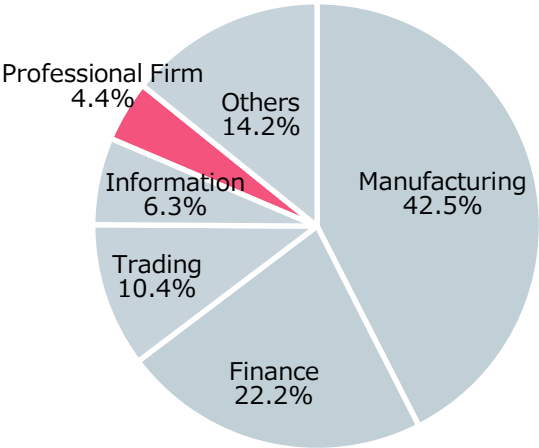


## 12. Marunouchi Data: Marunouchi Tenant Mix (Unconsolidated)

| 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 2022 | Type of Business  | Area ratio |
|------------|-------------------|------------|
| 1          | Finance           | 23.7%      |
| 2          | Manufacturing     | 22.9%      |
| 3          | Professional Firm | 19.7%      |
| 4          | Trading           | 9.2%       |
| 5          | Information       | 9.0%       |
|            | Others            | 15.5%      |





## 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 regulations: Special Urban Renaissance Districts

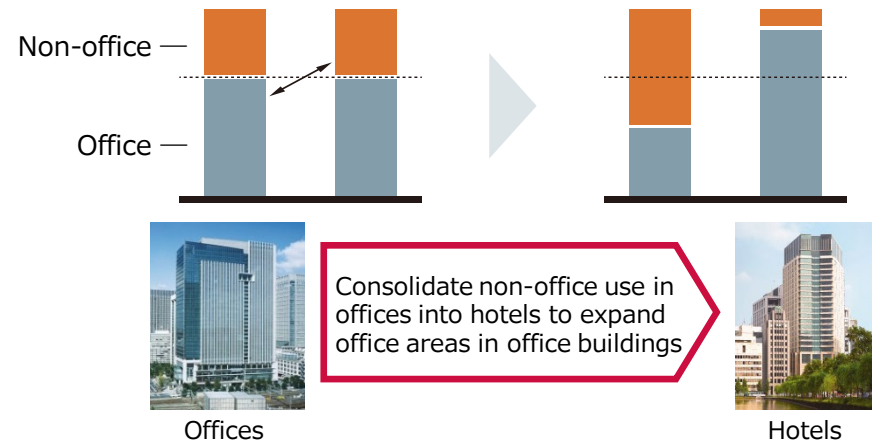
Possible to be permitted for relaxation of floor-area ratio regulation depending on levels of contribution to city regeneration as an exemption of urban planning

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

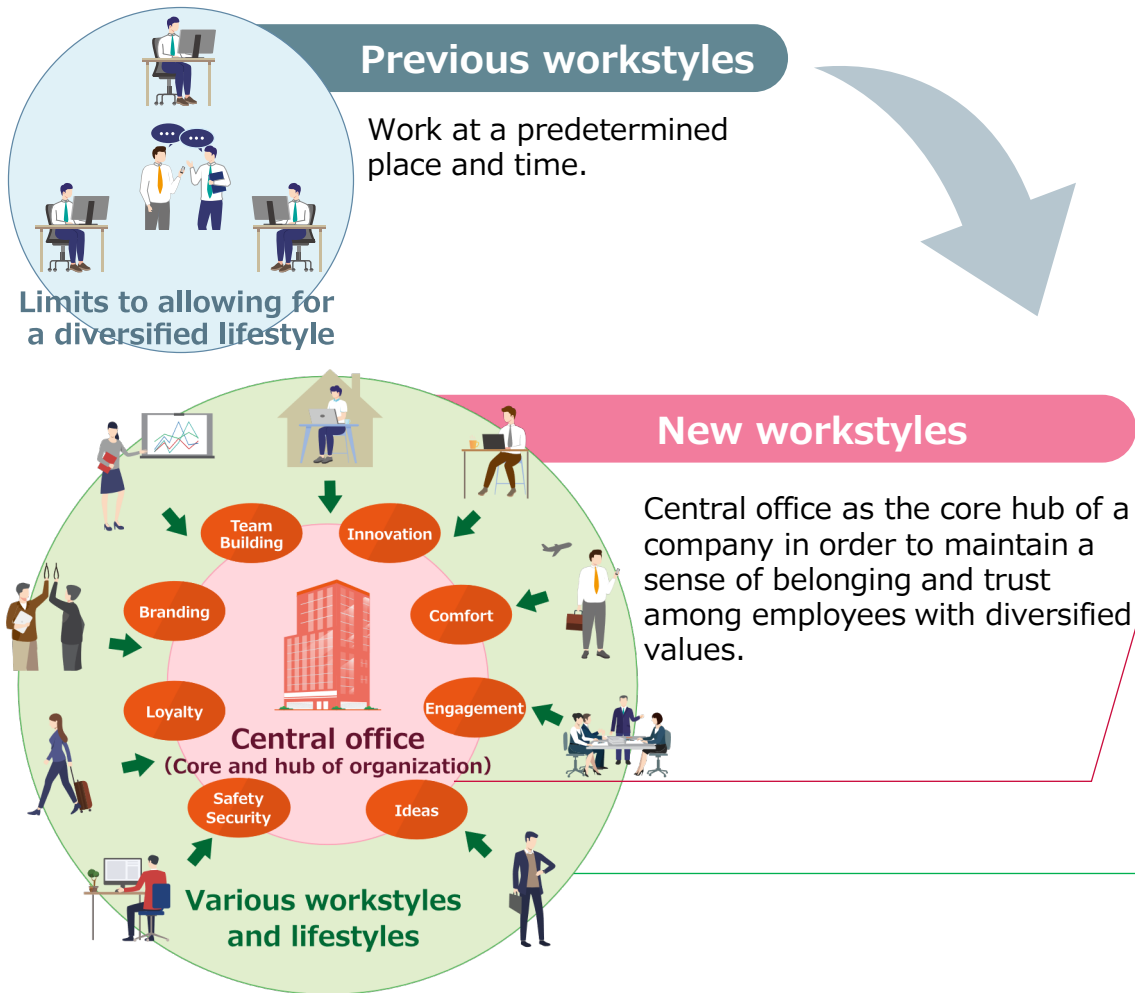
◆ Example: Consolidate office and hotel usages



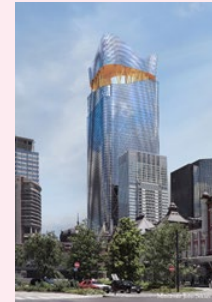


## 14. Initiatives Looking Ahead to Post-COVID-19

Enhancing value in the office by sophisticating the core functions of the central office and adapting to diversified workstyles.



### Sophistication of the Central Office



#### TOKYO TORCH (Tokiwabashi PJ)

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

#### FINOLAB (renewal)

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



### Approaches to diversified workstyles



#### WORK x ation Site (Workation)

- Establishment of a new hub



#### Telecubes

- Increase installment numbers
- Expand installation spots to condominiums etc.



#### NINJA SPACE

- To locate workspaces



#### CIRCLES (Compact office)

- Aim is to develop 30 buildings by 2024



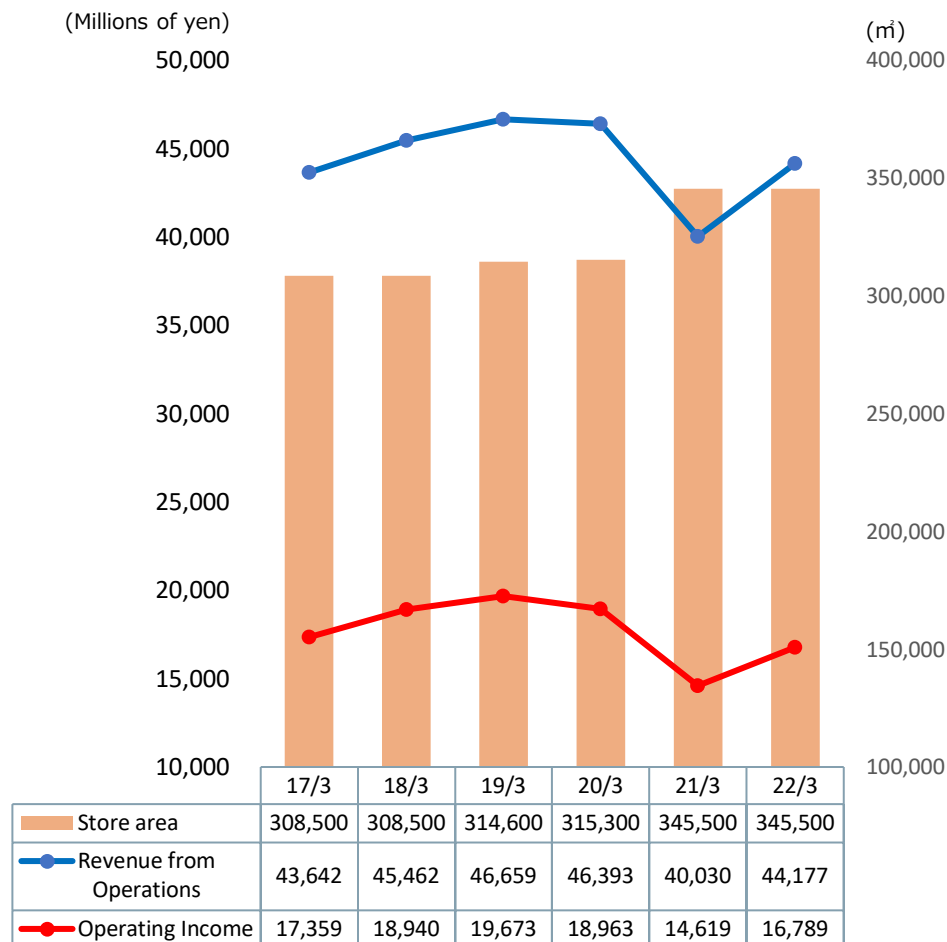
# **Commercial Property Business**

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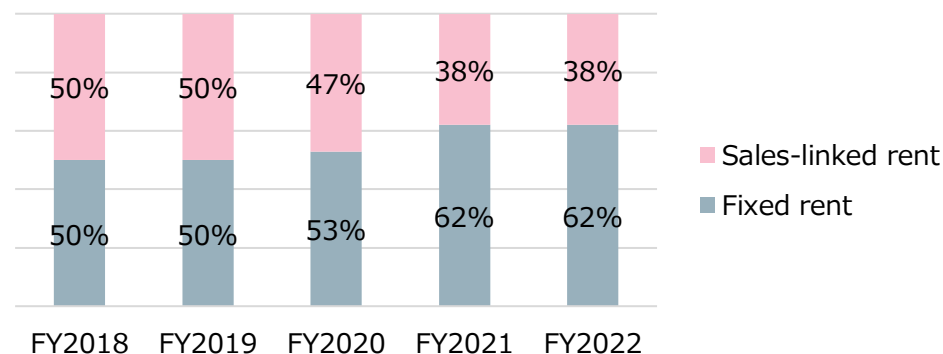
**Outlet Malls, Retail Properties, Logistics  
Facilities and Hotels**

## 1. Outlet Mall Business #1

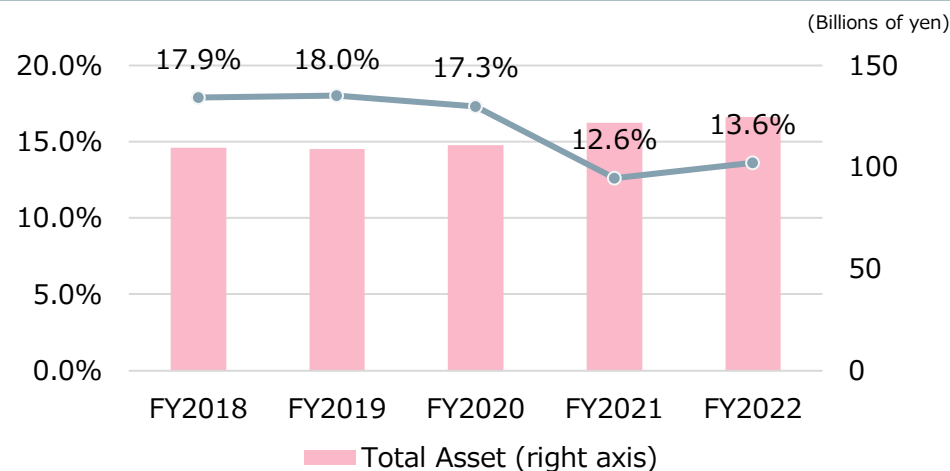
### Change in Store Area, Revenue from Operations, and Operating Income



### Changes in sales-linked & fixed ratio (average for all facilities)



### Changes in ROA·Total Assets



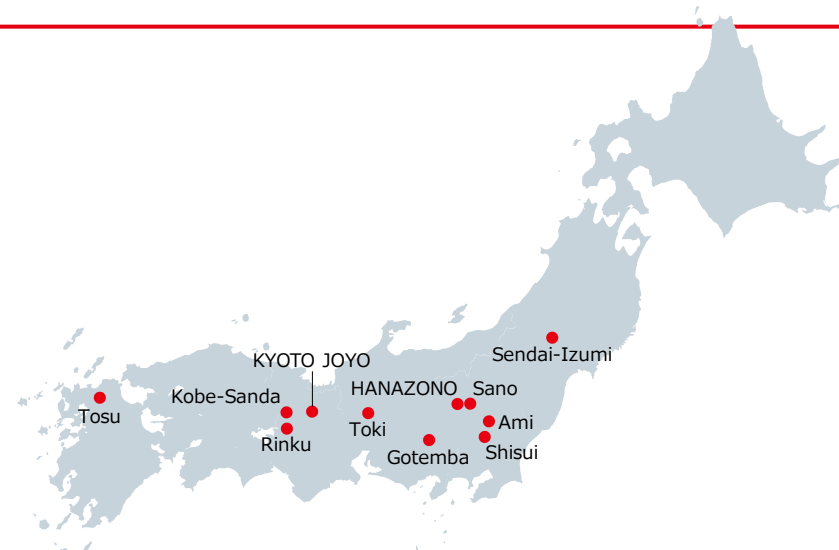
## 2. Outlet Mall Business #2



GOTEMBA PREMIUM OUTLETS®



FUKAYA HANAZONO PREMIUM OUTLETS® (Image)

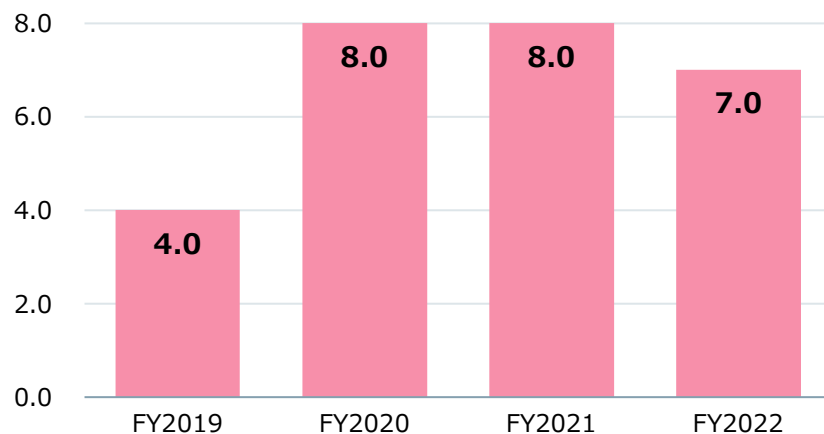


| Name   | Location          | Site Area | Total Floor Area | Store Floor Area | Number of Stores | Schedule  |
|--|-------------------|-----------|------------------|------------------|------------------|---|
| GOTEMBA PREMIUM OUTLETS®                             | Gotemba, Shizuoka | 419,200㎡  | 70,400㎡          | 61,000㎡          | 290              | Open: Jul. 2000, Phase2 expansion: Jul. 2003, Phase3 expansion: Mar. 2008, Phase4 expansion: Jun. 2020                              |
| RINKU PREMIUM OUTLETS®                               | Izumisano, Osaka  | 130,300㎡  | 64,900㎡          | 50,100㎡          | 250              | Open: Nov. 2000, Phase2 expansion: Mar. 2002, Phase3 expansion: Dec. 2004, Phase4 expansion: Jul. 2012, Phase5 expansion: Aug. 2020 |
| SANO PREMIUM OUTLETS®                                | Sano, Tochigi     | 174,600㎡  | 39,900㎡          | 37,300㎡          | 180              | Open: Mar. 2003, Phase2 expansion: Jul. 2004, Phase3 expansion: Mar. 2006, Phase4 expansion: Jul. 2008                              |
| TOSU PREMIUM OUTLETS®                                | Tosu, Saga        | 134,200㎡  | 36,800㎡          | 31,800㎡          | 170              | Open: Mar. 2004, Phase2 expansion: Dec. 2007, Phase3 expansion: Jul. 2011, Phase4 expansion: Nov. 2019                              |
| TOKI PREMIUM OUTLETS®                                | Toki, Gifu        | 284,600㎡  | 41,300㎡          | 35,200㎡          | 180              | Open: Mar. 2005, Phase2 expansion: Oct. 2006, Phase3 expansion: Jul. 2010, Phase4 expansion: Nov. 2014                              |
| KOBE-SANDA PREMIUM OUTLETS®                          | Kobe, Hyogo       | 316,800㎡  | 49,600㎡          | 42,200㎡          | 210              | Open: Jul. 2007, Phase2 expansion: Dec. 2009, Phase3 expansion: Dec. 2012   |
| SENDAI-IZUMI PREMIUM OUTLETS®                        | Sendai, Miyagi    | 43,700㎡   | 20,300㎡          | 15,300㎡          | 80               | Open: Oct. 2008   |
| AMI PREMIUM OUTLETS®                                 | Inashiki, Ibaraki | 211,100㎡  | 34,700㎡          | 30,700㎡          | 160              | Open: Jul. 2009, Phase2 expansion in Dec. 2011  |
| SHISUI PREMIUM OUTLETS®                              | Inba, Chiba       | 421,000㎡  | 47,300㎡          | 41,900㎡          | 220              | Open: Apr. 2013, Phase2 expansion: Apr. 2015, Phase3 expansion: Sep. 2018   |
| FUKAYA HANAZONO PREMIUM OUTLETS® Project             | Fukaya, Saitama   | 176,800㎡  | 34,500㎡          | 27,000㎡          | 120              | Open: Fall 2022   |
| (Tentative name) KYOTO JOYO PREMIUM OUTLETS® Project | Joyo, Kyoto       | 245,000㎡  | -                | -                | -                | Scheduled to open at the same time as the opening of the neighboring roads.   |

### 3. Logistics Facility Business #1

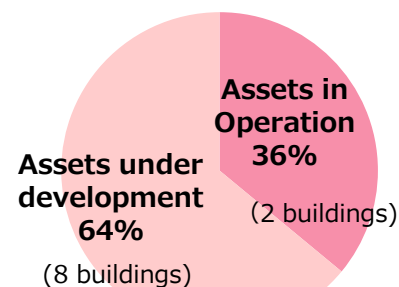
#### Trends in Gain on Sales

(Billions of yen)

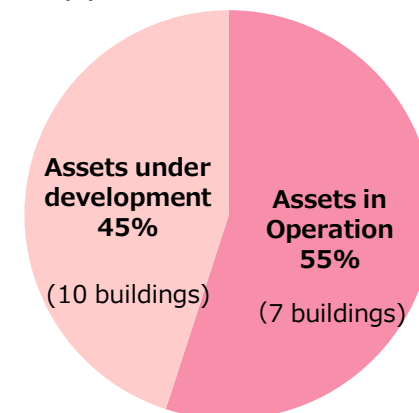


#### Total Assets

&lt;End of March 2020&gt;

Approx. ¥ **27** billion


&lt;End of March 2022&gt;

Approx. ¥ **84** billion


\*Ratio by value

\*Excl. Tokyo Ryutsu Center



Tokyo Ryutsu Center Distribution Building B



Logicross Zama Komatsubara



Logicross Zama

## 4. Logistics Facility Business #2

### Completed properties

| Name  | Location          | Site Area            | Total Floor Area      | Construction Start Date | Completion Date |
|---|-------------------|----------------------|-----------------------|-------------------------|-----------------|
| Tokyo Ryutsu Center Distribution B Building | Ota, Tokyo        | -                    | 171,300m <sup>2</sup> | -                       | Jun. 2017       |
| Logicross Ebina                             | Ebina, Kanagawa   | 30,100m <sup>2</sup> | 61,900m <sup>2</sup>  | Nov. 2019               | Nov. 2020       |
| Logicross Hasuda                            | Hasuda, Saitama   | 49,500m <sup>2</sup> | 78,600m <sup>2</sup>  | Feb. 2020               | Mar. 2021       |
| Logista・Logicross Ibaraki Saito A Building  | Ibaraki, Osaka    | 51,000m <sup>2</sup> | 116,000m <sup>2</sup> | Feb. 2020               | May 2021        |
| Logista・Logicross Ibaraki Saito B Building  | Ibaraki, Osaka    | 15,800m <sup>2</sup> | 31,200m <sup>2</sup>  | May 2020                | May 2021        |
| Logicross Kasukabe                          | Kasukabe, Saitama | 19,100m <sup>2</sup> | 39,300m <sup>2</sup>  | May 2020                | May 2021        |
| Logicross Funabashi                         | Funabashi, Chiba  | 11,700m <sup>2</sup> | 23,700m <sup>2</sup>  | Oct. 2020               | Dec. 2021       |
| Logicross Zama Komatsubara                  | Zama, Kanagawa    | 21,900m <sup>2</sup> | 44,300m <sup>2</sup>  | Nov. 2020               | Mar. 2022       |

### Projects under development

| Name  | Location             | Site Area             | Total Floor Area      | Construction Start Date | Completion Date |
|---|----------------------|-----------------------|-----------------------|-------------------------|-----------------|
| Tokyo Ryutsu Center Distribution Building New Bldg. A     | Ota, Tokyo           | -                     | 205,000m <sup>2</sup> | Dec. 2021               | Aug. 2023       |
| Logicross Osaka Katano                                    | Katano, Osaka        | 10,200m <sup>2</sup>  | 20,800m <sup>2</sup>  | Nov. 2021               | Nov. 2022       |
| Logicross Zama Project                                    | Zama, Kanagawa       | 80,900m <sup>2</sup>  | 178,700m <sup>2</sup> | Apr. 2022               | Nov. 2023       |
| (Tentative name) Sagamihara-shi Chuo-ku Fuchinobe project | Sagamihara, Kanagawa | 78,100m <sup>2</sup>  | 173,000m <sup>2</sup> | Jun 2022                | Nov. 2023       |
| (Tentative name) Kyoto Joyo Core Logistics Facility       | Joyo, Kyoto          | 119,000m <sup>2</sup> | 277,000m <sup>2</sup> | 2025                    | 2026            |



Tokyo Ryutsu Center Distribution Building New Bldg. A

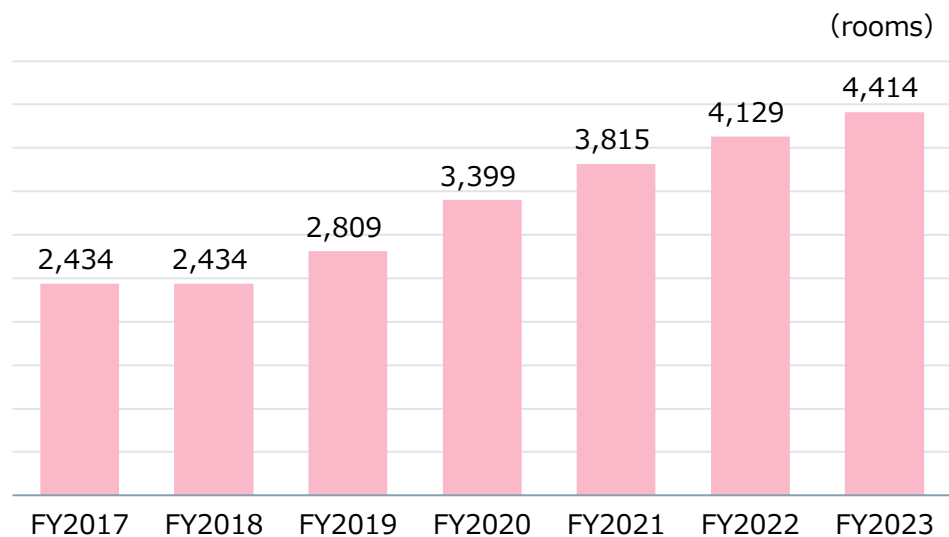


(Tentative name) Sagamihara-shi Chuo-ku Fuchinobe project



## 5. Hotel (Development/Operations) Business #1 (Non-asset Business)

**Royal Park Hotels Number of Rooms  
(published projects)**

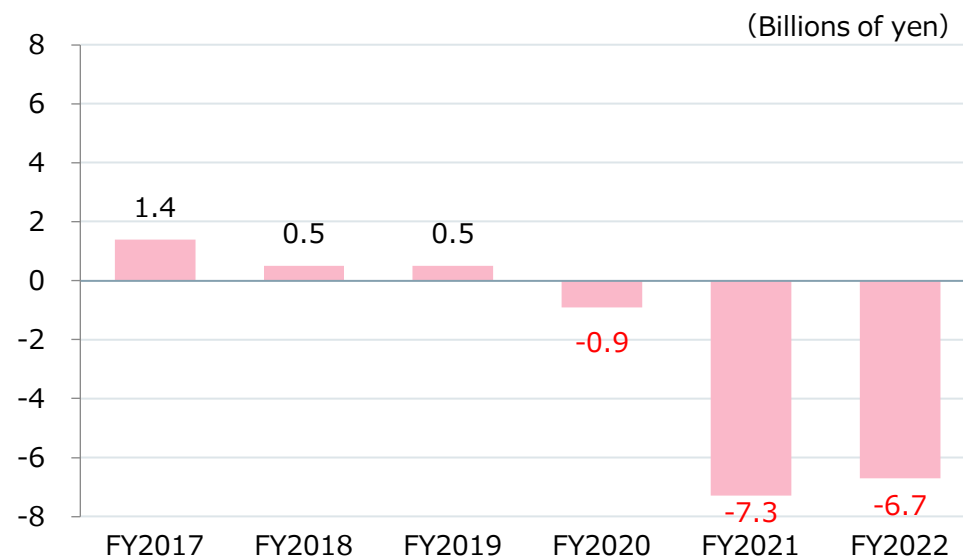


The Royal Park Canvas Sapporo Odori Park



The Royal Park Hotel Iconic Kyoto

**Royal Park Hotels and Resorts  
Changes in operating profit**



**Hotels opened in each period**

| FY2017  | FY2018  | FY2019                                       | FY2020                                 | FY2021                                | FY2022                              |
|---------|---------|--|--|---------------------------------------|-------------------------------------|
| 0 bldgs | 0 bldgs | 3 bldgs                                      | 2 bldgs                                | 2 bldgs                               | 2 bldgs                             |
|         |         | Kyoto<br>Shijo<br>Hiroshima<br>RS<br>Ginza 8 | Osaka<br>Kitahama<br>Osaka<br>Midosuji | Kobe<br>Sannomiya<br>Kyoto<br>Umekoji | Kyoto Nijo<br>Sapporo<br>Odori Park |

## 6. Hotel (Development/Operations) Business #2

### Hotel Management Business (Non-asset Business)



The Royal Park Canvas Sapporo Odori Park

| 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 Iconic Tokyo Shiodome | Minato, Tokyo        | 490             | Jul. 2003   |
| Marunouchi Hotel                           | Chiyoda, Tokyo       | 205             | Oct. 2004   |
| The Royal Park Hotel Fukuoka               | Fukuoka, Fukuoka     | 174             | Jul. 2011   |
| The Royal Park Hotel Kyoto Sanjo           | Kyoto, Kyoto         | 172             | 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 Iconic Osaka 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             | Jun. 2021   |
| The Royal Park Canvas Sapporo Odori Park   | Sapporo, Hokkaido    | 134             | Oct. 2021   |
| The Royal Park Hotel Iconic Kyoto          | Kyoto, Kyoto         | 125             | Apr. 2022   |
| The Royal Park Hotel Canvas Ginza Corridor | Chuo, Tokyo          | 160             | Autumn 2022 |
| Nagoya Sakae Hotel Project                 | Nagoya, Aichi        | 250             | FY2025      |

### Hotel Development Business (Domestic Asset Business)



Hotel Okura Kyoto Okazaki Bettei

| Name   | Location            | Number of Rooms | Construction Begins | Open             |
|--|---------------------|-----------------|---------------------|------------------|
| The Royal Park Hotel Kyoto Shijo (MJ HOTEL Kyoto Shijo)                | Kyoto, Kyoto        | 127             | Jul. 2016           | Apr. 2018        |
| MJ HOTEL Asakusa   | Taito, Tokyo        | 166             | Mar. 2017           | To be determined |
| The Royal Park Hotel Canvas Kobe Sannomiya (MJ HOTEL Kobe Sannomiya)   | Kobe, Hyogo         | 170             | Sep. 2019           | Jan. 2021        |
| The Royal Park Hotel Kyoto Umekoji (MJ HOTEL Kyoto Umekoji)            | Kyoto, Kyoto        | 246             | Jun. 2019           | Mar. 2021        |
| MIMARU TOKYO ASAKUSA STATION (MJ HOTEL Asakusa Kaminarimon)            | Taito, Tokyo        | 51              | Dec. 2019           | Apr. 2021        |
| The Royal Park Canvas Sapporo Odori Park (MJ HOTEL Sapporo Odori Park) | Sapporo, Hokkaido   | 134             | Mar. 2020           | Oct. 2021        |
| Hotel Okura Kyoto Okazaki Bettei (MJ HOTEL Kyoto Okazaki)              | Kyoto, Kyoto        | 60              | Feb. 2020           | Jan. 2022        |
| Nest Hotel Nara Nishi (MJ HOTEL Naha Nishi)                            | Naha, Okinawa       | 143             | Sep. 2020           | March. 2022      |
| Sotetsu FRESA INN Sendai (MJ HOTEL Sendai Chuo)                        | Sendai, Miyagi      | 224             | Oct. 2020           | Summer 2022      |
| Hilton Okinawa Miyakojima Resort                                       | Miyakojima, Okinawa | 329             | Feb. 2021           | FY2023           |
| Rosewood Miyakojima  | Miyakojima, Okinawa | 55              | Mar. 2022           | FY2024           |



# Residential Business

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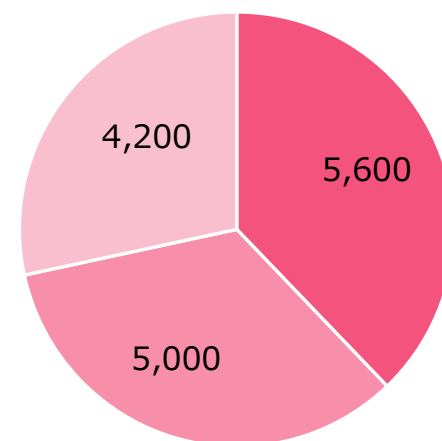
## 1. Condominium Business Data #1

Due to a decline in the land bank, sales and profits in FY23/3 were significantly lower YoY. Shift the immediate profit focus of the Residential Business to capital gains (e.g., rental apartments.).

|  | FY2021<br>(Results) | FY2022<br>(Results) | FY2023<br>(Forecasts) |
|--|---------------------|---------------------|-----------------------|
| Condominiums Sold<br>(millions of yen) *1 *3 | 207,004             | 216,231             | 115,000               |
| Condominiums Sold<br>(units)                 | 3,476               | 3,046               | 1,600                 |
| Gross Margin *2 *3                           | 20.1%               | 22.5%               | 23.1%                 |
| Inventory (units)                            | 213                 | 62                  | -                     |
| New Supply of<br>Condominiums<br>(units)     | 2,350               | 2,131               | 1,900                 |

### Land Bank Breakdown in Reporting Term

(As of March31, 2022)



Total: 14,800 units

- FY2023 - FY2025
- FY2026 - FY2028
- FY2029 -

\*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.

## 2. Condominium Business Data #2

### Scheduled for delivery in FY2022

| Name (Project Name)  | Location       | Site Area              | Total Units | Scheduled Delivery |
|--|----------------|------------------------|-------------|--------------------|
| The Parkhouse Jiyugaoka Diana Garden                           | Meguro, Tokyo  | 3,600m <sup>2</sup>    | 44          | Aug. 2022          |
| The Parkhouse Shin-Urayasu Marine Villa (2 construction areas) | Urayasu, Chiba | 47,100m <sup>2</sup> * | 294         | Nov. 2022          |
| The Parkhouse Nagoya (2 construction areas)                    | Nishi, Nagoya  | 18,100m <sup>2</sup> * | 148         | Feb. 2023          |
| The Parkhouse Takanawa Matsugaoka                              | Minato, Tokyo  | 2,300m <sup>2</sup>    | 73          | Mar. 2023          |
| The Parkhouse Fuchu  | Fuchu, Tokyo   | 2,800m <sup>2</sup>    | 182         | Mar. 2023          |

\*Total occupying area



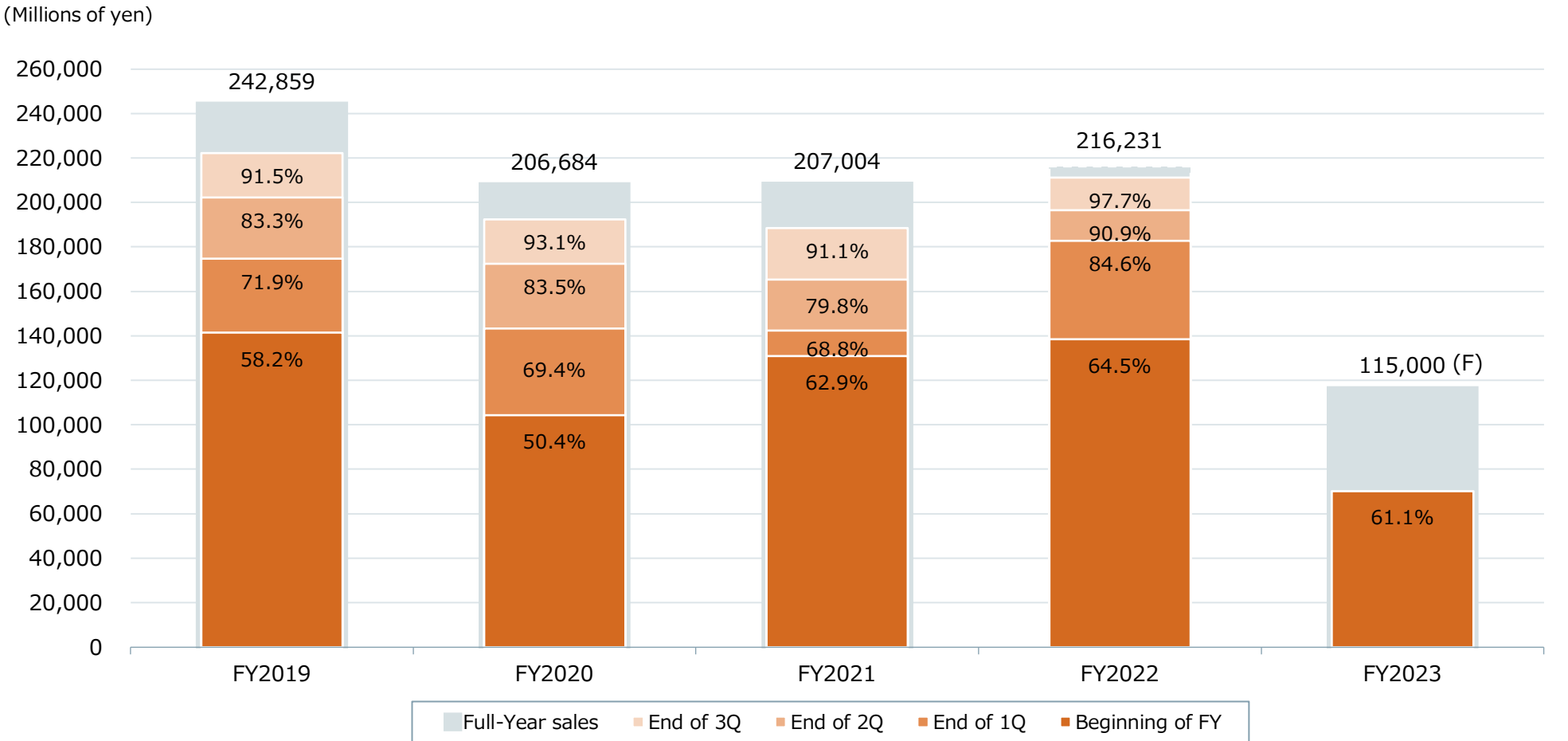
The Parkhouse Jiyugaoka Diana Garden



The Parkhouse Nagoya

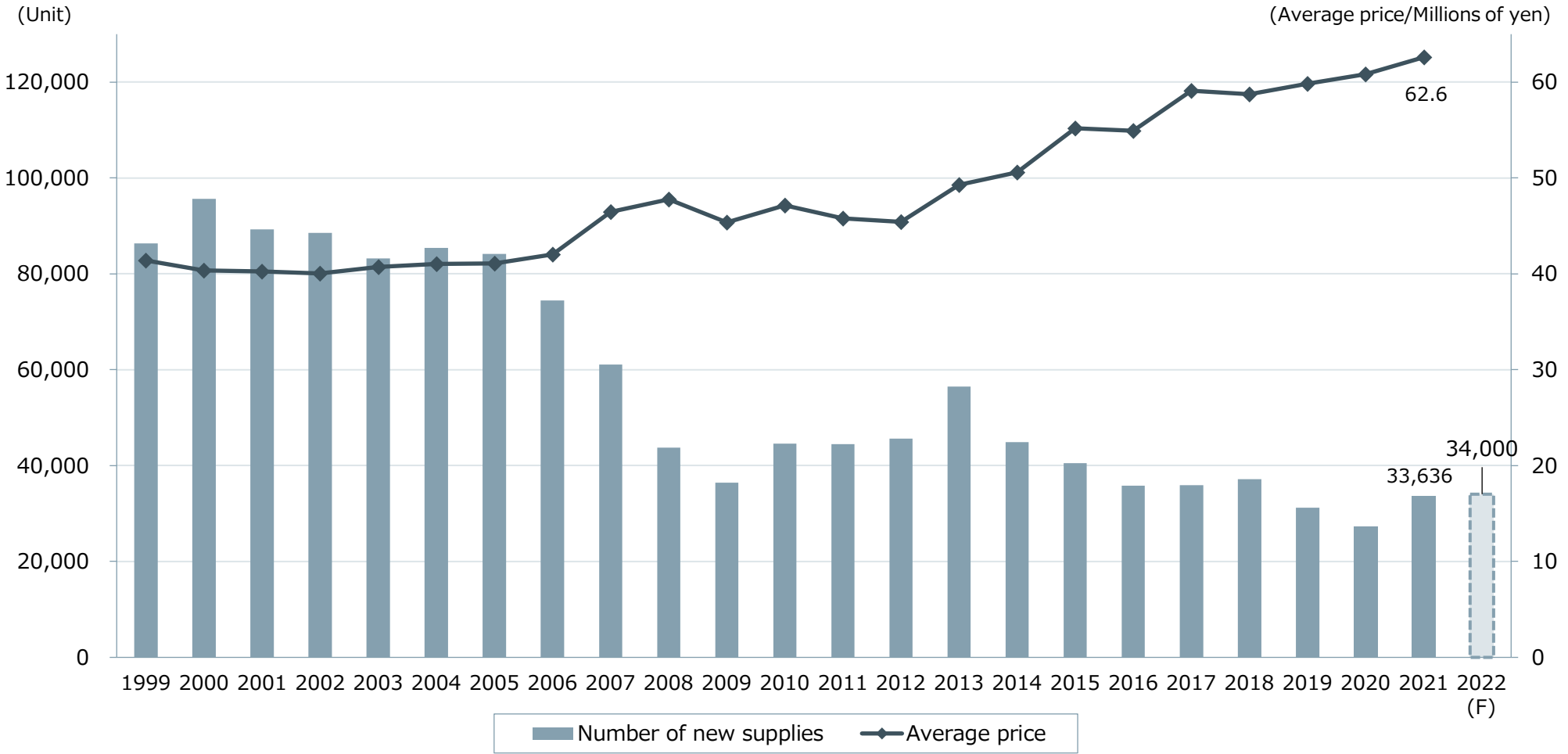
3. Condominium Business Data #3

Quarterly Distribution of Sales by Agreement Date



4. Condominium Market Data

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

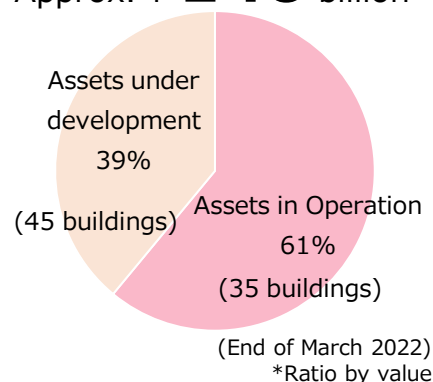


Source: Real Estate Economic Institute Co., Ltd.

## 5. Rental apartments business

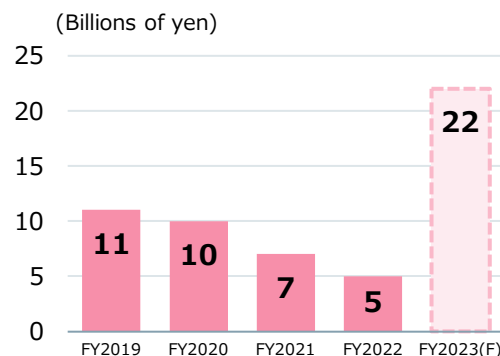
### Total Assets

Approx. ¥ **140** billion

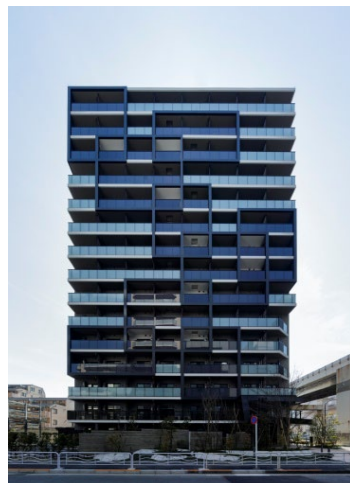


Parkhabio Akasaka Tower

### Trends in Gain on Sale



\*Trends in capital gains for Residential Business



The Parkhabio Kiba

### Property list

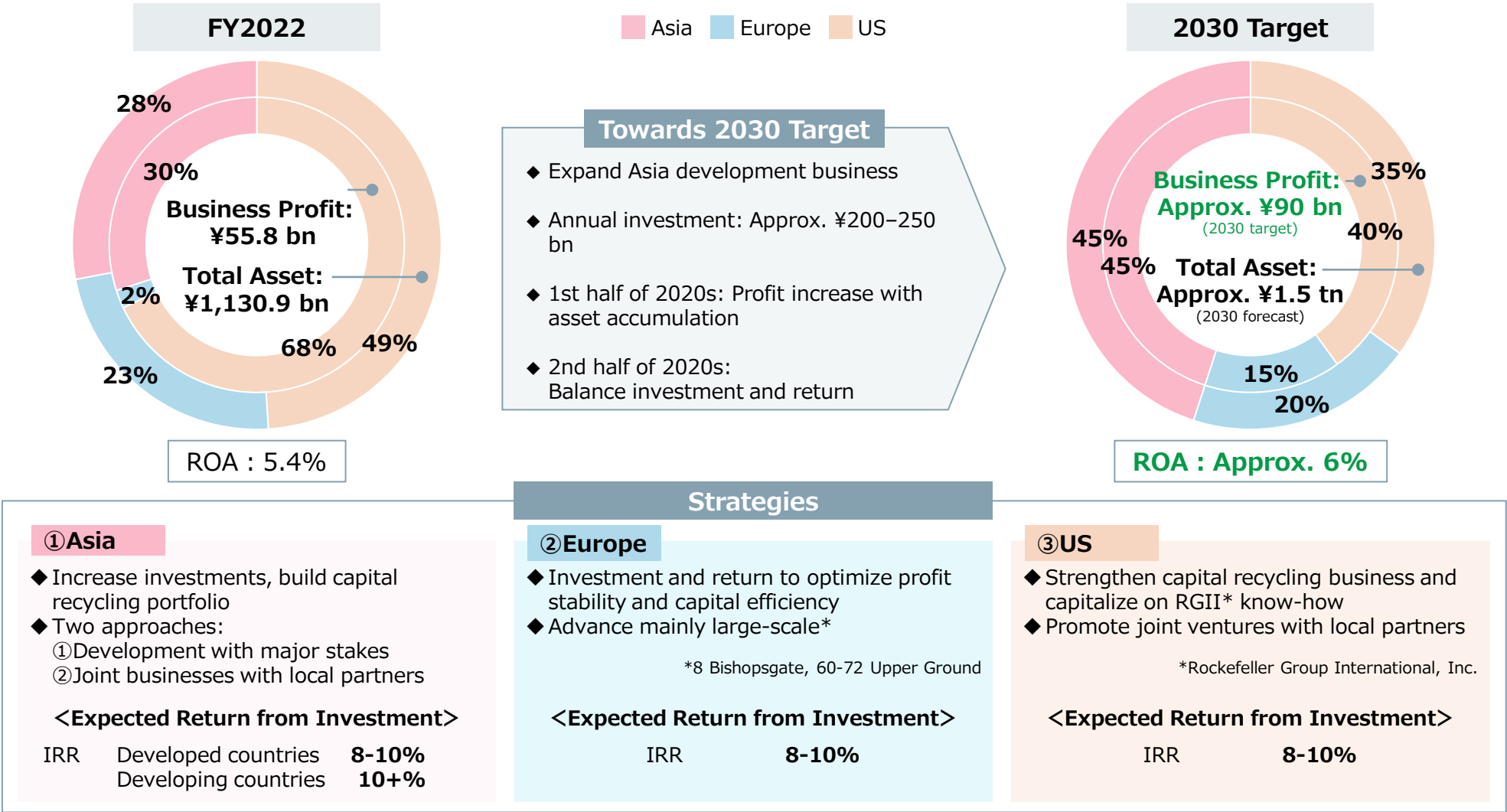
| Name                                | Location           | Total Units | Completion Date |
|-------------------------------------|--------------------|-------------|-----------------|
| Parkhabio Monzen Nakacho            | Koto, Tokyo        | 129         | Mar. 2014       |
| Parkhabio Iidabashi                 | Chiyoda, Tokyo     | 113         | Feb. 2015       |
| Parkhabio Akasaka Tower             | Minato, Tokyo      | 212         | Mar. 2015       |
| Parkhabio Akihabara Est             | Taito, Tokyo       | 54          | Mar. 2015       |
| The Parkhabio Ueno Okachimachi      | Taito, Tokyo       | 72          | Sep. 2016       |
| The Parkhabio Shinagawa Togoshi     | Shinagawa, Tokyo   | 36          | Nov. 2016       |
| The Parkhabio Nihonbashi Kodemmacho | Chuo, Tokyo        | 44          | Nov. 2017       |
| The Parkhabio Nihonbashi Hakozaicho | Chuo, Tokyo        | 50          | Feb. 2018       |
| The Parkhabio Waseda                | Shinjuku, Tokyo    | 99          | Mar. 2018       |
| The Parkhabio Sugamo                | Toshima, Tokyo     | 188         | May 2018        |
| The Parkhabio Ebisu Place           | Shibuya, Tokyo     | 71          | Sep. 2018       |
| The Parkhabio Nishiyokohama         | Yokohama, Kanagawa | 81          | Nov. 2018       |
| The Parkhabio Meguro Fort           | Meguro, Tokyo      | 27          | Jan. 2019       |
| The Parkhabio Kiba                  | Koto, Tokyo        | 223         | Feb. 2019       |
| The Parkhabio Nihonbashi Bakurocho  | Chuo, Tokyo        | 110         | May 2019        |
| The Parkhabio Kagurazaka Kazuki     | Shinjuku, Tokyo    | 77          | May 2019        |
| The Parkhabio Sangenjaya            | Setagaya, Tokyo    | 63          | Jun. 2019       |
| The Parkhabio Akabane               | Kita, Tokyo        | 39          | Sep. 2019       |
| The Parkhabio Kamata                | Ota, Tokyo         | 60          | Feb. 2020       |
| The Parkhabio Komagome              | Kita, Tokyo        | 42          | Feb. 2020       |
| The Parkhabio Sumiyoshi             | Sumida, Tokyo      | 63          | Mar. 2020       |
| The Parkhabio Kagurazaka            | Shinjuku, Tokyo    | 54          | Mar. 2020       |
| The Parkhabio Himonya               | Meguro, Tokyo      | 44          | Mar. 2020       |
| The Parkhabio Nishiioi              | Shinagawa, Tokyo   | 85          | Apr. 2020       |
| The Parkhabio Shin-okachimachi      | Taito, Tokyo       | 93          | Oct. 2020       |
| The Parkhabio Yoyogi Hatsudai       | Shibuya, Tokyo     | 78          | Mar. 2021       |
| The Parkhabio Nakano Shinbashi      | Nakano, Tokyo      | 66          | May 2021        |
| The Parkhabio Shinsen               | Meguro, Tokyo      | 102         | May 2021        |
| The Parkhabio Minamiooi             | Shinagawa, Tokyo   | 109         | May 2021        |
| The Parkhabio Meguro Residence      | Shinagawa, Tokyo   | 66          | May 2021        |
| The Parkhabio Hongo Kikuzaka        | Bunkyo, Tokyo      | 65          | Jun 2021        |
| The Parkhabio Koenji Residence      | Suginami, Tokyo    | 140         | Aug. 2021       |
| The Parkhabio Azabujuban            | Minato, Tokyo      | 106         | Oct. 2021       |
| The Parkhabio Shin-Koenji           | Suginami, Tokyo    | 58          | Oct. 2021       |
| The Parkhabio Koishikawa            | Bunkyo, Tokyo      | 56          | Dec. 2021       |

In addition to the listed above, there are approximately 45 projects under development

# International Business

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# 1. International Business Strategy



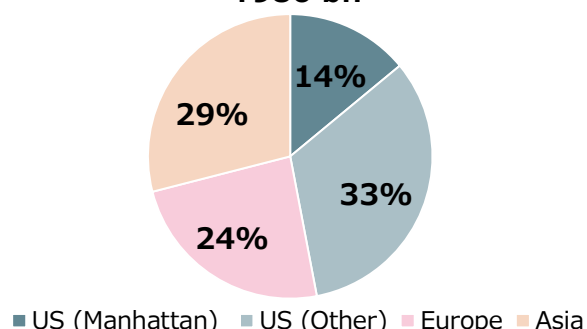


## 2. International Assets/Ongoing Projects #1

Many ongoing developments (rentals and for-sale housing) are expected to make early profit contributions.

**International Assets**  
(at the end FY2022)

**\*Book Value:  
¥986 bn**



1271 Avenue of the Americas



CapitaSpring



(Tentative name)  
8 Bishopgate project

**Major Ongoing Projects**

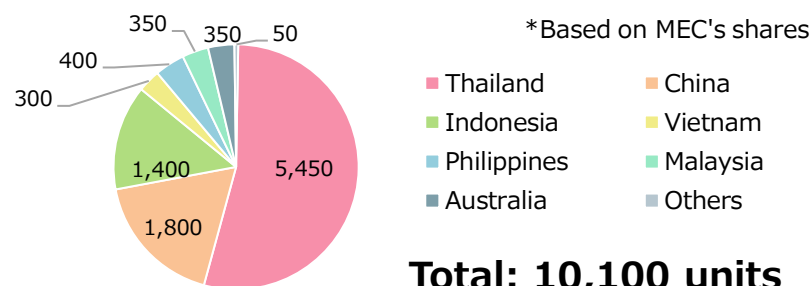
|        | Property Name   | Location               | Use  | Completion       | Area / Units* <sup>1</sup>           |
|--------|---|------------------------|--|------------------|--------------------------------------|
| Asia   | Suzhou Business Park                                  | Jiangsu, Suzhou, China | Office   | 2024             | 220,400m <sup>2</sup> * <sup>1</sup> |
|        | Savya Financial Center North Tower                    | Manila, Philippines    | Office   | 2021             | 29,700m <sup>2</sup> * <sup>2</sup>  |
|        | Yoma Central (4 bldg.)                                | Yangon, Myanmar        | Office・Residence・Hotel・Serviced Apartment・Retail | To be determined | 212,700m <sup>2</sup> * <sup>2</sup> |
|        | Oasis Central Sudirman                                | Jakarta, Indonesia     | Mixed Use Development                            | 2028             | 307,000m <sup>2</sup> * <sup>1</sup> |
|        | 180 George Street                                     | Sydney, Australia      | Office-Rental                                    | 2022             | 60,000m <sup>2</sup>                 |
|        | Parkline Place  | Sydney, Australia      | Office-Rental                                    | 2024             | 49,100m <sup>2</sup> * <sup>1</sup>  |
| Europe | One City Centre                                       | Bangkok, Thailand      | Office   | 2022             | 61,000m <sup>2</sup>                 |
|        | Warwick Court (Large-scale redevelopment)             | UK (London)            | Office   | 2022             | 19,000m <sup>2</sup>                 |
|        | (Tentative name) 8 Bishopgate                         | UK (London)            | Office   | 2022             | 53,000m <sup>2</sup>                 |
|        | The Lark (Nine Elms Park)                             | UK (London)            | Rental apartment                                 | 2022             | 195 units                            |
|        | 60-72 Upper Ground (ITV The London Television Centre) | UK (London)            | Multi-use  | 2020s 2nd half   | TBD                                  |
| US     | Stateline 77  | US (South Carolina)    | Logistics facilities                             | 2022             | 93,600m <sup>2</sup>                 |
|        | Hanover   | US (Pennsylvania)      | Logistics facilities                             | 2022             | 42,200m <sup>2</sup>                 |
|        | 55 Paradise   | US (New York)          | Logistics facilities                             | 2023             | 16,700m <sup>2</sup>                 |
|        | Virginia Data Center (Bldg.1 & Bldg.2)                | US (Virginia)          | Data center                                      | 2023・2024        | 51,000m <sup>2</sup>                 |
|        | Liv Crossroads  | US (Arizona)           | Rental apartment                                 | 2022             | 356unit                              |
|        | Liv Laveen  | US (Arizona)           | Rental apartment                                 | 2024             | 360unit                              |
|        | 200 East 83rd   | US (Arizona)           | Condominium                                      | 2023             | 86unit                               |
|        | 1158 Delaware   | US (New York)          | Condominium                                      | 2024             | 250unit                              |
|        | 1072 West Peachtree                                   | US (Colorado)          | Rental apartment                                 | 2025             | 49,300m <sup>2</sup>                 |
|        | 600 Fifth Street NW                                   | US (Georgia)           | Multi-use  | 2025             | 37,000m <sup>2</sup>                 |

\*<sup>1</sup>Leasable area or # of units \*<sup>2</sup>Total floor area \*<sup>3</sup>Area for sale \* # of units MEC owns

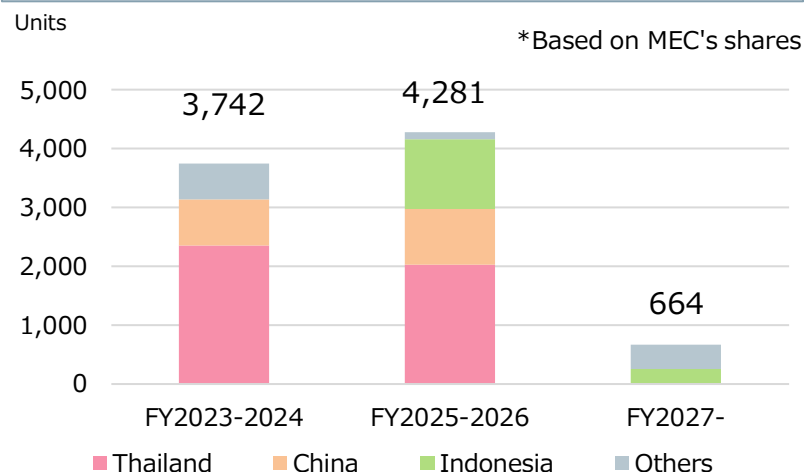
### 3. International Assets/Ongoing Projects #2

In Asia, the land bank has been built up and deliveries are strong in the for-sale housing market.

**Land Bank of For-Sale Housing in Asia**



**Number of Housing Units for Sale by Completion Year**



#### Major Ongoing Project

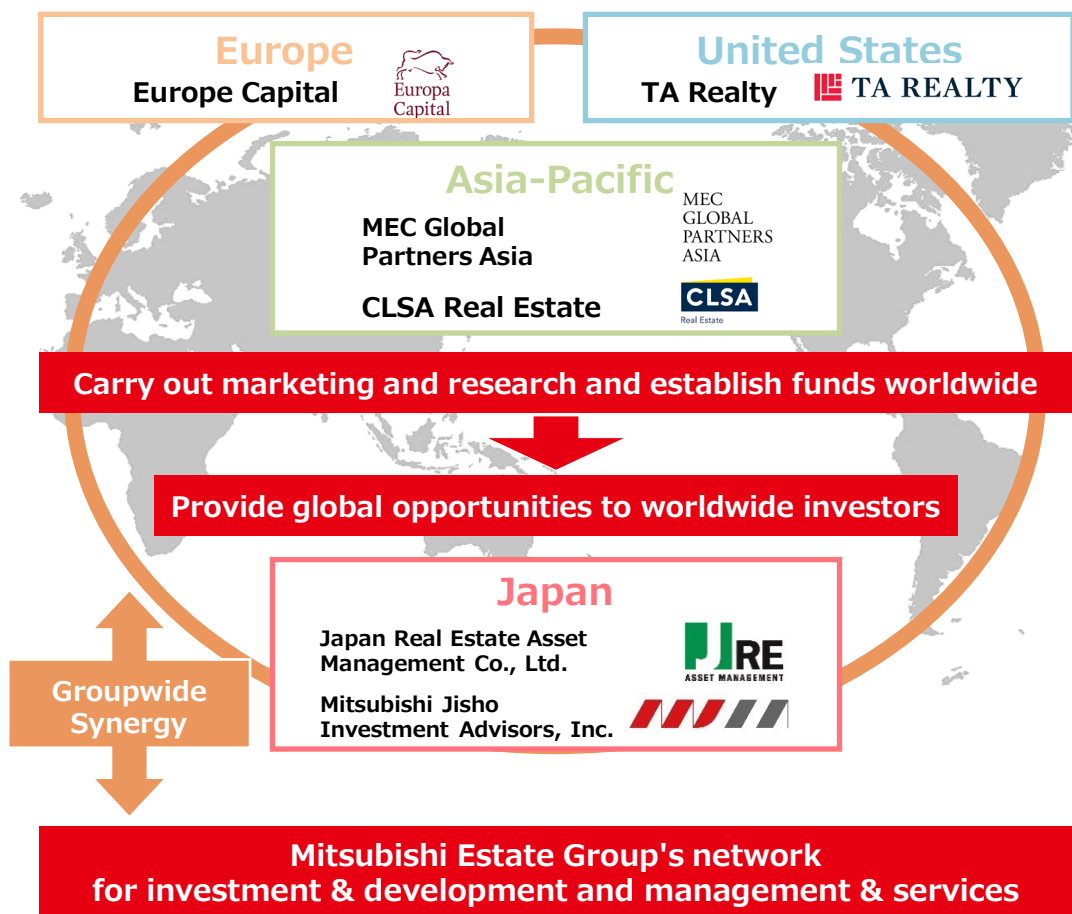
(At the end of FY2022)

| Property Name                   | Location                    | Total units          | MEC's share          | Completion |
|---------------------------------|-----------------------------|----------------------|----------------------|------------|
| <b>Southeast Asia</b>           |                             |                      |                      |            |
| RHYTHM Ekkamai Estate           | Thailand (Bangkok)          | 303                  | 49%                  | 2022       |
| Life Sathorn Sierra             | Thailand (Bangkok)          | 1,971                | 49%                  | 2022       |
| RHYTHM Charoenkrung Pavillion   | Thailand (Bangkok)          | 421                  | 49%                  | 2022       |
| The Address Siam-Ratchathewi    | Thailand (Bangkok)          | 880                  | 49%                  | 2023       |
| Life Rama 4                     | Thailand (Bangkok)          | 1,237                | 49%                  | 2024       |
| GEMS                            | Malaysia (Selangor)         | 676                  | 45%                  | 2023       |
| Oasia(Previously:L34)           | Vietnam (Dong Nai Province) | 489                  | 49%                  | 2023       |
| DAISAN                          | Indonesia (Kota Tngerang)   | 1,767                | 49%                  | 2027       |
| Kizuna Heights                  | Philippines (Manila)        | 1,036                | 40%                  | 2026       |
| <b>East Asia</b>                |                             |                      |                      |            |
| Vanke·Metropolis Seasons        | Changzhou, Jiangsu          | 1,408                | 20%                  | 2022       |
| Zhongnan·Southern Shore Mansion | Huainan, Anhui              | 1,665                | 30%                  | 2023       |
| Taiwan·De you xiu chuan         | Taoyuan, Taiwan             | 124                  | 30%                  | 2024       |
| Weifeng·Elegant Residence       | Changchun, Jilin            | 1,016                | 14%                  | 2024       |
| Weifeng·Sunrise Building        | Changchu, Jilin             | 1,782                | 13%                  | 2024       |
| Vanke·Halo Space                | Yantai, Shandong            | 1,441                | 40%                  | 2024       |
| <b>Oceania</b>                  |                             |                      |                      |            |
| One Sydney Harbour R1/R2        | Australia (Sydney)          | R1 : 315<br>R2 : 322 | R1 : 25%<br>R2 : 25% | 2024       |

# Investment Management Business

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# 1. Investment Management Business : Global Platform



## Japan Real Estate Asset Management Co., Ltd.



Established in 2000. Entrusted with asset management of "Japan Real Estate Investment Corporation," the first J-REIT listed in Japan in September 2001. Mainly invests in office bldgs.

## Mitsubishi Jisho Investment Advisors, Inc.



Established in 2001. Provides a wide range of real estate investment products to institutional investors in Japan and overseas based on the know-how and resources accumulated by the Mitsubishi Estate Group. Manages listed REITs, private REITs, and private funds.

## TA Realty (North America)



Established in 1982. A leading real estate investment management company in the U.S. with funds that invest in a diverse range of real estate, including office, logistics, residential and retail properties in major cities across the U.S. Acquired in 2015 and became a subsidiary.

## Europa Capital (Europe)



Established in 1995. Based in the U.K., manages funds that invest in office, residential, commercial and logistics properties throughout Europe. Acquired a stake in the company in 2010, making it a subsidiary.

## MEC Global Partners Asia (Asia, Oceania)



Established in 2017 (name changed in 2021). Based in Singapore, manages core-plus private funds that invest in pan-Asia.

## CLSA Real Estate (Asia, Oceania)

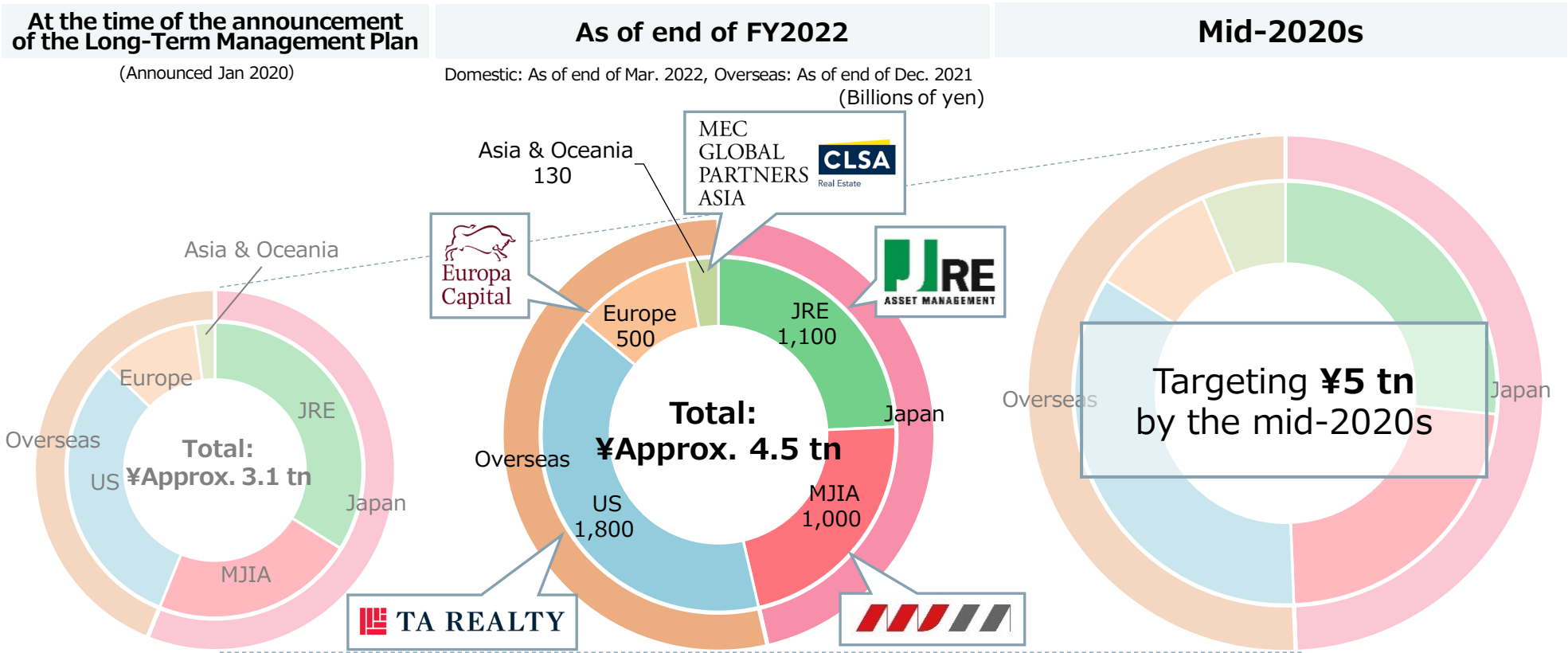


Managed pan-Asian value-add private funds since 2004; acquired and became a subsidiary in 2019.

## 2. Investment Management Business : Increase in Assets under Management (AUM)

### Stable increase in AUM

As of the end of FY2022, AuM expanded to a total of ¥4.5 trillion in Japan and abroad (+¥1.4 trillion as of the announcement of the LT Mgmt Plan).

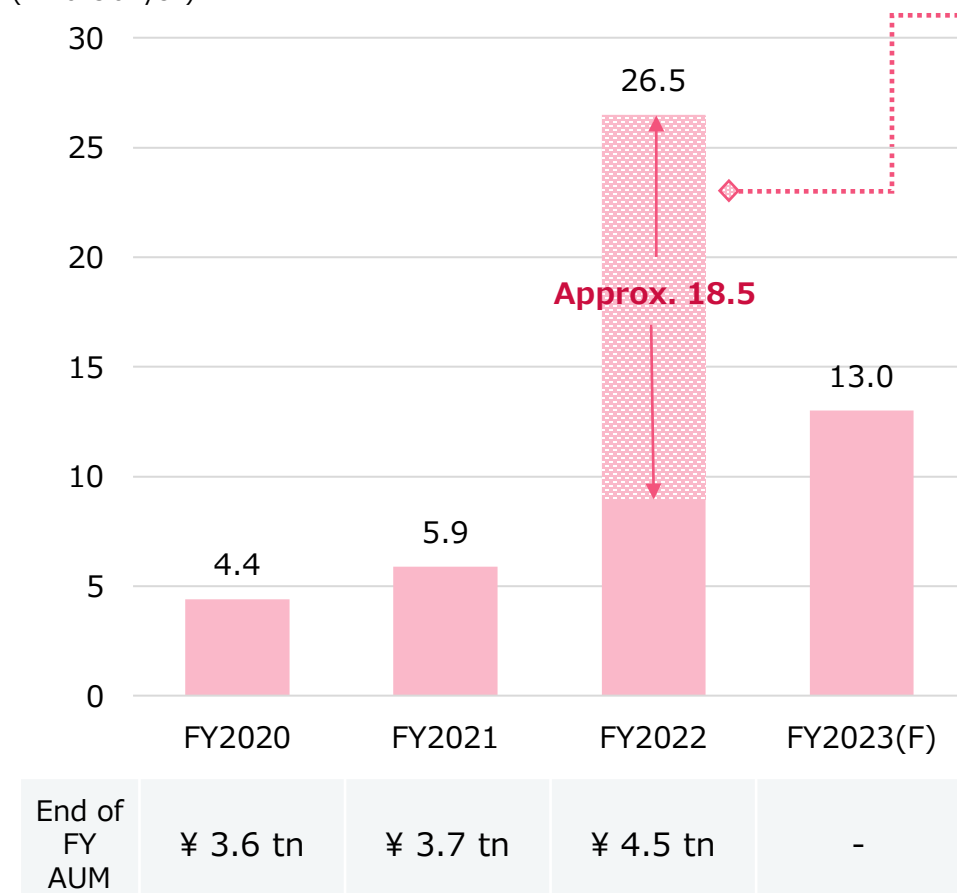


### 3. Investment Management Business : Changes in Operating Profit

Increased in profit from AUM expansion.

Significant profit increase in FY2022 due to incentive fee resulting from increased fair market value of U.S. funds.

(Billions of yen)

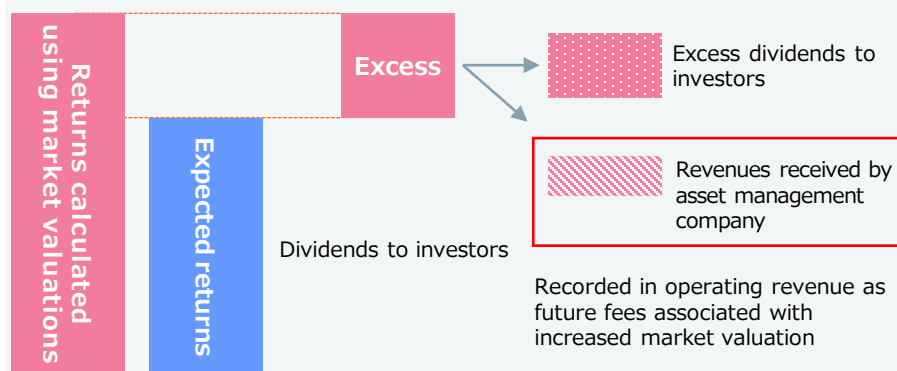


#### [\*Recognition of future fees associated with increased market value of real estate in funds in the U.S. and other countries]

- For some funds, incentive fees are established in which the management company receives a portion of the excess over expected returns.
- Such fees are received near the end of the fund as returns are determined, but in accounting, the company updates returns as needed using market valuations of real estate and records the fees it expects to earn as operating revenue each period (no cash inflows at this time).
- Although it will contribute fully to operating revenue and operating profit, its contribution to profit attributable to owners of parent will be limited (no cash outflow at this time) because a portion will be posted as profit attributable to non-controlling interests in the form of contingency fees to the officers and employees of the asset management company.

#### [Accounting procedures]

\*This is a general description and may differ from the design of our funds.



## 4. Investment Management Business : (Reference) Classification of Funds

### Classification by Asset Liquidity

|                   |   |
|-------------------|---|
| <b>Open-end</b>   | <p>A type of REIT or fund that allows investors to withdraw their investment in REIT units or funds upon request.</p> <p><b>Examples :</b> Private REITs</p>  |
| <b>Closed-end</b> | <p>A type of REIT or fund that does not allow investors to withdraw their investment in REIT units or funds upon request.</p> <p><b>Examples :</b> Listed REITs    ∙ Secure liquidity by trading in the market<br/> Private funds    ∙ Acquire and manage real estate with a set investment and management period of several years, and eventually sell it to distribute returns to investors</p> |

### Classification by Fund Strategy (Source: Website of the Association for Real Estate Securitization)

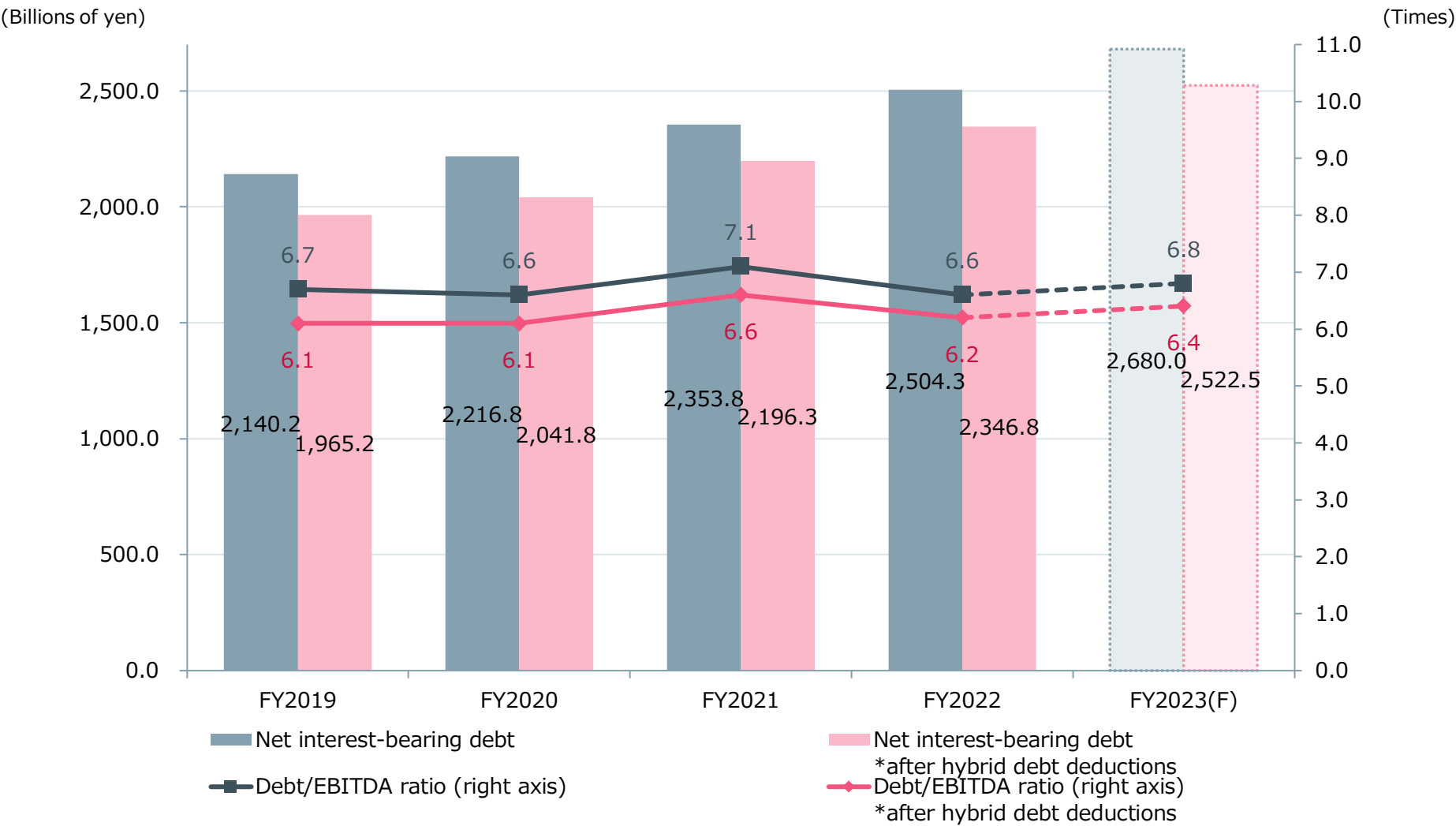
|                      |   |
|----------------------|---|
| <b>Core</b>          | <p>The fund aims to generate a target return mainly from rental income returns by income-producing property investments.</p> <p>*Capital return is not considered as a main target return, but the fund takes a low to medium market risk.</p>  |
| <b>Core-plus</b>     | <p>Same as Core Fund, the fund aims to generate a target return mainly from rental income returns, but some from capital returns.</p>   |
| <b>Value-added</b>   | <p>The fund aims to generate a target return mainly from rental income returns as well as capital returns by increasing the yield and value of undervalued properties.</p> <p>*Generally, the value-added strategy has a higher risk than the Core and Core-plus strategy because the fund often invests in low yield properties with some physical obsolescence.</p> |
| <b>Opportunistic</b> | <p>The fund aims to generate a target return mainly from capital returns by trading properties based on the market forecast.</p> <p>*This is a higher risk strategy including adaptive reuse, bulk trade and M&amp;As.</p>  |

# **Investment/Financial Data, etc.**

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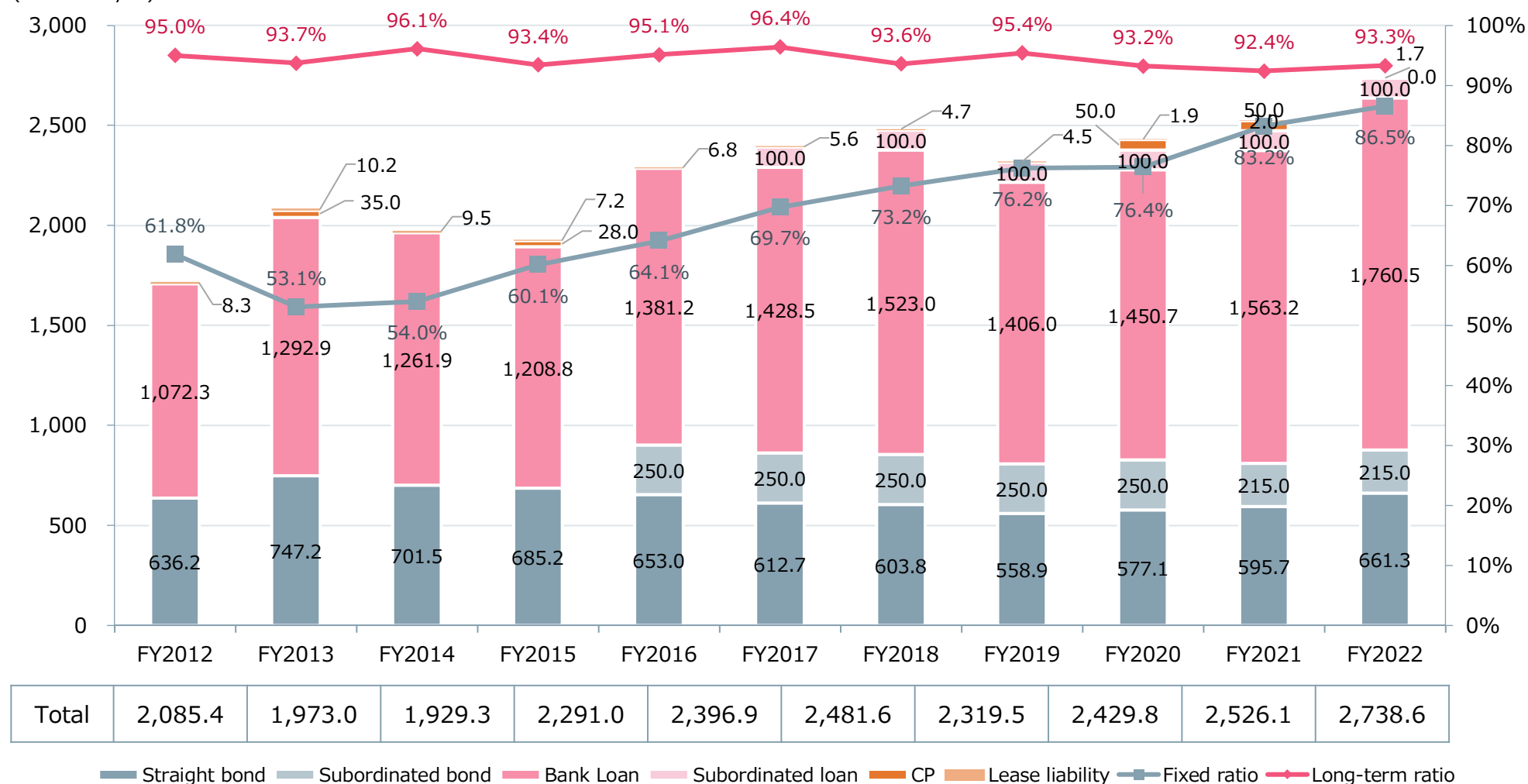


# 1. Net Interest-Bearing Debt/EBITDA Ratio

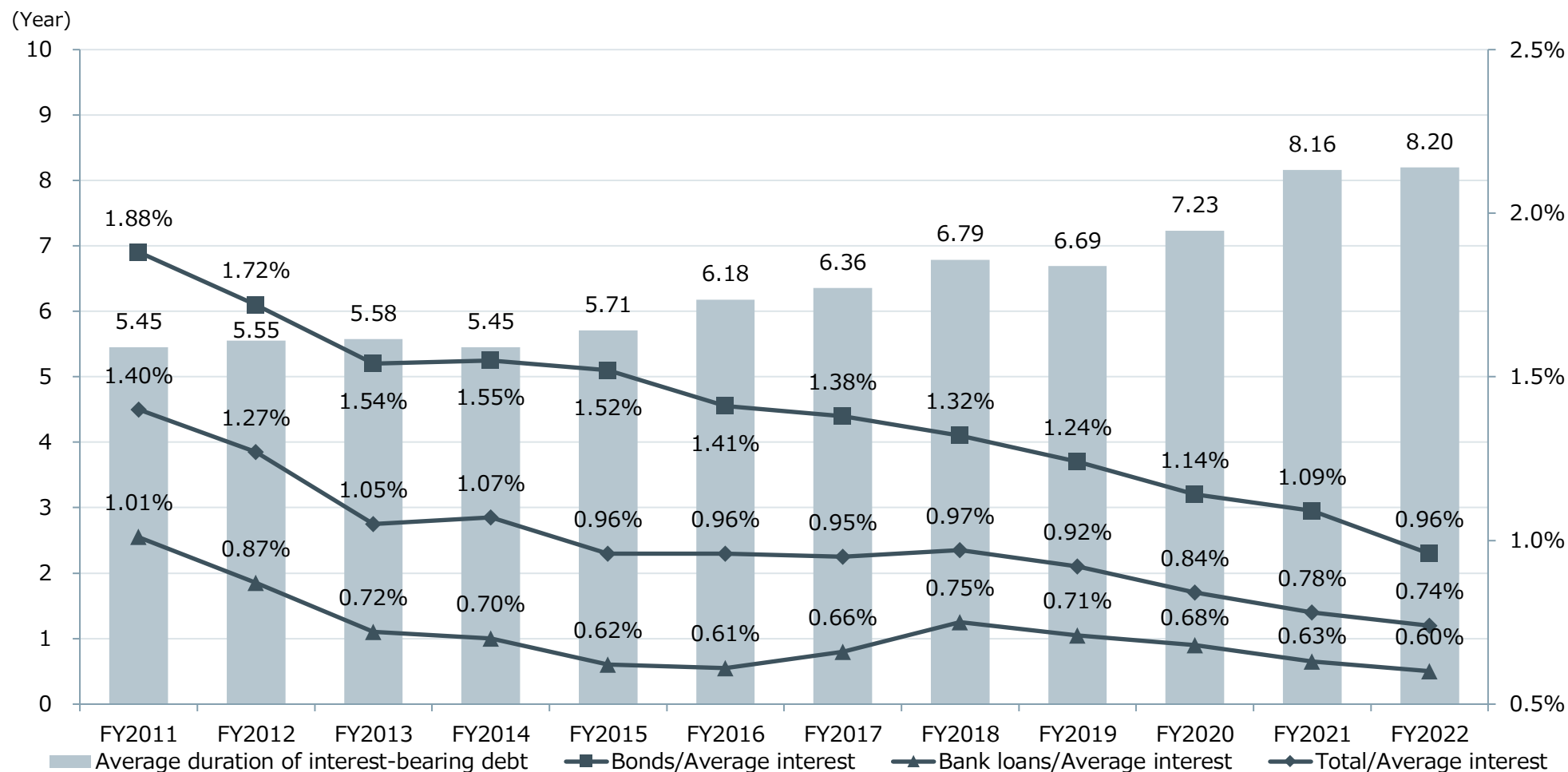


## 2. Breakdown of Interest-Bearing Debt

(Billions of yen)



### 3. Interest-Bearing Debt: Procurement Interest Rates/ Average Duration of Interest-Bearing Debt (Unconsolidated)



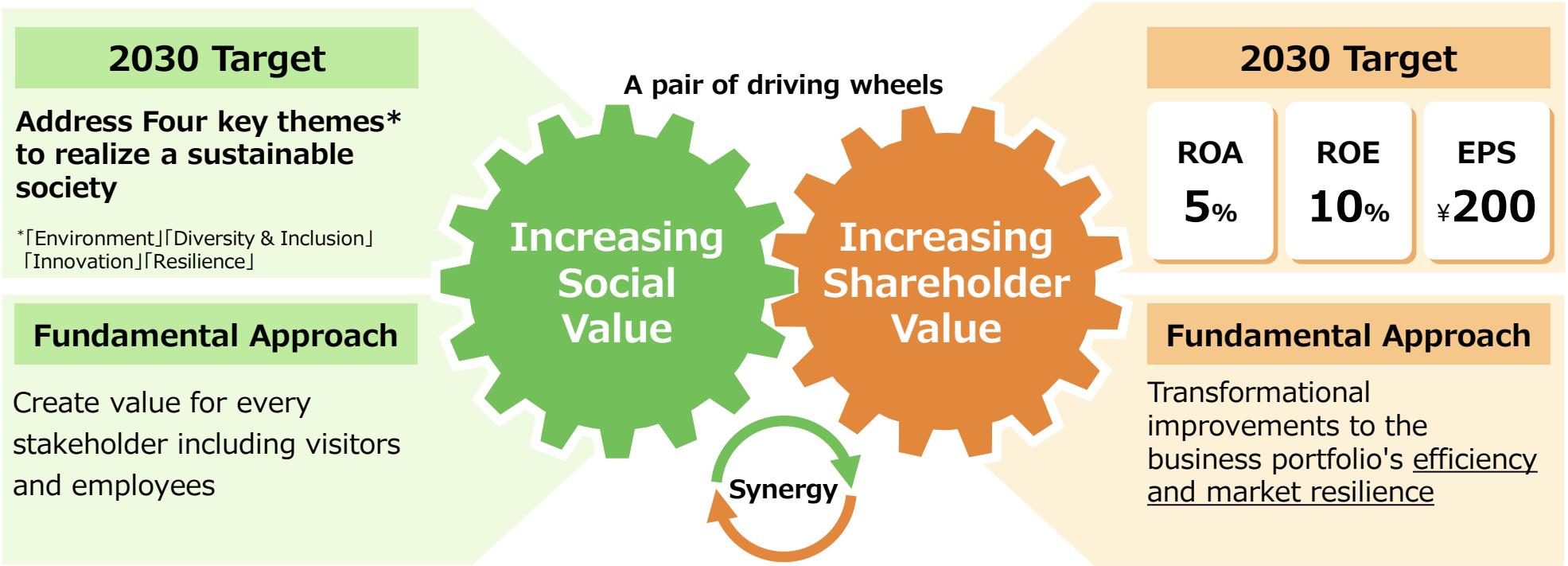
# Overview of the "Long-Term Management Plan 2030"

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1. New Management Plan: Objectives

\*Repost from the "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 the "Long-Term Management Plan 2030"

| 2030 Target       |     |      |
|-------------------|-----|------|
| ROA* <sup>1</sup> | ROE | EPS  |
| 5%                | 10% | ¥200 |

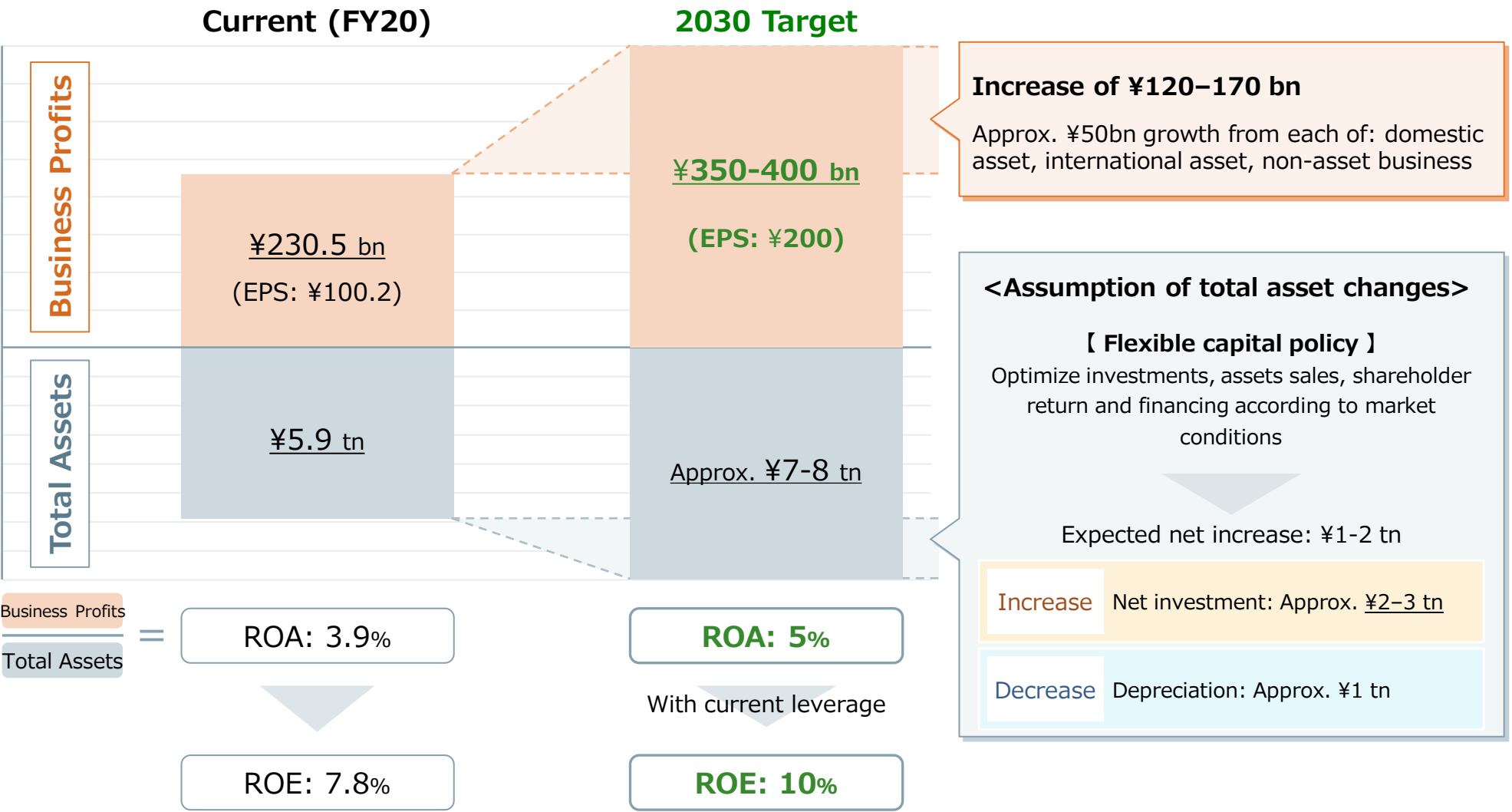
\*<sup>1</sup> ROA = Business Profits\*<sup>2</sup> / Total Asset (average of opening/closing balances)

| Key Assumptions   |   |  |
|---|---|--|
| Profit Growth   | Shareholders Returns  | Financial Stability  |
| Business Profit* <sup>2</sup><br><br><u>¥350–400 bn</u> | Current framework*<br>• Payout ratio:<br>Approx. 30%<br>+<br>• Share buybacks<br>(when determined to be an<br>optimal use of funds)<br><br>* Will adjust to business conditions | Maintain<br>current level of<br>credit ratings<br><br>【Reference】<br>R&I : AA-<br>S&P : A+<br>Moody's : A2 |

\*<sup>2</sup> Business Profit= Operating Income + Equity in earnings (loss) unconsolidated subsidiaries and affiliates

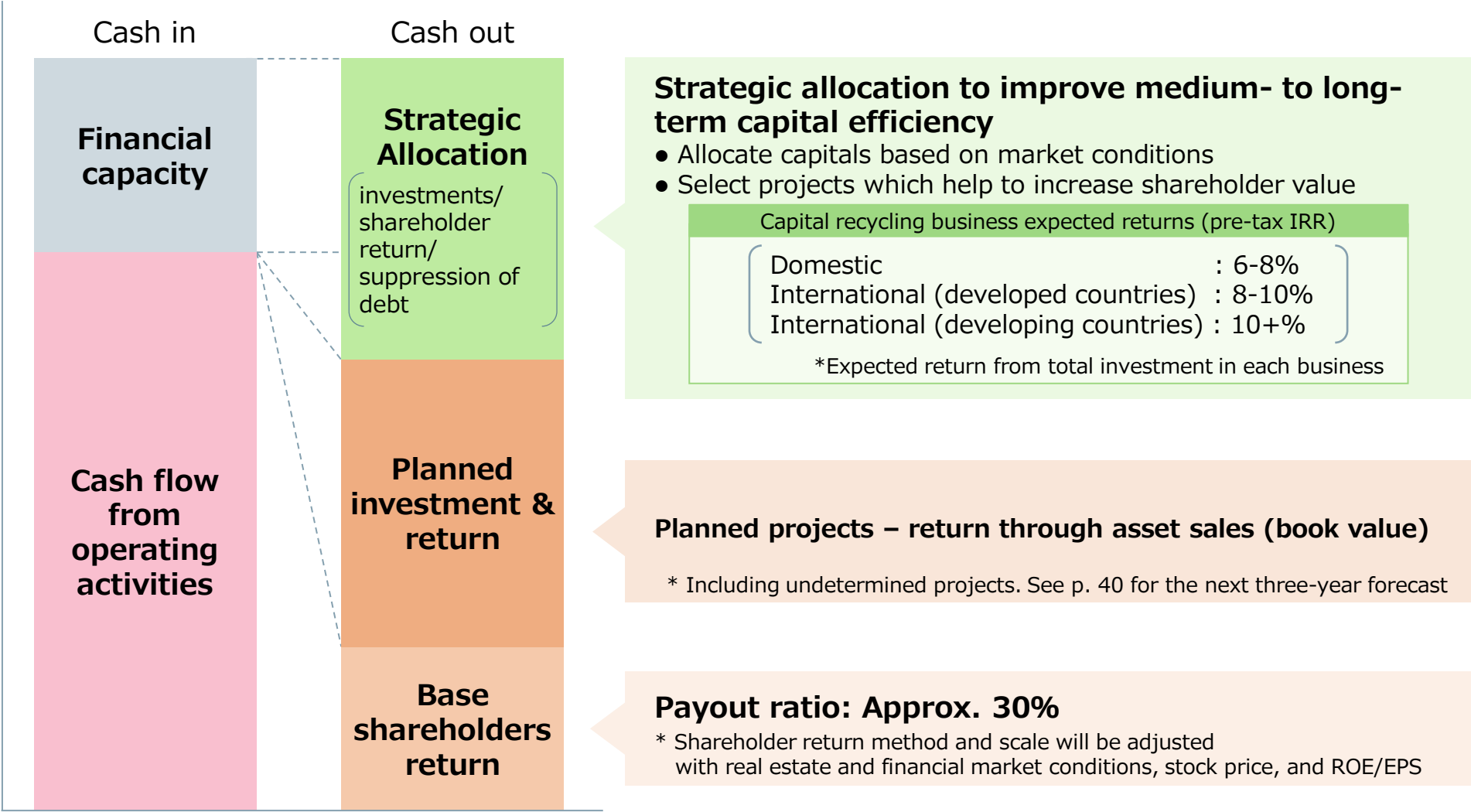
3. 2030 Targets: Realization Plan (ROA·ROE·EPS)

\*Repost from the "Long-Term Management Plan 2030"



4. Capital Allocation Policy

\*Repost from the "Long-Term Management Plan 2030"





## 5. Profit Growth Strategy - 2030 Vision

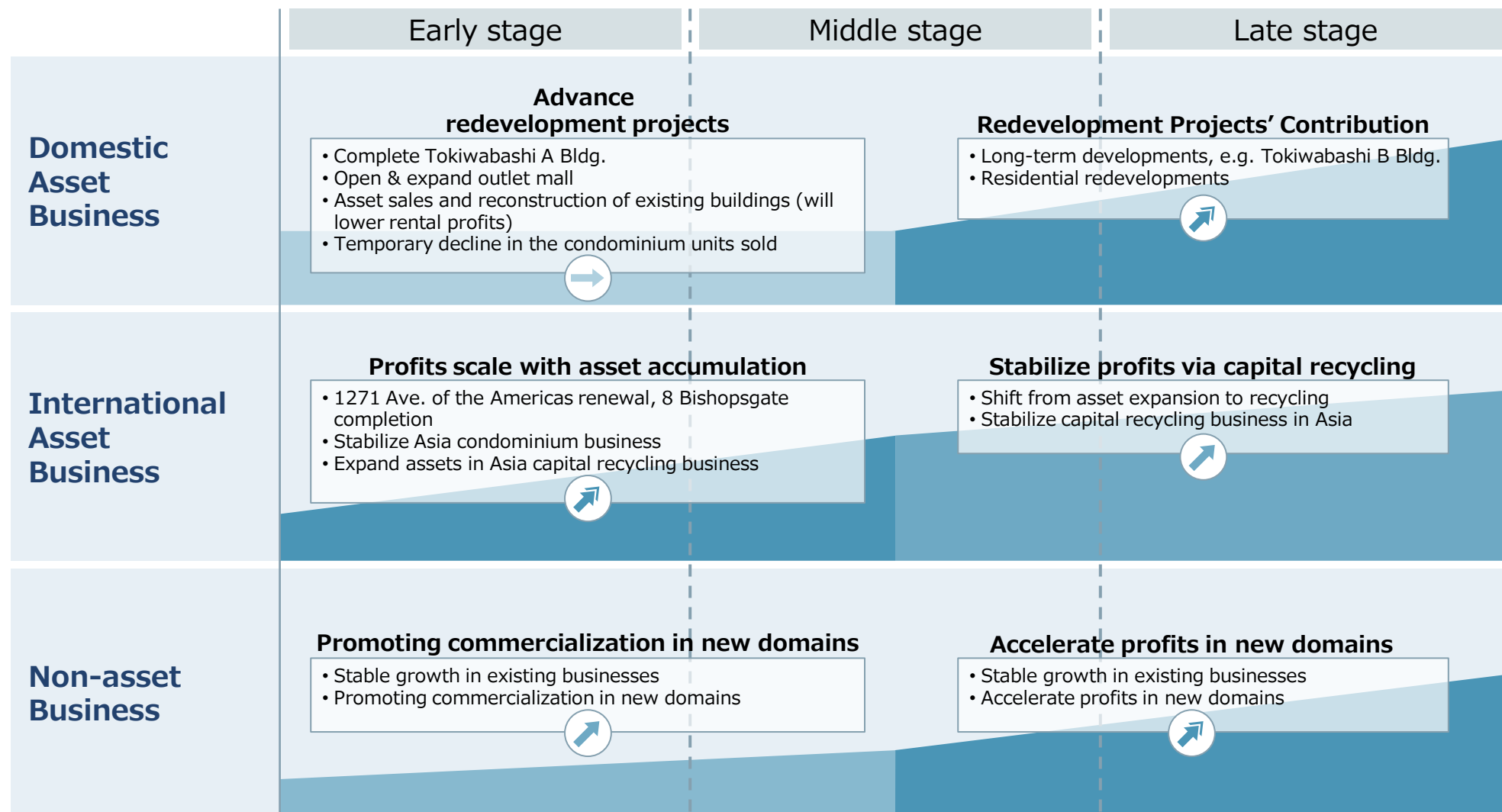
\*Repost from the "Long-Term Management Plan 2030"

| Profit changes vs FY2020*  | Growth Strategy   |
|--|---|
| <b>① Domestic Asset Business</b><br><b>Approx. +¥50 bn</b><br>(FY20E*: Approx. ¥ 201.0 bn)   | ① Advance "Marunouchi NEXT Stage" project<br>② Increase NOI with development projects<br>③ Optimize capital recycling business to market conditions<br>④ Optimize residential business profit structure |
| <b>② International Asset Business</b><br><b>Approx. +¥50 bn</b><br>(FY20E*: Approx. ¥ 36 bn) | ① Expand development business in Asia<br>② Enhance development business and revenue base in Europe<br>③ Enhance and diversify US capital recycling business   |
| <b>③ Non-asset Business</b><br><b>Approx. +¥50 bn</b><br>(FY20E*: Approx. ¥ 16 bn)           | ① Steady profit growth in existing businesses<br>② Utilization of technology<br>③ Provision of service contents focusing on B2C/B2B2C   |
| <b>④ Fluctuation Factors</b><br><b>Approx. ±¥20-30 bn</b>                                    | • Asset sales control in response to market conditions<br>• Capital gain and rental profit fluctuation due to investment opportunities  |

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

## 6. Roadmap for Profit Growth

\*Repost from the "Long-Term Management Plan 2030"



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