

FY2023 – 1Q
(The Fiscal Year Ending on March 31, 2023)
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

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Financial Overview

<FY2023-1Q Financial Results>

- Significant YoY increase in operating profit, ordinary profit, and profit attributable to owners of parents (historical high)

【Main factors】

- Increase in capital gains from overseas business (Gain on sale at Central St. Giles (London) contributed to the increase)
- Reduced impact from COVID-19 in both Retail Properties, and Hotels Business (Business environment improved with no restrictions on activities the first time in three years.)

<FY2023 Forecasts>

- Unchanged from the forecast announced on May 12, 2022

<Recent Highlights>

- Domestic Assets: Start Constructions of Toyosu 4-2 Development Project, Nagoya Nishiki 3-25 Development Project, and Logicross Sagamihara
- International Asset: Start the Mixed Use Development project "One Circular Quay" (Australia)
- ESG : Obtained Japan's first "SBTI Corporate Net Zero Certification" for CO2 and other GHG emission reduction targets.
Issued Sustainability Linked Bonds totaling 60 billion yen.

Summary of FY2023-1Q Results

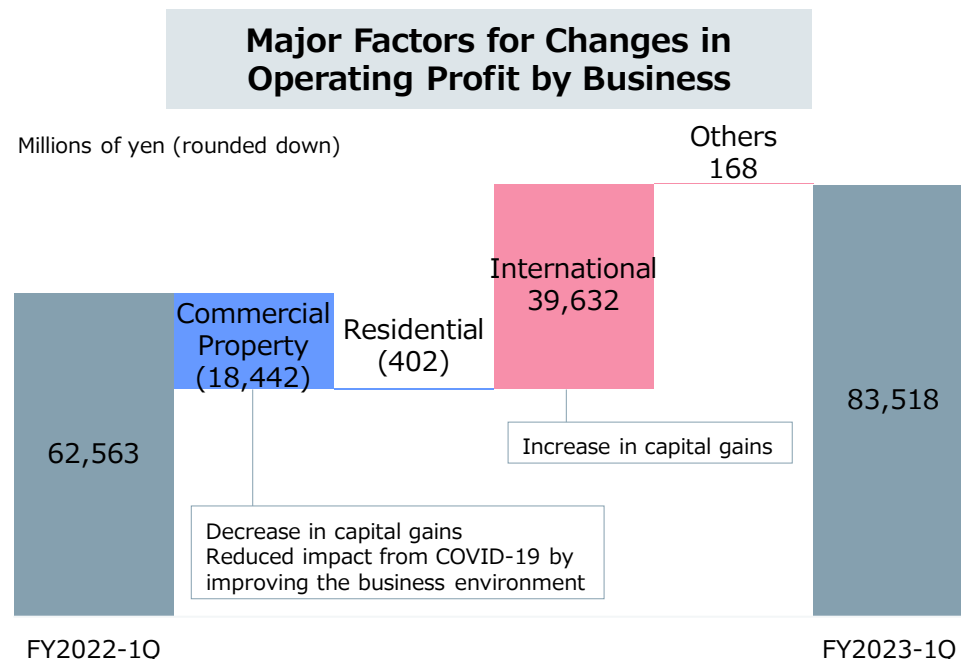
1. Income Statement Results for FY2023-1Q

Significant increase in revenue and profit (record high) YoY due to increase in overseas capital gains.

Millions of yen (rounded down)				Capital Gains included in Operating Profit			
<New Segment>				Millions of yen (rounded off to the nearest billion)			
	FY2023-1Q	FY2022-1Q	Change		FY2023-1Q	FY2022-1Q	Change
Operating revenue	305,367	307,402	(2,035)	Total	47,000	30,000	17,000
Commercial Property Business	163,826	206,490	(42,664)	Commercial Property Business	2,000	23,000	(21,000)
Residential Business	63,461	66,628	(3,167)	Residential Business	5,000	5,000	0
International Business	60,751	21,368	39,382	International Business	40,000	2,000	38,000
Investment Management Business	9,345	5,549	3,796	Investment Management Business	-	-	-
Other*	14,509	13,628	881	Other	-	-	-
Elimination	(6,526)	(6,262)	(263)	Eliminations or corporate	-	-	-
Operating profit	83,518	62,563	20,954				
Commercial Property Business	38,384	56,826	(18,442)				
Residential Business	2,576	2,979	(402)				
International Business	47,900	8,268	39,632				
Investment Management Business	2,675	1,357	1,317				
Other*	(1,157)	(1,313)	156				
Eliminations or corporate	(6,860)	(5,555)	(1,305)				
Non-operating income	5,547	5,516	31				
(Share of profit of entities accounted for using equity method)	88	118	(30)				
Non-operating expenses	7,220	10,131	(2,911)				
Ordinary profit	81,845	57,948	23,897				
Extraordinary income	6,269	2,221	4,047				
Extraordinary losses	3,549	2,495	1,054				
Total income taxes	18,820	20,117	(1,296)				
Profit attributable to noncontrolling interests	4,190	2,848	1,341				
Profit attributable to owners of parent	61,553	34,708	26,844				

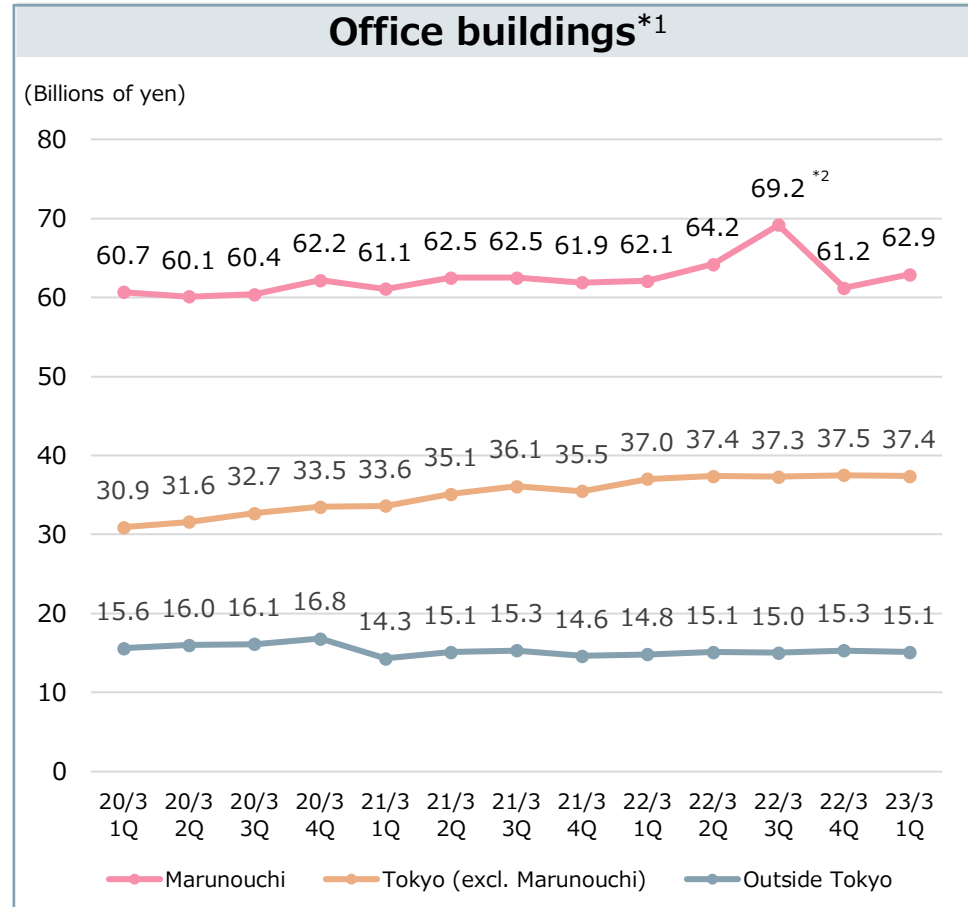
Millions of yen (rounded down)			
	FY2023-1Q	FY2022-1Q	Change
Business profits	83,607	62,682	20,924
EBITDA	110,679	88,513	22,166
Interest-bearing debt	2,943,947	2,757,002	186,944

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



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

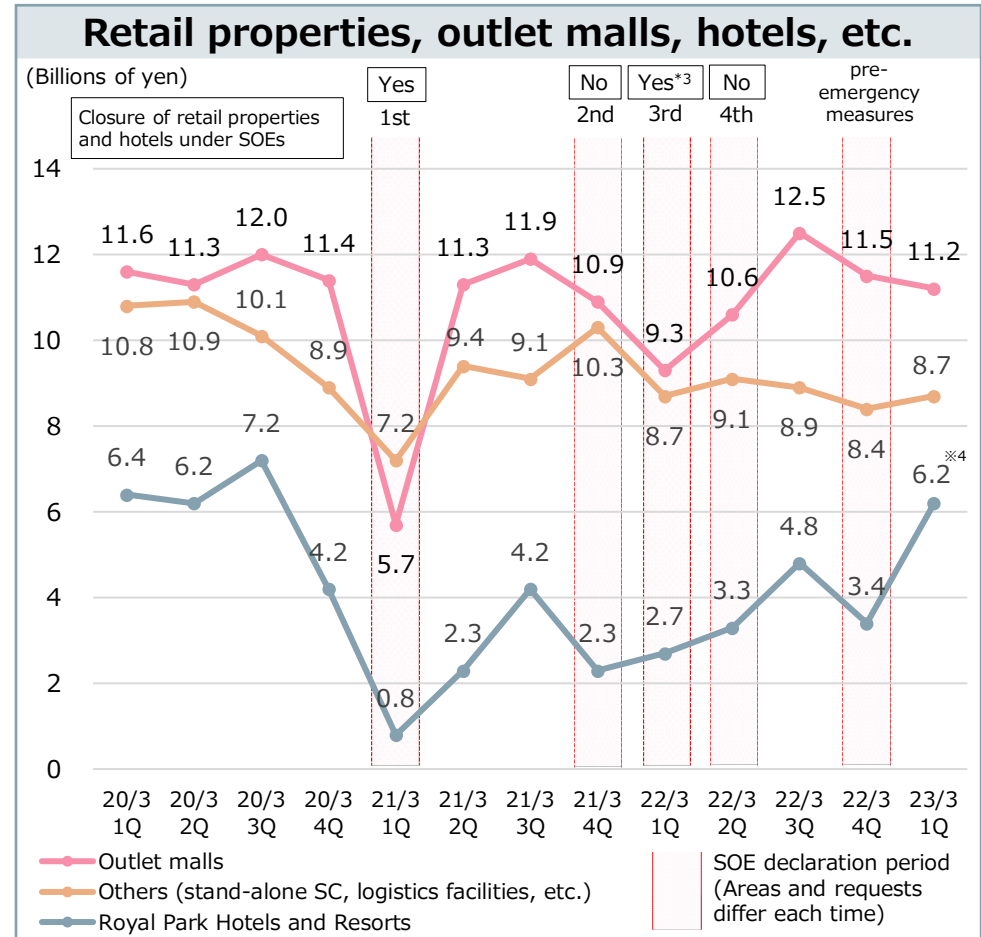
Business environment improved with no restrictions on activities the first time in three years. Revenues from both Retail Properties and Hotels business recovered steadily YoY.



*¹ Incl. revenue from office complexes and retail properties

*² One-time income from receipt of restoration construction costs, etc.

*⁴ Includes operating revenue of Royal Park Hotel Co., Ltd. (former Hakozaki Company), since the Company took over the management business of former Hakozaki Company.



*³ Some outlet malls and retail properties only.

Summary of FY2023 Forecasts

※Unchanged from the forecast announced on May 12, 2022

1. FY2023 Income Statement Forecasts (vs FY2022 Results)

※Unchanged from the forecast announced on May 12, 2022

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
Operating revenue	1,416,000	1,349,489	66,511
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)
Operating profit	291,000	278,977	12,023
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)
Ordinary profit	271,000	253,710	17,290
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)
Profit attributable to owners of parent	165,000	155,171	9,829

Millions of yen (rounded down)

	2023/3 Forecast	2022/3 Results	Change
Business profits	291,400	279,310	12,090
EBITDA	395,000	381,434	13,566
Interest-bearing debt	2,820,000	2,738,632	81,368

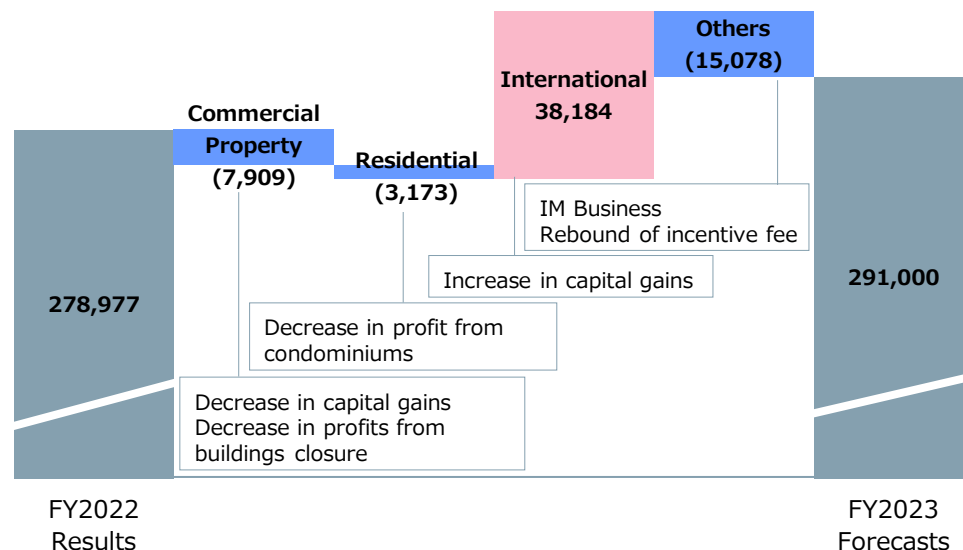
※ Architectural Design & Engineering / Real Estate Service Business and Other businesses

Capital Gains included in Operating Profit

Millions of yen (rounded off to the nearest billion)

	2023/3 Forecast	2022/3 Results	Change
Total	122,000	76,000	46,000
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

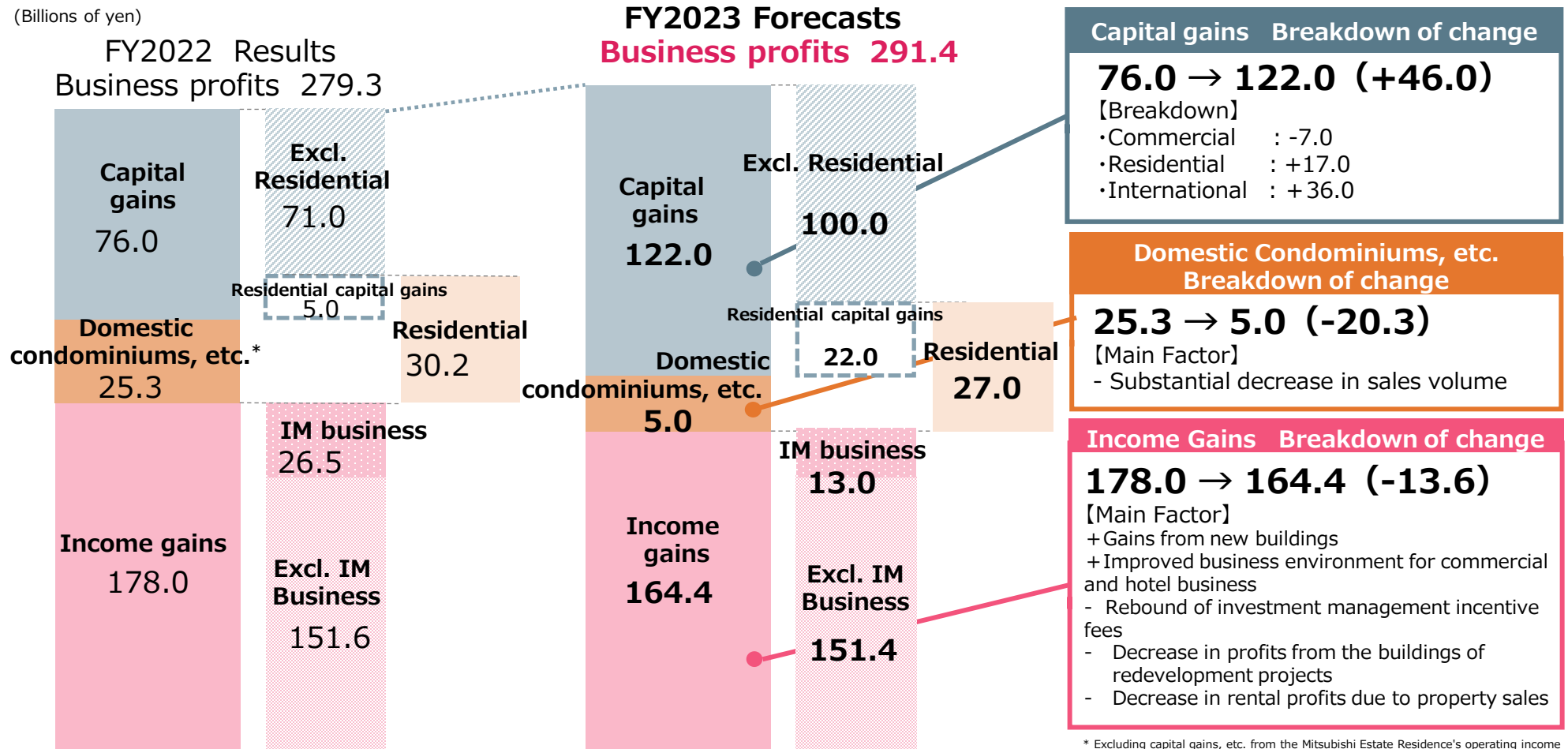


2. FY2023 Business Profits Breakdown (vs FY2022)

※Unchanged from the forecast announced on May 12, 2022

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

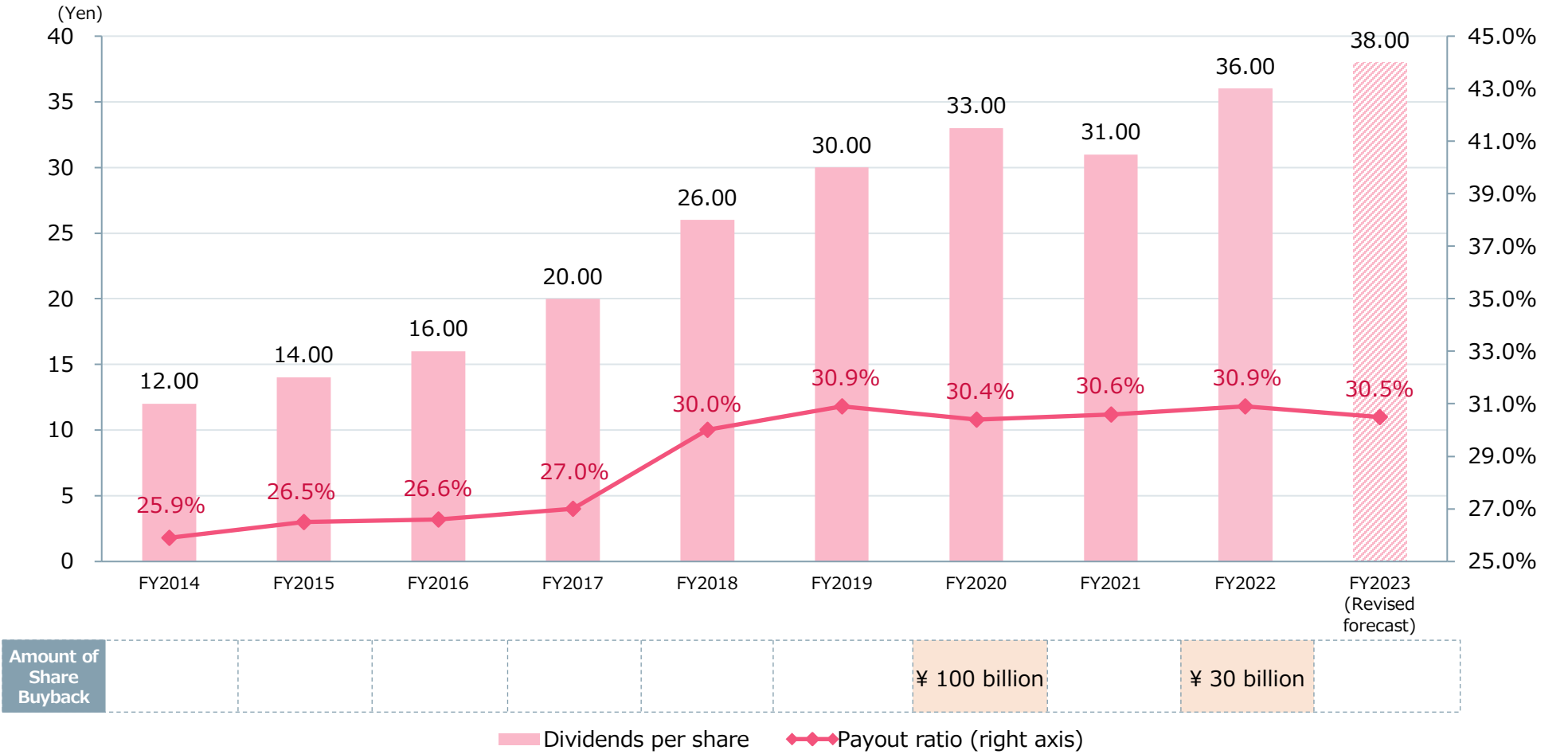
(Billions of yen)



3. Shareholders Returns

※Unchanged from the forecast announced on May 12, 2022

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



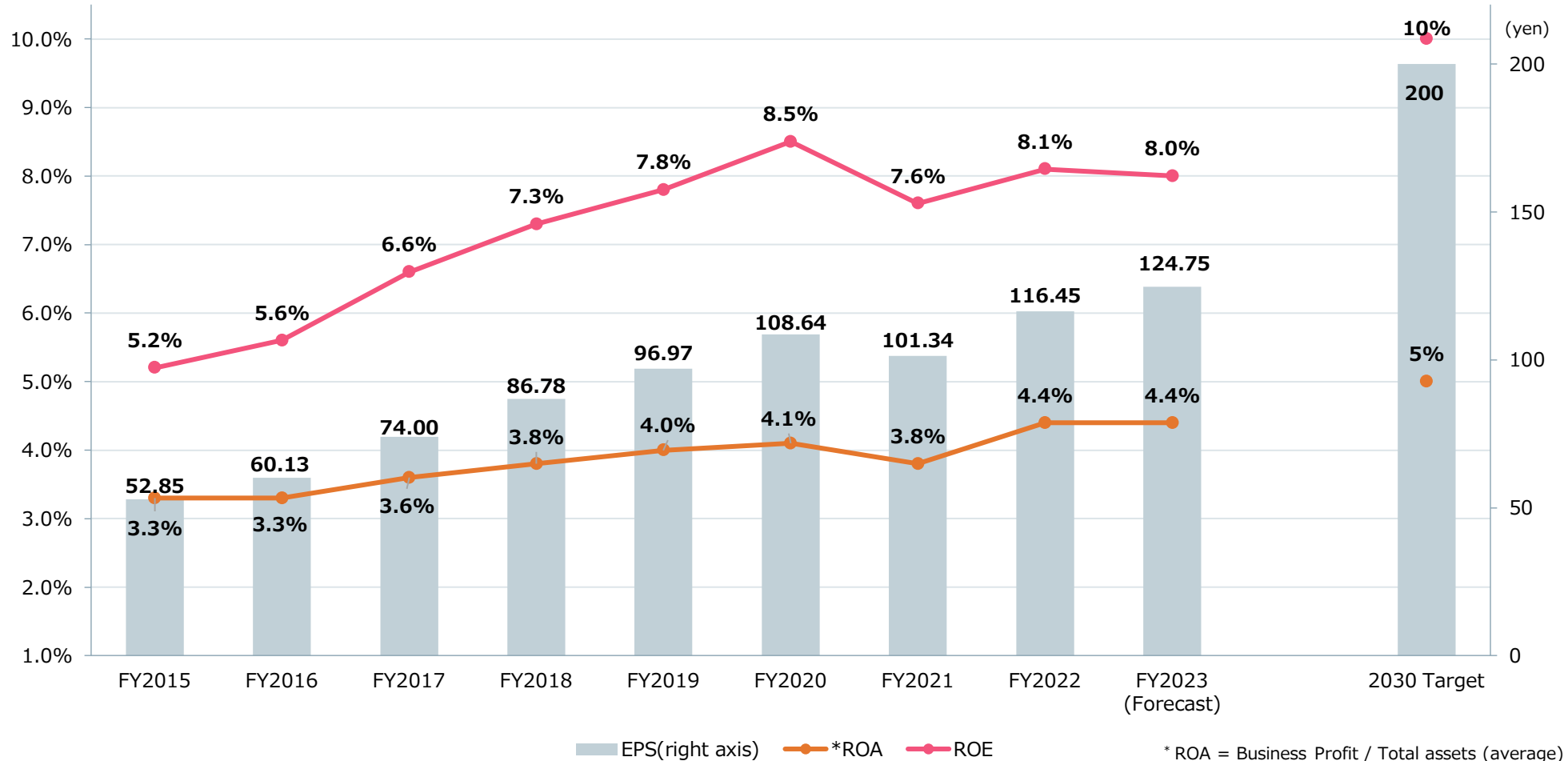
Progress of the Long-Term Management Plan

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

1. Changes in ROA/ROE/EPS

*Repost from FY2022 IR Presentation announced on May 12, 2022

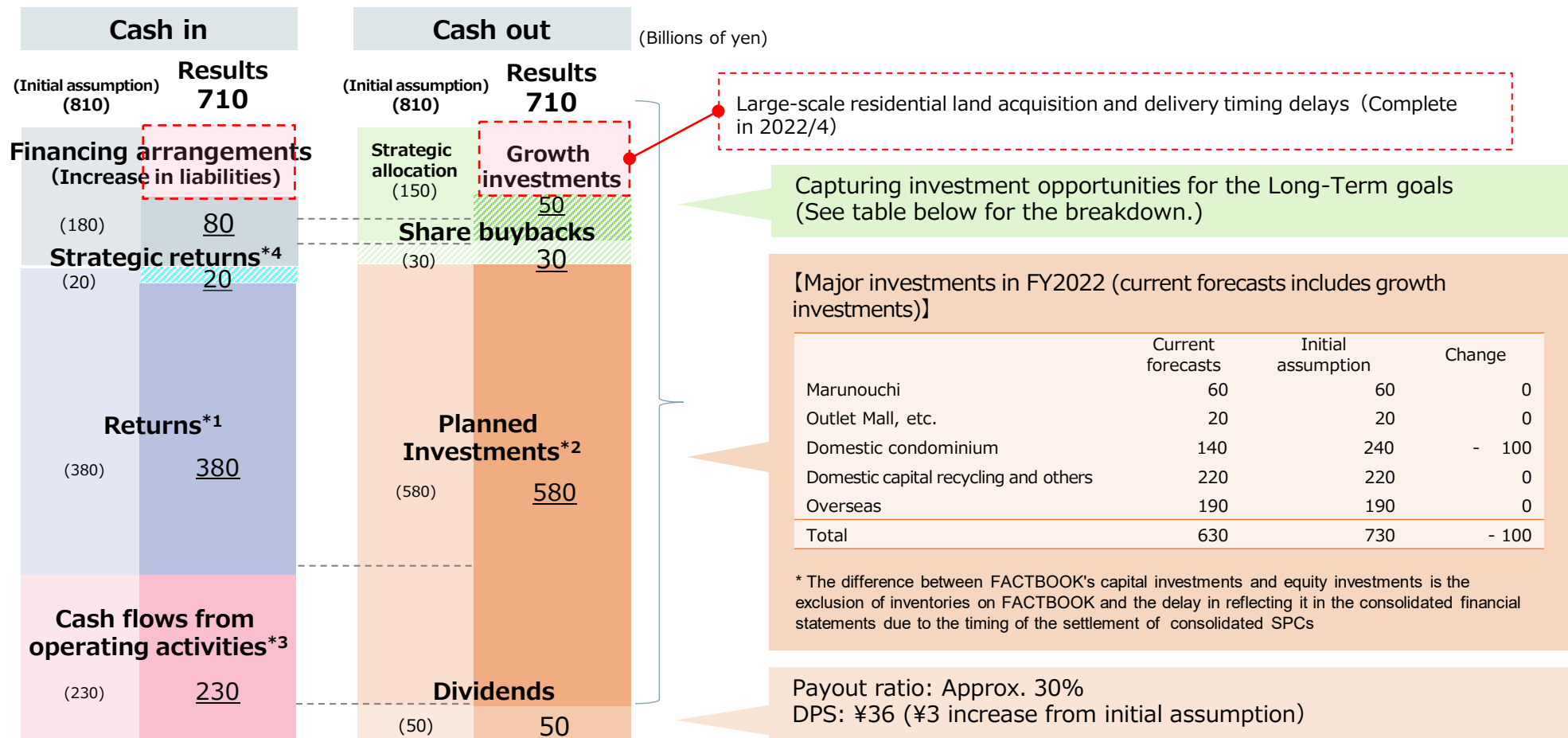
For FY2023, EPS is expected to reach record high with ROE maintaining the 8% level.



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

*Repost from FY2022 IR Presentation
announced on May 12, 2022

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



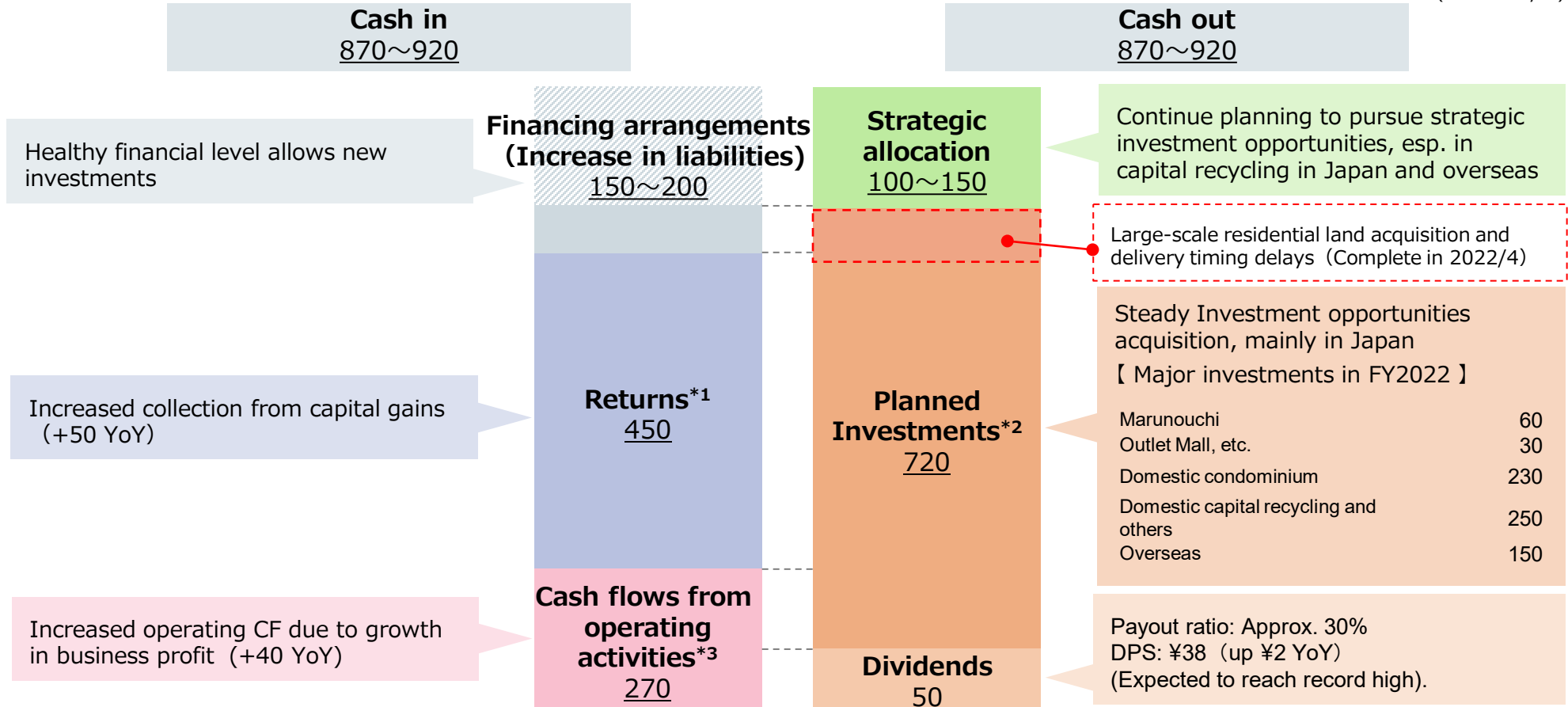
*1 Collection amount of book values from sale proceeds of properties *2 Investment amount for approved investment projects (partly incl. expected approvals)
*3 Operating cashflows, excl. Change in inventories and change in equity investments *4 Sale of low-performing assets to improve capital efficiency

3. Capital Policy #2: FY2023 Cashflow Forecast

*Repost from FY2022 IR Presentation
announced on May 12, 2022

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

(Billions of yen)



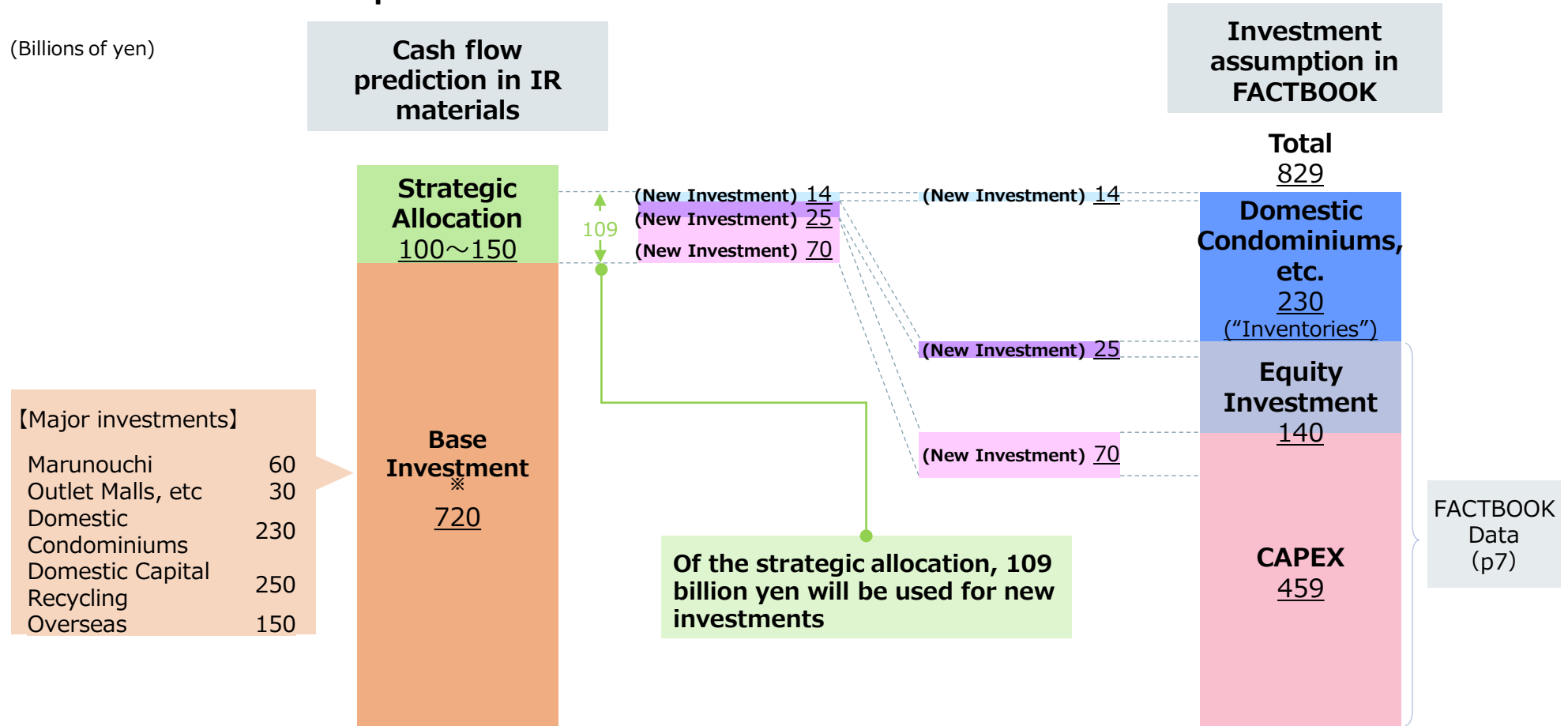
*¹ Collection amount of book values from sale proceeds of properties *² Investment amount for approved investment projects (partly incl. expected approvals)

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

※Ref. Supplementary information on investment assumption

Consistency between cash flow prediction on the previous page and FACTBOOK investment data (p7) is as follows. Of the strategic allocation, 109 billion yen will be used for new investments under the initial assumption.

(Billions of yen)



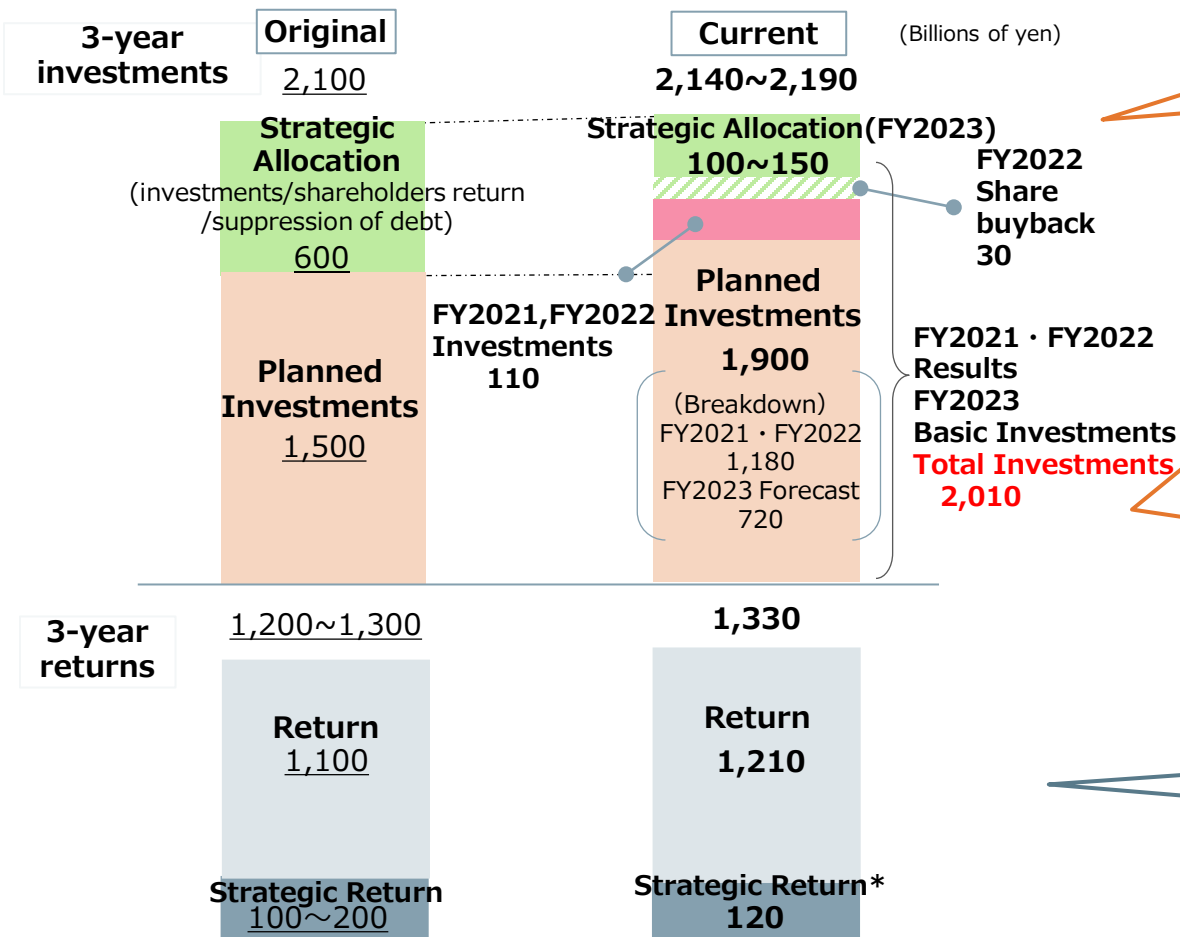
※ Investment in confirmed projects (included potential investments)

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

*Repost from FY2022 IR Presentation announced on May 12, 2022

Obtained more opportunities in both Japan and overseas.

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



【FY2023Forecasts】

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
Total	1,290	+110

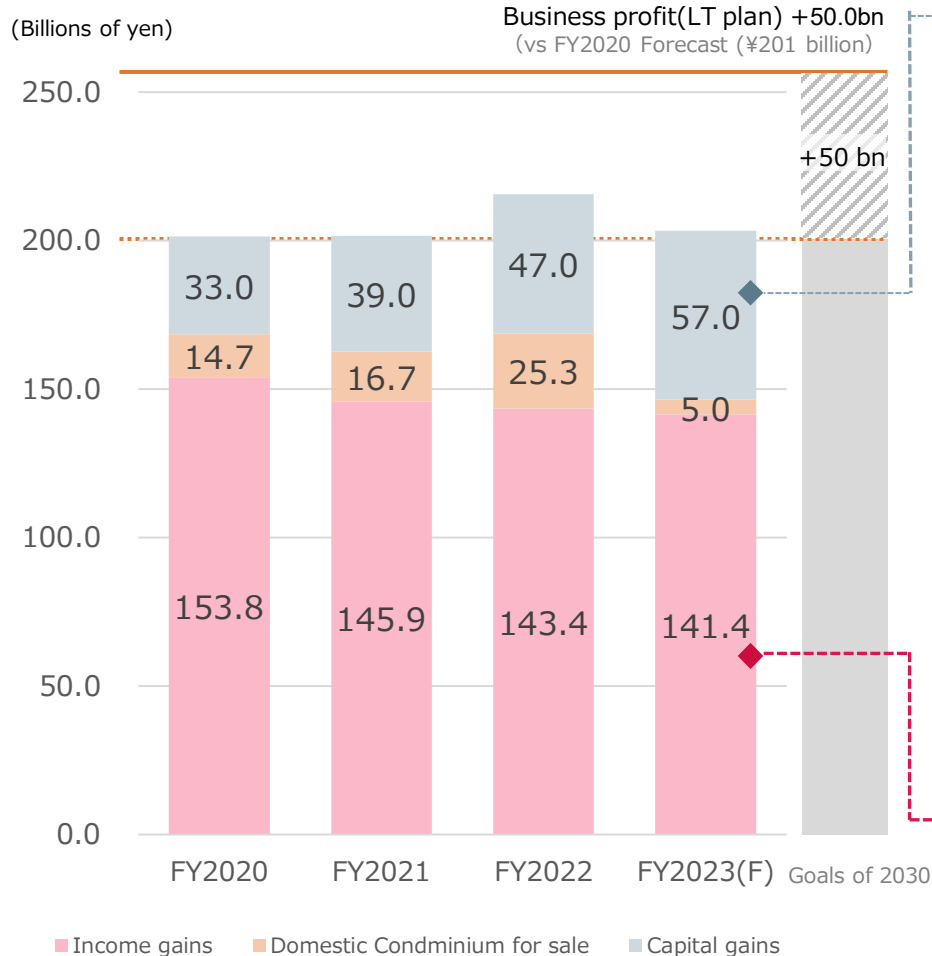
- Base collection increase with higher capital gains
- As a portfolio strategy-based collection, partial ownership in Grand Front Osaka is sold following Otemachi Park Building.

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

5. Domestic Asset Business #1 : Profit Trends

*Repost from FY2022 IR Presentation announced on May 12, 2022

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

Main Properties for Sale

■ Link Square Shinjuku (partial ownership)

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

■ LOGIPOINT KAWASAKI BAY

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

**【Residential Business】
Sold 6 properties**

FY2022

¥47 billion

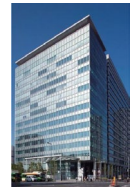
Office : ¥ 35.0 bn
Logistics : ¥ 7.0 bn
Residential : ¥ 5.0 bn

Main Properties for Sale

■ Toyosu Front (partial ownership)

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

**【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

*Repost from FY2022 IR Presentation announced on May 12, 2022

Progress in capital recycling business investment further expands pipeline.

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

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

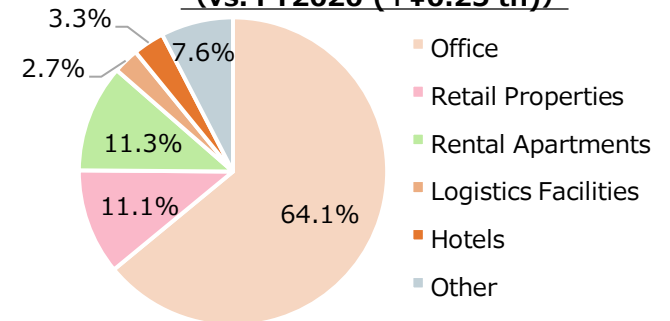
※1 Includes properties expected to be sold by 2030

※2 Total floor area unless otherwise noted.

※3 Site area

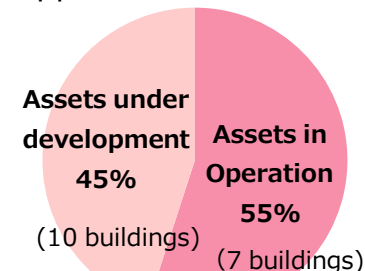
■ Book value of domestic assets* in capital recycling business

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)

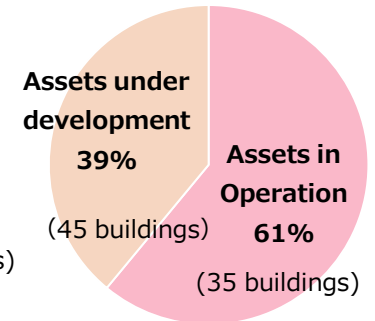
*Ratio by value

*Excl. Tokyo Ryutsu Center

*Includes equity investment balance

【Rental Apartment Total Assets】

Approx. ¥ 140 billion



(End of March 2022)

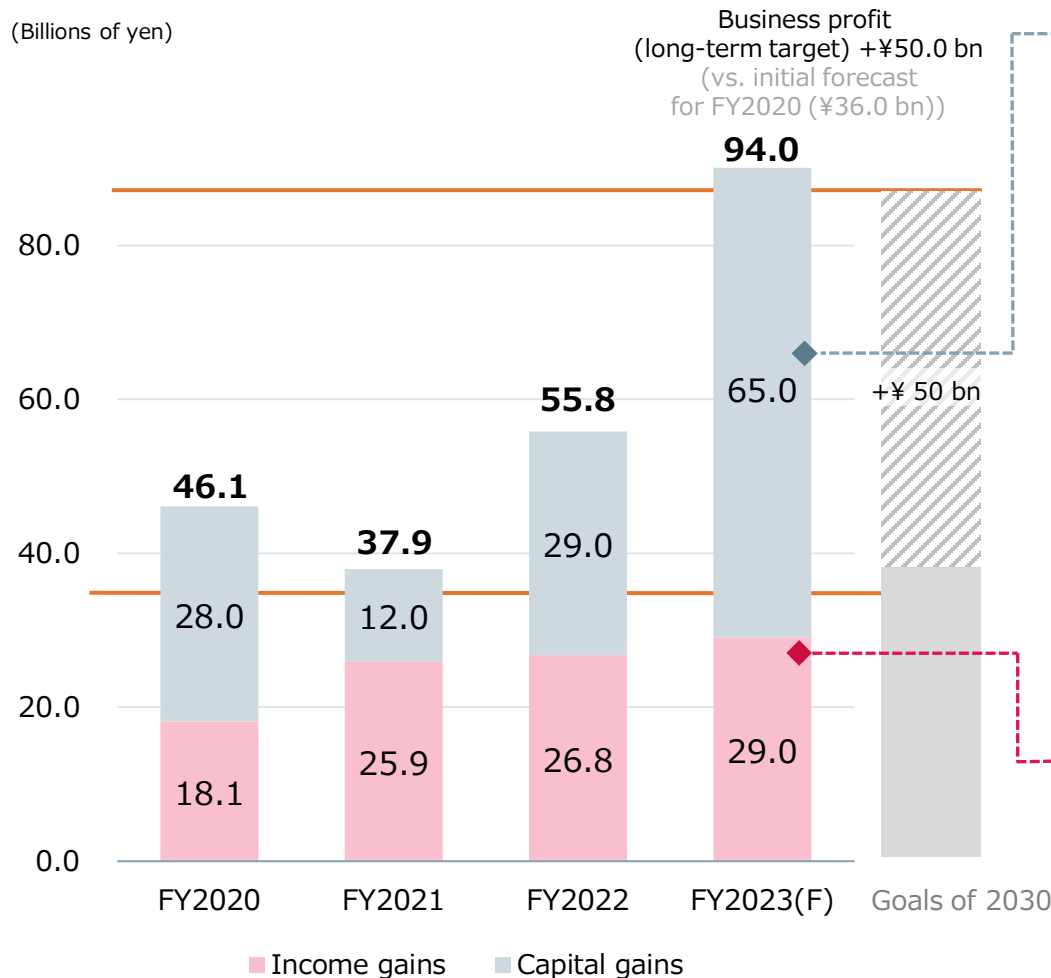
*Ratio by value

7. International Asset Business #1 :Profit Trends

*Repost from FY2022 IR Presentation
announced on May 12, 2022

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.

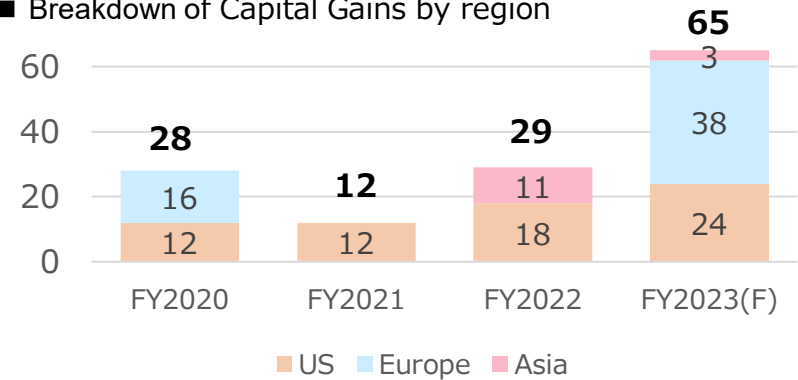
(Billions of yen)



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

*Updated from FY2022 IR Presentation announced on May 12, 2022

■ 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. ¥ 12.0 bn	
	LIV North Valley Location : Arizona Use : Rental apartment Building Scale : 385 units EIRR : Over 30%*	Edison Location : New Jersey Use : Logistics Building Scale : Approx. 83,600m ² EIRR : Over 50%*
FY2022 Results	US logistics facilities And Asian office etc. ¥ 29.0 bn	
	Harvill Location : California Use : Logistics Building Scale : Approx. 31,000m ² EIRR : Over 100%	
FY2023 Forecasts	In Europe and other areas ¥ 65.0 bn	
	Central St. Giles Location : London Use : Office Building Scale : Approx.66,000m ² EIRR : Over 10%	

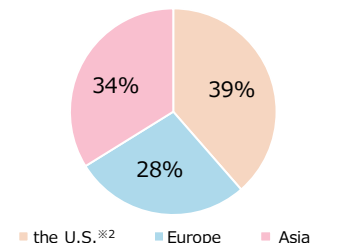
■ Pipelines in International Business

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

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

	Property Name+ Country ^{*1}	Type	Total Floor Area ^{*2}	FY2022	FY2023	FY2024	FY2025	FY2026	~	2030	Estimated NOI [Stable]	Estimated Investment
Asia	Trinity Tower (Indonesia)	Office, Commercial	143,200m ²	●								
	ALPHA PARK (China)	Office	233,600m ²	●								
	Capita Spring (Singapore)	Mixed Use	93,400m ²	●								
	Suzhou New District Business Park (China)	Office	220,400m ²		★		●					
	Yoma Central (Myanmar)	Mixed Use	212,700m ²									
	180 George Street (Australia)	Office, Commercial	^{*3} 55,000m ²		●							
	One City Centre (Thailand)	Office, Commercial	116,000m ²		●							
	Parkline Place (Australia)	Office, Commercial	65,900m ²		★		●					
	Oasis Central Sudirman (Indonesia)	Mixed Use	307,000m ²			★				●		
	Warwick Court (London)	Renovation	29,000m ²		●							
Europe	8 Bishopsgate (London)	Office, Commercial	85,000m ²		●							
	dMoura1 (Spain)	Office	^{*3} 11,000m ²		●							
	Fyrkanten 11 (Sweden)	Renovation	^{*3} 7,800m ²		★		●					
	60-72 Upper Ground (London)	Office Commercial	^{*4} 10,400m ²							●		
US	Stateline 77 Building1・2 (South Carolina)	Logistics	^{*3} 93,600m ²		●							
	Hanover (Pennsylvania)	Logistics	^{*3} 42,200m ²		●							
	55 Paradise (New York)	Logistics	^{*3} 16,700m ²		★		●					
	Virginia Data Center Building (Building1)	Data Center	^{*5} 51,000m ²			★		●				
	Virginia Data Center Building (Building2)	Data Center	^{*5} 51,000m ²				★		●			
	Liv Crossroads (Arizona)	Rental Apartment	356 Units		●							
	Liv Laveen (Arizona)	Rental Apartment	360 Units		★		●					
	1158 Delaware (コロンビア)	Rental Apartment	250 Units		★		●					
	1072 West Peachtree (Georgia)	Mixed Use	^{*3} 49,300m ²		★		●					
	600 Fifth Street NW (Washington, D.C.)	Office	^{*3} 37,000m ²		★		●					

International Asset Business (FY2022)
Ending Balance^{*1} : 847bil.

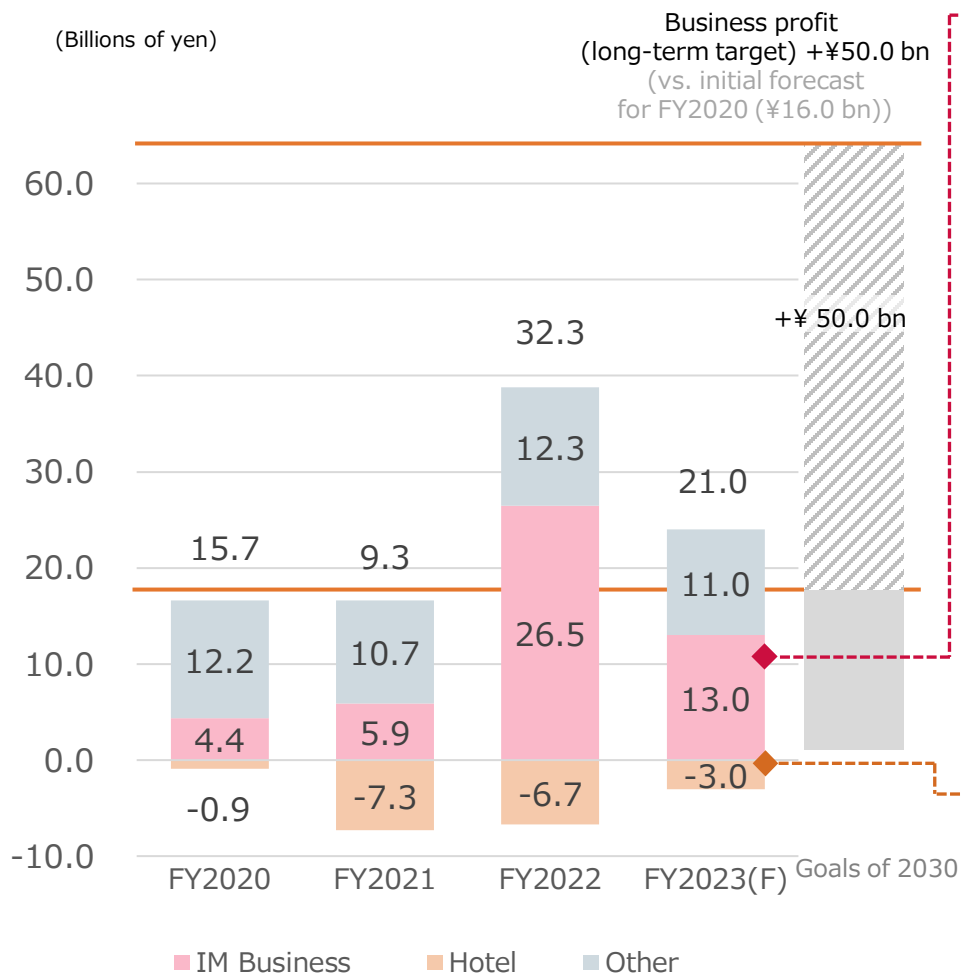


^{*1} Inventories + equity + fixed assets
^{*2} Excluding CORE Assets (Manhattan), subject to ownership

9. Non-asset (Fee-based) Business

*Repost from FY2022 IR Presentation announced on May 12, 2022

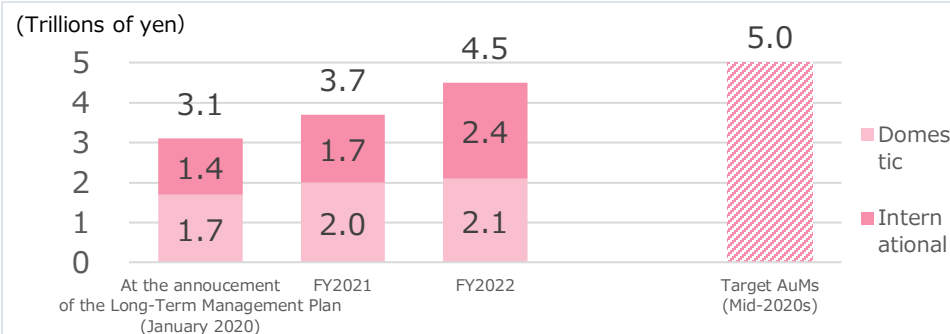
Significant growth led by increased profits from investment management business despite the large impact of COVID-19 to hotel business.



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.

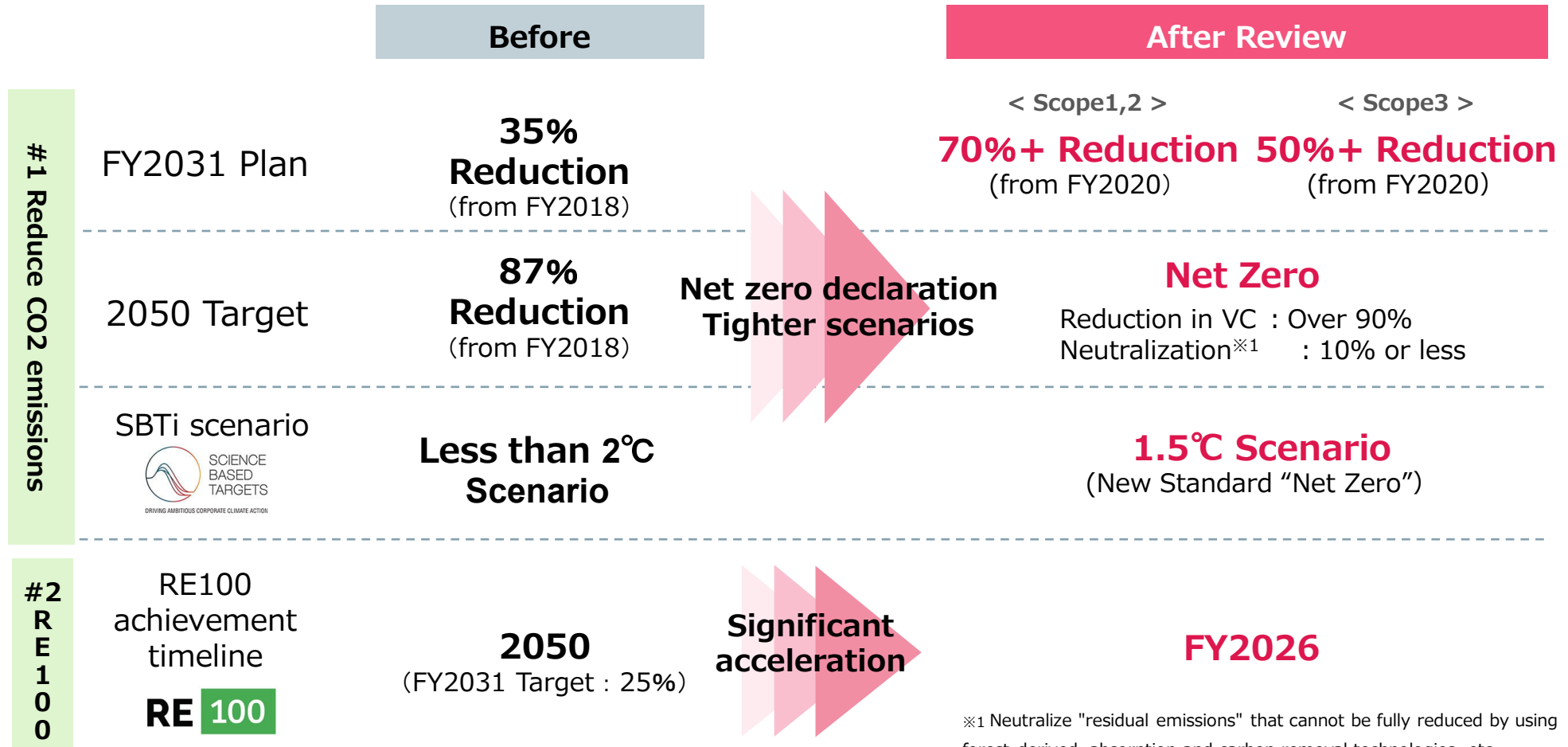
Increased deficit in FY2021-FY2022 due to COVID-19 Management reforms and a certain level of domestic demand recovery expected in FY2023.

10. Efforts to Improve Social Value #1

*Updated from FY2022 IR Presentation announced on May 12, 2022

Raised reduction targets for GHG emissions in line with SBTi's new net-zero standards.

Certified first in Japan by SBTi in June 2022. Substantially accelerated RE100 achievement timeline.



11. Efforts to Improve Social Value #2

*Updated from FY2022 IR Presentation announced on May 12, 2022

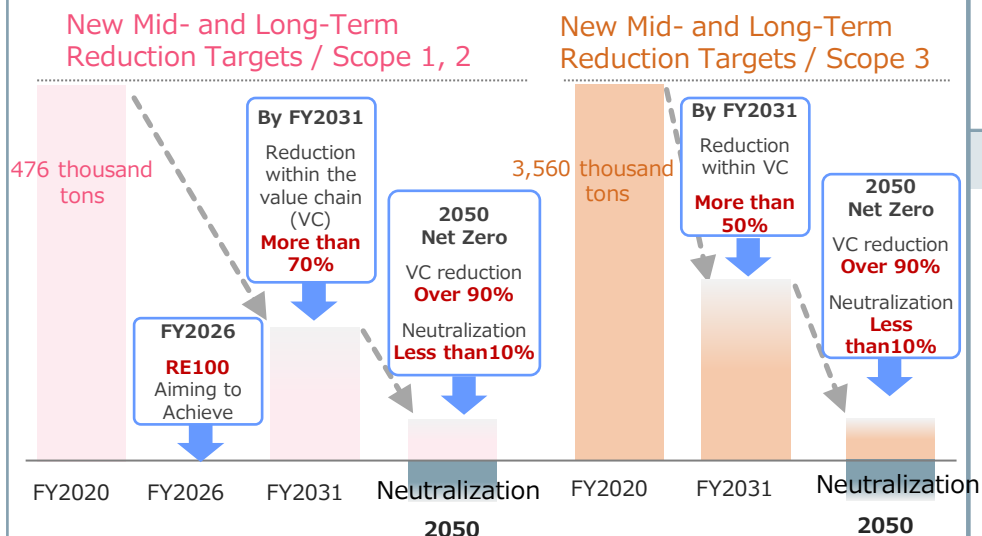
Set new GHG emission reduction targets(Declaration of Net Zero) Substantially accelerated RE100 achievement timeline.

Overview of GHG reduction targets

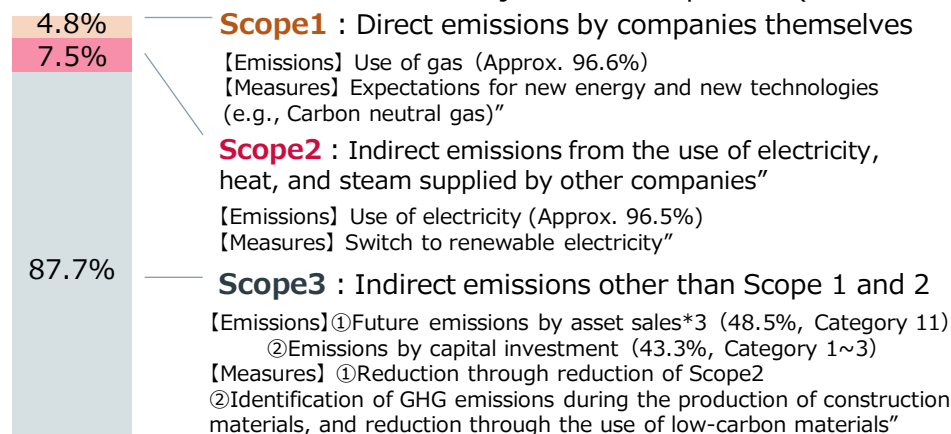
◆Meet the 1.5°C scenario of SBTi (The Science Based Targets initiative) and review in accordance with the new net-zero standard announced by SBTi. Certified first in Japan by SBTi in June 2022.

"New Mid- and Long-Term Reduction Targets: relative to base year (FY 2020) emissions,
FY2031: 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)



◆Breakdown of GHG emissions and major reduction policies (FY22 Actual)



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

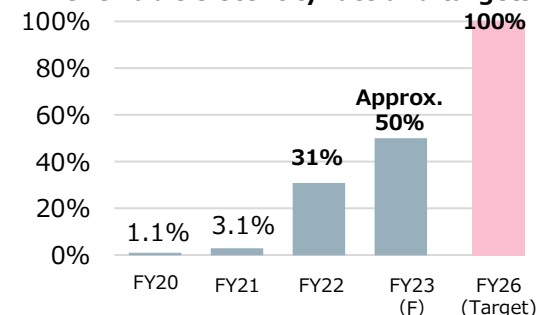
Accelerate introduction of renewable energy to achieve RE100

◆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 FY2023.

◆Renewable electricity rate is expected to increase to 50% by FY2023. Aiming to achieve RE100 by 2025.

Renewable electricity rate and targets



ESG Initiatives (Sustainability Initiatives)

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

1. Materialities / Material Issues for Sustainability Management

Mitsubishi Estate Group Sustainability Vision 2050

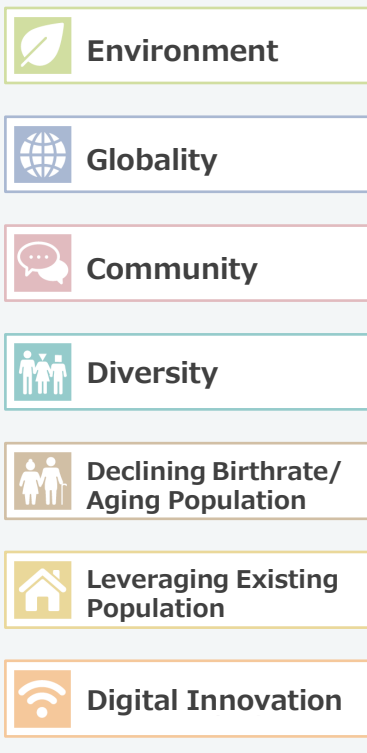
Be the Ecosystem Engineers

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 (Certified first in Japan by SBTi in June 2022.))
- 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

- Female managers: over 20% by FY2031, over 30% by FY0241, over 40% by FY2051
- 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	FY2022 Actual
GHG emissions	Scope1,2 : 70% or more Scope3 : 50% or more (vs FY2020)*	2,534 thousand t (Reference value: 4,038 thousand t)
Renewable electricity rate	100% (FY2026)*	31%
per m ² Waste disposal	vs. FY2020 20% reduction	5.1kg (Reference value: 7.1kg)
Waste recycling rate	90%	58.4%

3 Innovation

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

2 Diversity & Inclusion

*New targets due to KPI review in FY2022

Benchmarks	2030 KPIs	FY2022 Actual
Percentage of female managers	Over 20%*	6.6%
Percentage of female new graduate hires	40% every year	38.3%
Rate of use of male employees taking childcare leave of absence	100%	52.2%

4 Resilience

Benchmarks	2030 KPIs	FY2022 Actual
Percentage of employees with first aid provider qualification	100%	72.4%
Percentage of buildings that are to take in stranded commuters *	—	100%

*Large properties completed in 2002 or later are eligible

3. Recent Highlights (The “E” in ESG)

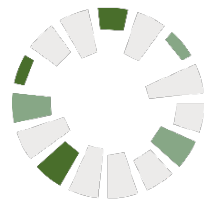
1 Environment

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

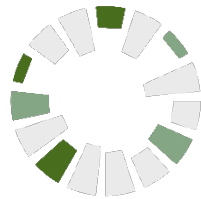
- Received a “5 Star rating^{*1}” in the “GRESB Standing Investments Benchmark,” an evaluation of the existing property portfolio (for the second consecutive year).
- Obtained a “5 Star rating^{*1}” in the “GRESB Development Benchmark,” an evaluation of the new development and major renovation portfolio 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.

^{*1} The highest rating given to the top 20% of the global ranking of the overall score.

^{*2} 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).

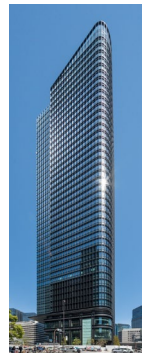
*Over 50% owned buildings and commercial facilities excluding turnover-type and redeveloping properties.



▲MARK IS Minatomirai



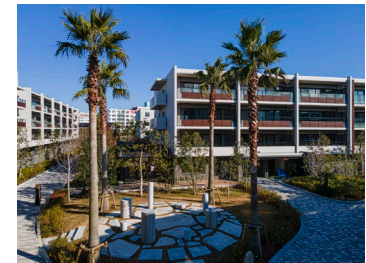
▲Toyosu Foresia



▲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.

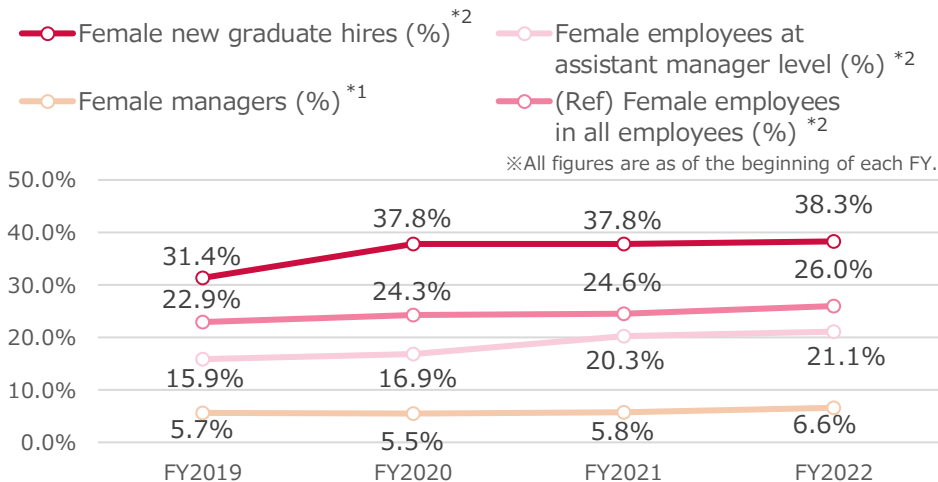


▲The Park House Shin-Urayasu Marine Villa

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, over 30% by FY0241, over 40% by FY2051
- ② Ratio of female new graduate hires*2: 40% annually

■ Initiatives

- Enhancing personnel systems to create a better working environment for women
- Enhanced mid-career recruitment at the section manager level
- Launched woman empowerment working group
- Conducted social events for female employees
- Conducted seminars on women's health in management training programs.

*1 Scope of targets changed to Mitsubishi Estate in conjunction with their upward in FY2022.

*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.



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.

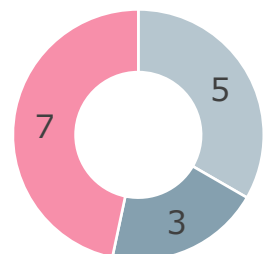
Corporate Structure

- 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)
- 5 of 7 independent outside directors are male and 2 are female

Board Structure



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

Composition of Male/Female

From June 29, 2022



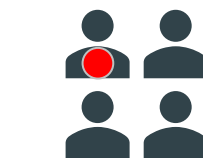
- Male ■ Female

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



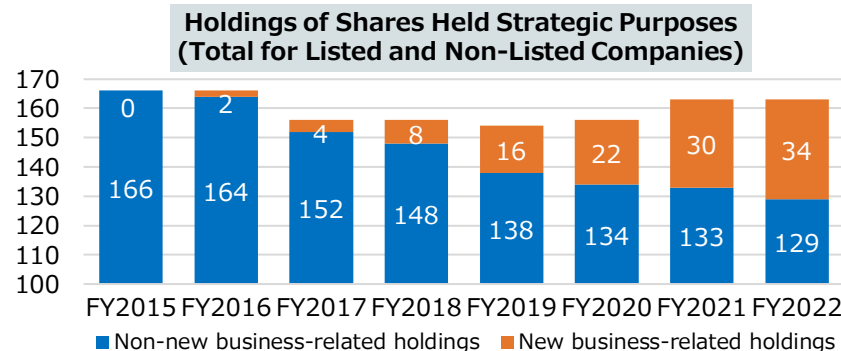
■ : Chairperson

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

Strategic-Holding Stock Policies

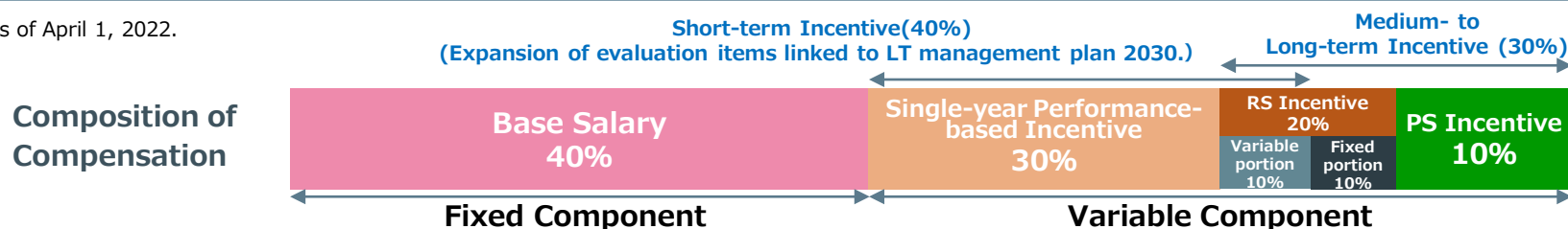
- Sold 25 *entities with a total value of approx. ¥29.1 bn in the past four years (FY2019-FY2022)
- Approx. ¥244.2 bn (market value) of listed stock as of March 31, 2022. Routinely review strategic objectives and dispose of stocks as necessary

* 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 June 2022

— Not selected

Category	Benchmarks	2019	2020	2021	Remarks
ESG in General	FTSE4Good Global Index	●	●	●	21 years in a row
ESG in General	FTSE Blossom Japan Index (Adopted by GPIF)	●	●	●	6 years in a row
ESG in General	MSCI Japan ESG Select Leaders Index (Adopted by GPIF)	●	●	●	6 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	●	●	●	11 years in a row
ESG in General	GRESB Public Disclosure	A	A	A	
ESG in General	GRESB Standing Investment Benchmark *1	3 Star *2	5 Star	5 Star	
ESG in General	GRESB Development Benchmark *1	—*3	4 Star	5 Star	
E (Environment)	S&P/JPX Carbon Efficient Index (Adopted by GPIF)	●	●	●	5 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)	●	●	●	5 years in a row

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

*2 Evaluation results in the Real Estate Assessment

*3 Started assigning ratings from 2020



2022 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

2022
Sompo Sustainability Index



2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

Financial Supplemental Data

1. Management Index, etc.

① KPI for 2030 Target

	2019/3	2020/3	2021/3	2022/3	2023/3 (F)	2030 (Target)
ROA ^{*1}	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 (F)	2030 (Target)
Business profits ^{*2}	¥ 229.4 bn	¥ 240.9 bn	¥ 224.7 bn	¥ 279.3 bn	¥ 291.4 bn	¥ 350.0~ 400.0 bn
Domestic Asset Business	-	¥ 201.5 bn	¥ 201.6 bn	¥ 215.8 bn	¥ 203.4 bn	Approx. ¥50 bn+ ^{*3}
International Assets Business	-	¥ 46.1 bn	¥ 37.9 bn	¥ 55.8 bn	¥ 94.0 bn	Approx. ¥50 bn+ ^{*3}
Non-asset Business	-	¥ 15.7 bn	¥ 9.3 bn	¥ 32.2 bn	¥ 21.0 bn	Approx. ¥50 bn+ ^{*3}
Eliminations or corporate	-	(¥ 22.4 bn)	(¥ 24.2 bn)	(¥ 24.5 bn)	(¥ 27.0 bn)	-

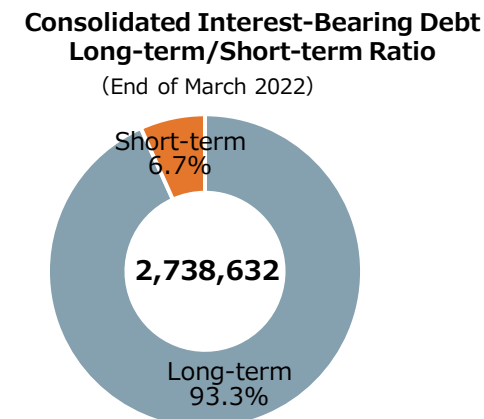
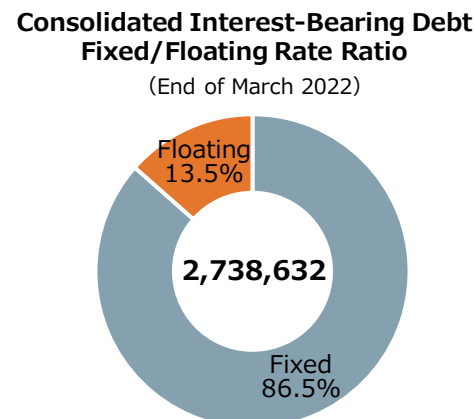
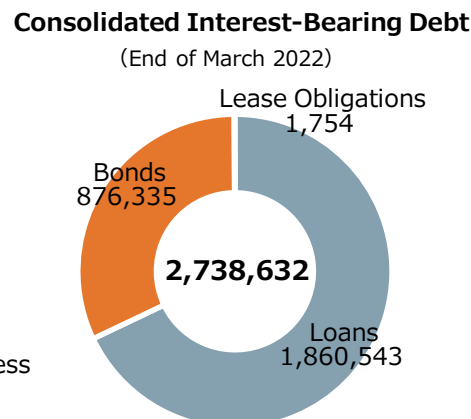
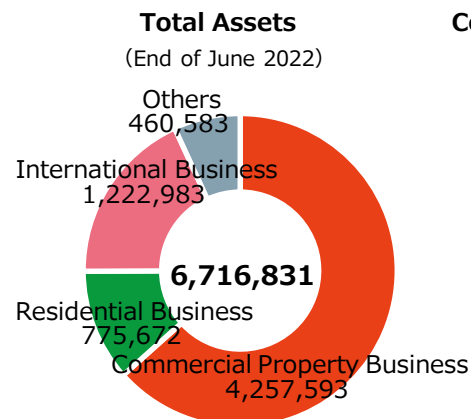
^{*1} ROA = Business Profit / Total assets (average) ^{*2} Business Profit = Operating Profit + Equity in Net Earnings/Loss (for unconsolidated subsidiaries and affiliates)

^{*3} vs FY2020

2. Balance Sheet As of June 30, 2022

	Millions of yen (rounded down)		
	As of June 30, 2022	As of March 31, 2022	Change
Current assets	1,513,117	1,356,789	156,328
Cash and deposits	289,951	233,117	56,834
Trade notes and accounts receivable, and contract assets	46,101	60,645	(14,543)
Real estate for sale	27,630	41,239	(13,608)
Real estate for sale in progress	426,869	299,532	127,337
Real estate for development	724	724	0
Equity investments	623,868	624,521	(653)
Other	97,970	97,009	960
Non-current assets	5,203,713	5,137,127	66,586
Total property, plant and equipment	4,408,413	4,345,989	62,423
Total intangible assets	107,669	108,092	(423)
Investment securities	293,335	299,617	(6,281)
Other	394,294	383,426	10,868
Total assets	6,716,831	6,493,917	222,914

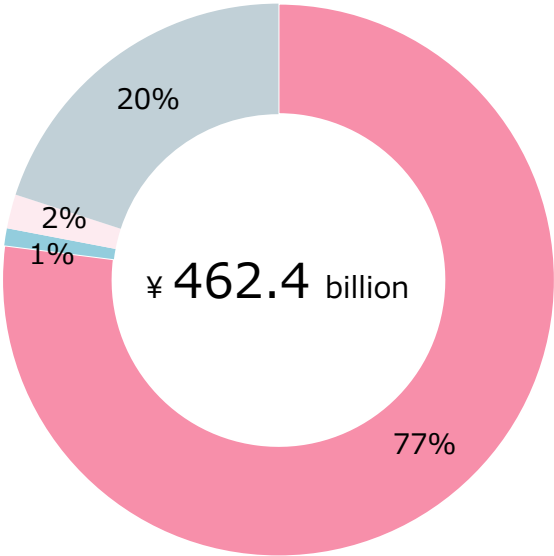
	Millions of yen (rounded down)		
	As of June 30, 2022	As of March 31, 2022	Change
Liabilities	4,404,204	4,257,484	146,719
Current liabilities	871,272	631,043	240,229
Trade notes and accounts payable	41,006	60,516	(19,510)
Short-term borrowings	157,672	182,052	(24,379)
Current portion of long-term borrowings	186,233	79,928	106,304
Commercial Papers	250,000	-	250,000
Current portion of bonds payable	50,000	90,000	(40,000)
Other	186,359	218,544	(32,184)
Non-current liabilities	3,532,932	3,626,441	(93,509)
Bonds payable	766,703	786,335	(19,631)
Long-term borrowings	1,531,636	1,598,562	(66,926)
Other	1,234,587	1,241,539	(6,951)
Net assets	2,312,626	2,236,432	76,194
Shareholders' equity	1,370,377	1,335,024	35,352
Accumulated other comprehensive income	706,721	668,200	38,520
Share acquisition rights	201	201	-
Non-controlling interests	235,326	233,005	2,321
Total liabilities and net assets	6,716,831	6,493,917	222,914



3. Asset Compositions

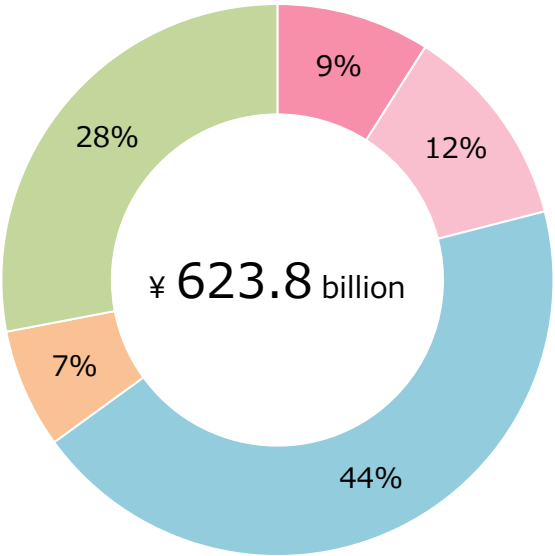
(End of June 2022)

Inventories



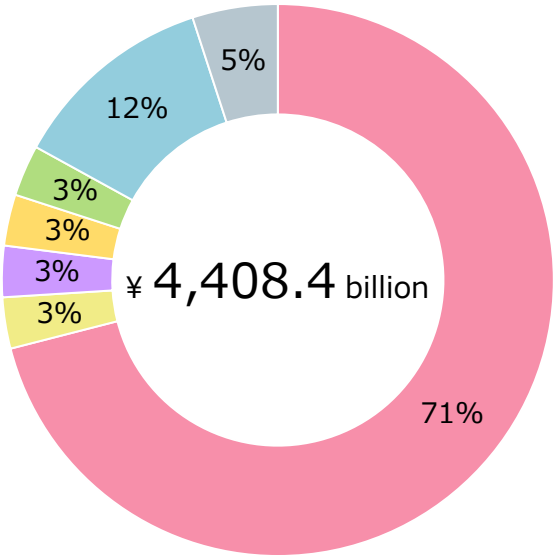
- Domestic Condominiums
- US
- Asia
- Others

Equity Investments



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

Property, plant and equipment



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

* Excluding outlet malls

4. Consolidated Cash Flow

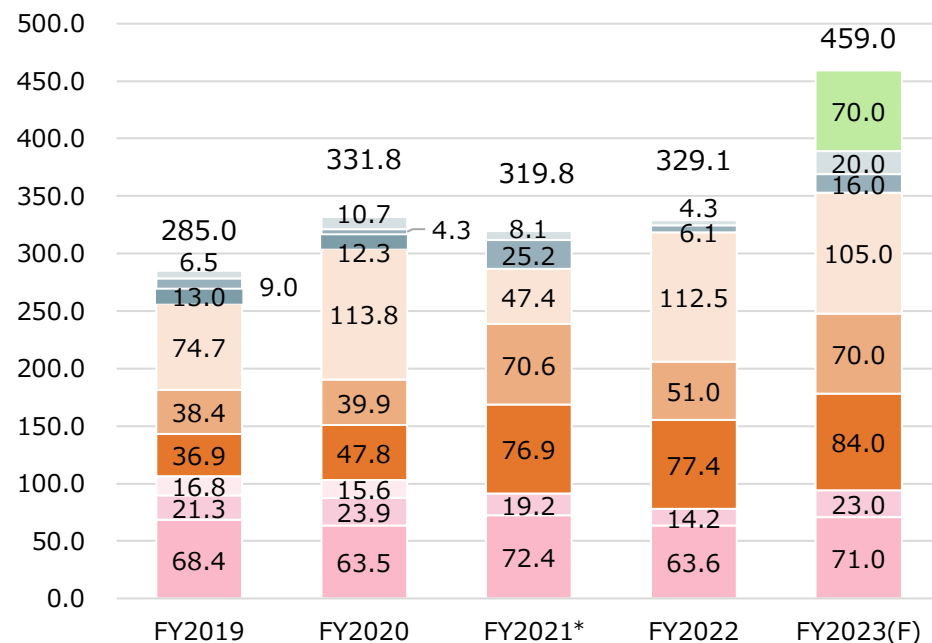
Millions of yen (rounded down)

	①FY2022- 1Q Results	②FY2023- 1Q Results	Change (② – ①)	③FY2022 Results	④FY2023 Forecasts	Change (④ – ③)
Cash Flows From Operating Activities	26,704	(17,718)	(44,422)	280,090	370,000	89,910
Depreciation	22,068	22,828	760	91,581	94,000	2,419
Decrease (increase) in inventories	24,674	(108,363)	(133,037)	116,993	102,000	(14,993)
Decrease (Increase) in equity investments	(9,136)	41,763	50,899	(30,267)	(66,000)	(35,733)
Cash Flows From Investing Activities	(102,266)	(77,911)	24,355	(313,778)	(480,000)	(166,222)
Proceeds from sales of investment securities	3,749	122	(3,627)	9,562	2,000	(7,562)
Purchase of property, plant and equipment	(98,485)	(81,681)	16,804	(329,115)	(459,000)	(129,885)
Cash Flows From Financing Activities	172,755	148,898	(23,856)	90,973	15,000	(75,973)
Cash and Cash Equivalents at End of Period	274,685	291,986	17,301	234,244	140,000	(94,244)
Free Cash Flow	(75,562)	(95,629)	(20,067)	(33,687)	(110,000)	(76,313)

5. Investment Data

Major Breakdown of Purchase of Property, Plant and Equipment

(Billions of yen)



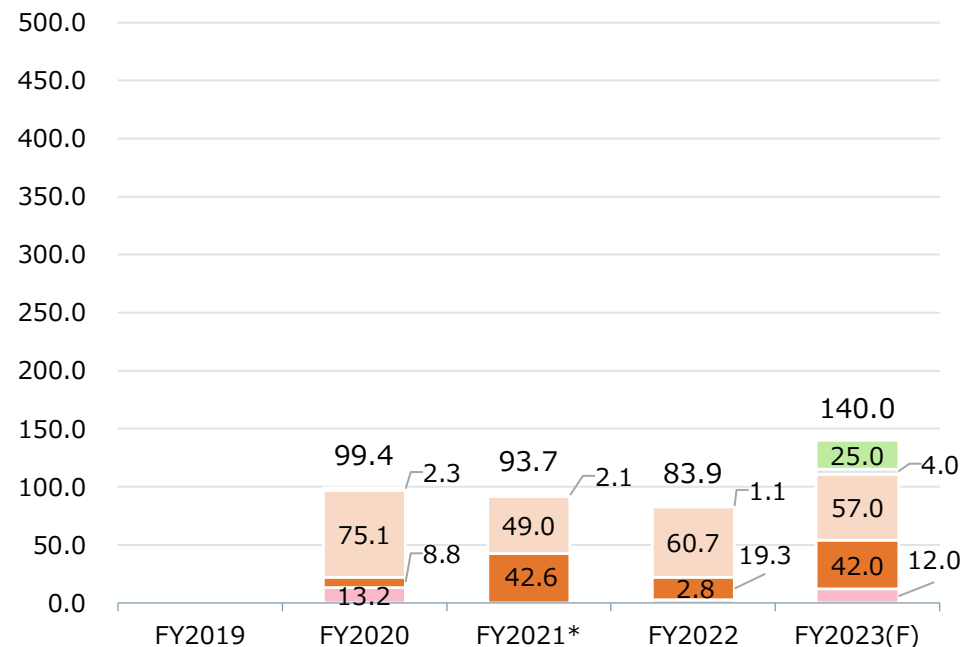
*Classifications have been changed below from FY2021

<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

Major Breakdown of Equity Investments

(Billions of yen)



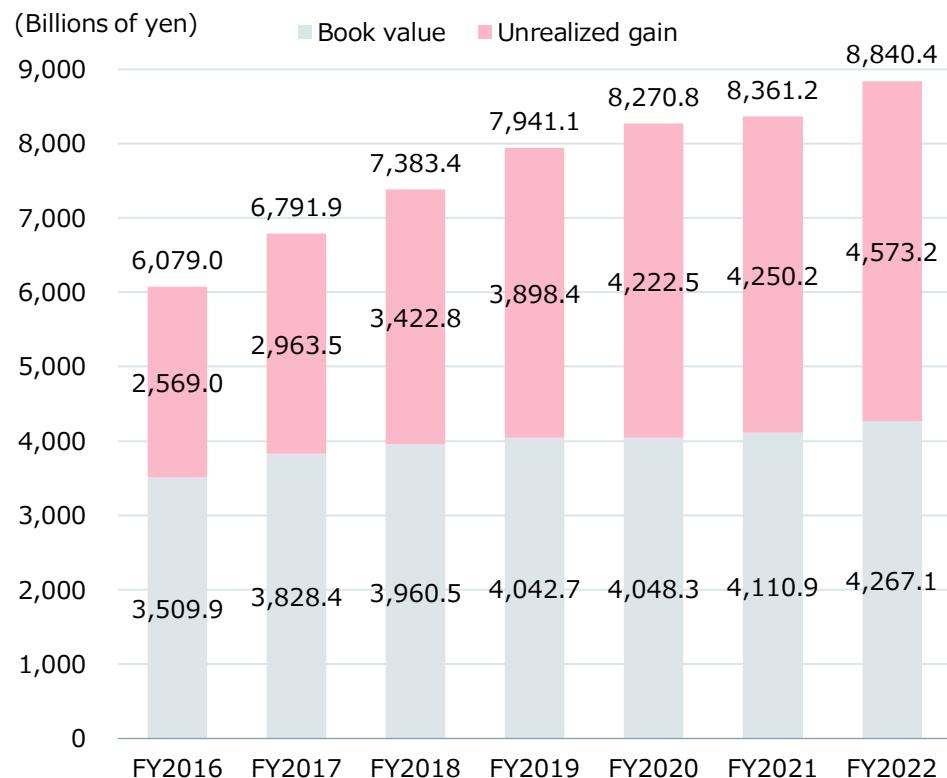
<Legend for FY2021 - >

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

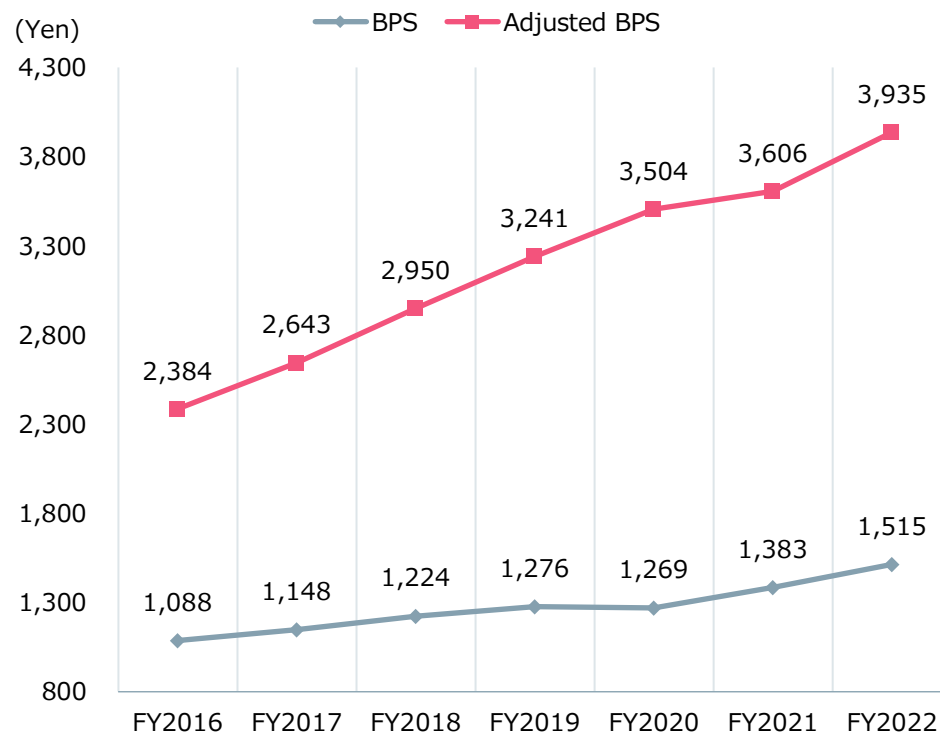
6. Income Generating Assets Unrealized Gains: Current Status #1

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



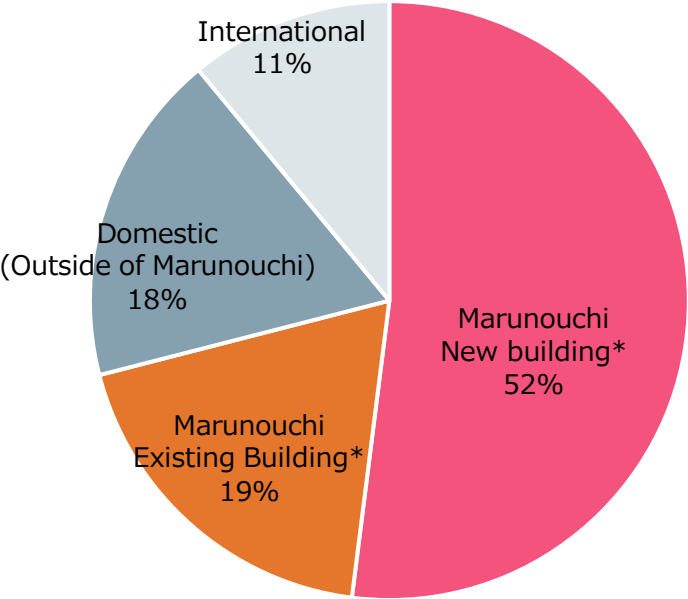
BPS and Adjusted BPS*



* BPS including unrealized gains (after tax)

7. Income Generating Assets #2

Unrealized Gain Breakdown

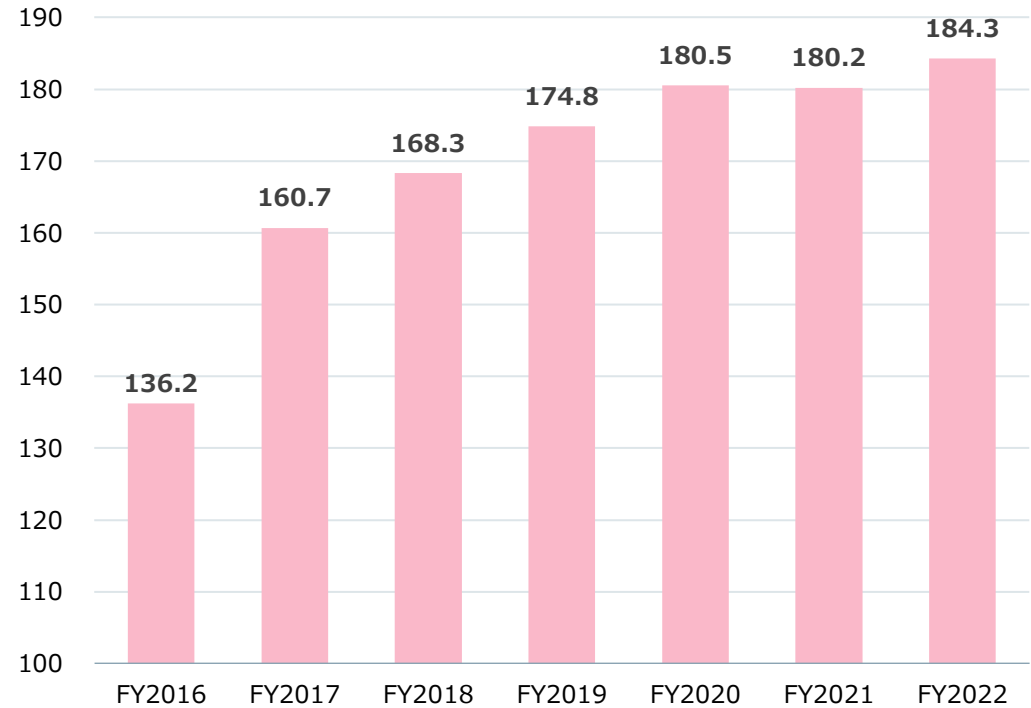


*Redeveloped properties after the completion of Marunouchi Building
Since the fiscal year ended March 2022, the entire TOKYO TORCH PJ has been counted as a new Marunouchi building.

(FY2022 Results)

Profit Trends

(Billion of yen)



Business Overview

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.



Architectural Design & Engineering and Real Estate Service Business

<Architectural Design & Engineering Business>

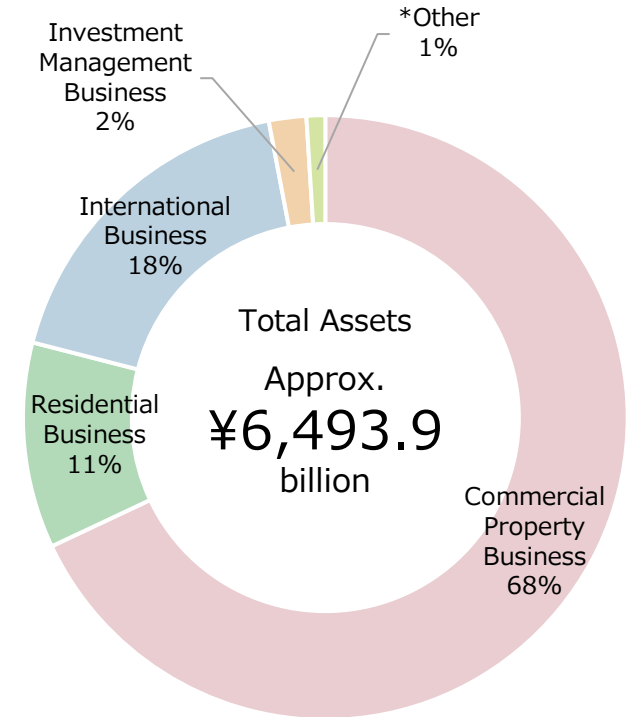
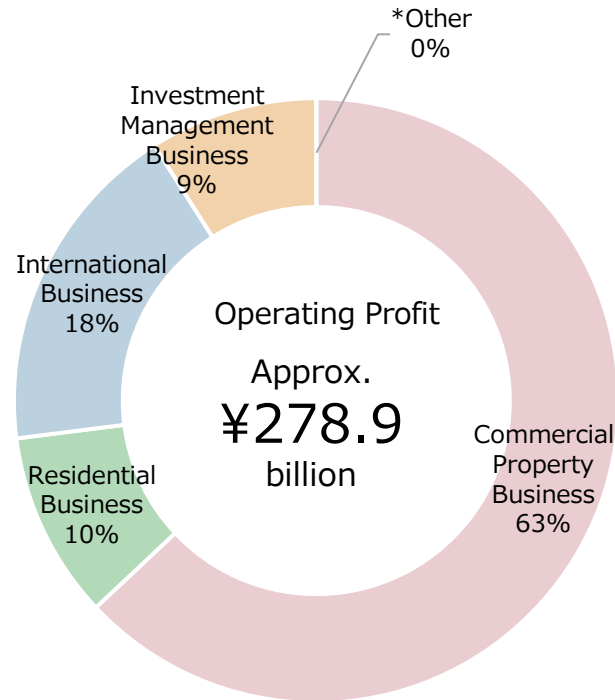
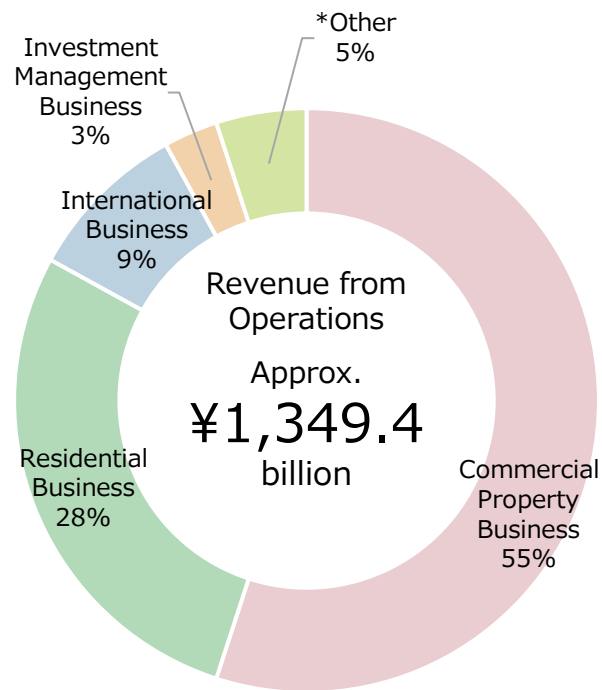
Mitsubishi Jisho Sekkei Inc. provides architectural design and engineering services of construction and civil engineering.

 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

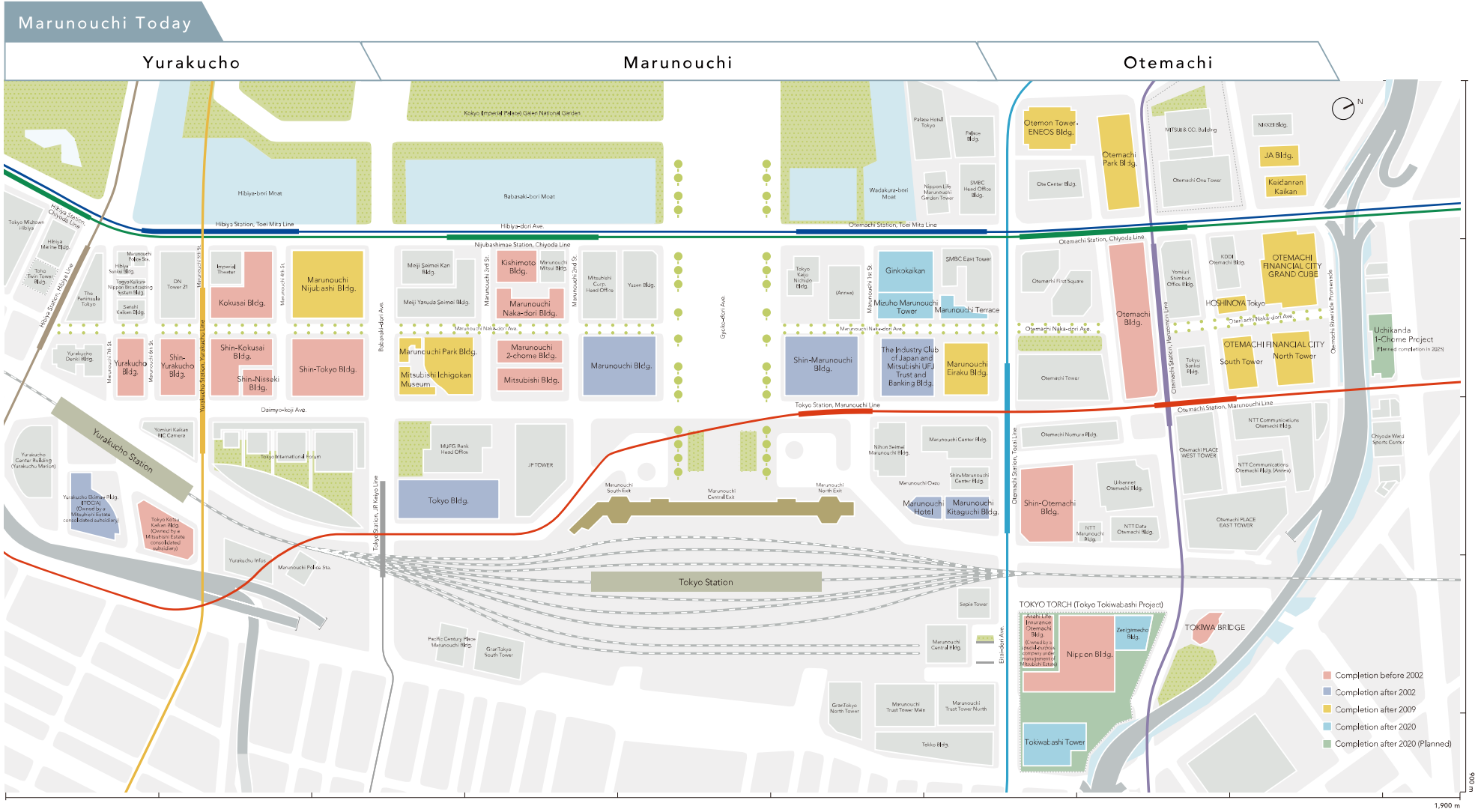


*Architectural Design & Engineering Business and Real Estate Services Business, Other Business (FY2022 Results)

Commercial Property Business

Office Buildings

1. Marunouchi Area Map

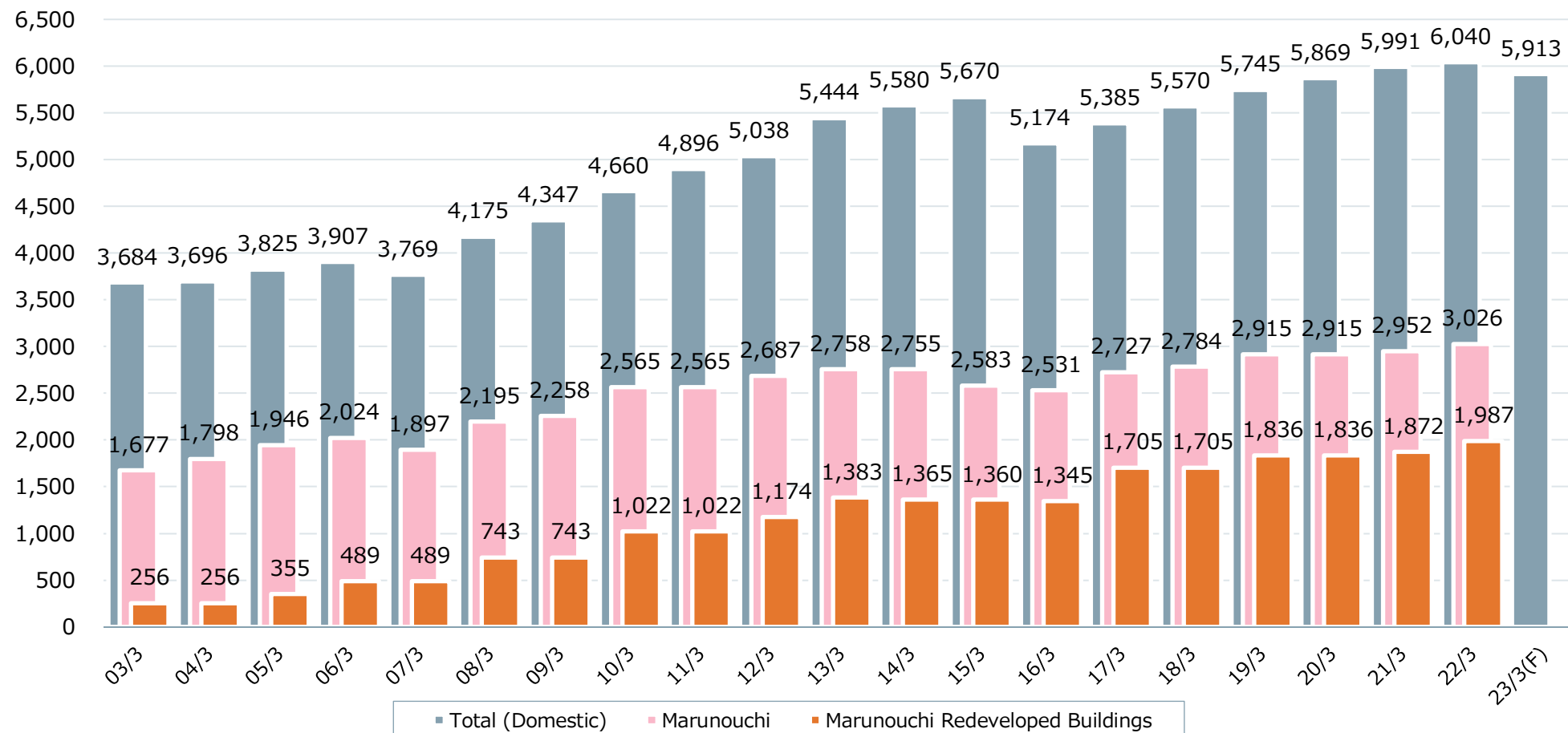


2. Pipeline



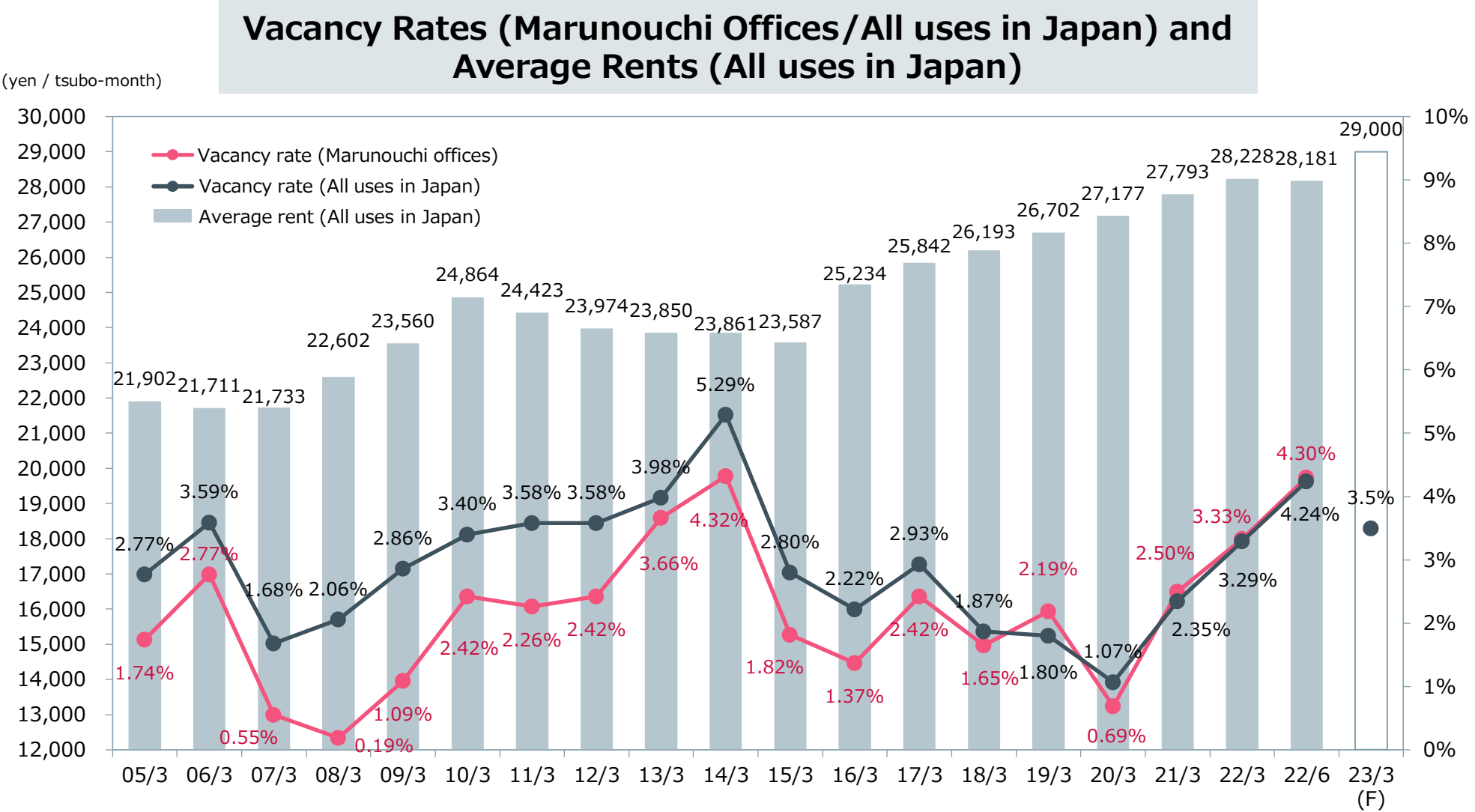
3. Earnings Related Data: Total Operating Floor Space (Unconsolidated)

Total (Domestic)/Marunouchi/Marunouchi Redevelopment Buildings

(Thousand m²)

*Excluding floor space in Lifestyle Property Business from FY2016

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



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

(Billions of yen)

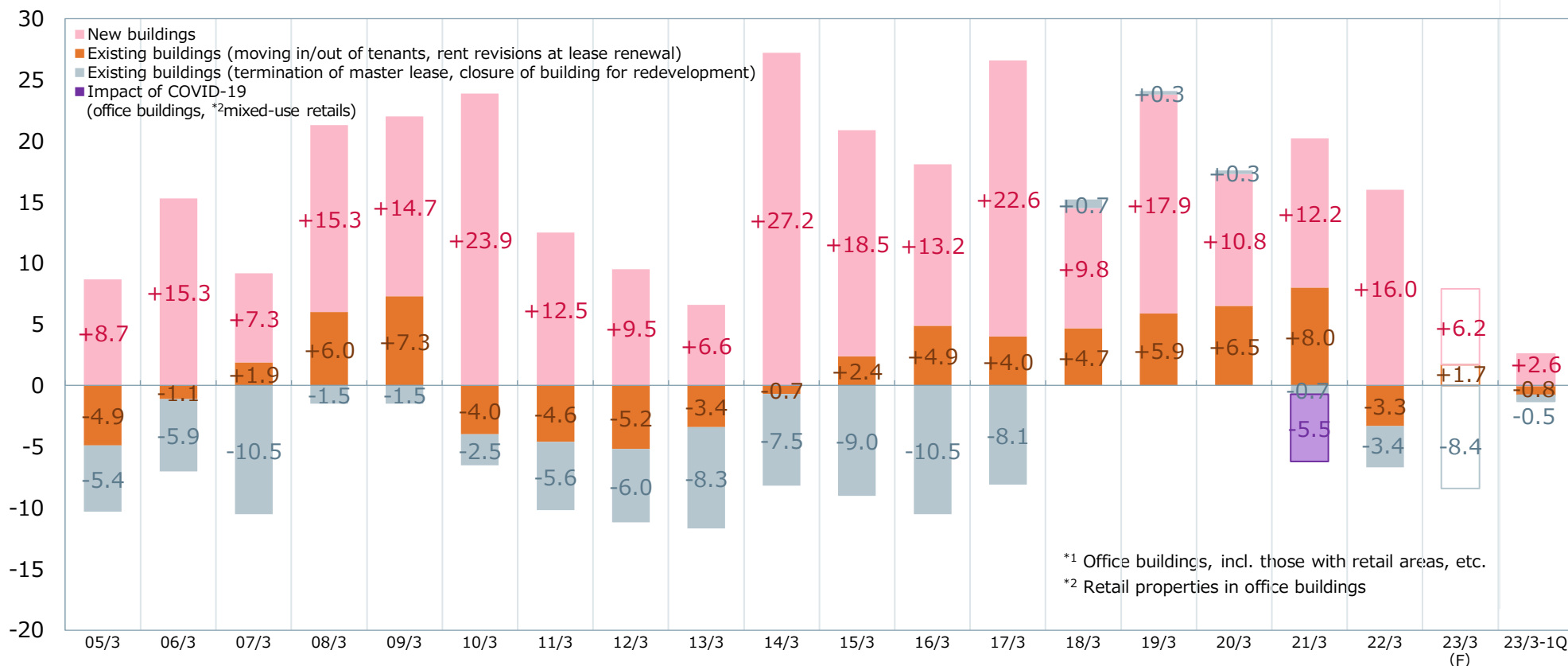
	FY2022-1Q Results	FY2022 Results	FY2023-1Q Results	FY2023 Forecasts
Rent revenue from office buildings*	107.1	435.2	106.7	423.7
Changes from the previous period	+ 4.4	+ 17.1	(0.4)	(11.4)
Rent revenue from new buildings	+ 3.1	+ 16.0	+ 2.6	+ 6.2
Rent revenue from existing buildings	(0.5)	(6.7)	(1.3)	(6.7)
Termination of master lease, closure of building for redevelopment	(0.9)	(3.4)	(0.5)	(8.4)
Moving in/out of tenants, Rent revisions at lease renewal	+ 0.3	(3.3)	(0.8)	+ 1.7
Supplementary revenue, incl. common area charge	+ 1.8	+ 7.8	(1.6)	(10.9)

* Office buildings, incl. those with retail areas, etc.

6. Earnings Related Data: Trends in Rent Revenue From Office Buildings*¹ (Unconsolidated)

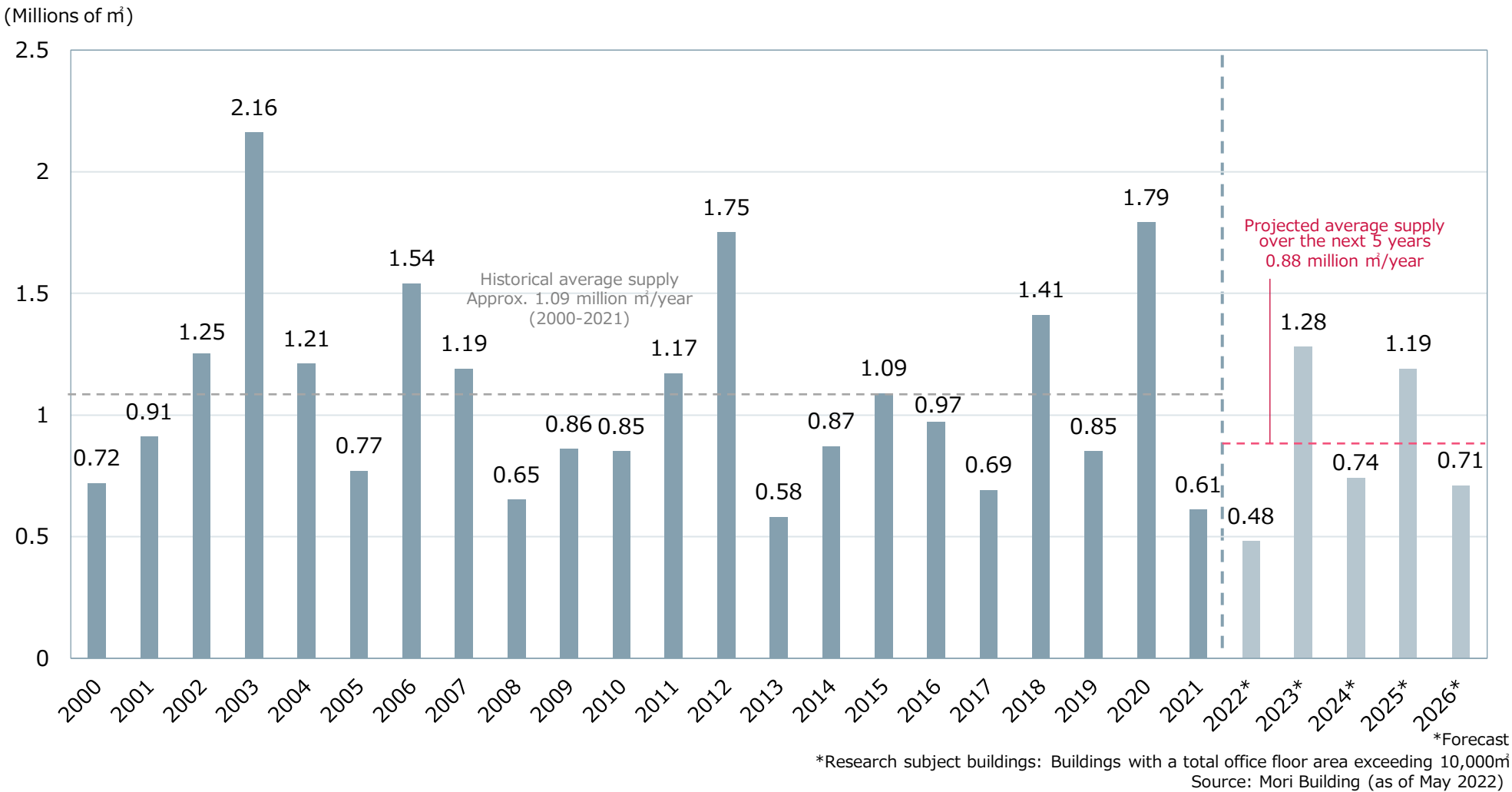
Increase/Decrease of Rent Revenue from Office Buildings*¹ (From the Previous Fiscal Year)

(Billions of yen)

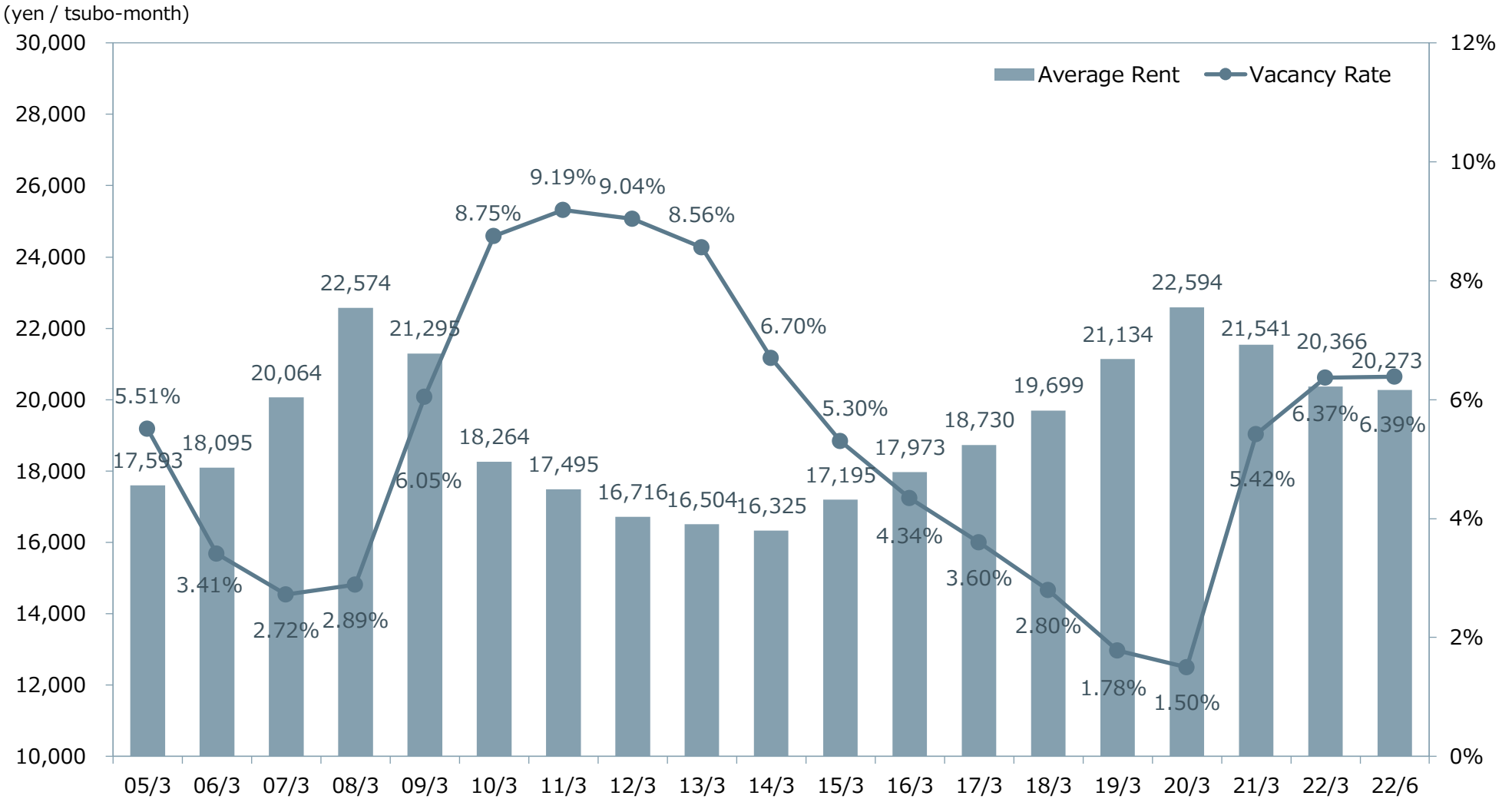


Total	(1.6)	+8.3	(1.3)	+19.8	+20.5	+17.4	+2.3	(1.7)	(5.1)	+19.0	+11.9	+7.6	+18.5	+15.2	+24.1	+17.6	+14.0	+9.3	(0.5)	+1.3
-------	-------	------	-------	-------	-------	-------	------	-------	-------	-------	-------	------	-------	-------	-------	-------	-------	------	-------	------

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



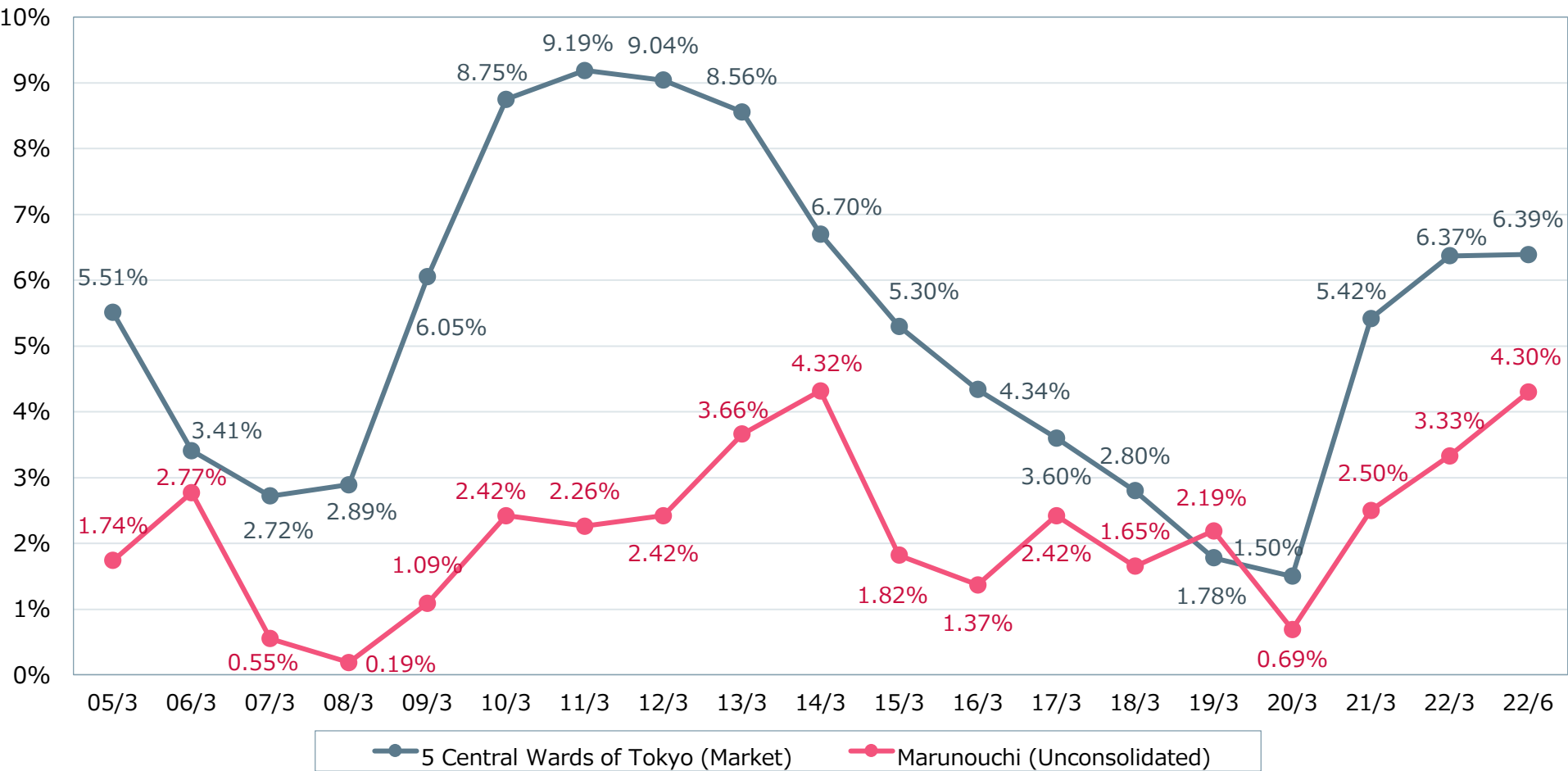
8. Office Building Market Data: Average Rents/Vacancy Rates (5 Central Wards of Tokyo)



Source: Miki Shoji Co., Ltd.



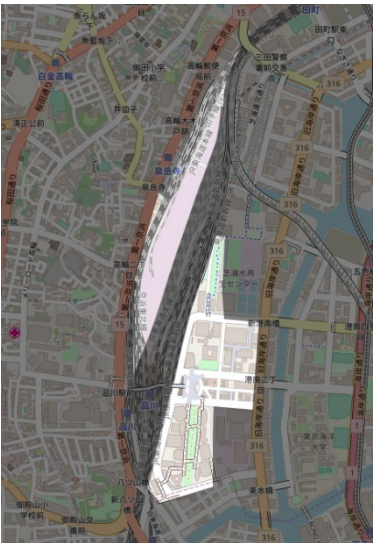
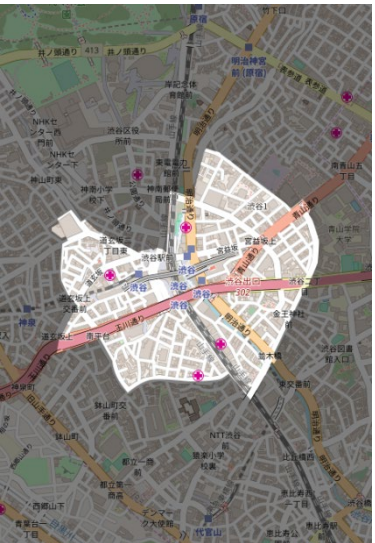
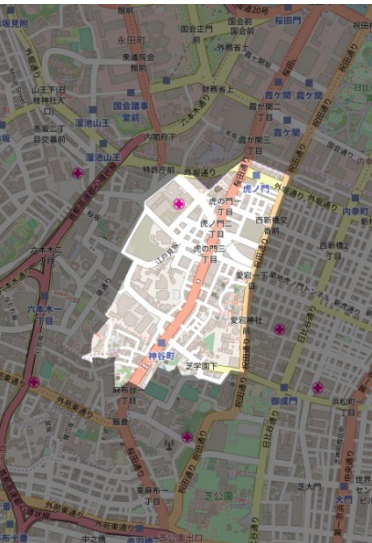
9. Competitive Edge of Marunouchi: Vacancy Rates

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



Source: Miki Shoji Co., Ltd.

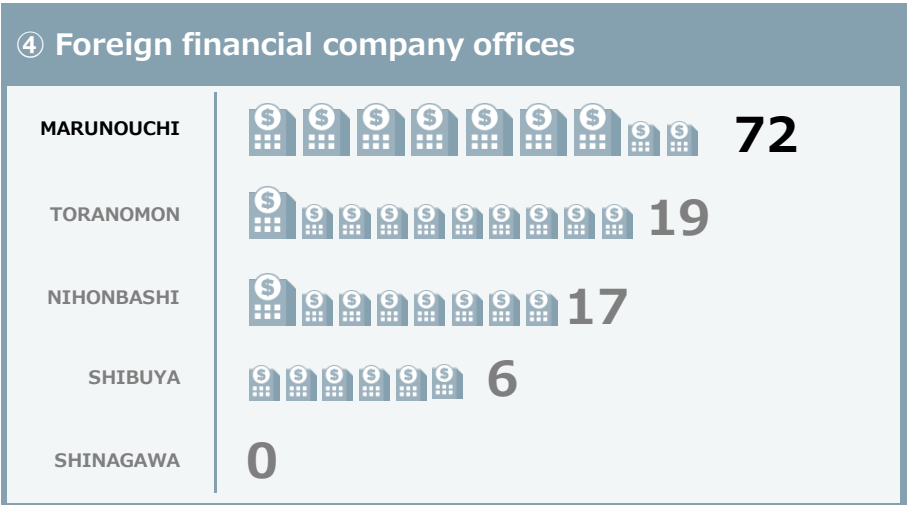
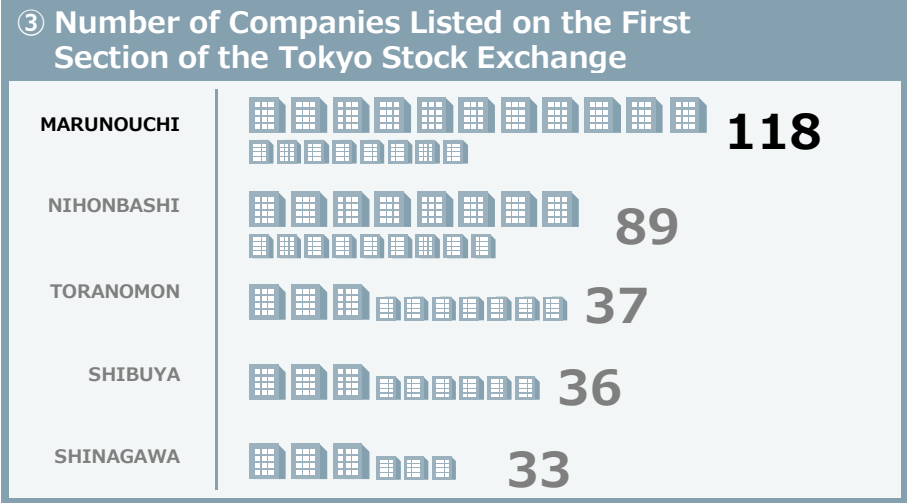
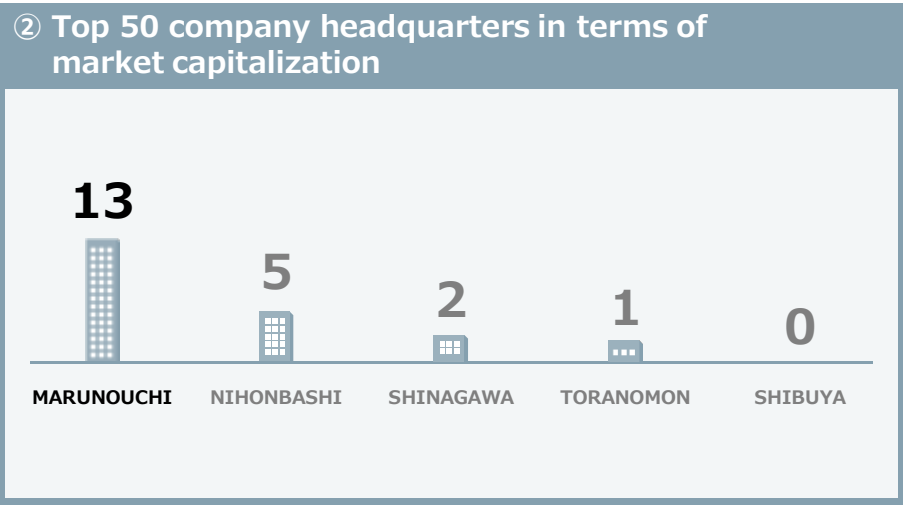
10. Competitive Edge of Marunouchi: Area/Number of Railway Lines

Marunouchi	Nihonbashi	Shinagawa	Shibuya	Toranomon
				
Area: 120ha	Area: 76ha	Area: 49ha	Area: 86ha	Area: 58ha
Railway lines: 28 lines	Railway lines: 5 lines	Railway lines: 9 lines	Railway lines: 8 lines	Railway lines: 2 lines

©Open Street Map

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

(as of March 2022)

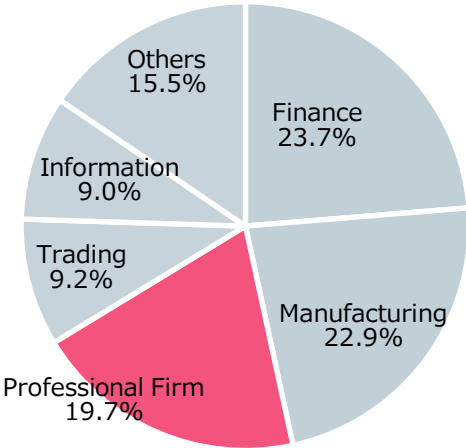
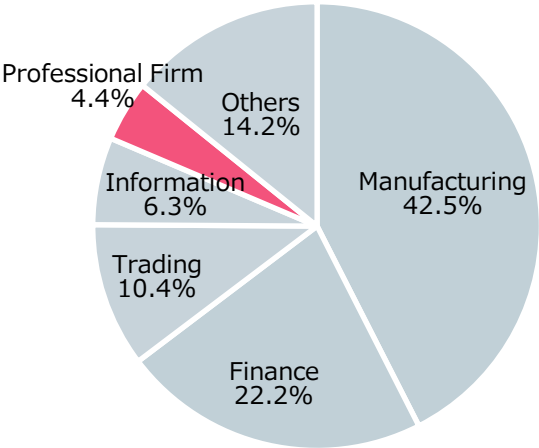


12. Marunouchi Data: Marunouchi Tenant Mix (Unconsolidated)

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

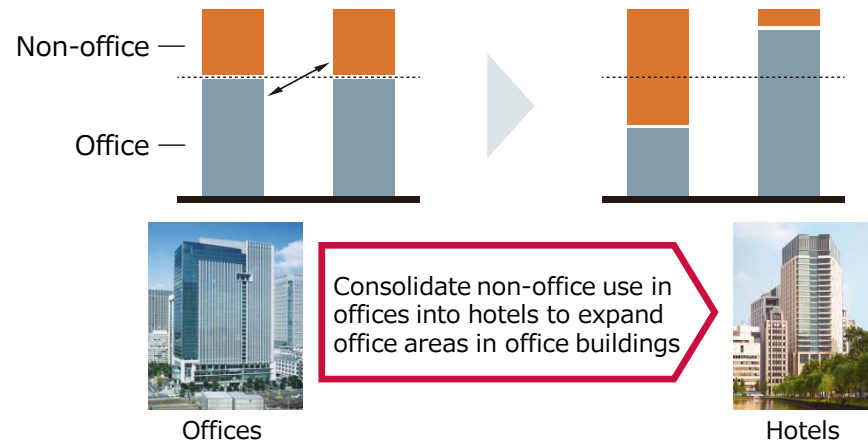
Possible to be permitted for relaxation of floor-area ratio regulation depending on levels of contribution to city regeneration as an exemption of urban planning

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

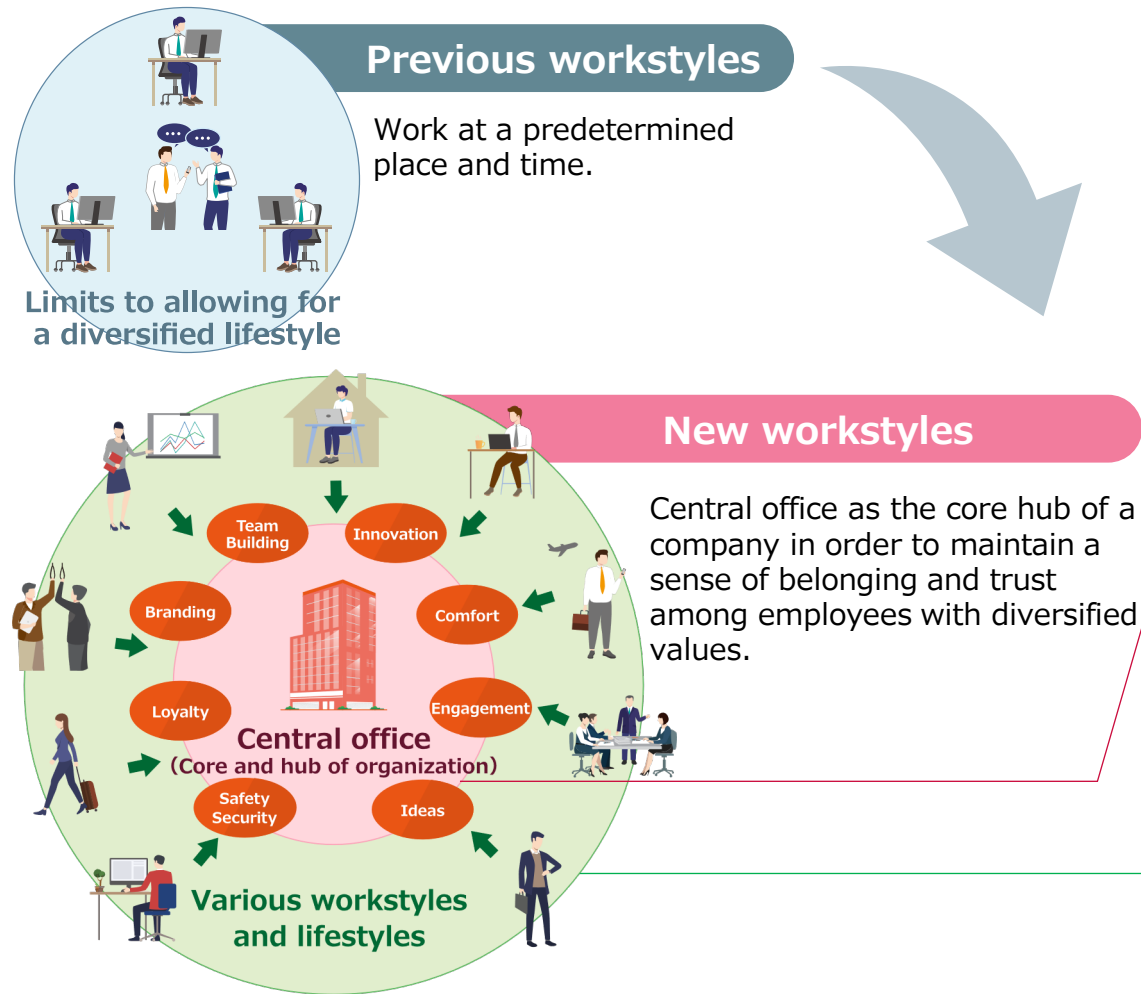
Possible to consolidate and allocate mandated non-office use floor-areas when running several projects simultaneously

◆ Example: Consolidate office and hotel usages

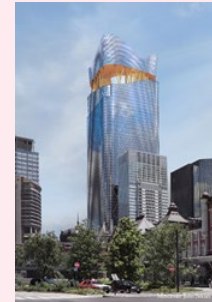


14. Initiatives Looking Ahead to Post-COVID-19

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

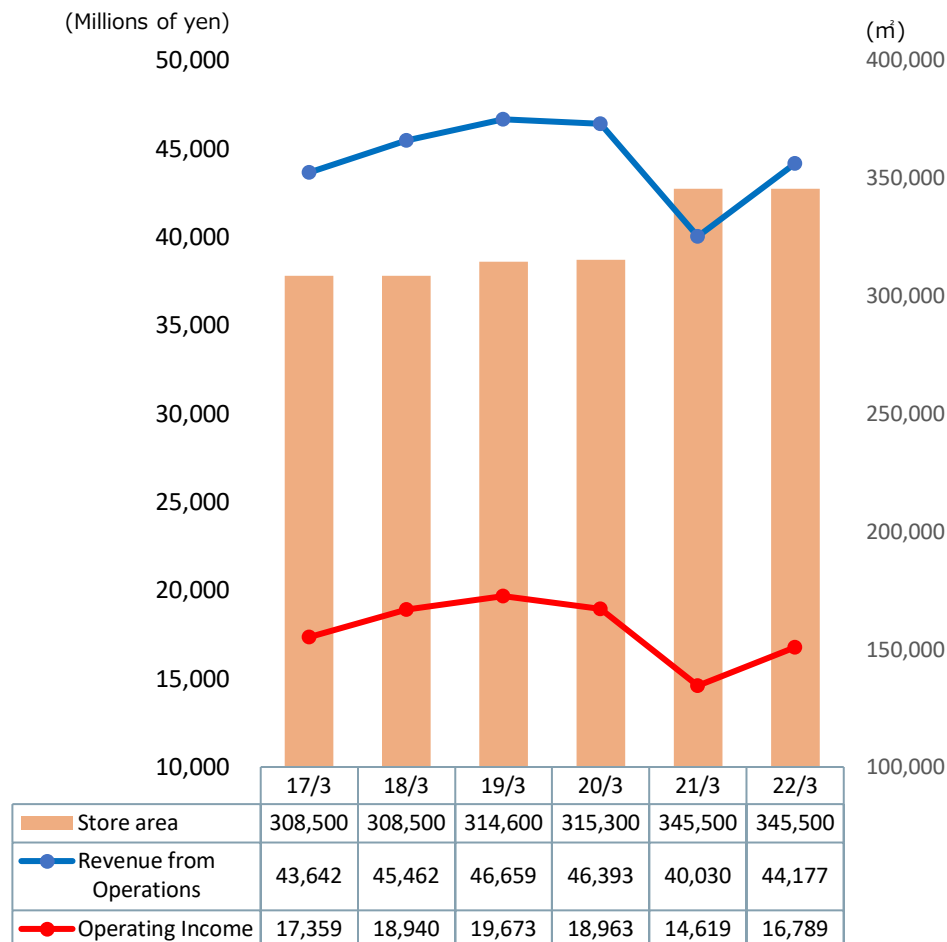


Commercial Property Business

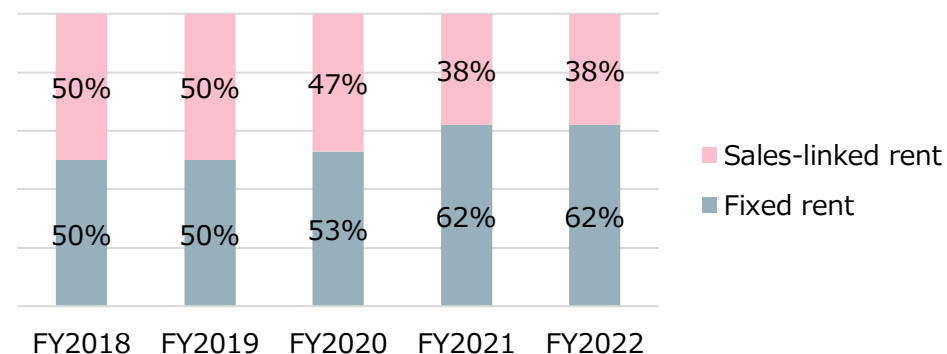
**Outlet Malls, Retail Properties, Logistics
Facilities and Hotels**

1. Outlet Mall Business #1

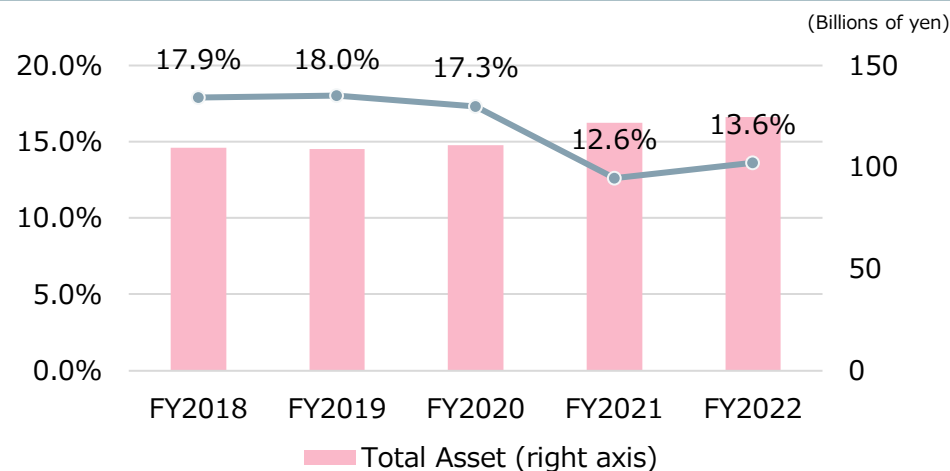
Change in Store Area, Revenue from Operations, and Operating Income



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



Changes in ROA·Total Assets



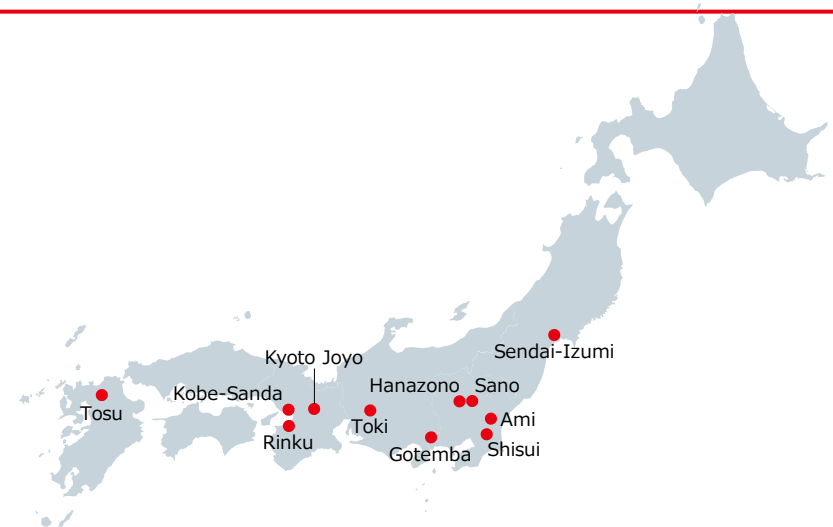
2. Outlet Mall Business #2



GOTEMBA PREMIUM OUTLETS®



FUKAYA HANAZONO PREMIUM OUTLETS® (Image)

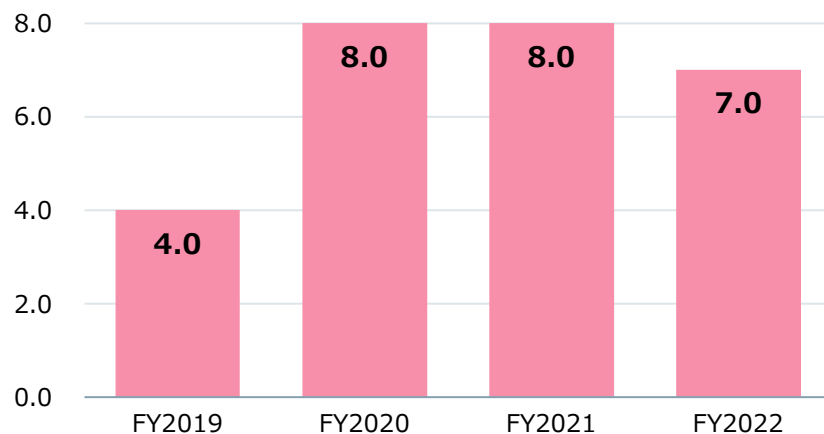


Name	Location	Site Area	Total Floor Area	Store Floor Area	Number of Stores	Schedule
GOTEMBA PREMIUM OUTLETS®	Gotemba, Shizuoka	419,200㎡	70,400㎡	61,300㎡	290	Open: Jul. 2000, Phase2 expansion: Jul. 2003, Phase3 expansion: Mar. 2008, Phase4 expansion: Jun. 2020
RINKU PREMIUM OUTLETS®	Izumisano, Osaka	130,300㎡	64,900㎡	50,200㎡	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㎡	31,700㎡	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㎡	35,100㎡	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㎡	42,100㎡	210	Open: Jul. 2007, Phase2 expansion: Dec. 2009, Phase3 expansion: Dec. 2012
SENDAI-IZUMI PREMIUM OUTLETS®	Sendai, Miyagi	43,700㎡	20,300㎡	15,200㎡	80	Open: Oct. 2008
AMI PREMIUM OUTLETS®	Inashiki, Ibaraki	211,100㎡	34,700㎡	30,600㎡	160	Open: Jul. 2009, Phase2 expansion in Dec. 2011
SHISUI PREMIUM OUTLETS®	Inba, Chiba	421,000㎡	47,300㎡	42,100㎡	220	Open: Apr. 2013, Phase2 expansion: Apr. 2015, Phase3 expansion: Sep. 2018
FUKAYA HANAZONO PREMIUM OUTLETS®	Fukaya, Saitama	176,800㎡	34,600㎡	27,500㎡	130	Open: Oct. 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

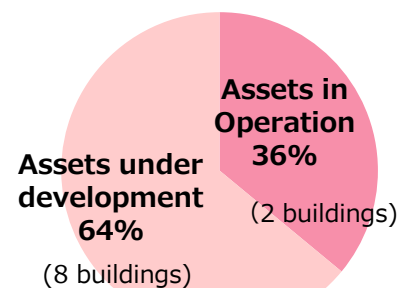
(Billions of yen)



Total Assets

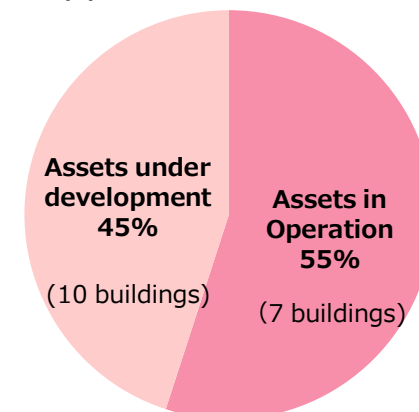
<End of March 2020>

Approx. ¥ **27** billion



<End of March 2022>

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 ²	-	Jun. 2017
Logicross Ebina	Ebina, Kanagawa	30,100m ²	61,900m ²	Nov. 2019	Nov. 2020
Logicross Hasuda	Hasuda, Saitama	49,500m ²	78,600m ²	Feb. 2020	Mar. 2021
Logista・Logicross Ibaraki Saito A Building	Ibaraki, Osaka	51,000m ²	116,000m ²	Feb. 2020	May 2021
Logista・Logicross Ibaraki Saito B Building	Ibaraki, Osaka	15,800m ²	31,200m ²	May 2020	May 2021
Logicross Zama Komatsubara	Zama, Kanagawa	21,900m ²	44,300m ²	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 ²	Dec. 2021	Aug. 2023
Logicross Osaka Katano	Katano, Osaka	10,200m ²	20,800m ²	Nov. 2021	Nov. 2022
Logicross Zama Project	Zama, Kanagawa	80,900m ²	178,700m ²	Apr. 2022	Nov. 2023
Logicross Sagamihara	Sagamihara, Kanagawa	78,100m ²	170,900m ²	Jun. 2022	Dec. 2023
(Tentative name) Kyoto Joyo Core Logistics Facility	Joyo, Kyoto	119,000m ²	277,000m ²	2025	2026



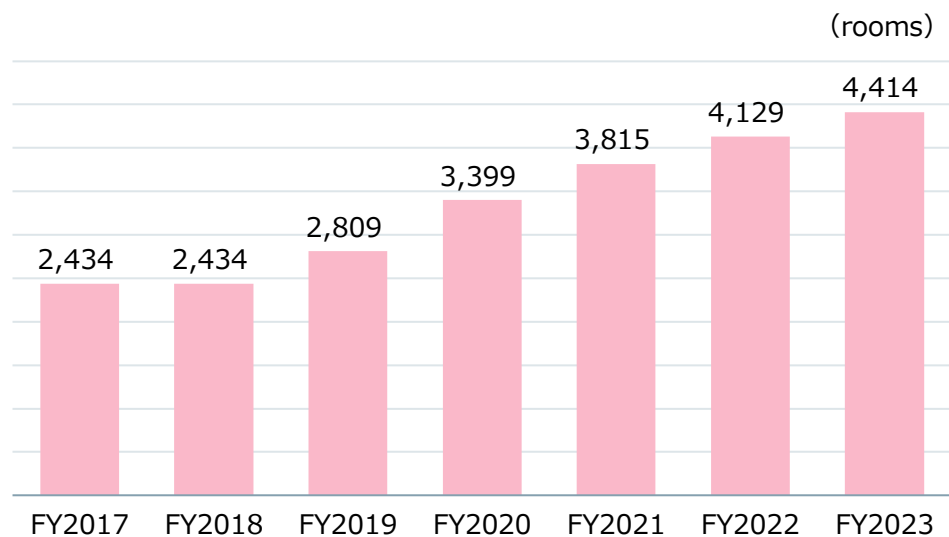
Tokyo Ryutsu Center Distribution Building New Bldg. A



Logicross Sagamihara

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

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

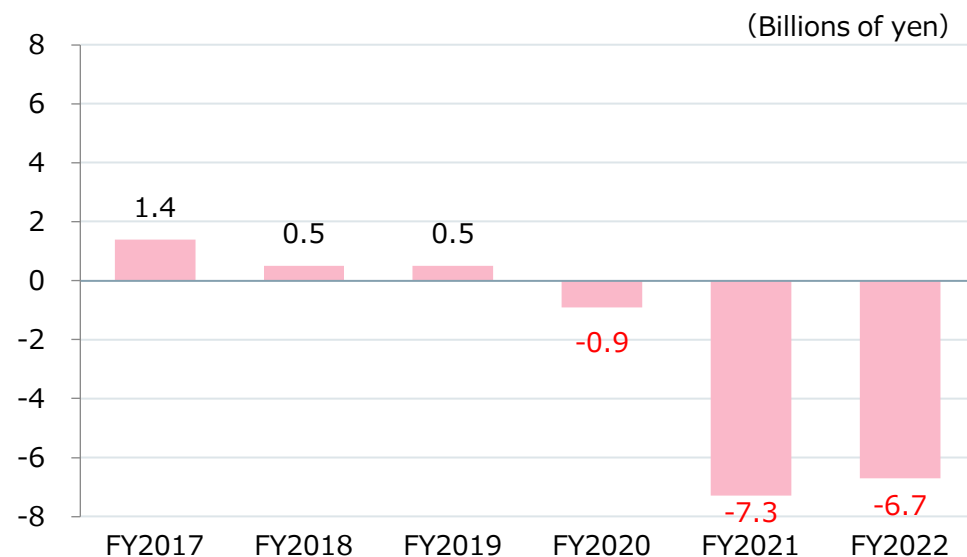


The Royal Park Canvas Sapporo Odori Park



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 Shijo Hiroshima RS Ginza 8	Osaka Kitahama Osaka Midosuji	Kobe Sannomiya Kyoto Umekoji	Kyoto Nijo Sapporo 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	Mar. 2022
Sotetsu FRESA INN Sendai (MJ HOTEL Sendai Chuo)	Sendai, Miyagi	224	Oct. 2020	Jul. 2022
Hilton Okinawa Miyakojima Resort	Miyakojima, Okinawa	329	Feb. 2021	2023
Rosewood Miyakojima	Miyakojima, Okinawa	55	Mar. 2022	2024

Residential Business

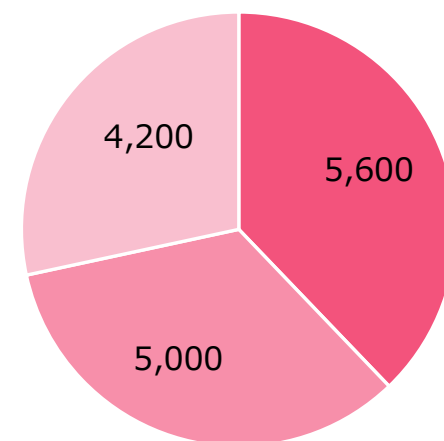
1. Condominium Business Data #1

Due to a decline in the land bank, sales and profits in FY2023 were significantly lower YoY. Shift the immediate profit focus of the Residential Business to capital gains (e.g., rental apartments.).

	FY2022-1Q (Results)	FY2022 (Results)	FY2023-1Q (Results)	FY2023 (Forecasts)
Condominiums Sold (millions of yen) *1 *3	19,173	216,231	16,187	115,000
Condominiums Sold (units)	289	3,046	154	1,600
Gross Margin *2 *3	21.2%	22.5%	25.4%	23.1%
Inventory (units)	203	62	23	-
New Supply of Condominiums (units)	454	2,131	706	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 FY2023

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

*Total occupying area



The Parkhouse Jiyugaoka Diana Garden

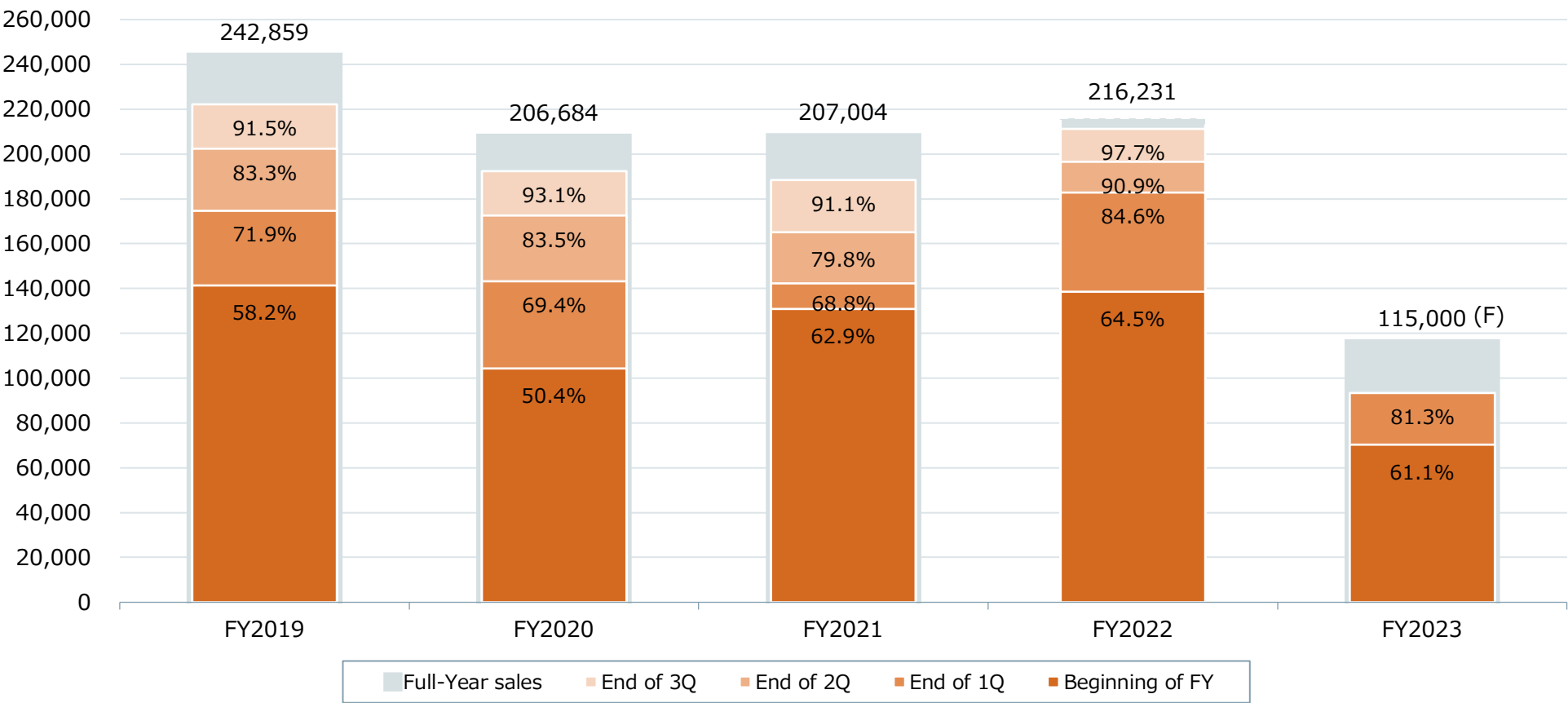


The Parkhouse Nagoya

3. Condominium Business Data #3

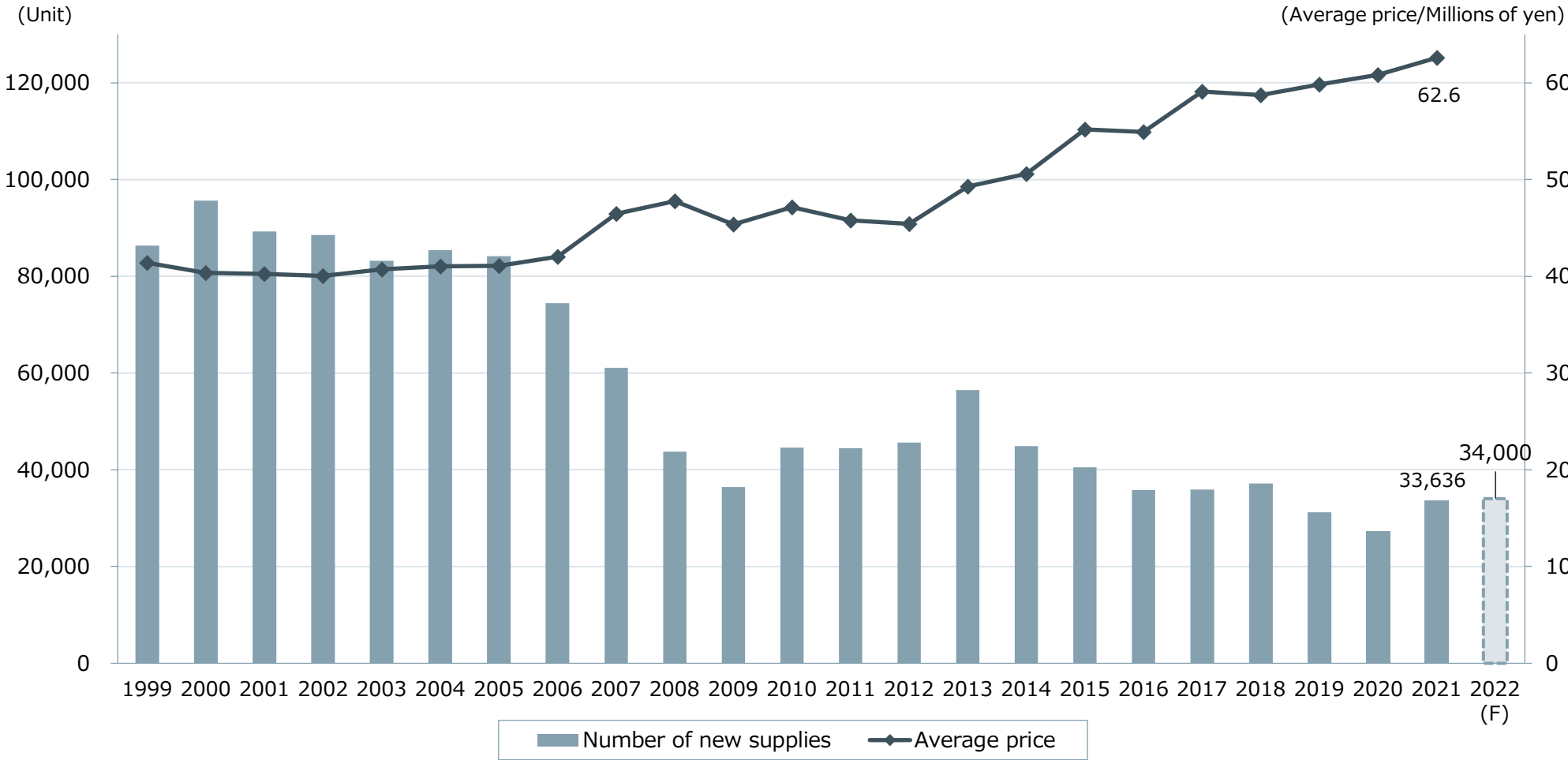
Quarterly Distribution of Sales by Agreement Date

(Millions of yen)



4. Condominium Market Data

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

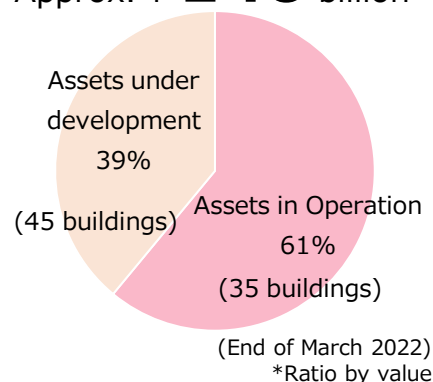


Source: Real Estate Economic Institute Co., Ltd.

5. Rental apartments business

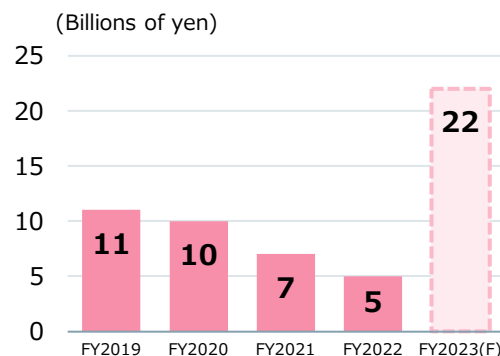
Total Assets

Approx. ¥ **140** billion

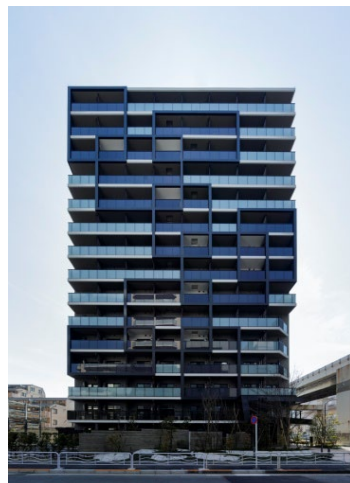


Parkhabio Akasaka Tower

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 Kodenchomachi	Chuo, Tokyo	44	Nov. 2017
The Parkhabio Nihonbashi Hakozaichomachi	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

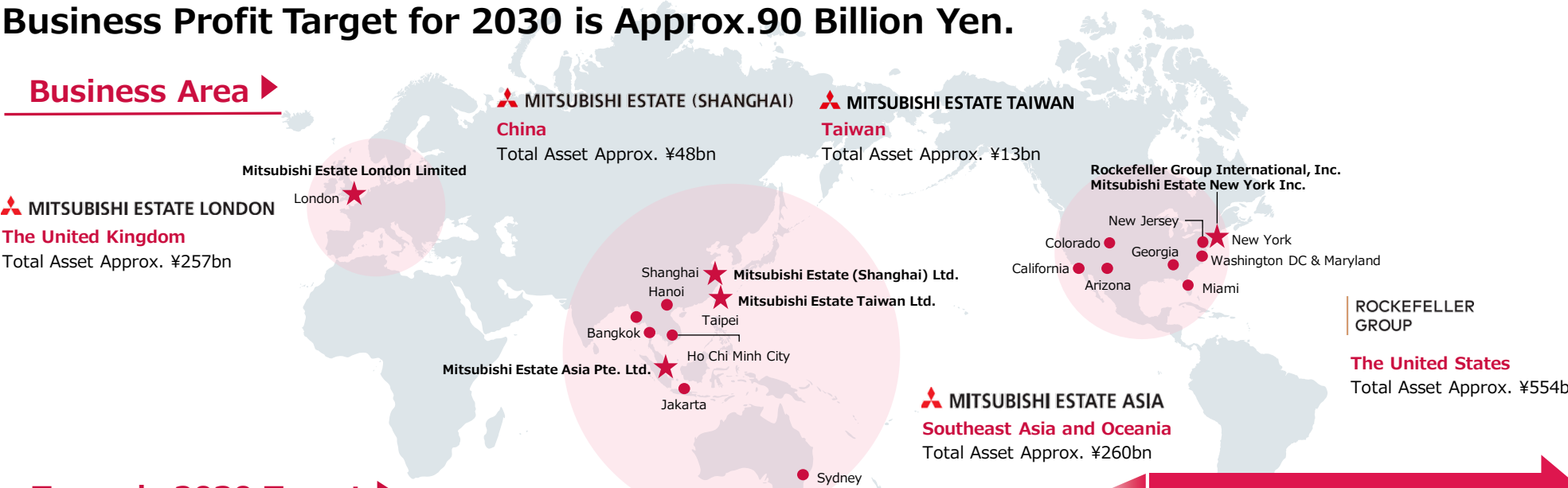
In addition to the listed above, there are approximately 45 projects under development

International Business

1. International Business Strategy

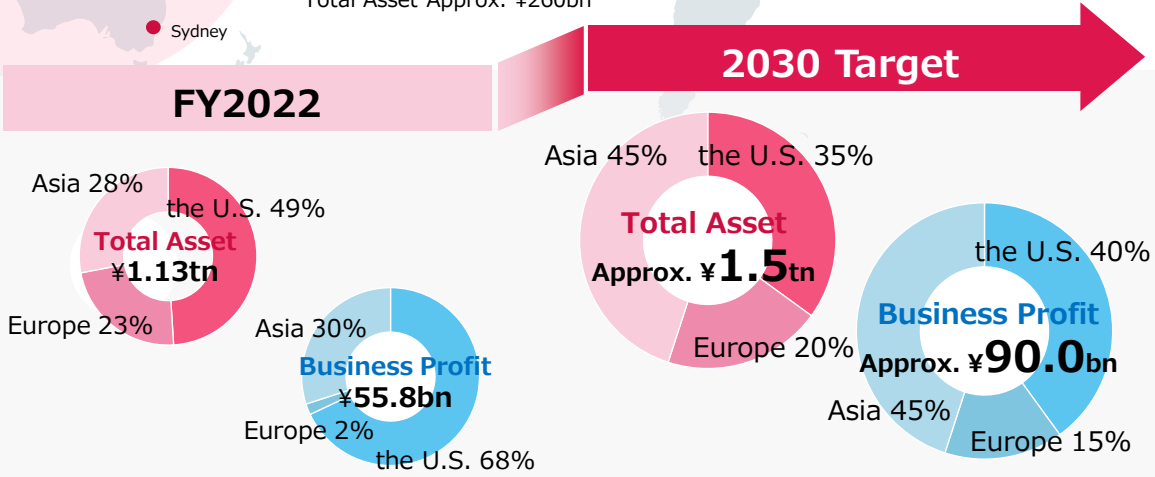
Promote International Business at a total of five bases in the U.S., Europe, and Asia.
Business Profit Target for 2030 is Approx.90 Billion Yen.

Business Area ▶



Towards 2030 Target ▶

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



2. Regional Strategy/the U.S.

the U.S.

Strategies

- Strengthen capital recycling business and capitalize on RGII* know-how
 - Promote joint ventures with local partners
- *Rockefeller Group International, Inc.

Business Models

1 Office Leasing Business (Income gains)

Office leasing business in Manhattan, New York

2 Development Business (Capital gains)

JV-type development business for offices, logistics, rental apartment, data centers, etc. in the U.S.

*Organize SPCs for each PJ (in principle, we take major share and utilize project loans.).

3 Hybrid Model Investment Business

Hybrid Model Investment Business in Major U.S. Cities

The business model combines the strengths of the International Business and Investment Management Businesses, aiming to expand and diversify the scale of investments, provide services to third-party investors, and increase opportunities to earn various fees by introducing third-party investors' funds in addition to the Company's own funds.

Advantages

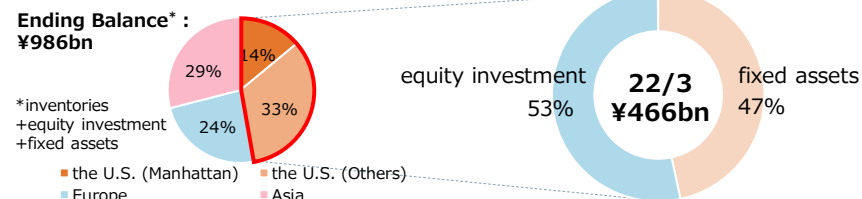
- RGII's Development Expertise and Recognition
 - In its nearly 90-year history, RGII has extensive experience in the development of large-scale mixed-use projects such as Rockefeller Center, as well as logistics facilities and residential properties (condominiums and rental apartment).
- TA Realty's Sourcing Capabilities
 - Focusing on logistics facilities and rental apartment, we invest in and manage a wide range of markets throughout the U.S. and contribute to the Group's sourcing efforts. In particular, TA Realty ranks 8th in the U.S. in transaction value for logistics facilities.

Expected Return from Investment

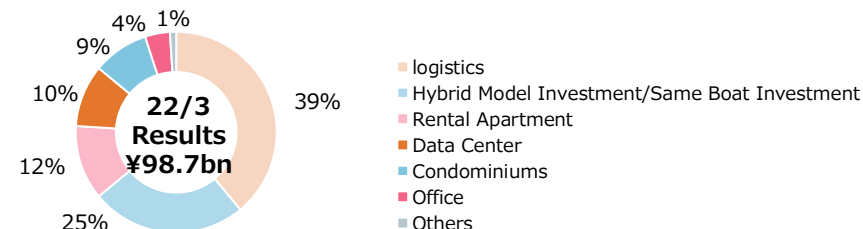
- IRR 8~10%

Investment Amount

Status of Overseas Assets (as of March 31, 2022)



Breakdown of Investment Amount ※CAPEX + Equity



Major Ongoing Project

Property Name	Location	Type	Completion	Size※1
Stateline 77	US (South Carolina)	Logistics	2022	93,600m ²
Hanover	US (Pennsylvania)	Logistics	2022	42,200m ²
55 Paradise	US (New York)	Logistics	2023	16,700m ²
Virginia Data Center Building (Building1・Building2)	US (Virginia)	Data Center	2024・2025	51,000m ²
Liv Crossroads	US (Arizona)	Rental Apartment	2022	356units
Liv Laveen	US (Arizona)	Rental Apartment	2024	360units
200 East 83rd	US (New York)	Residence	2023	86units
1158 Delaware	US (Colorado)	Rental Apartment	2024	250units
1072 West Peachtree	US (Georgia)	Mixed Use	2025	49,300m ²
600 Fifth Street NW	US (Washington, D.C)	Office	2025	37,000m ²

※1: Leasable Area (m²) or Units

3. Regional Strategy／Europe

Europe

Strategies

- Investment and return that take into account the balance between stable earnings and higher capital efficiency
- Promote development business mainly concluded large-scale development projects

Business Models

1 Office Development

Office development business in the central London

2 Rental Apartment Development

Rental Apartment Development Business in the Greater London Area and Gateway Cities Outside of London

3 Property development business on the European Continent.

Promote development business of income property on the European Continent. Cooperate with Europa Capital and utilize rich network. Also make hybrid model investments in funds managed by Europa Capital

Advantages

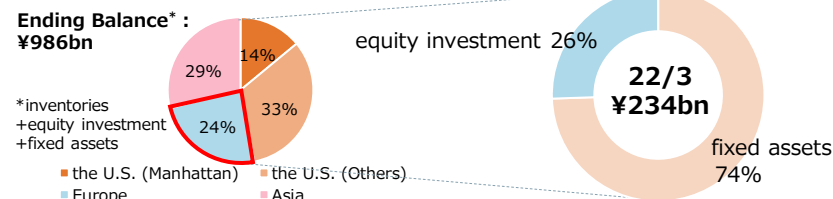
- Know-how and network based on nearly 40 years of successful business experience
 - Our group-led development achievements and know-how in highly individualized and difficult projects that require administrative consultations and applications for permits and approvals.
- Abundant network of Europa Capital
 - Established and managed 13 funds since 1995, with a total investment track record of over 13.3 billion Euros in 21 European countries. Established relationships with 120+ institutional investors mainly in North America and Europe.

Expected Return from Investment

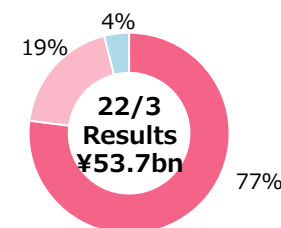
- IRR 8~10%

Investment Amount

Status of Overseas Assets (as of March 31, 2022)



Breakdown of Investment Amount ※CAPEX + Equity



■ Office ■ Rental Apartment ■ Hybrid Model Investment/Same Boat Investment

Major Ongoing Project

Property Name	Location	Type	Completion	Size※1
Warwick Court (Large Scale Renovation)	UK (London)	Office	2022	19,000m ²
8 Bishopsgate	UK (London)	Office	2022	53,000m ²
The Lark (Nine Elms Park)	UK (London)	Rental Apartment	2022	195units
60-72 Upper Ground (ITV The London Television Centre)	UK (London)	Mixed Use	Late 2020's	TBD

※1: Leasable Area (m²) or Units



Special Movie

▶ Introductory Video of Major Projects in London

The following are some of the development projects that our group is pursuing in central London.



<https://youtu.be/hcoBFNSOIHw>

4. Regional Strategy／Asia

Asia

Strategies

- Accumulate investment balance and establish a portfolio of Capital Recycling Business
- Promote business with the two wheels of development business by Major Share and partnership-based business

Business Models ※ Mainly investment in local PJ companies and leverage depending on the risk level of the project

1 Development of large-scale mixed-use facilities

Large-scale mixed-use development projects in SE Asia & Oceania with our major share

2 Development of condominiums

Development of Condominiums Business with local partners in Australia, Thailand, China, and other areas

Advantages

- Promote business in 10 countries and regions in Asia and Oceania
 - Extensive business in Singapore, Vietnam, Thailand, China, etc. Most recently, established a branch in Australia in May 2021 and is expanding business in the same area.
- Network of MEC Global Partners Asia
 - Establish and manage funds that invest in a wide variety of real estate, including office, retail, logistics, and residential properties.

Expected Return from Investment

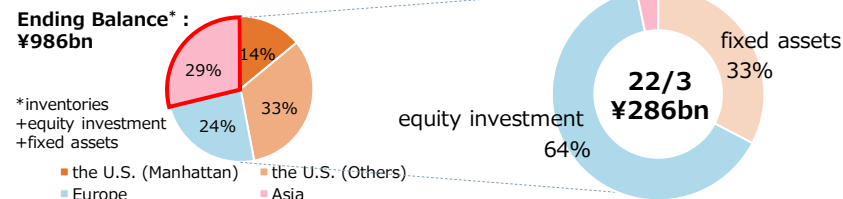
- Developed countries : 8~10%/Developing countries : more than 10%

Organization

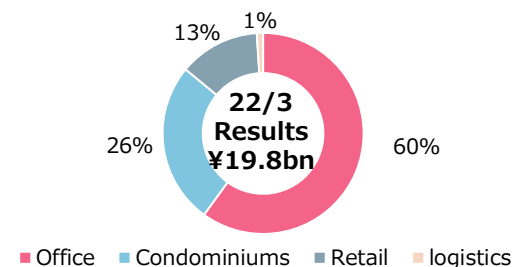
- Hands-on Development by expatriate and local staff for major share projects
- Collaborate with local partners for minor share projects

Investment Amount

Status of Overseas Assets (as of March 31, 2022)



Breakdown of Investment Amount ※CAPEX + Equity



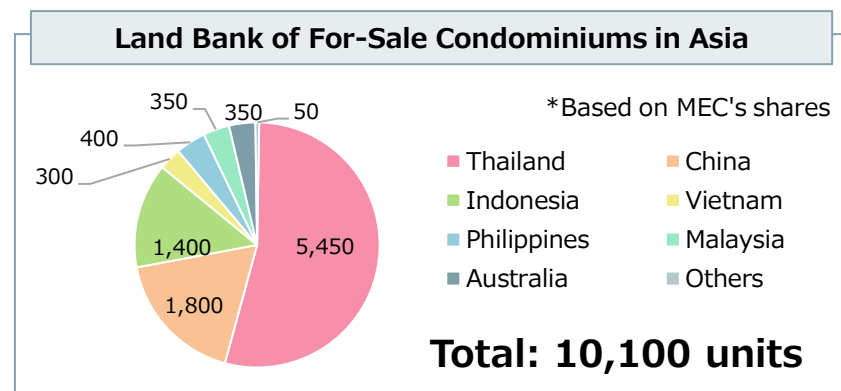
Major Ongoing Project

Property Name	Location	Type	Completion	Size※1
Suzhou Business Park	Jiangsu, Suzhou, China	Office	2024	220,400m ² ※2
Savya Financial Center North Tower	Philippines (Manila)	Office	2022	29,700m ² ※2
Oasis Central Sudirman	Indonesia (Jakarta)	Mixed Use	2028	307,000m ² ※2
180 George Street	Australia (Sydney)	Office	2022	55,000m ²
Parkline Place	Australia (Sydney)	Office/Retail	2024	49,100m ²
One City Centre	Thailand (Bangkok)	Office	2022	61,000m ²

※1: Leasable Area
※2: Total Floor Area

5. Condominium Business in Asia

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



Rama 9 PJ Phase 2(Thailand)
Totals Units : 2,248
MEC's sha : 49%
Completion : Jun. 2021



Ladprao 2 PJ (Thailand)
Totals Units : 1,140
MEC's sha : 49%
Completion : Jul. 2021

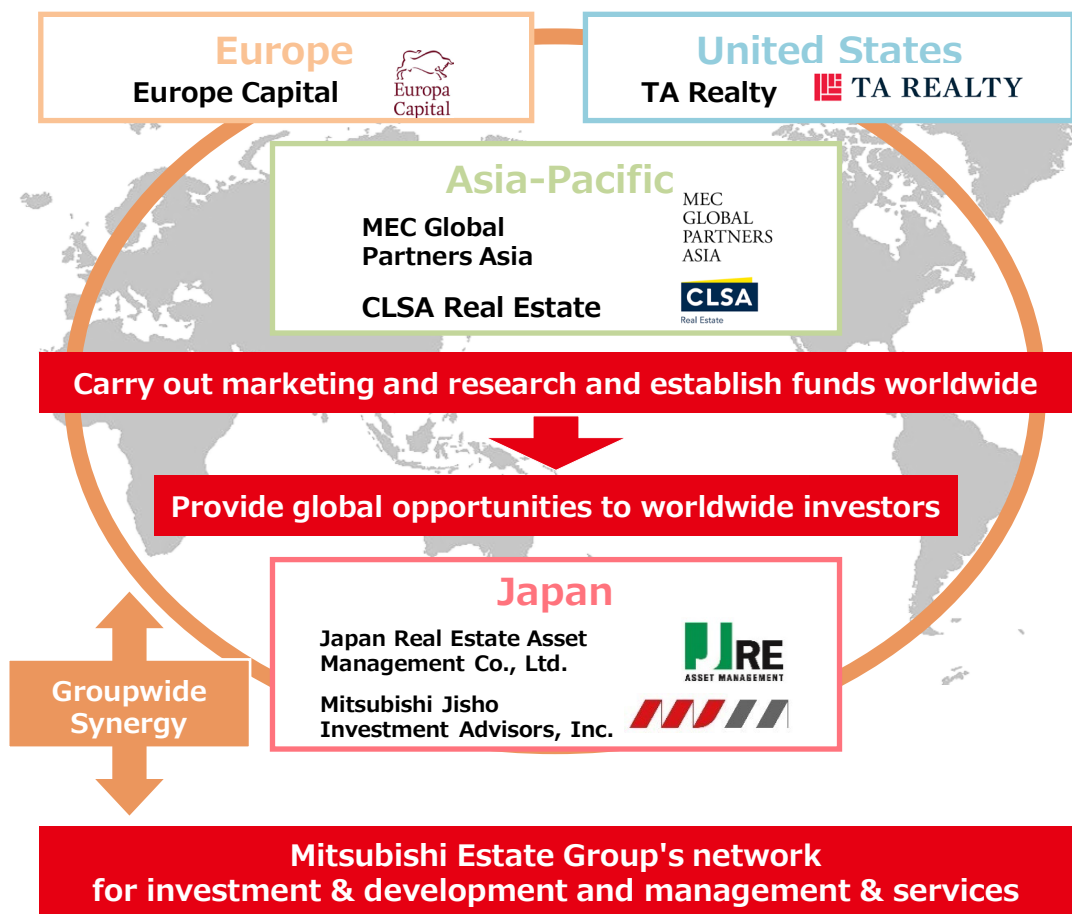
Major Ongoing Project

(At the end of FY2022)

Property Name	Location	Total units	MEC's share	Completion
Southeast Asia				
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-Asoke	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
East Asia				
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
Oceania				
One Sydney Harbour R1/R2	Australia (Sydney)	R1 : 315 R2 : 322	R1 : 25% R2 : 25%	2024

Investment Management Business

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)

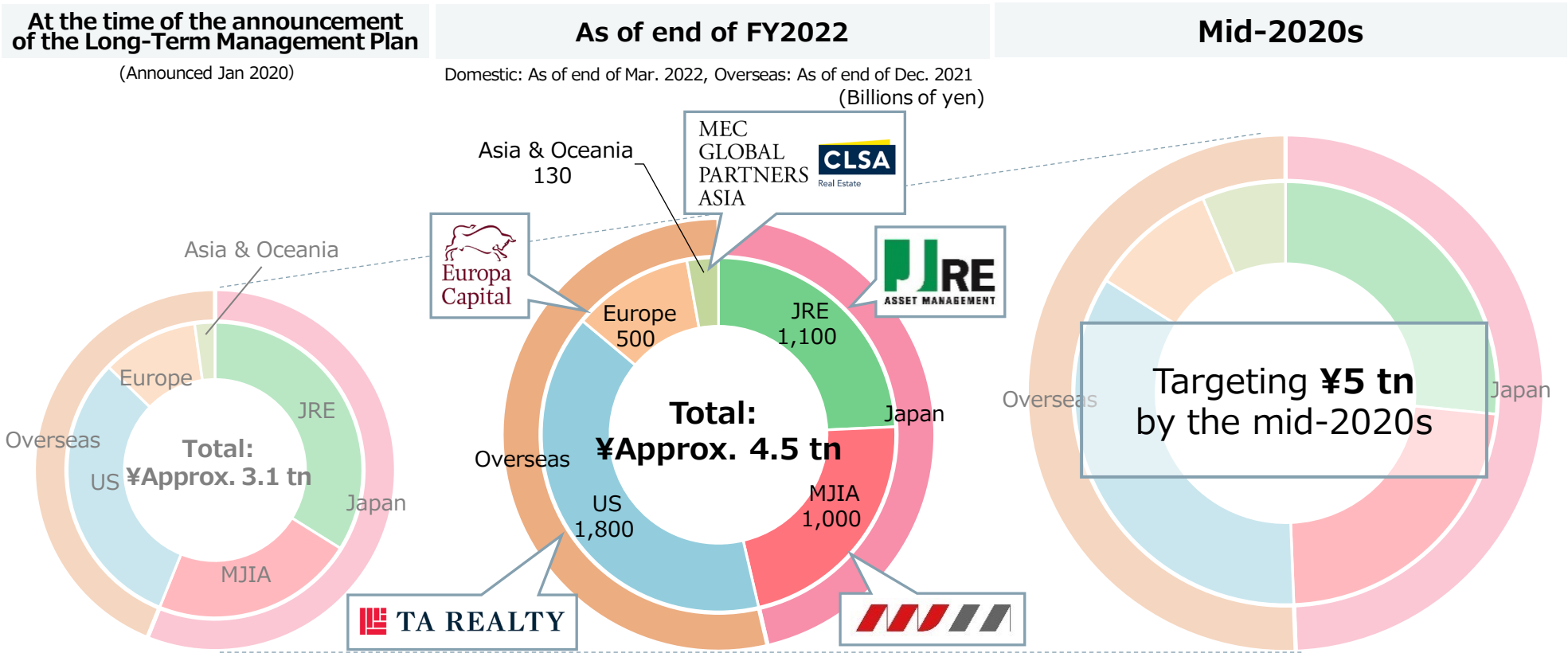


Managed pan-Asian value-add private funds since 2004; acquired and became a subsidiary in 2019.

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).

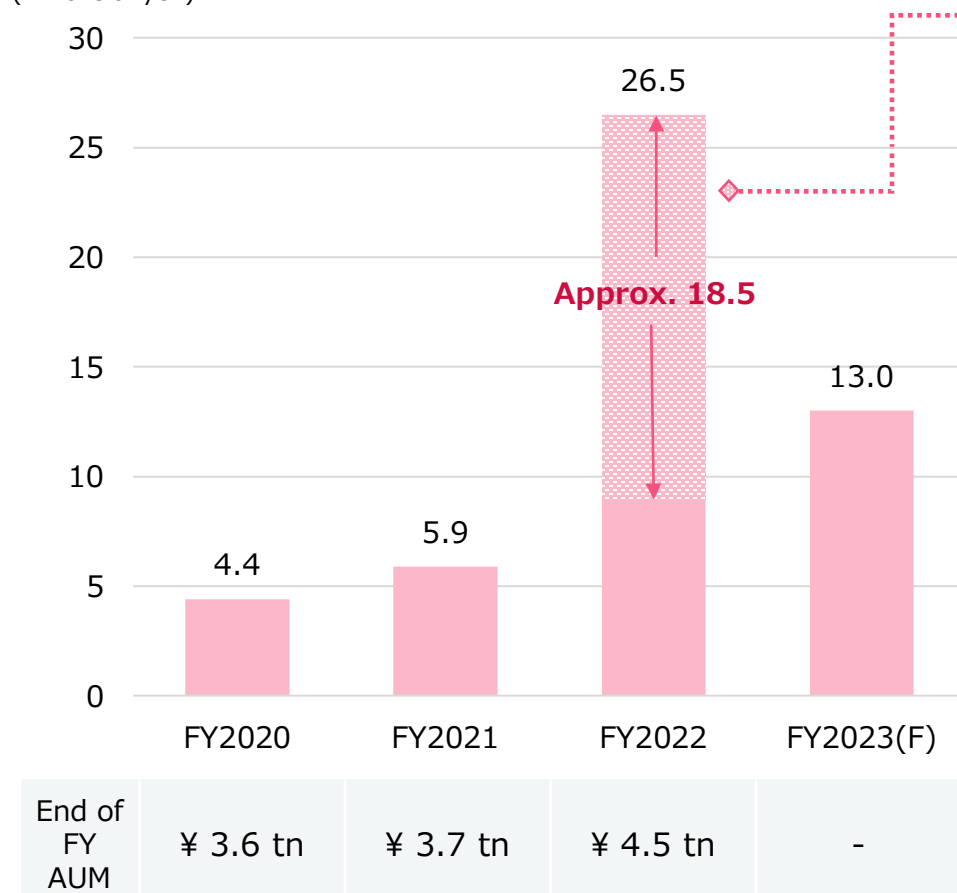


3. Investment Management Business : Changes in Operating Profit

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)

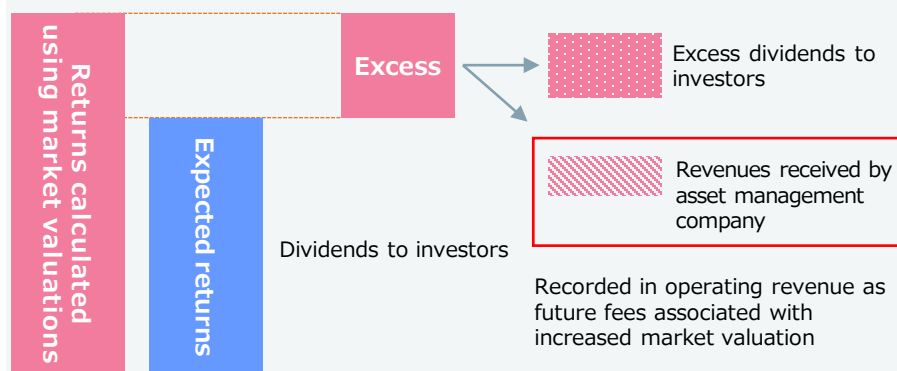


[*Recognition of future fees associated with increased market value of real estate in funds in the U.S. and other countries]

- 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 compensation 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

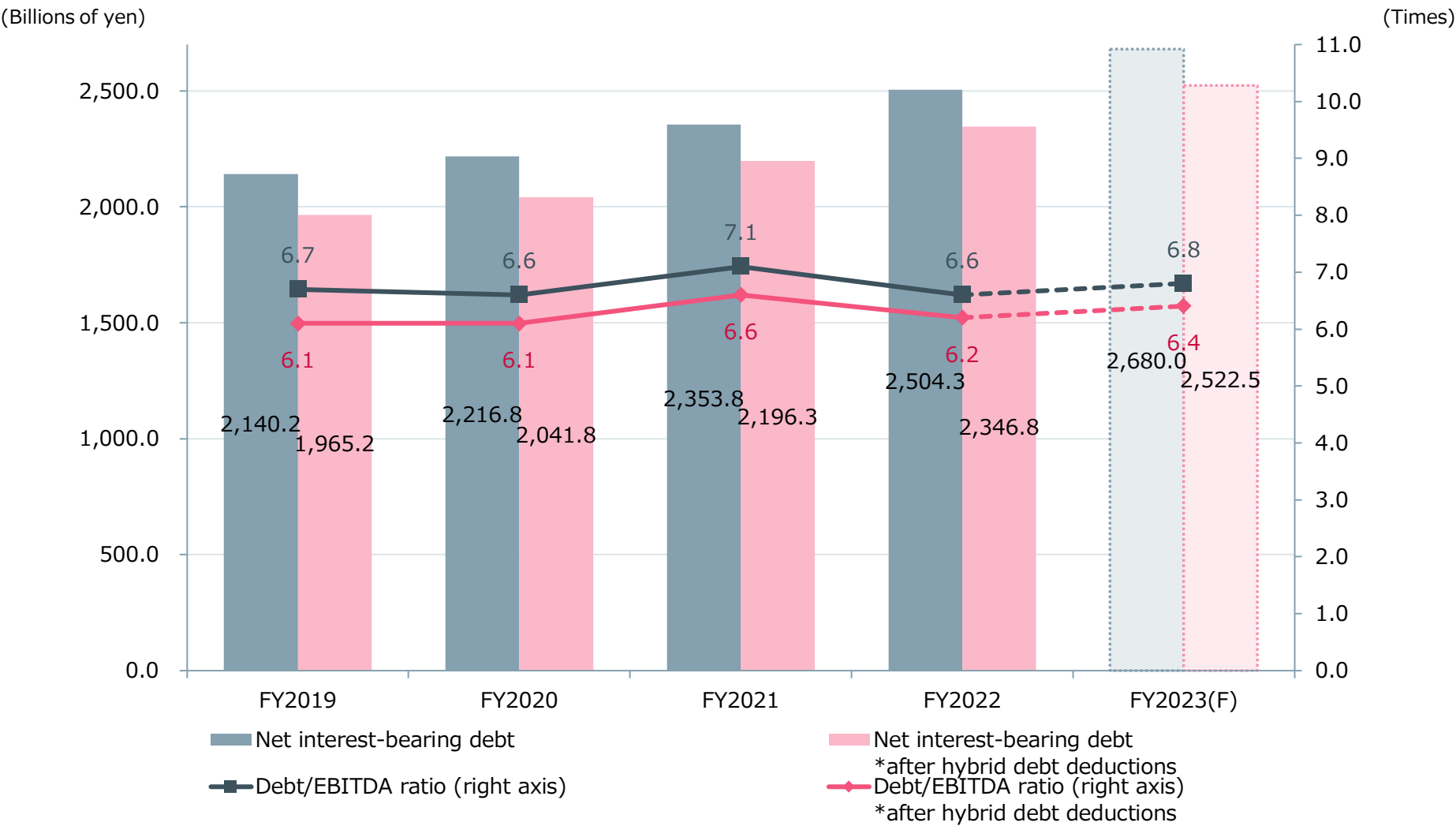
Open-end	<p>A type of REIT or fund that allows investors to withdraw their investment in REIT units or funds upon request.</p> <p>Examples : Private REITs</p>
Closed-end	<p>A type of REIT or fund that does not allow investors to withdraw their investment in REIT units or funds upon request.</p> <p>Examples : Listed REITs ∙ ∙ ∙ Secure liquidity by trading in the market 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)

Core	<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>
Core-plus	<p>Same as Core Fund, the fund aims to generate a target return mainly from rental income returns, but some from capital returns.</p>
Value-added	<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>
Opportunistic	<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&As.</p>

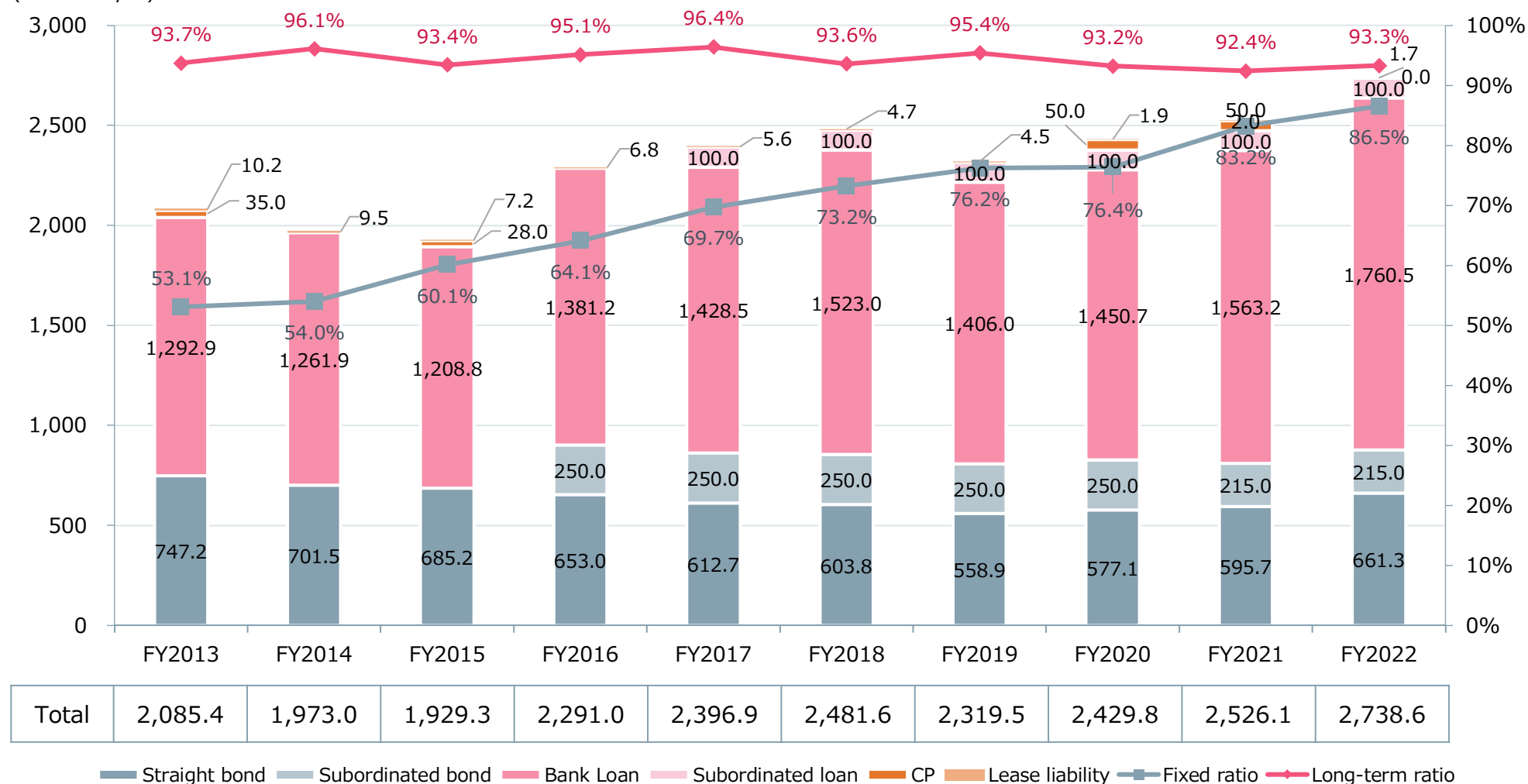
Investment/Financial Data, etc.

1. Net Interest-Bearing Debt/EBITDA Ratio

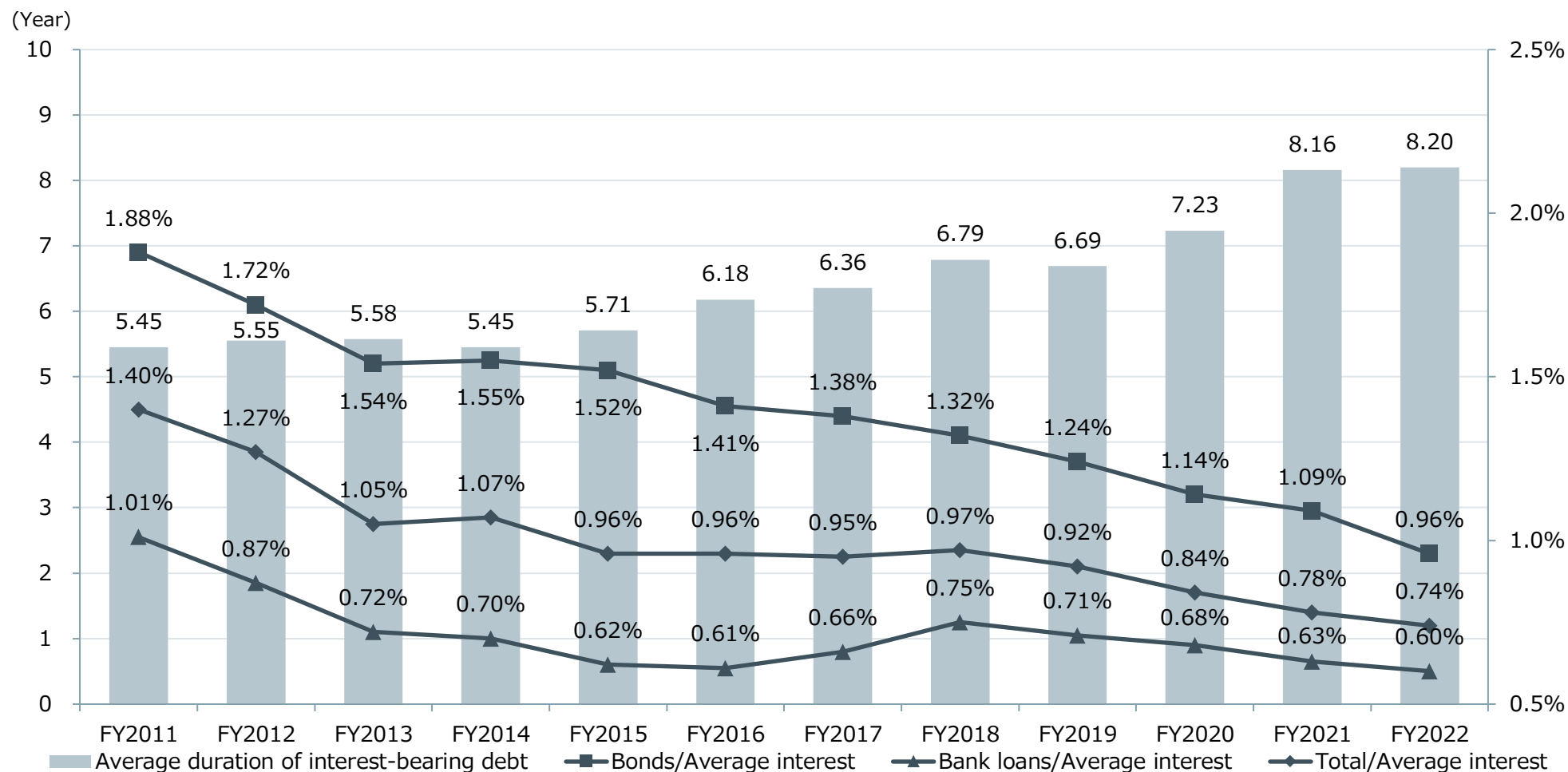


2. Breakdown of Interest-Bearing Debt

(Billions of yen)



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



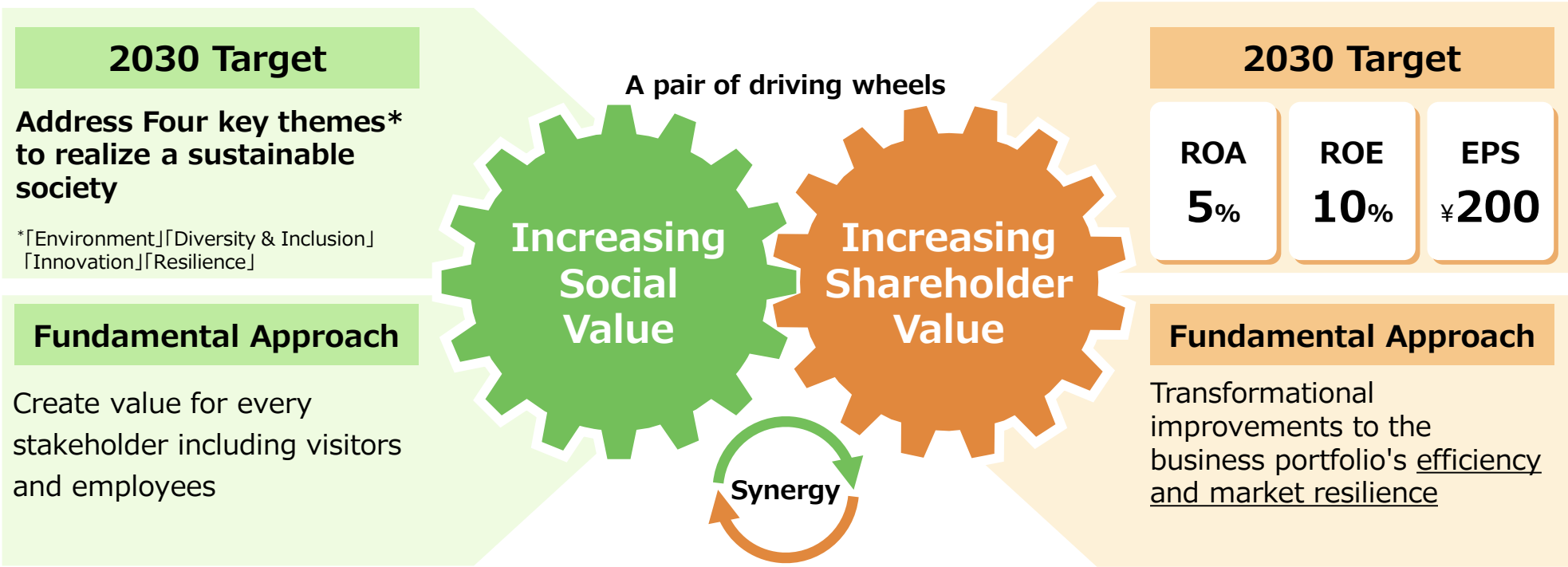
Overview of the "Long-Term Management Plan 2030"

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

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* ¹	ROE	EPS
5%	10%	¥200

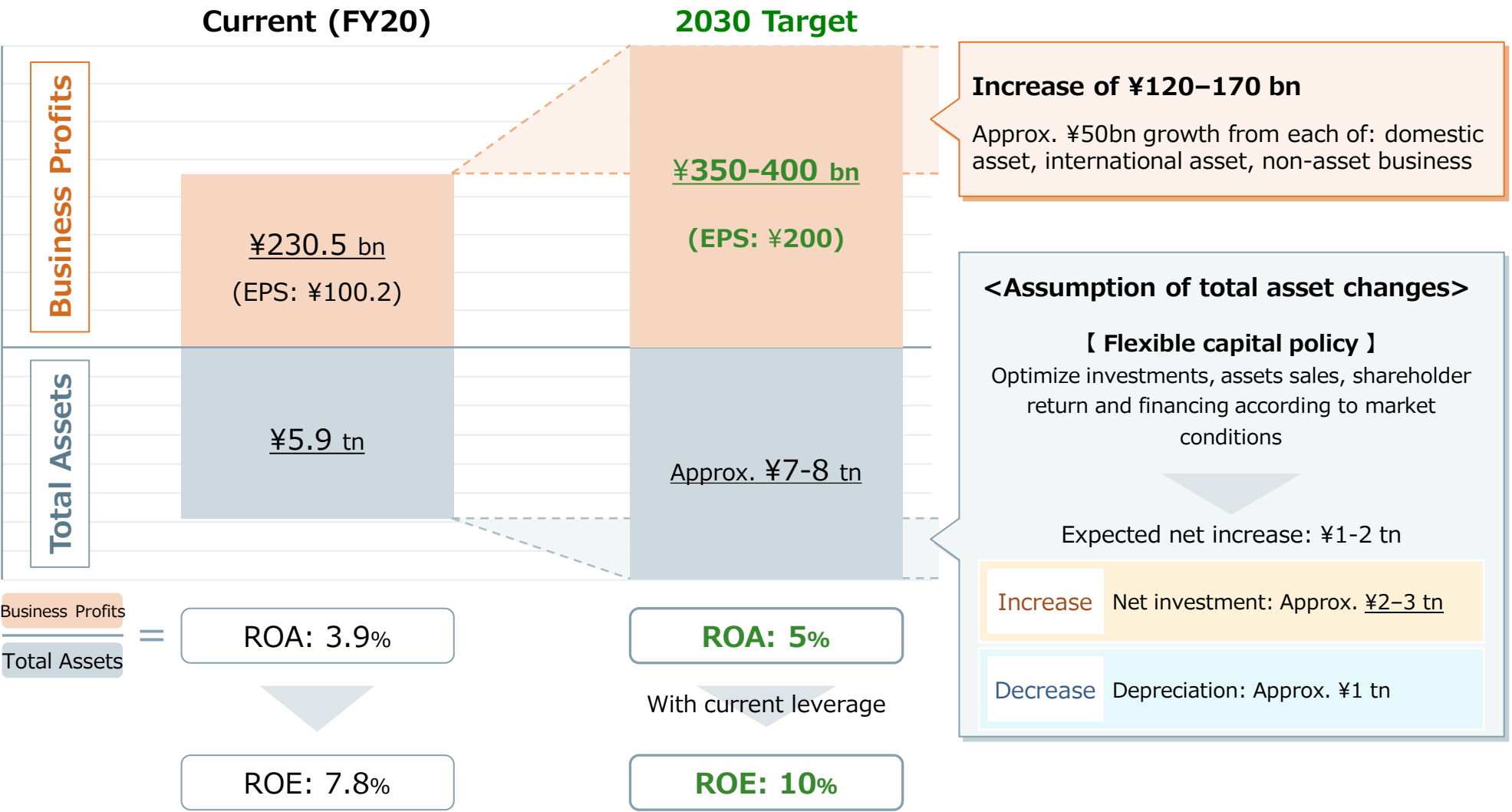
*¹ ROA = Business Profits*² / Total Asset (average of opening/closing balances)

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

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

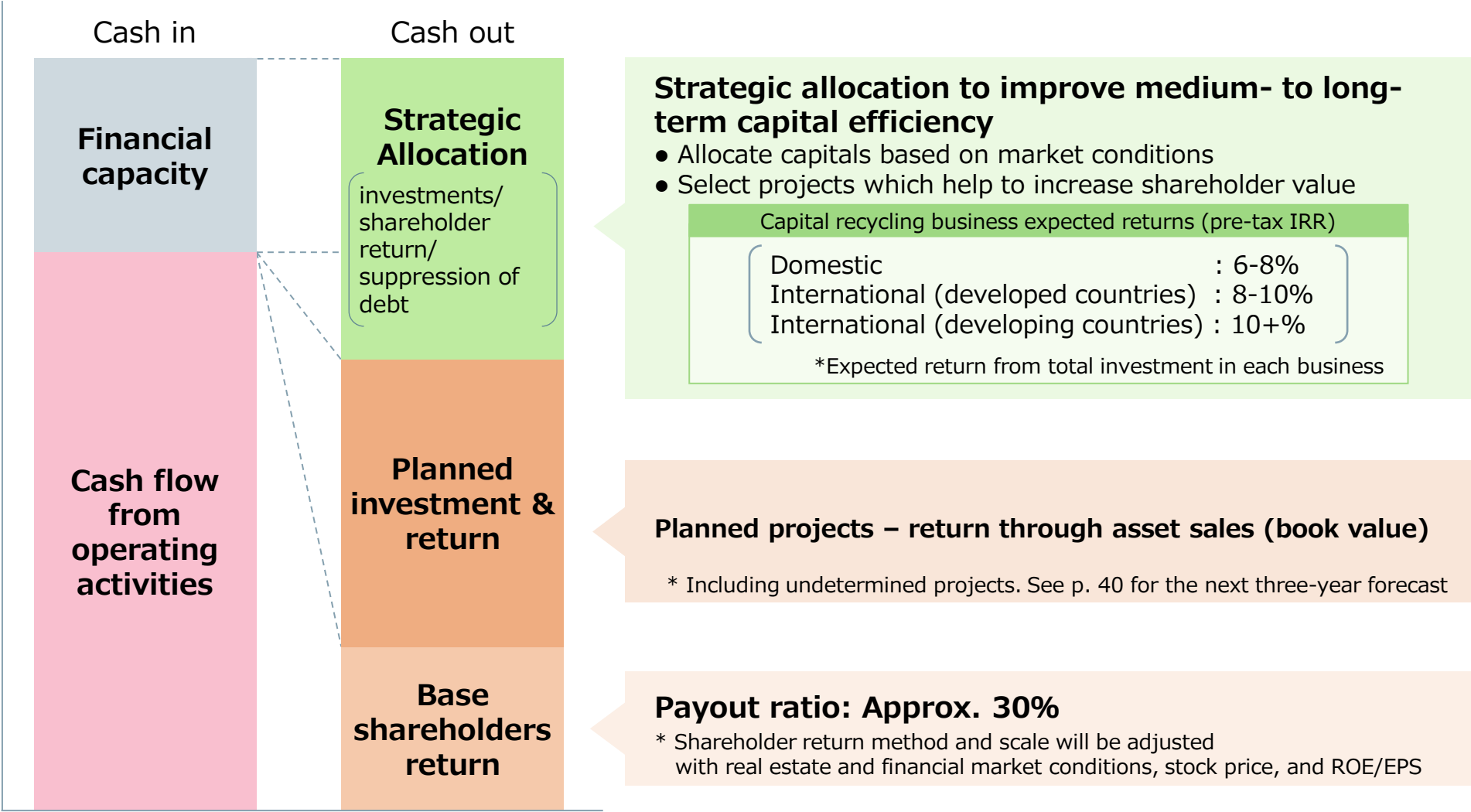
3. 2030 Targets: Realization Plan (ROA·ROE·EPS)

*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

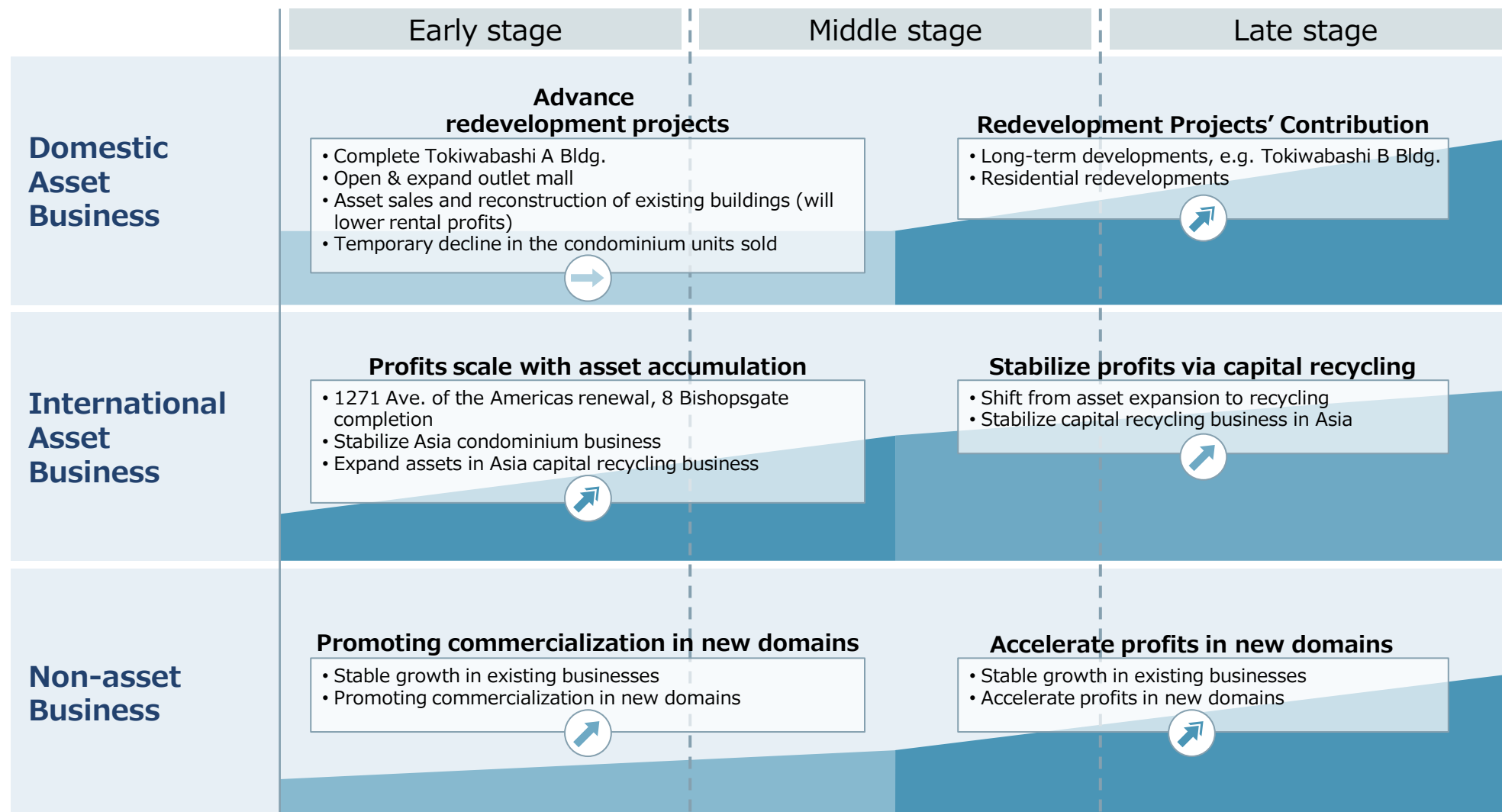
*Repost from the "Long-Term Management Plan 2030"

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



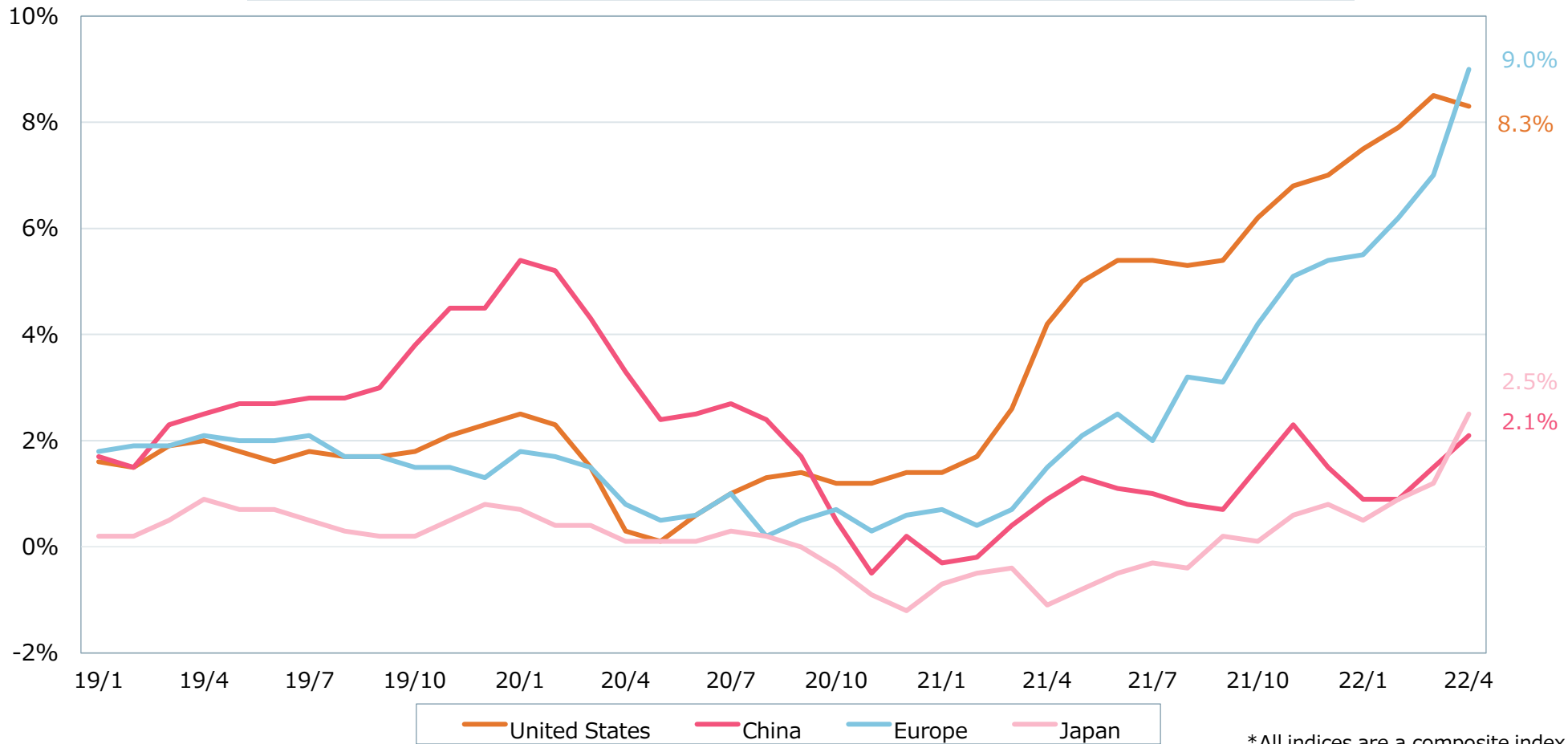
Appendix.

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

1. Historical Consumer Price Index

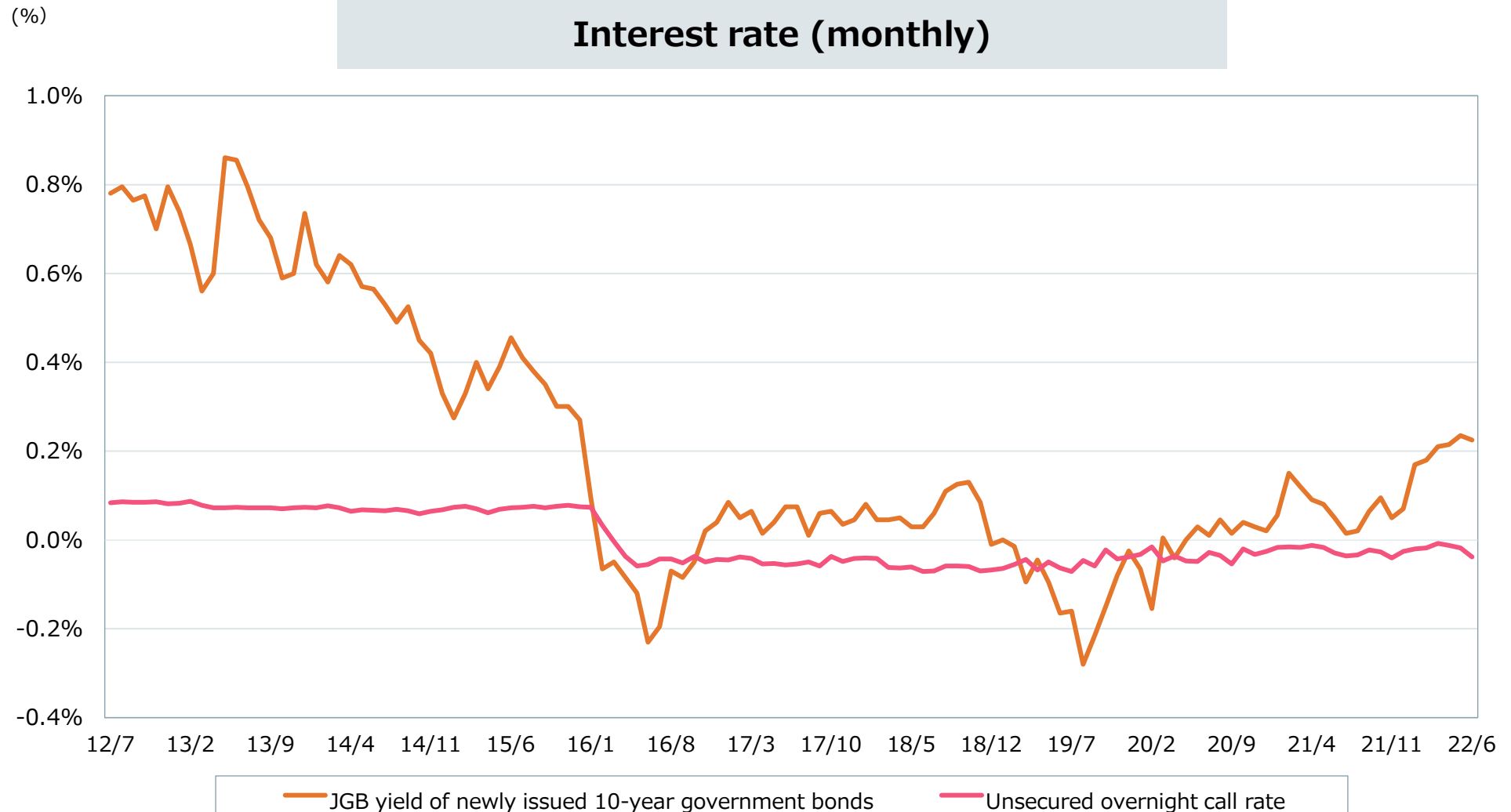
(YoY, %)

Consumer Price Index in different countries (composite) *



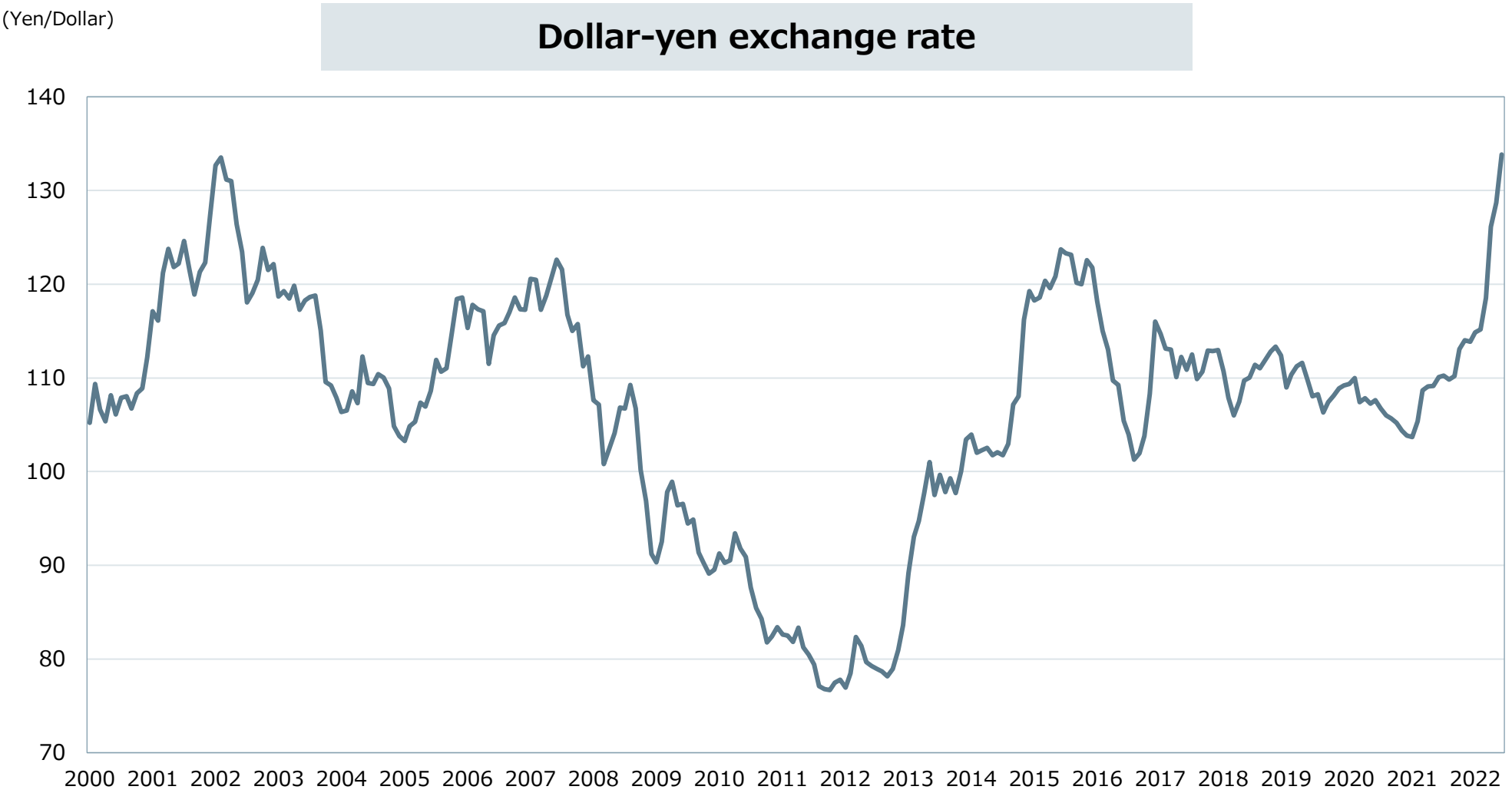
*All indices are a composite index
Source: US Department of Labor, Statistical Office of the European Union, National Bureau of Statistics of China, Ministry of Internal Affairs and Communications

2. Historical domestic interest rate



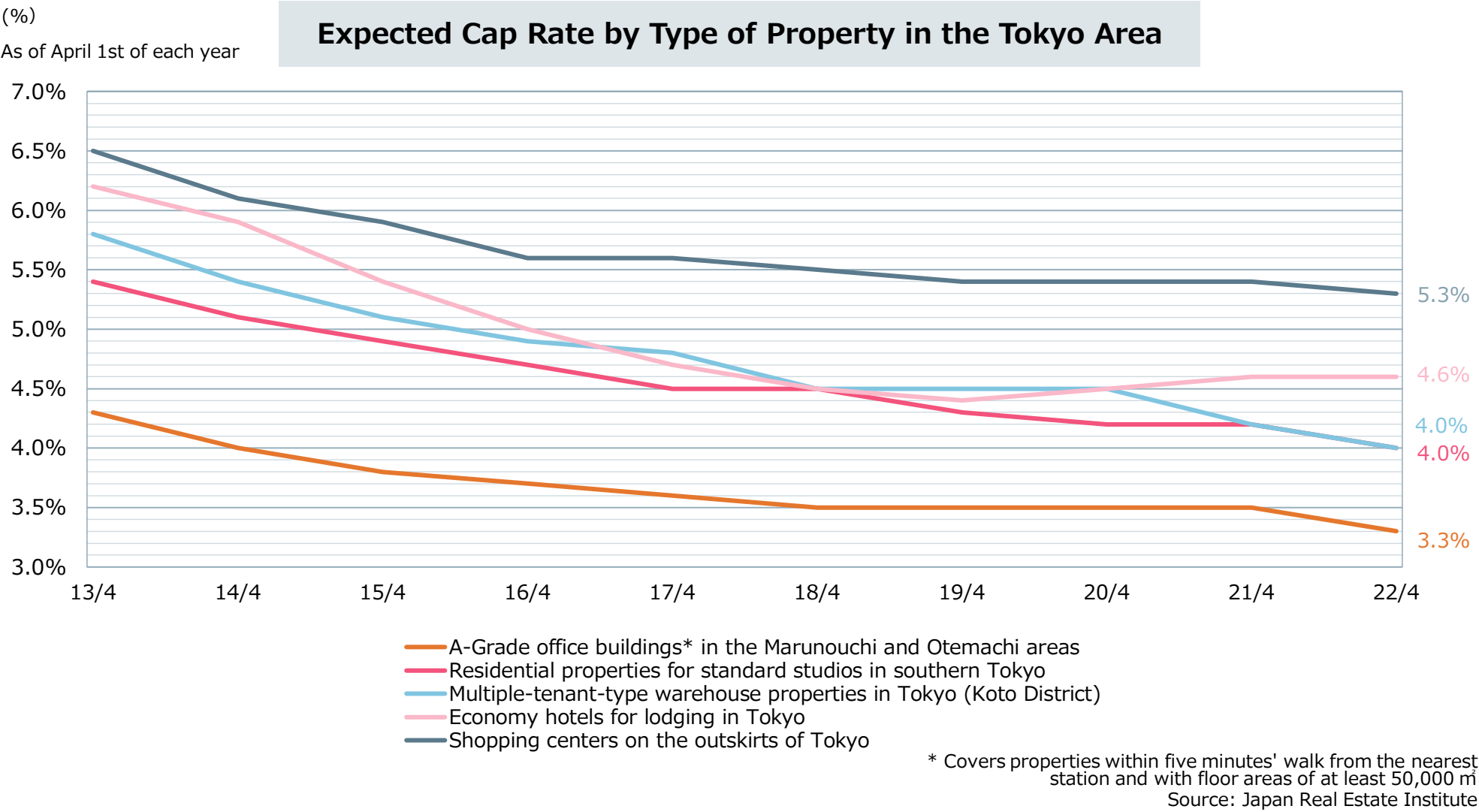
Source: Bank of Japan, Japan Bond Trading Co., Ltd.

3. Historical foreign exchange rate



Source: Bank of Japan "Financial and Economic Statistics Monthly"

4. Historical expected cap rate by types of property



Contact Information

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<Disclaimer>

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