

FY2023 – 2Q
(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

<FY 2023-2Q Financial Results>

- Overall YoY growth in operating revenue, operating profit, and profit attributable to owners of parents (historical high)
【Main factors】
 - Increase in capital gains from overseas business
 - Reduced impact from COVID-19 in both Retail Properties, and Hotels Business
 - Contributed to profit from full-year operation of Tokiwabashi Tower
 - Incentive fees in the investment management business
- Announced "Kokusai and Teigeki Buildings Redevelopment", capturing domestic and international investment opportunities in the capital recycling investment business (see P19,20,22,23)
- Decided ¥100 bn share buyback as a part of capital policy, following FY2020 and FY2022

<FY2023Forecasts>

- Unchanged from the forecast announced on May 12, 2022

Summary of FY2023-2Q Results

1. Income Statement Results for FY2023-2Q

Significant increase in revenue and profit (record high) YoY due to increase in capital gains from International Business as in 1Q.

Millions of yen (rounded down)			
<New Segment>	FY2023-2Q	FY2022-2Q	Change
Operating revenue	594,565	579,023	15,541
Commercial Property Business	333,109	371,445	(38,336)
Residential Business	120,633	135,293	(14,659)
International Business	94,033	44,038	49,995
Investment Management Business	29,480	12,544	16,935
Other*	30,885	28,684	2,200
Elimination	(13,578)	(12,983)	(595)
Operating profit	142,078	111,658	30,420
Commercial Property Business	77,919	97,070	(19,151)
Residential Business	3,339	5,665	(2,325)
International Business	60,786	18,548	42,237
Investment Management Business	14,608	4,097	10,511
Other*	(1,430)	(2,436)	1,005
Eliminations or corporate	(13,143)	(11,285)	(1,857)
Non-operating income	7,762	7,784	(21)
(Share of profit of entities accounted for using equity method)	289	277	11
Non-operating expenses	19,307	24,811	(5,503)
Ordinary profit	130,534	94,631	35,902
Extraordinary income	6,269	8,087	(1,817)
Extraordinary losses	13,617	11,569	2,048
Total income taxes	31,528	28,538	2,990
Profit attributable to noncontrolling interests	15,314	7,323	7,990
Profit attributable to owners of parent	76,342	55,287	21,055

Millions of yen (rounded down)			
	FY2023-2Q	FY2022-2Q	Change
Business profits	142,368	111,936	30,432
EBITDA	194,350	162,220	32,130
Interest-bearing debt	2,986,764	2,753,754	233,010

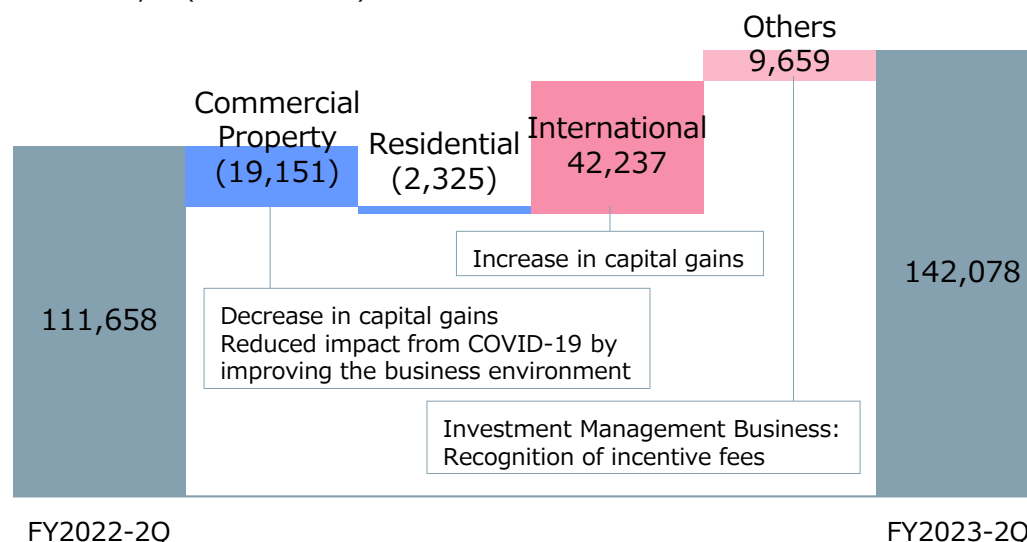
*Architectural Design & Engineering / Real Estate Service Business and Other businesses

Capital Gains included in Operating Profit Millions of yen (rounded off to the nearest billion)

	FY2023-2Q	FY2022-2Q	Change
Total	58,000	36,000	22,000
Commercial Property Business	6,000	24,000	(18,000)
Residential Business	5,000	5,000	0
International Business	47,000	7,000	40,000
Investment Management Business	-	-	-
Other	-	-	-
Eliminations or corporate	-	-	-

Major Factors for Changes in Operating Profit by Business

Millions of yen (rounded down)



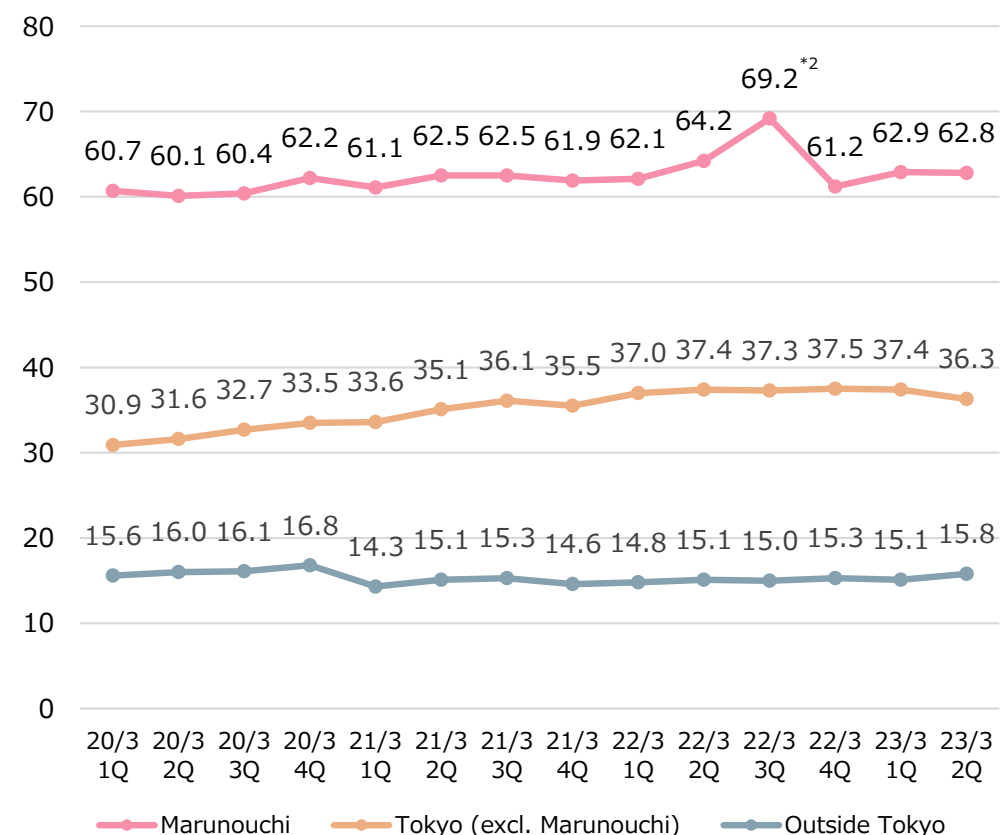
2. Changes in Revenue from Operations by Asset Type (Japan)

Hotels business continued steady recovery.

Outlet Malls and Retail Properties business also posted YoY revenue growth.

Office buildings*1

(Billions of yen)



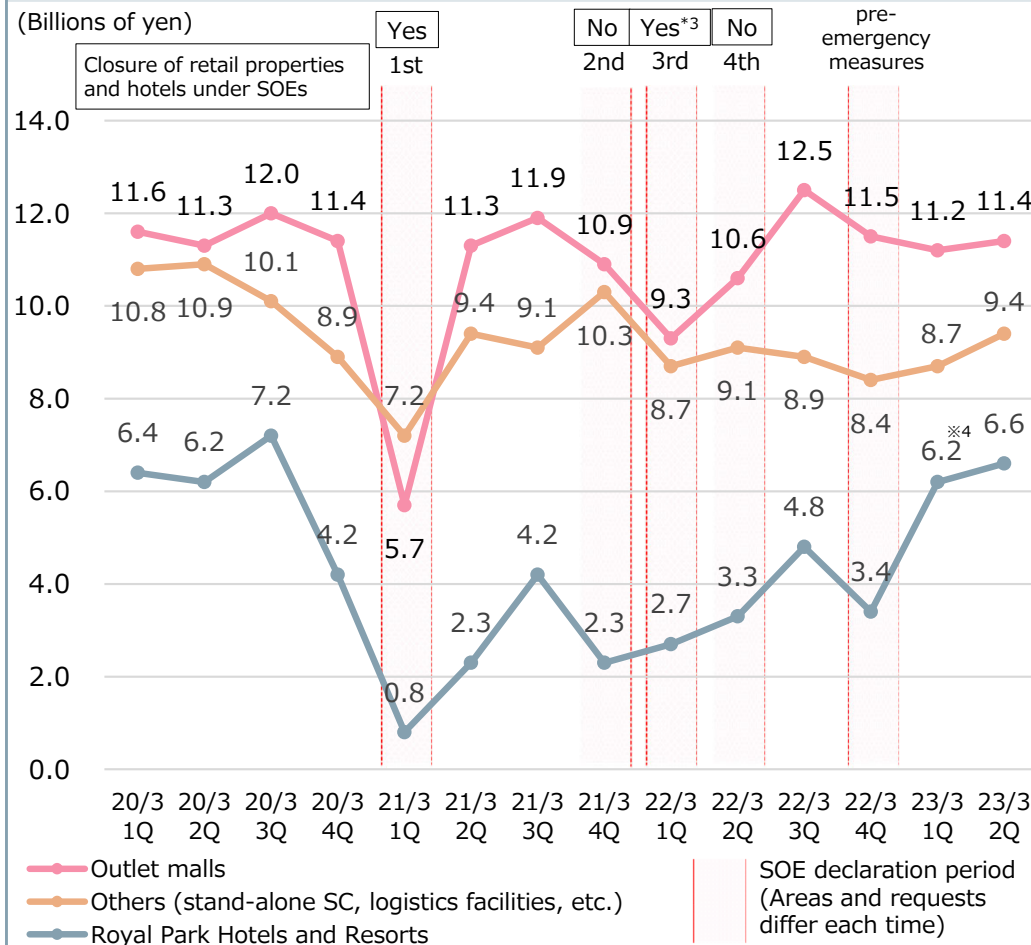
*1 Incl. revenue from office complexes and retail properties

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

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

Retail properties, outlet malls, hotels, etc.

(Billions of yen)



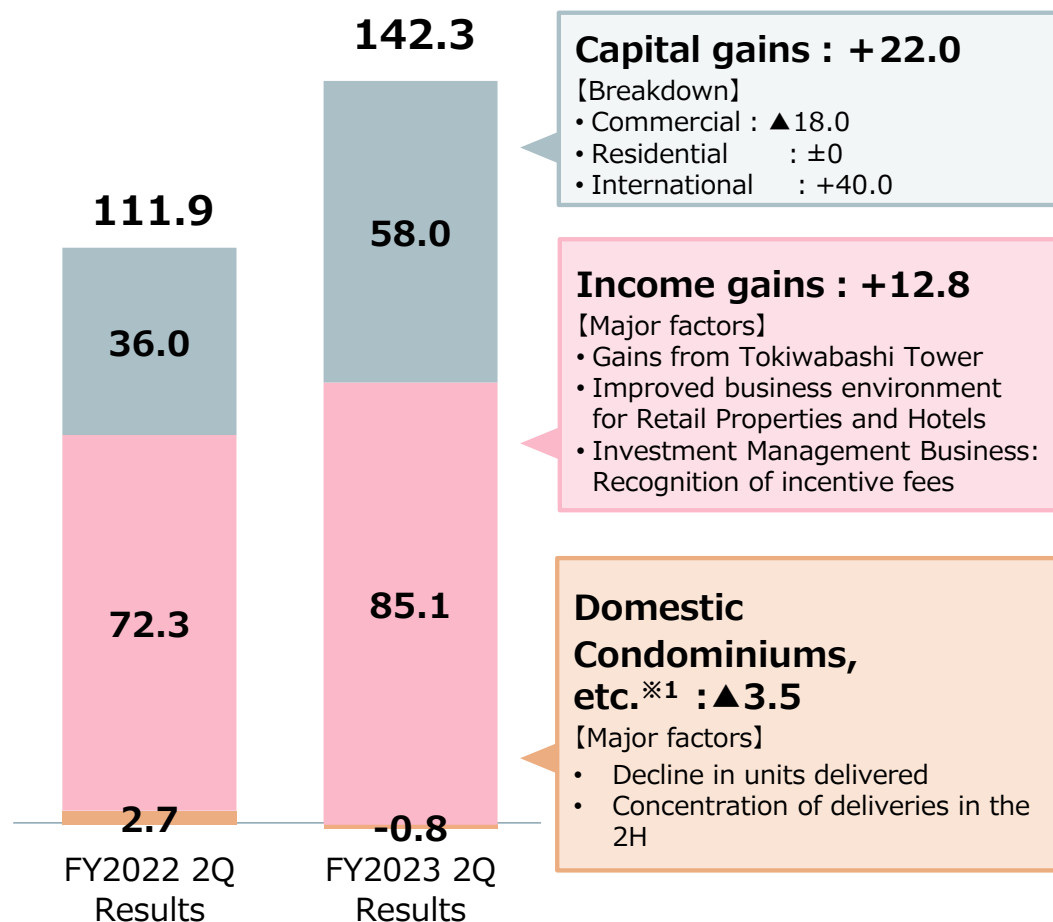
*3 Some outlet malls and retail properties only.

3. 2Q Results Summary and Highlights

YoY increase in capital gains from International Business, etc. In line with full year forecasts.

YoY Change in Business Profits

(Billions of yen)

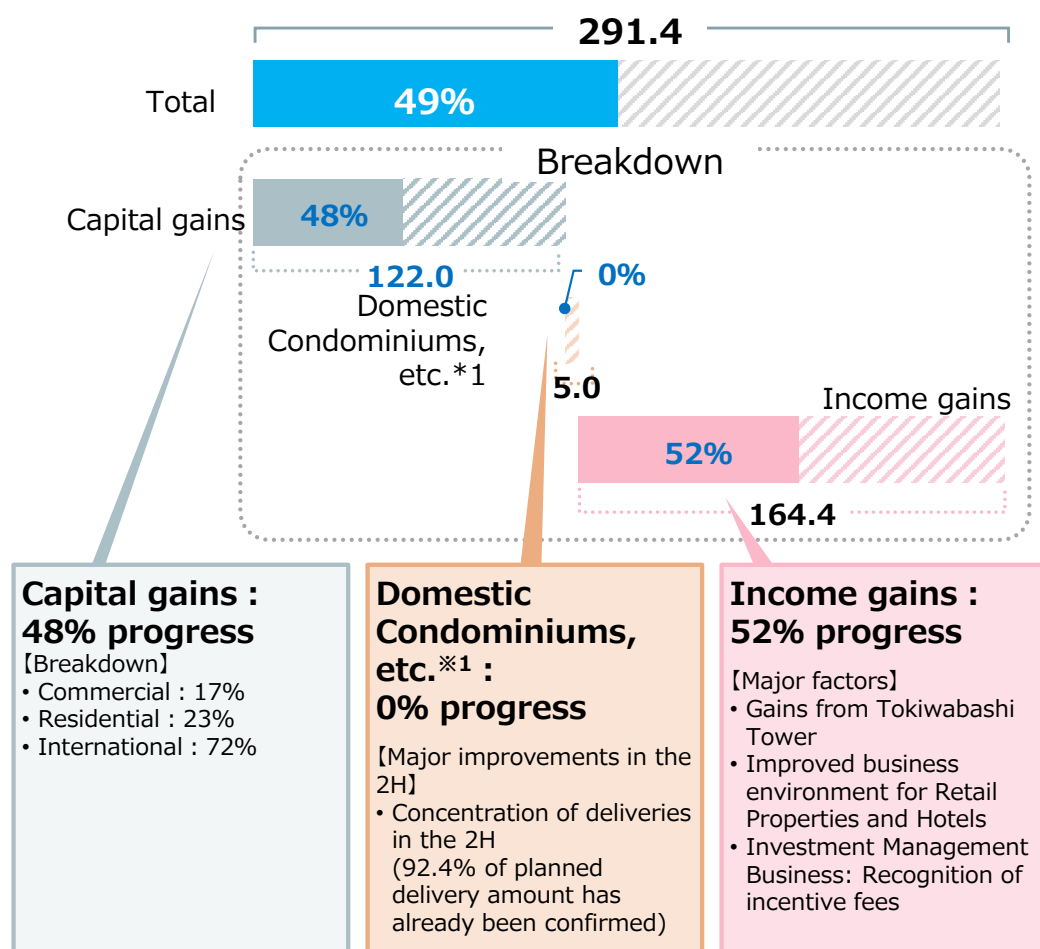


※1 Excluding capital gains, etc. from the Mitsubishi Estate Residence's operating income

Progress to the Full-year Forecasts

(Billions of yen)

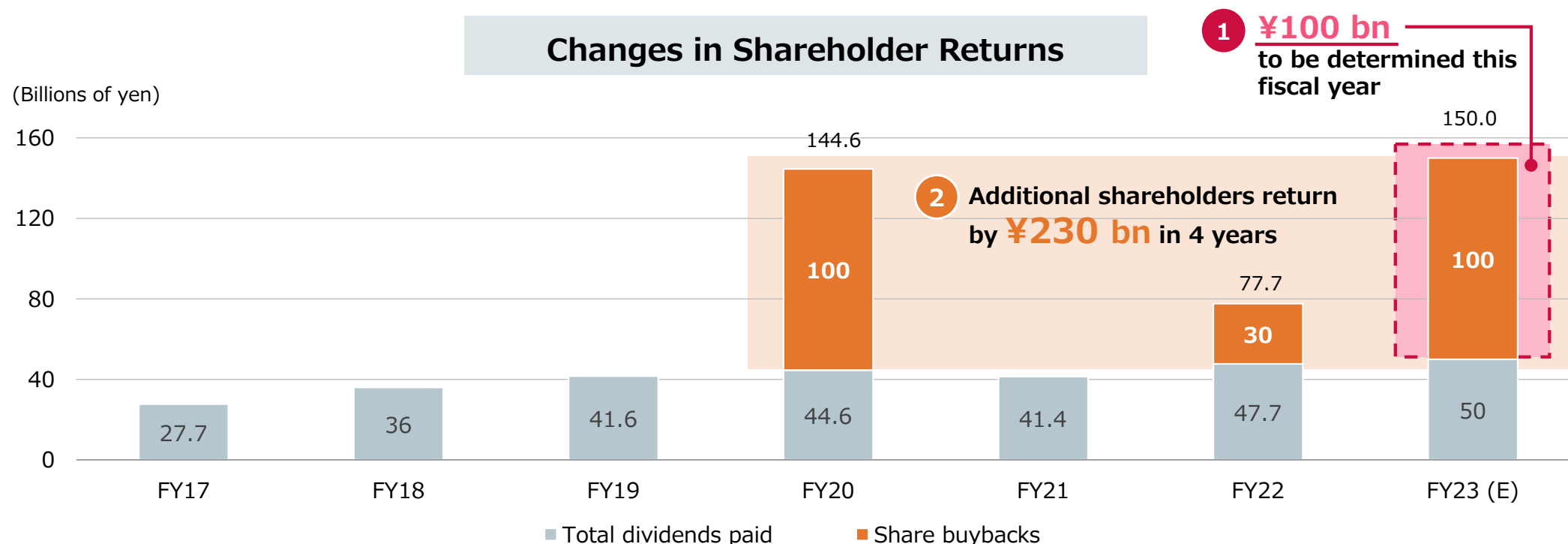
FY2023 Forecasts (2Q Progress)



4. Capital Policy : Share Buyback

Decided ¥100 bn share buyback as a part of capital policy to enhance shareholder returns

- ◆ Decided ¥100 bn buy back yen to enhance shareholder value, as stated in the Long-Term Management Plan, even in a drastically changing business environment. **(1)**
- ◆ Evaluated steady profit growth, carefully selected investments that will lead to future profit growth, prospects for return, stock price level, and other factors.
- ◆ Consistently enhancing shareholder returns since FY2020, and as a result, bought back ¥230 bn shares in 4 years. **(2)**
- ◆ The share buyback of approx. ¥130 bn conducted in FY2020 and FY2022 will be cancelled at the end of November 2022.



5. Impact on businesses due to external environmental changes

Optimize business impact of drastic changes in external environment through portfolio diversification and skilled management.

Risk factors	Business impact
COVID-19	<ul style="list-style-type: none"> + Recent policies to ease restrictions on entry into Japan and the "National Travel Support Program" may lead to a further recovery in demand for inbound travel (hotels, outlet malls, and retail properties) and domestic travel. – Re-spreading of the infection or more severe cases, requiring restrictions on activities, could have an impact on retail properties and hotels businesses.
Exchange rate fluctuations (rapid depreciation of yen)	<ul style="list-style-type: none"> + If yen depreciates more, positive impact on the yen-based consolidated PL is expected. ※ Forecasted AR/CR in the initial assumption: ¥ 120/ \$, ¥ 160/ £ – Price hikes of imported products may affect business profitability.
Inflation	<ul style="list-style-type: none"> + Inflows of funds into the real estate market may increase as an asset that can withstand inflation. + Inflation may lead to higher rents and improved asset value in the future. – Increased construction costs due to higher material and labor costs as well as increased energy costs may affect the business feasibility.
Rising interest rates	<ul style="list-style-type: none"> – Interest payments may increase as interest rates hike to curb inflation, mainly overseas. – Interest rate hikes, especially overseas, could have an impact on CAP rates for assets with poor market competitiveness.

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

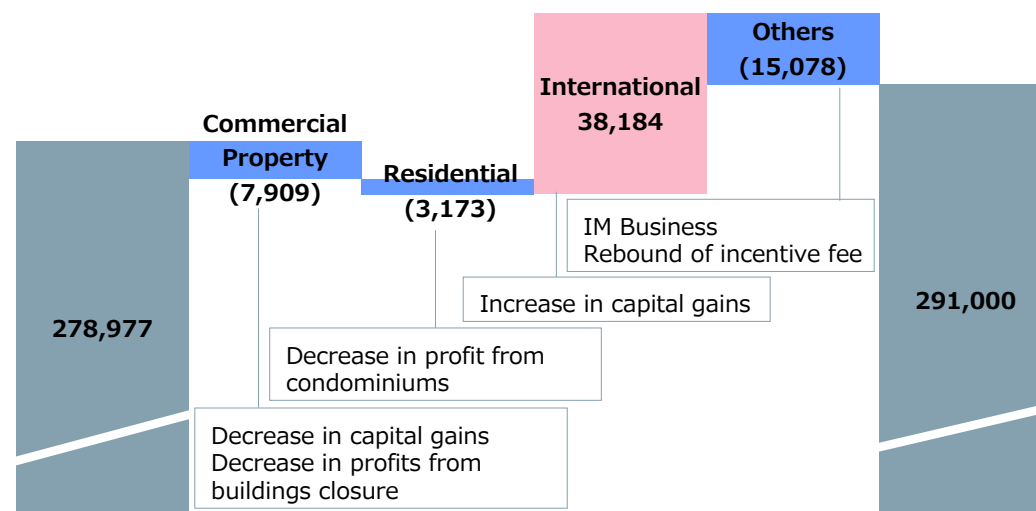
Millions of yen (rounded down)			
	2023/3 Forecast	2022/3 Results	Change
Business profits	291,400	279,310	12,090
EBITDA	395,000	381,434	13,566
Interest-bearing debt	2,820,000	2,738,632	81,368

※ 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



FY2022
Results

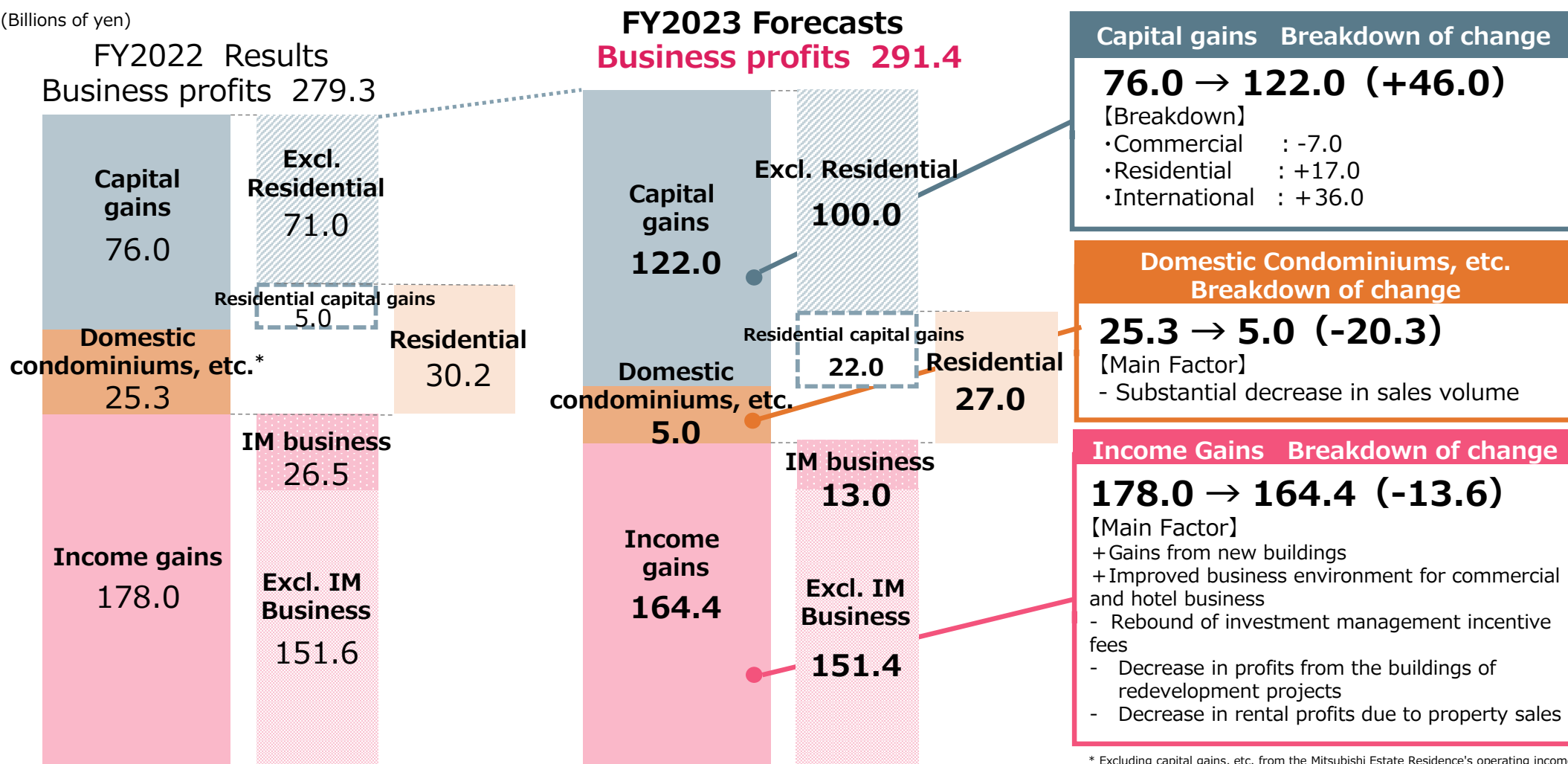
FY2023
Forecasts

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)

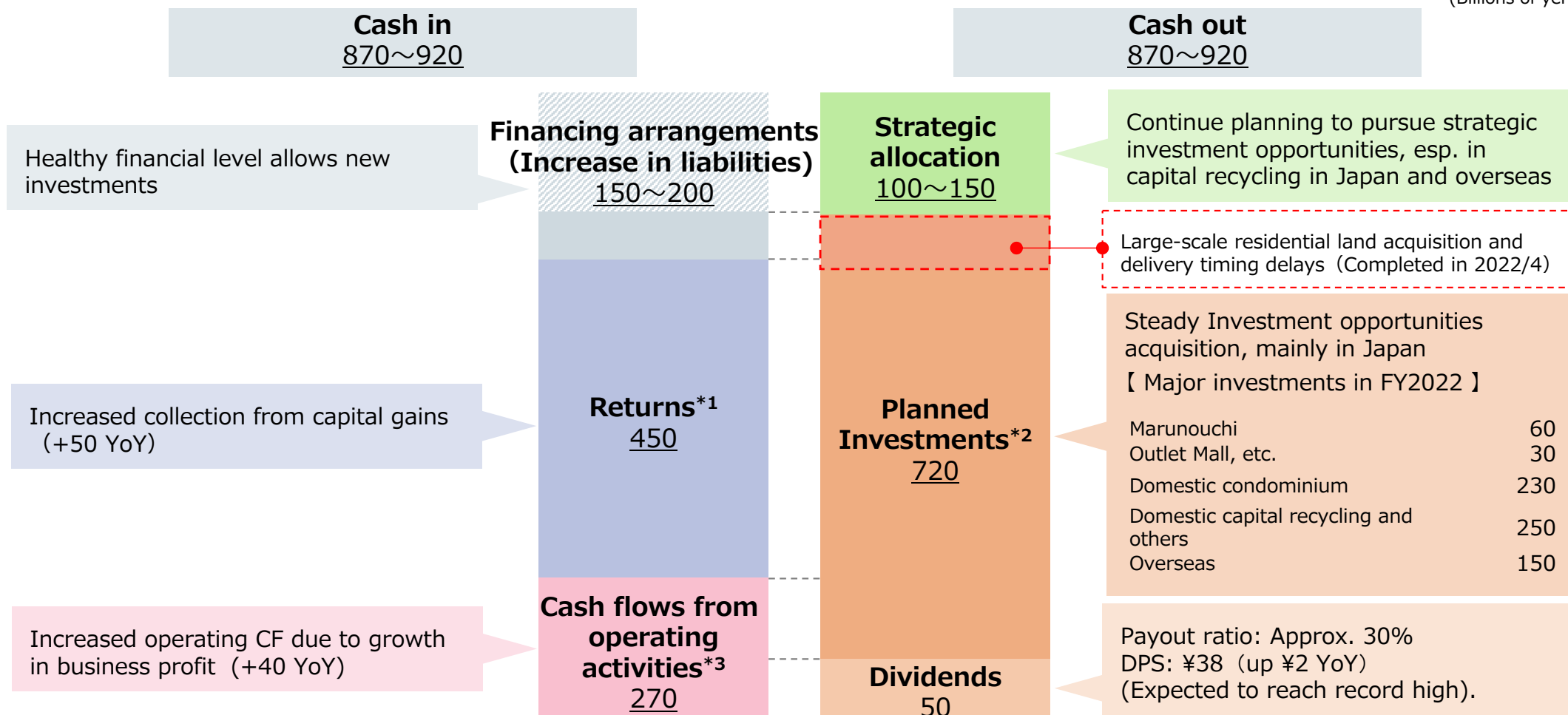


3. Capital Policy #2: FY2023 Cashflow Forecast

※Unchanged from the forecast announced on May 12, 2022

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

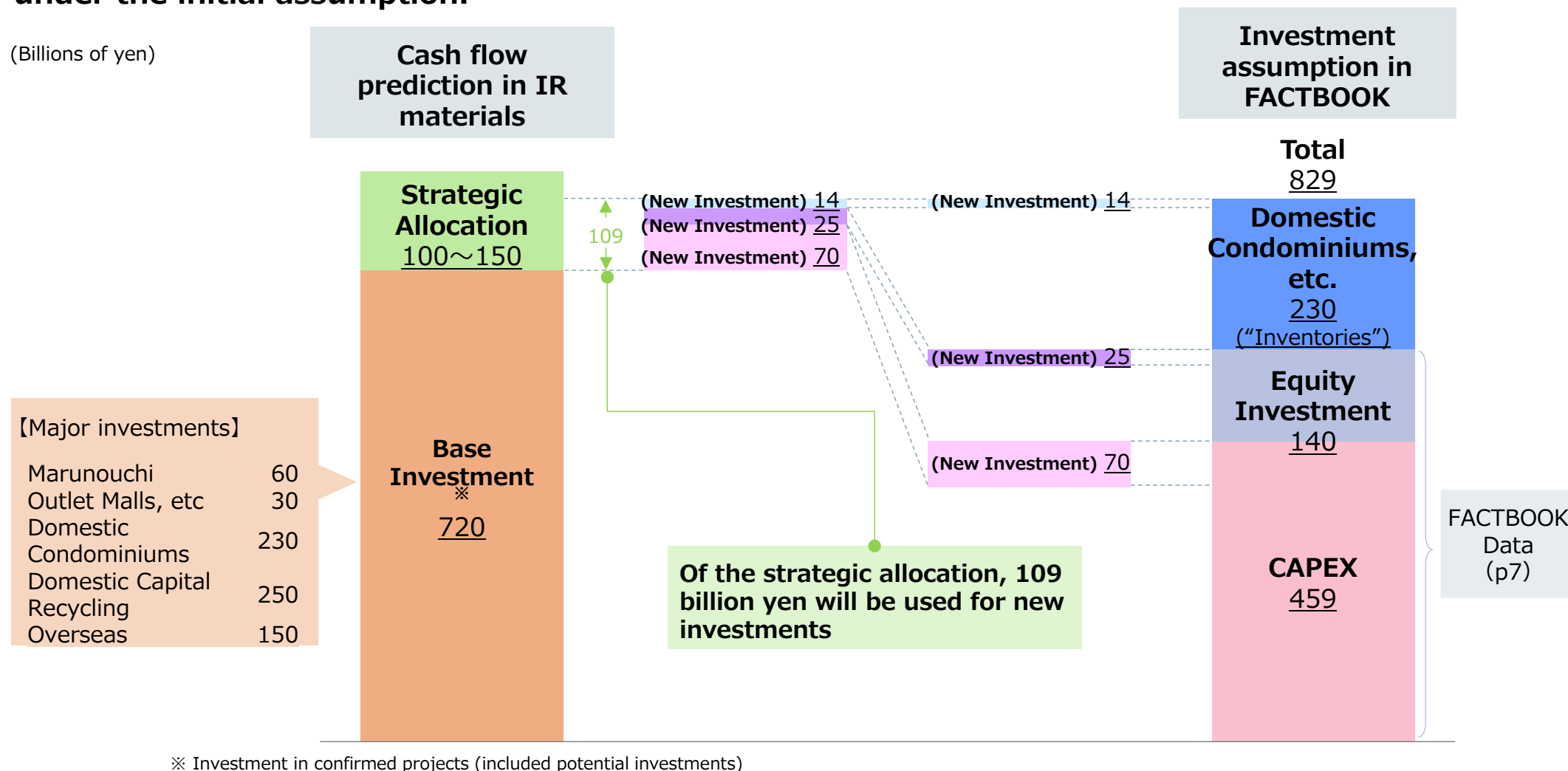
(Billions of yen)



*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

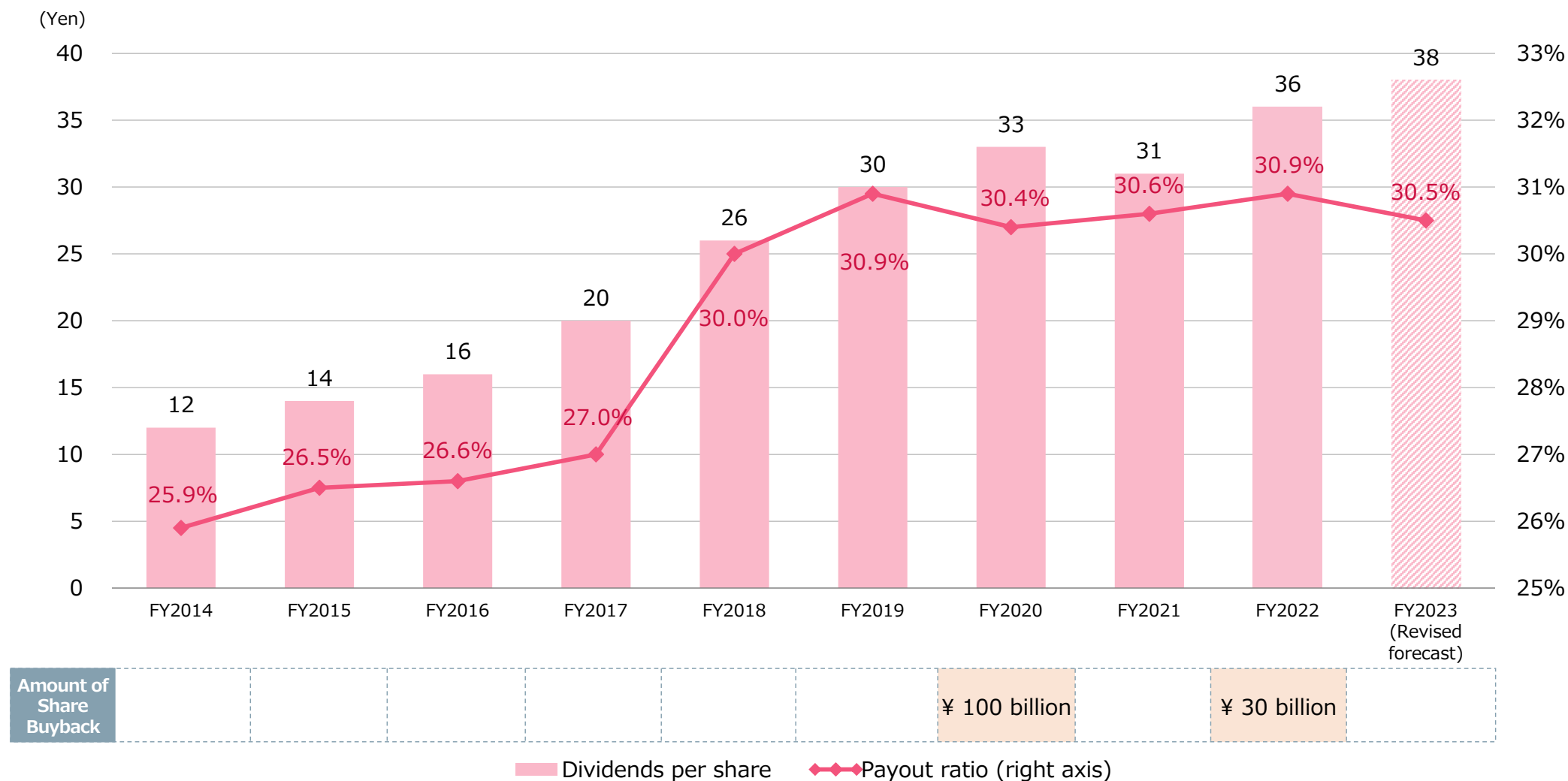
Consistency between cash flow prediction on the previous page and FACTBOOK investment data (p7) is as follows. Of the strategic allocation, 109 billion yen will be used for new investments under the initial assumption.



4. Shareholders Returns

※Unchanged from the forecast announced on May 12, 2022

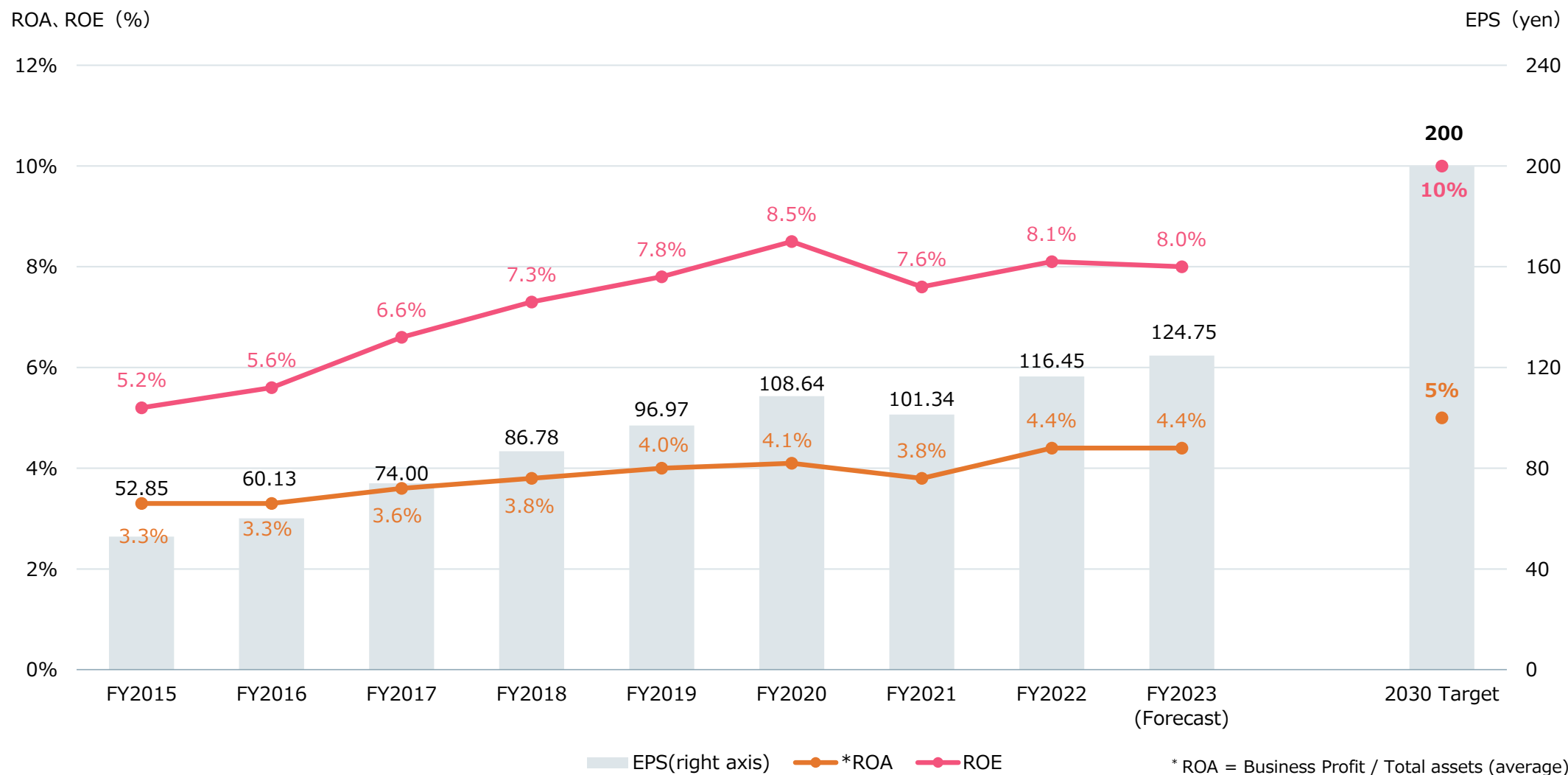
The dividend forecast is ¥38 (up ¥2 YoY). Expect record-high DPS for the second consecutive year.



5. Changes in ROA/ROE/EPS

※Unchanged from the forecast announced on May 12, 2022

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



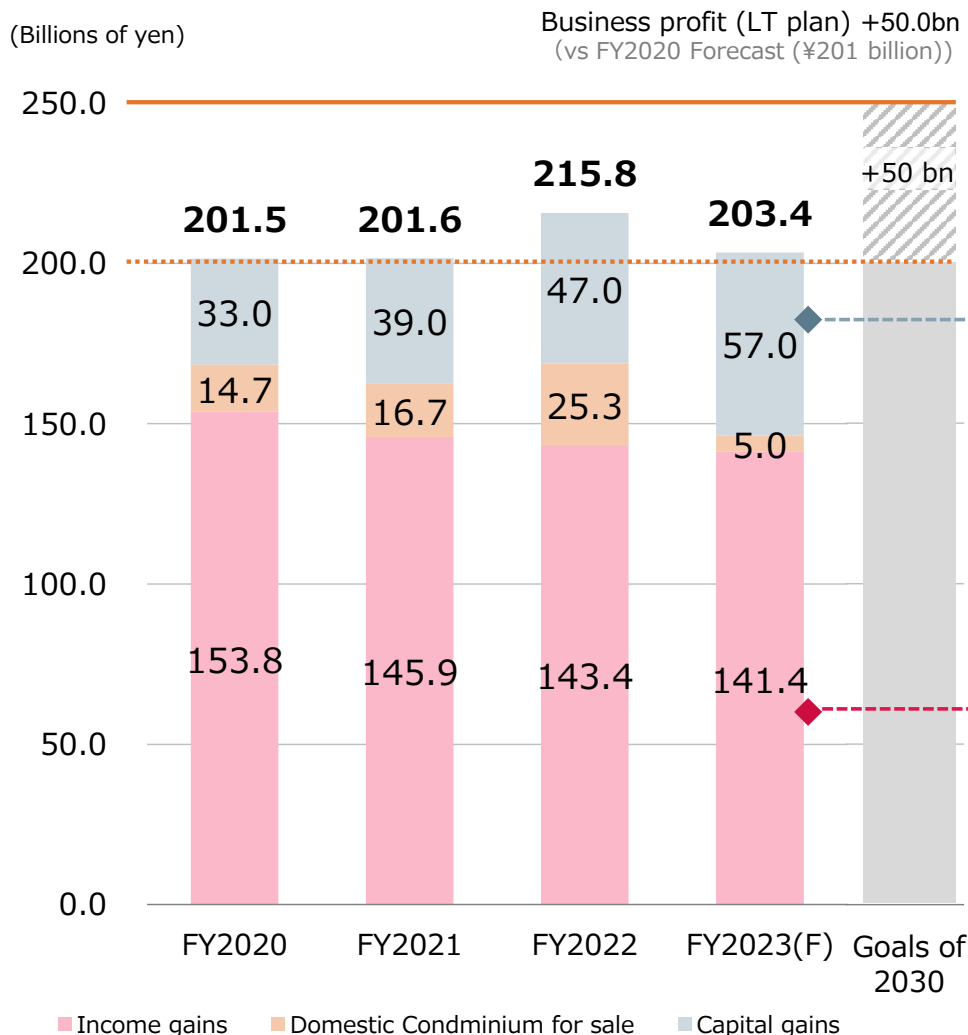
Progress of the Long-Term Management Plan

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. Domestic Asset Business #1 : Profit Trends

*Repost from FY2023 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	FY2022
¥39 billion	¥47 billion
Office : ¥ 24.0 bn Logistics : ¥ 8.0 bn Residential : ¥ 7.0 bn	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㎡

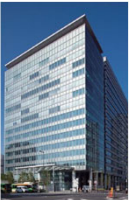
■ **LOGIPORT KAWASAKI BAY**
Use : Logistics facilities
Total floor area : Approx. 297,000㎡

[Residential Business]
Sold 6 properties



■ **Toyosu Front (partial ownership)**
Use : Office
Total floor area : Approx. 107,000㎡

[Residential Business]
Sold 4 properties



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

2. Domestic Asset Business #2

*Updated from FY2023 1Q IR Presentation

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
Domestic	Marunouchi	Tokiwabashi Tower (Building A)	146,000m ²	●							
		Uchikanda 1-chome Project	85,200m ²		★			●			
		Yurakucho Building・Shin-Yurakucho Building Redevelopment Project	※3 10,700m ²						Under consideration		
		Torch Tower (Building B)	544,000m ²			★		●			
		Kokusai Building・Teigeki Building Redevelopment Project	※3 9,400m ²						Under consideration		
	Mixed Use・Office	3rd MINAMI AOYAMA	14,700m ²	★		●					
		Osaka Mitsubishi Building Reconstruction Project	67,000m ²	★			●				
		Toyosu 4-2 Development Project	136,500m ²		★		●				
		Tenjin 1-7 Redevelopment Project (Fukuoka)	74,000m ²		★		●				
		Umekita Second Zone Development Project (Rental Property)(Osaka)	378,450m ²					Gradual completion and opening			
		Nishiki 3-25 Development Project(Nagoya)	109,700m ²		★		●				
		Dogenzaka 2-chome South Redevelopment Project	87,100m ²			★	●				
		Iidabashi Station East Redevelopment Project	46,500m ²			★	●				
		Sannomiya Kumoidori 5-chome Redevelopment Project(Kobe)	98,570m ²		★		●				
		Former Hotel Grand Palace site Redevelopment Project	※3 6,600m ²					Under consideration			
		Akasaka 2・6-chome Development Project	210,000m ²				★	●			
	Outlet Mall	FUKAYA HANAZONO PREMIUM OUTLETS®	34,500m ²	★		●					
		KYOTO JOYO PREMIUM OUTLETS®	※3 245,000m ²					Under consideration			
	Large-scale Logistics (100,000m ² +)	Tokyo Ryutsu Center Distribution A Building	※4 205,000m ²	★		●					
		Logicross Zama	178,700m ²		★		●				
		Sagamihara-shi Chuo-ku Fuchinobe Project	170,900m ²		★		●				
		Misato-shi Hikoito Project	※3 54,000m ²					Under consideration			
		Kyoto Joyo Next-Generation Core Logistics Facilities Project	277,000m ²				★				

...Project announces after the Long-term Management Plan
 ★ ...Start Construction
● ...Completion

Red ... Project added this quarter

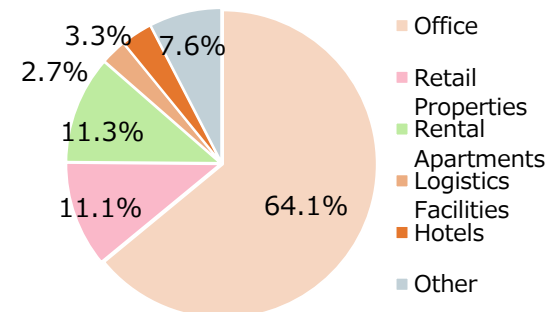
※1 Includes properties expected to be sold by 2030

※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



*Domestic Income Generating Assets excluding Marunouchi Outlet mall and assets of certain consolidated subsidiaries.

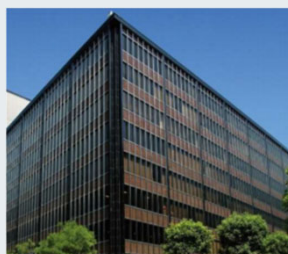
3. Domestic Asset Business #3

Advance redevelopment projects in Marunouchi

■ Joint Redevelopment Project - Kokusai Building and Teigeki Building

Overview of the Kokusai Building

Location	: 1-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
Structure and scale	: Steel-framed reinforced concrete structure (6 floors below ground, 9 floors above ground, 3 roof structures)
Site area	: 5,623.30 m ²
Floor area	: 76,918.25m ²
Completion	: Sep. 1966
Owners	: Mitsubishi Estate Co., Ltd., General Incorporated Association Nihon Club



Overview of the Teigeki Building

Location	: 1-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
Structure and scale	: Steel-framed reinforced concrete structure (6 floors below ground, 9 floors above ground, 3 roof structures)
Site area	: 3,825.05m ²
Floor area	: 39,419.80m ²
Completion	: Sep. 1966
Owners	: Toho Co., Ltd., Idemitsu Museum of Arts



Project Features

- The second redevelopment project in the Yurakucho area, following the Yurakucho Building and Shin-Yurakucho Building
- Further develop the buildings as a base for culture and the arts in the Yurakucho area, and contribute to improvement of the international competitiveness of Tokyo by developing an attractive town
- Scheduled to close by 2025

Capture business opportunities in areas of Japan

■ Nishiki 3-25 Development Project

Project Features

- Nagoya's new landmark tower
- Enhance international competitiveness and create vibrant community in hotels, office buildings, and multiplex cinemas
- Conrad Hotels and Resorts scheduled to open

Project Overview

Location	: Nishiki 3-chome, Naka-ku, Nagoya City
Site area	: 4,866.40 m ²
Floor area	: Approx. 109,700m ²
Number of floors	: 41 floors above ground (211m), 4 floors below ground, 1 roof structure
Schedule	: Construction began in Jul. 2022, to be completed in Mar. 2026



▲Image of the building

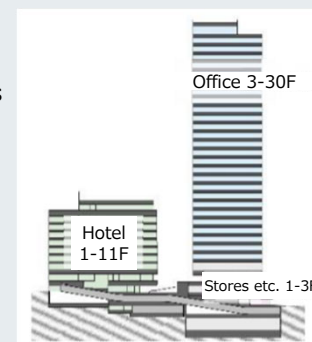
■ Dogenzaka 2-chome South District Redevelopment Project

Project Features

- Large-scale multi-use development directly connected to Shibuya Station on the Inokashira Line
- Enhance livelihood through the development of plazas and retail properties along the Dogenzaka street
- TRUNK (HOTEL) scheduled to open

Project Overview

Location	: Dogenzaka 2-chome, Shibura-ku
Site area	: 6,720m ²
Floor area	: Approx. 87,100m ²
Number of floors	: Office building/ 30 floors above ground, 3 floors below ground, 2 roof structures Hotel building/ 11 floors above ground, 2 floors below ground, 1 roof structure
Schedule	: Construction scheduled to begin in FY 2023, to be completed in FY 2026

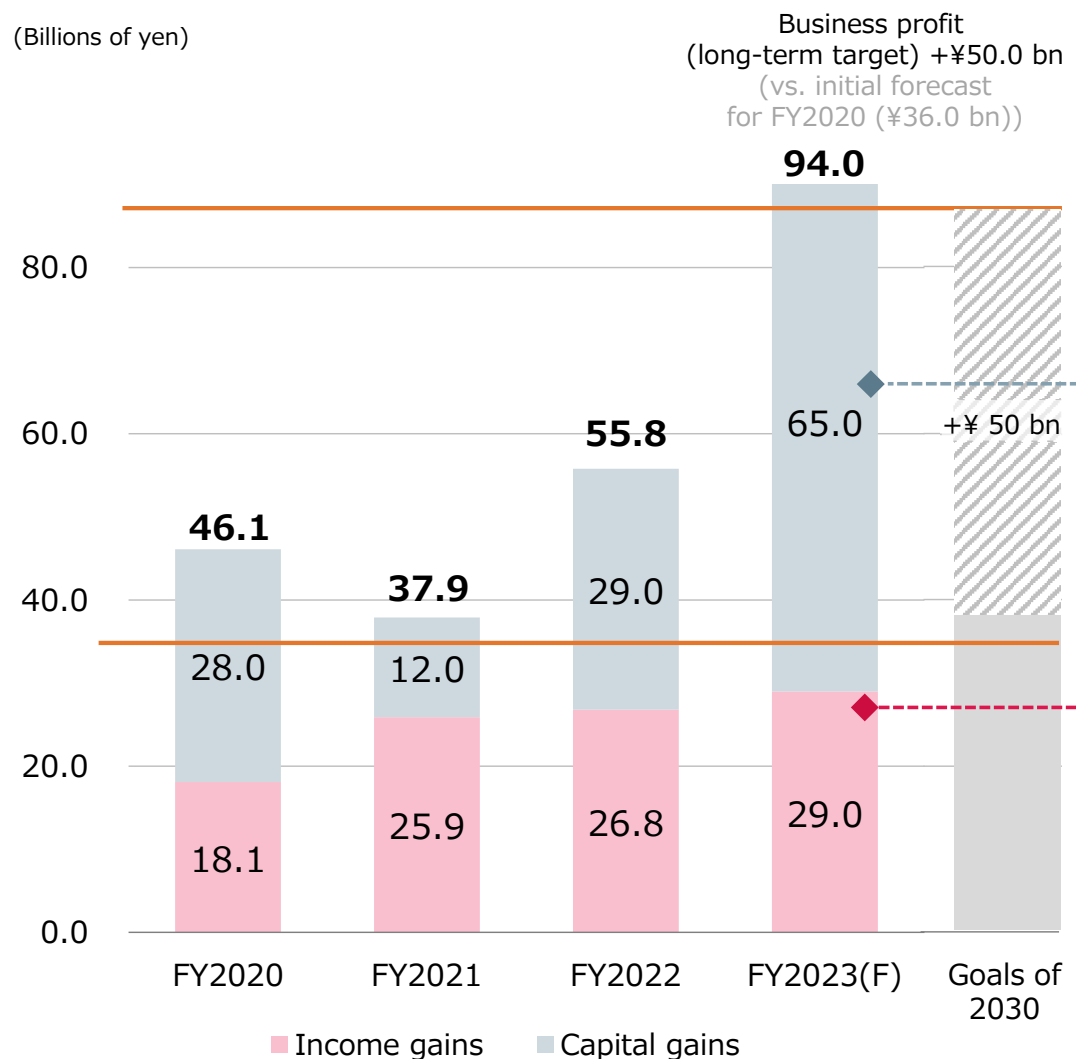


▲Cross-sectional view

4. International Asset Business #1 : Profit Trends

*Repost from FY2023 IR Presentation announced on May 12, 2022

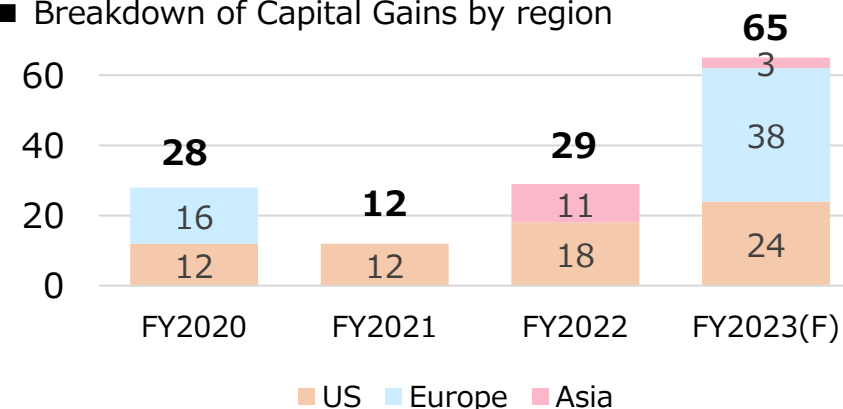
Steady profit growth in both income and capital gains. +¥58.0 bn growth expected in FY2023 compared to FY2020 forecast (¥36.0 bn), driven by large capital gains.



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

5. International Asset Business #2

*Updated from FY2023 1Q IR Presentation

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

	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	●								
	180 George Street (Australia)	Office, Commercial	※3 55,000m ²		●							
	One City Centre (Thailand)	Office, Commercial	116,000m ²		●							
	The Grand Outlet (Indonesia)	Outlet	49,000m ²		★		●					
	Parkline Place (Australia)	Office, Commercial	65,900m ²		★		●					
	Suzhou New District Business Park (China)	Office	220,400m ²		★		●					
	One Circular Quay (Australia)	Hotel, etc.	86,800m ²		★		●					
	Oasis Central Sudirman (Indonesia)	Mixed Use	307,000m ²			★		●				
Europe	Warwick Court (London)	Renovation	29,000m ²		●							
	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				★		●				
	Liv Crossroads (Arizona)	Rental Apartment	356 Units		●							
	Liv Laveen (Arizona)	Rental Apartment	360 Units		★		●					
	1158 Delaware (Colorado)	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		★		●					

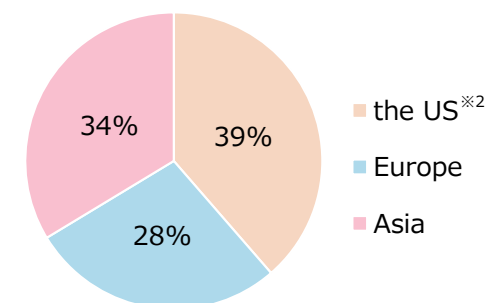
...Project announced after the Long-Term Management Plan ★...Start Construction ●...Completion

Red...Project added this quarter

※1 Includes properties expected to be sold by 2030 ※2 Total floor area unless otherwise noted.

※3 Leasable area ※4 Site area ※5 Total of two buildings

Book value of international assets^{※1}
in capital recycling business
¥847bil. at the end FY2022



※1 Inventories + equity + fixed assets

※2 Excluding CORE Assets (Manhattan), subject to ownership

6. International Asset Business #3

Completion of a large-scale office building in London

■ Warwick Court (completed in Jul. 2022)

Project Features

- First major renovation project in the U. K.
- Increased revenues from renovation of existing properties
- Propose to enhance wellbeing and amenity facilities, and to comply with environmental and diversity requirements

Project Overview

Location	: London, the U. K.
Use	: Offices, retail properties
Floor area	: Approx. 29,000m ²
Number of floors	: 8 floors above ground, 2 floors below ground
Schedule	: Completed in 2003, renovation began in Dec. 2020, completed in Jul. 2022



▲Exterior photo
(Jul. 2022)

■ 8 Bishopsgate (construction to be completed in Feb. 2023)

Project Features

- High-rise office development in the central area of London
- Achieved nearly 2.8 times the leasable floor area of the previous building with 40 years of experience in the London market

Project Overview

Location	: London, the U. K.
Use	: Offices, retail properties, observation gallery, etc.
Site area	: Approx. 3,460m ²
Floor area	: Approx. 85,000m ²
Number of floors	: 51 floors above ground (204m), 3 floors below ground, 1 roof structure
Schedule	: Construction began in Mar. 2019, to be completed in Feb. 2023



▲Exterior phot
(Jul. 2022)

Development of various asset types in Australia

■ One Circular Quay



▲Image of the building

Project Features

- Our project share is 66.7%. Large-scale project with sales of approximately ¥ 285 bn.
- Rare location overlooking the Opera House and Harbor Bridge
- Development of superb luxury residential tower and five-star hotel
- Hilton's premier brand, the Waldorf Astoria, to open in Australia for the first time
- Increasing investment in various assets, including offices, residences, and hotels in Australia

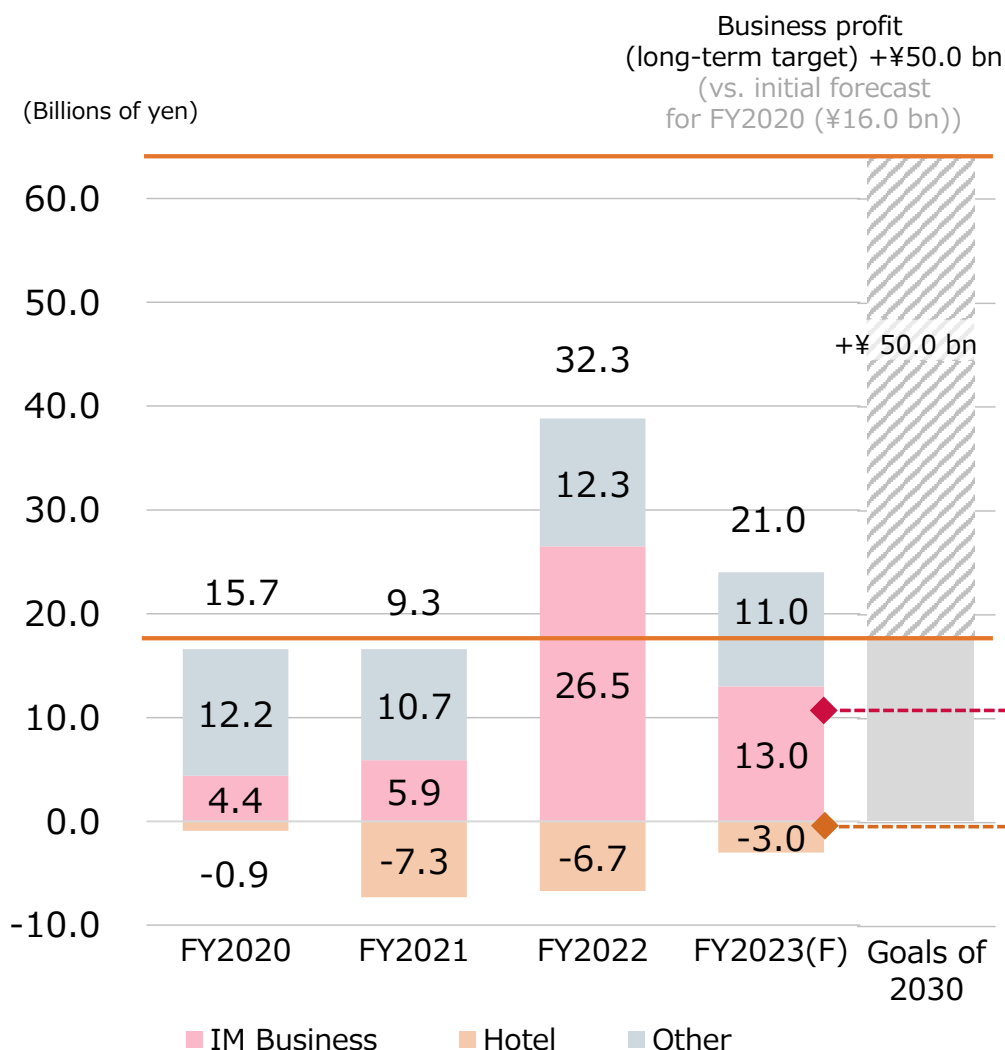
Project Overview

Location	: Sydney, Australia
Site area	: Approx. 4,100m ²
Floor area	: Approx. 86,800m ²
Number of floors	: Residential building/ 59 floors above ground, 6 floors below ground Hotel building/ 26 floors above ground, 6 floors below ground
Schedule	: Construction to begin in early 2023, to be completed in 2027

7. Non-asset (Fee-based) Business

*Updated from FY2023 1Q IR Presentation

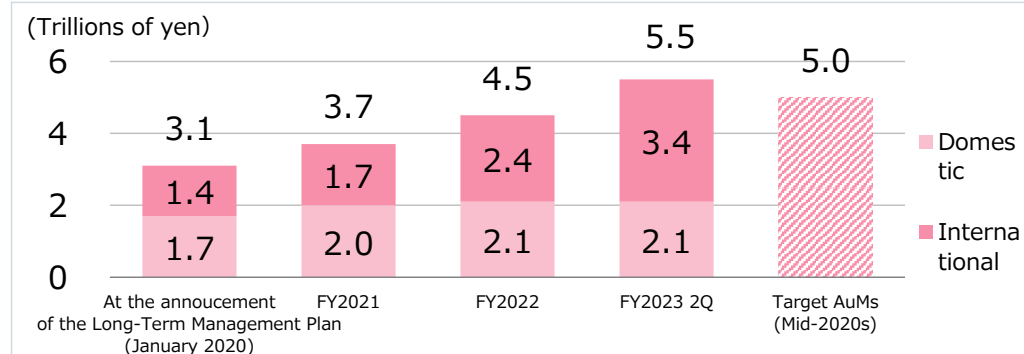
Significant growth led by increased profits from investment management business despite the large impact of COVID-19 to hotel business.



Investment Management Business

■ Base income increase from AuM expansion

- Achieved AuM ¥5.5 tn by 2Q 2023 and earlier achieved the mid-2020s targets by 2Q 2023



■ 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.84)
- 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.**

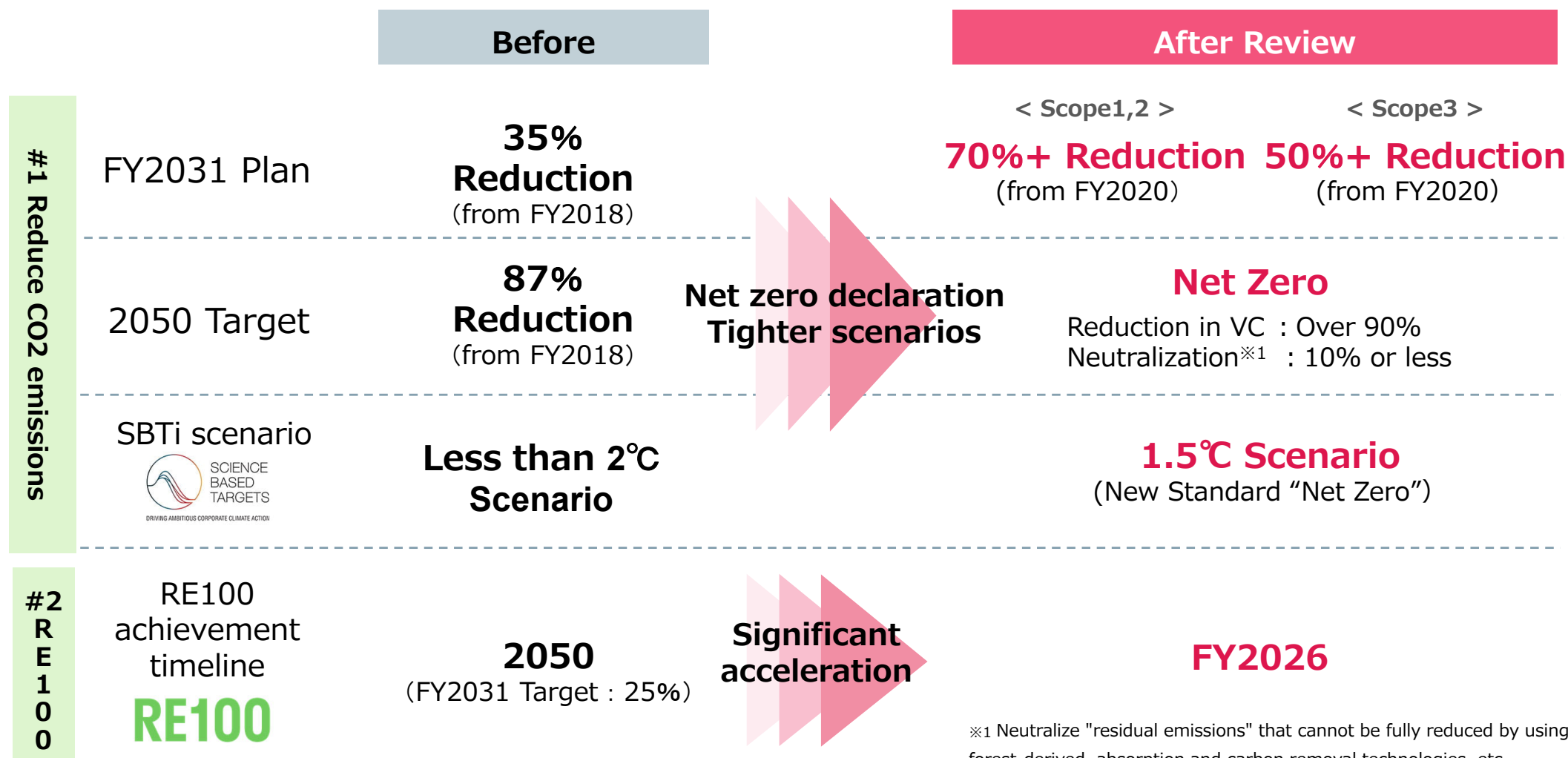
Increased deficit in FY2021-FY2022 due to COVID-19 Management reforms and a certain level of domestic demand recovery expected in FY2023.

8. 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 as the first company in Japan by SBTi in June 2022. Substantially accelerated RE100 achievement timeline.



9. Efforts to Improve Social Value #2

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

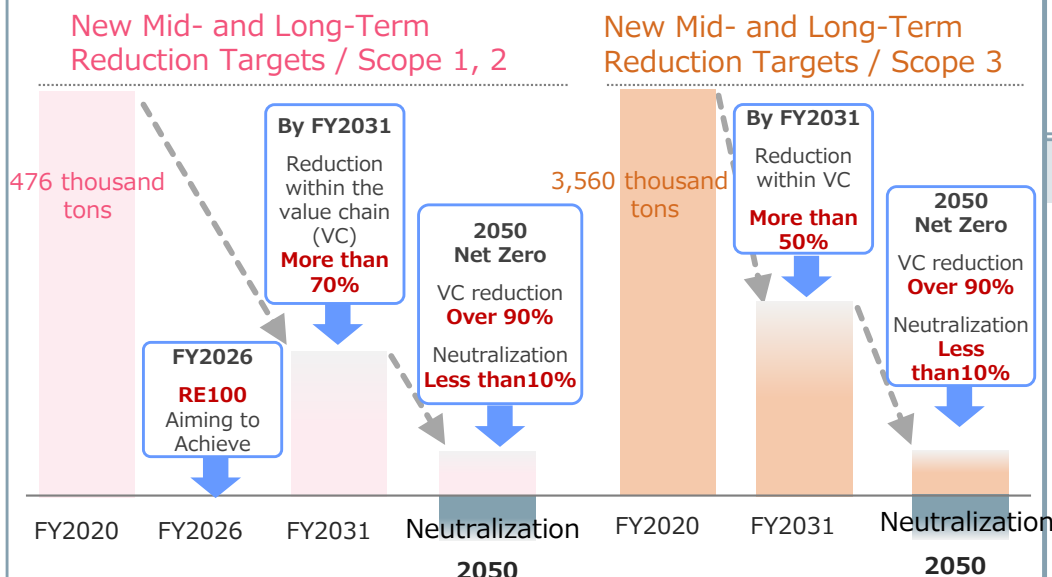
Set new GHG emission reduction targets(Declaration of Net Zero) Substantially accelerated RE100 achievement timeline.

Overview of GHG reduction targets

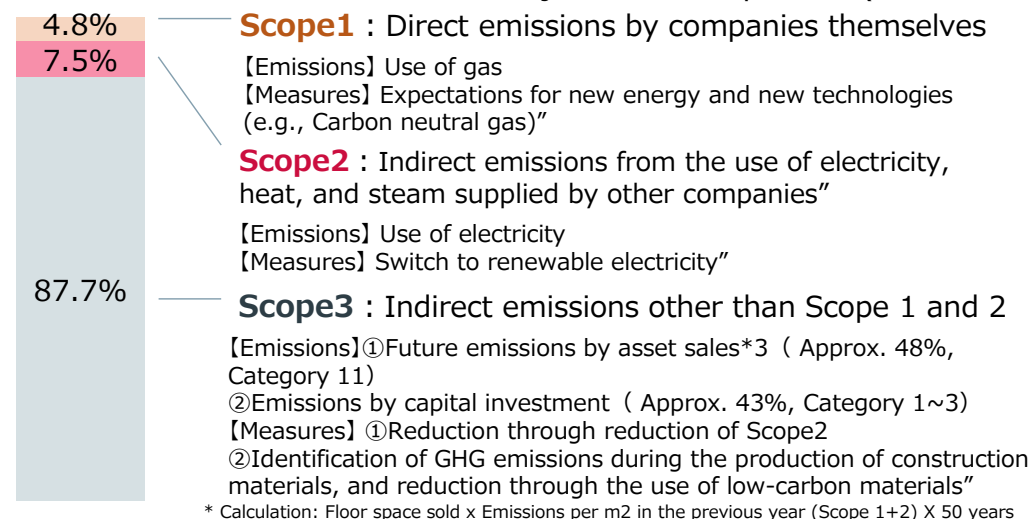
◆ Meet the 1.5°C scenario of SBTi (The Science Based Targets initiative) and review in accordance with the new net-zero standard announced by SBTi. Certified as the first company in Japan by SBTi in June 2022.

“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)



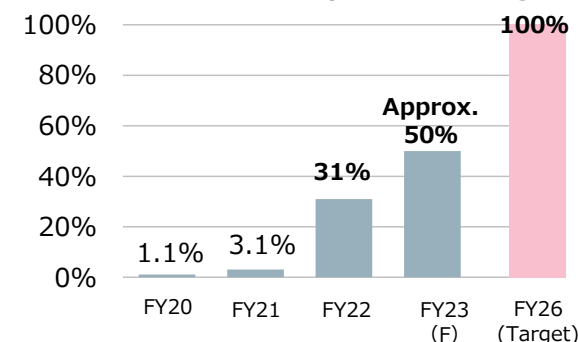
Accelerate introduction of renewable energy to achieve RE100

◆ 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

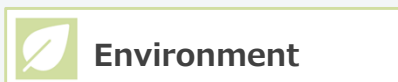
Be the Ecosystem Engineers

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'



Environment



Globality



Community



Diversity



Declining Birthrate/
Aging Population



Leveraging Existing
Population



Digital Innovation

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 FY2041, 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 32 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

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).

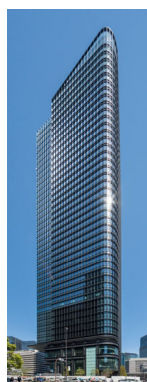
*Over 50% owned buildings and commercial facilities excluding turnover-type and redeveloping properties.



▲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.

Aim to make all properties to be sold or offered for lease ZEH-M Oriented or higher by FY2026.



▲The Park House Shin-Urayasu Marine Villa

Issued first Sustainability Linked Bond Accelerate the use of ESG finance to meet society's needs

- Raised ¥60 bn with its first issuance of Sustainability Linked Bonds in July 2022. Japan's first credit to set targets based on SBTi's new net-zero standards and to concurrently set targets for both environment (E) and diversity (S) in a single framework

Overview of Sustainability Linked Bonds

Issue date	Issue amount	Interest rate	Targets
5 years	¥ 20.0 bn	0.360%	FY2026: Renewable electricity rate: 100%
10 years	¥ 20.0 bn	0.644%	FY2031 : Scope1,2 Reduce by over 70% Reduce by over 50 % in Scope 3
30 years	¥ 20.0 bn	1.543%	2050 : Achieve net zero FY2051 : Achieve 40% of female managers

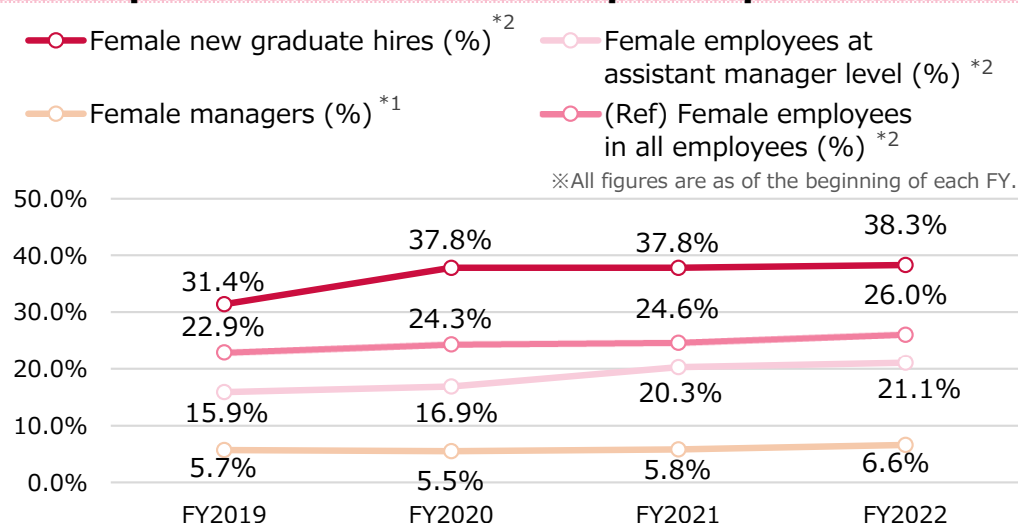
Financing results using ESG finance

Issue Date	Bond type	Amount financed
Jun. 2018	Green Bonds (publicly-offered bonds)	¥ 20.0 bn
May 2020	Sustainability Linked Loan	¥ 11.5 bn
Nov. 2021	Positive Impact Financing	¥ 5.0 bn
Jul. 2022	Sustainability Linked Bonds	¥ 60.0 bn
Oct. 2022	Sustainability Linked Loan	¥ 50.0 bn

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

■ 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.



Online training platform and DX human resource development for all employees

■ Online training platform "MEC ACADEMY"

Established a new online training platform, MEC ACADEMY, to share corporate-wide collective knowledge of real estate and other businesses. Encouraged employees to explore new challenges through cross-organizational knowledge, skills, and experience sharing, including in the real estate business.

■ Established "MEDiA (MEC Digital Academy)," a DX human resources development program

DX human resource development program "MEDiA" on "MEC ACADEMY" Conducted largely-enhanced programs in the digital domain for all Group employees of approx.10,000.

Content: Five courses ranging from "Basic," "Practical," and "Advanced"

STEP1 ①Digital marketing (Digima) training (Basic)

STEP2 ②Digima training (Practical), ③ Data analysis program, ④DX online program

STEP3 ⑤Boot camp

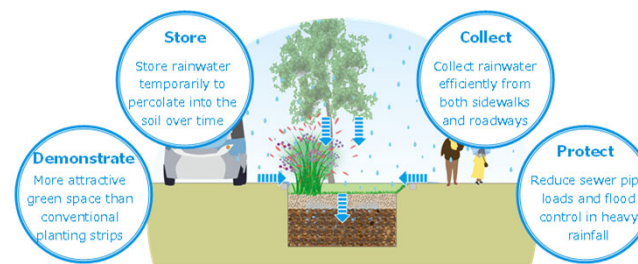
4 Resilience

Conducted the 96th Emergency Drills

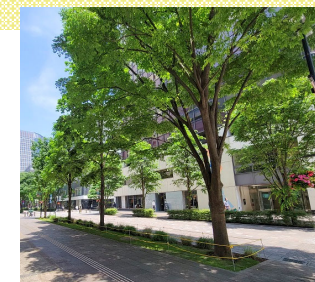
Annual emergency drill conducted with public and private sectors, involving all executives and employees of Mitsubishi Estate, group companies, and external parties. FY2023 emergency drill and practical exercises held first time in three years, participated by Chiyoda Medical Association and Marunouchi Fire Station. Information gathering in times of disaster using the next-generation multiple-camera control system installed in the Marunouchi area, firefighting exercises held at the first time such as ladder truck rescue drill and simultaneous water discharges at Tokiwabashi Tower completed in June 2021 .

Rain Garden demonstration experiment on Marunouchi Naka-dori Ave.

Rain Garden demonstration experiment as part of green infrastructure initiatives, using roadside planting strips on Marunouchi Naka-dori Ave. Rain Garden is a project to temporarily store rainwater and allow it to percolate underground over time. This study verifies the possibility of solving various urban issues such as reducing the risk of flooding, heat island, and contributing to biodiversity.



▲ Effect of rain gardens



▲ Photo of maintenance work

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

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

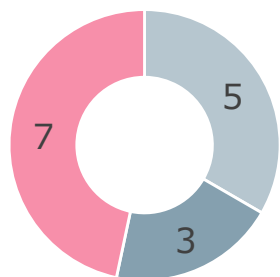
Corporate Structure

- 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

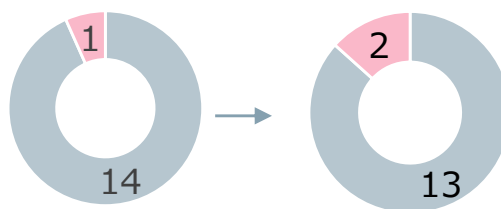
Board Structure



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

Composition of Male/Female

From June 29, 2022



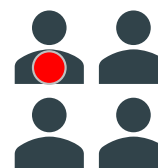
■ Male ■ Female

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

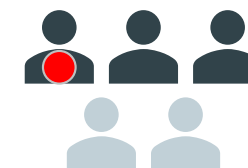
Exclusively outside directors



■ : Outside Director

Audit Committee

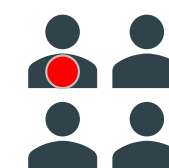
Chairperson is an outside director



■ : Company Director (Non-executive)

Remuneration Committee

Exclusively outside directors



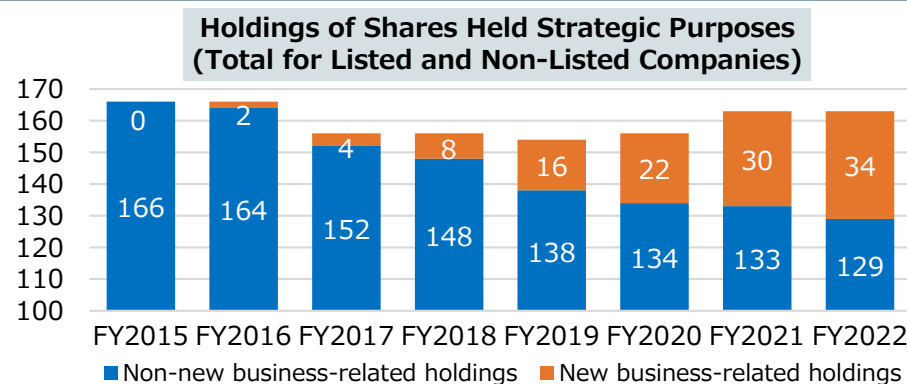
● : Chairperson

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

Strategic-Holding Stock Policies

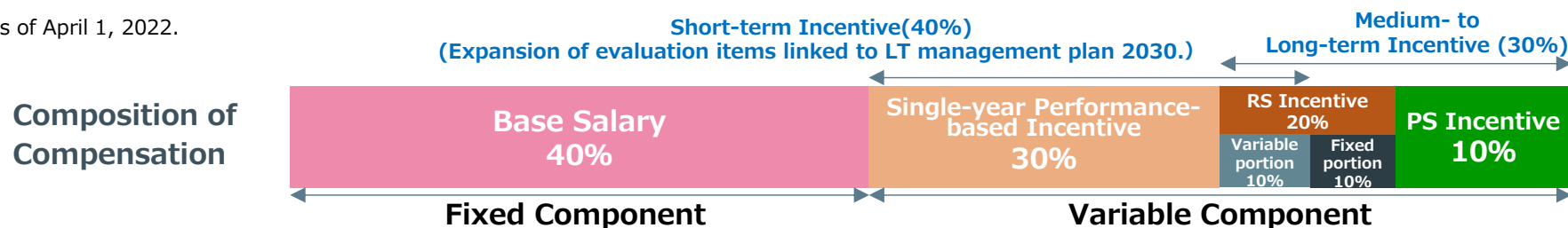
- Sold 25 *entities with a total value of approx. ¥29.1 bn in the past four years (FY2019-FY2022)
- Approx. ¥244.2 bn (market value) of listed stock as of March 31, 2022. Routinely review strategic objectives and dispose of stocks as necessary

* 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 September 2022

— Not selected ※ Before announcement

Category	Benchmarks	2020	2021	2022	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	●	●	※	
ESG in General	Member of the "S&P Global Sustainability Yearbook"	●	●	※	
ESG in General	SOMPO Sustainability Index	●	●	●	11 years in a row
ESG in General	GRESB Public Disclosure	A	A	A	6 years in a row
ESG in General	GRESB Standing Investment Benchmark *1	5 Star	5 Star	5 Star	
ESG in General	GRESB Development Benchmark *1	4 Star	5 Star	4 Star	
E (Environment)	S&P/JPX Carbon Efficient Index (Adopted by GPIF)	●	●	●	5 years in a row
E (Environment)	CDP Climate Change	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 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 Bussines	-	¥ 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)	-

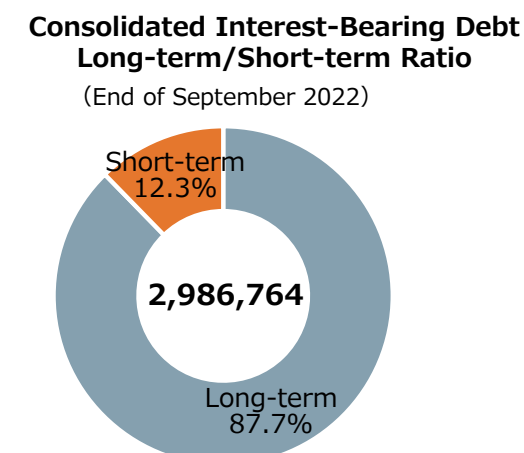
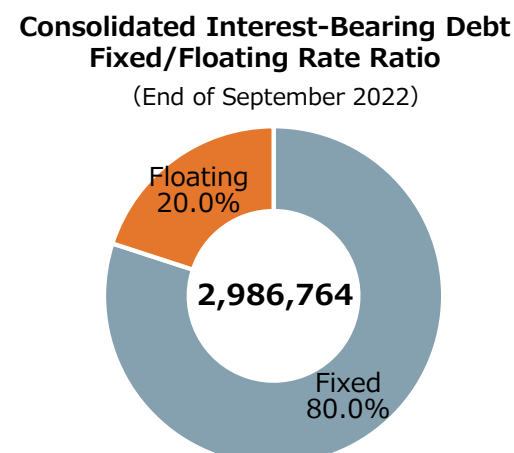
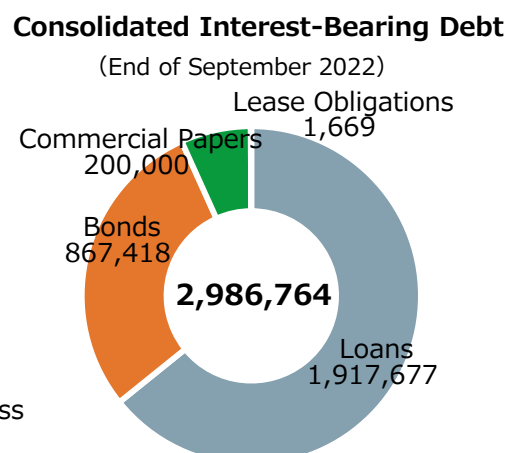
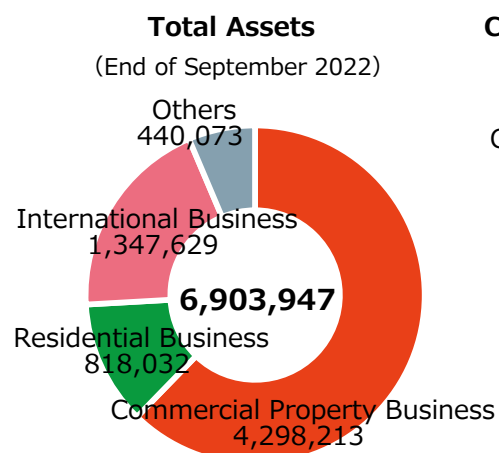
^{*1} ROA = Business Profit / Total assets (average) ^{*2} Business Profit = Operating Profit + Equity in Net Earnings/Loss (for unconsolidated subsidiaries and affiliates)

^{*3} vs FY2020

2. Balance Sheet As of September 30, 2022

	Millions of yen (rounded down)		
	As of September 30, 2022	As of March 31, 2022	Change
Current assets	1,628,428	1,356,789	271,638
Cash and deposits	275,478	233,117	42,361
Trade notes and accounts receivable, and contract assets	49,063	60,645	(11,581)
Real estate for sale	44,214	41,239	2,974
Real estate for sale in progress	456,715	299,532	157,183
Real estate for development	719	724	(5)
Equity investments	705,455	624,521	80,933
Other	96,781	97,009	(228)
Non-current assets	5,275,518	5,137,127	138,391
Total property, plant and equipment	4,467,844	4,345,989	121,855
Total intangible assets	108,175	108,092	82
Investment securities	287,316	299,617	(12,300)
Other	412,181	383,426	28,753
Total assets	6,903,947	6,493,917	410,030

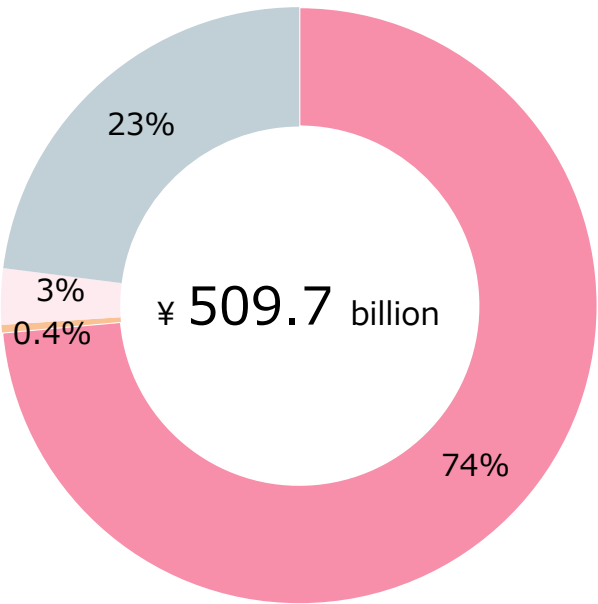
	Millions of yen (rounded down)		
	As of September 30, 2022	As of March 31, 2022	Change
Liabilities	4,501,077	4,257,484	243,592
Current liabilities	924,362	631,043	293,319
Trade notes and accounts payable	44,662	60,516	(15,854)
Short-term borrowings	166,940	182,052	(15,111)
Current portion of long-term borrowings	234,663	79,928	154,734
Commercial Papers	200,000	-	200,000
Current portion of bonds payable	40,000	90,000	(50,000)
Other	238,096	218,544	19,552
Non-current liabilities	3,576,714	3,626,441	(49,726)
Bonds payable	827,418	786,335	41,083
Long-term borrowings	1,516,073	1,598,562	(82,488)
Other	1,233,219	1,241,539	(8,323)
Net assets	2,402,869	2,236,432	166,437
Shareholders' equity	1,383,344	1,335,024	48,319
Accumulated other comprehensive income	767,712	668,200	99,511
Share acquisition rights	193	201	(8)
Non-controlling interests	251,620	233,005	18,614
Total liabilities and net assets	6,903,947	6,493,917	410,030



3. Asset Compositions

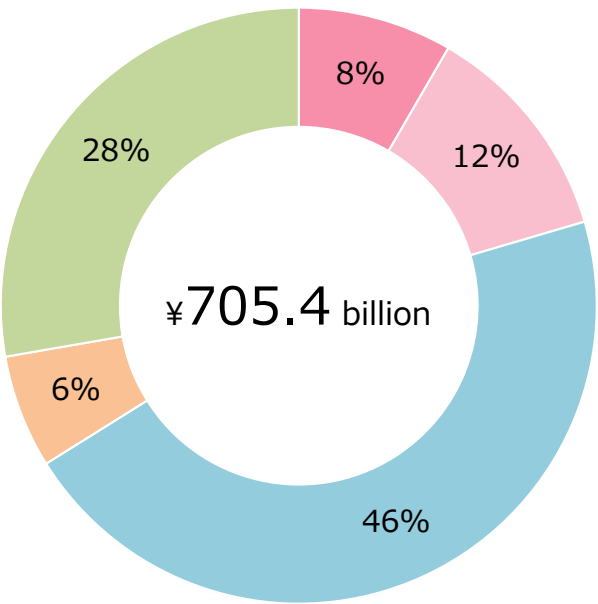
(End of September 2022)

Inventories



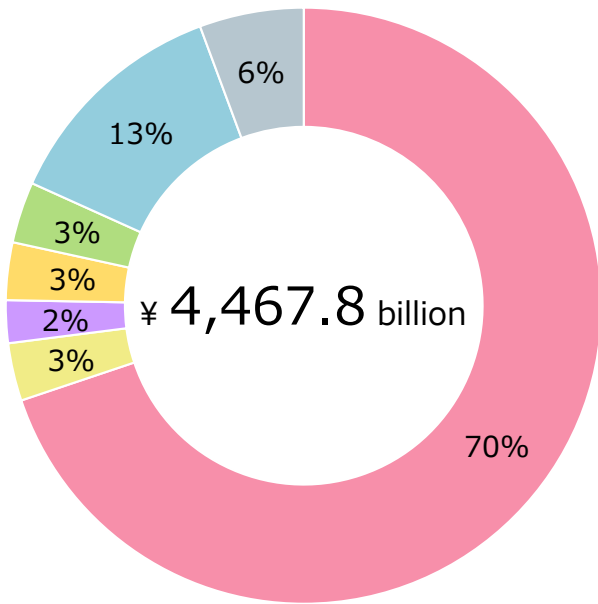
- Domestic Condominiums
- Europe
- Asia
- Others

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

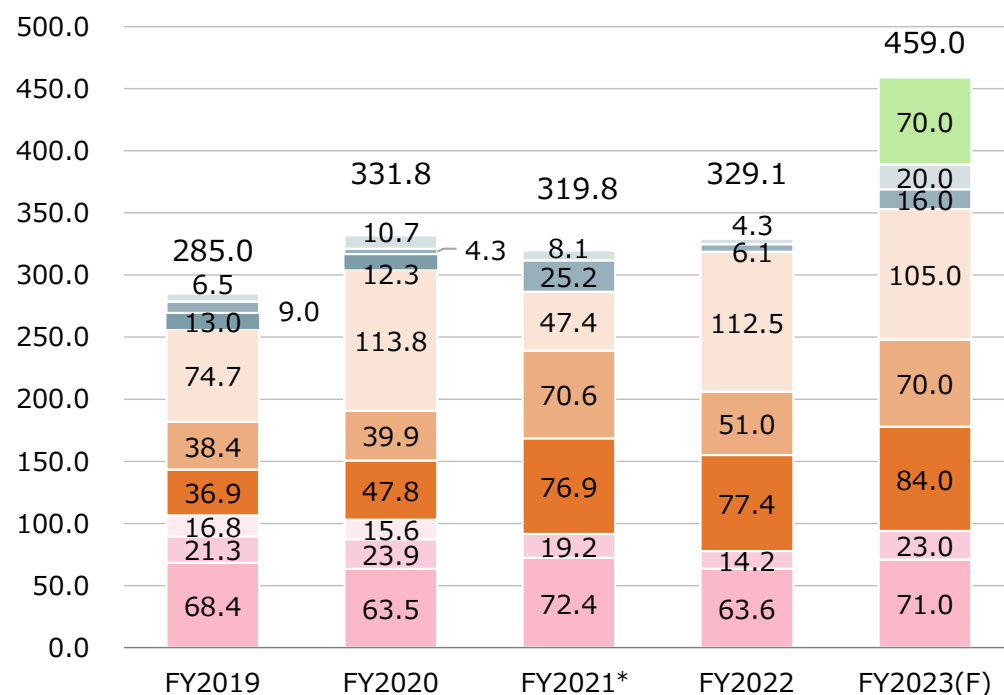
Millions of yen (rounded down)

	①FY2022- 2Q Results	②FY2023- 2Q Results	Change (② – ①)	③FY2022 Results	④FY2023 Forecasts	Change (④ – ③)
Cash Flows From Operating Activities	61,935	11,993	(49,942)	280,090	370,000	89,910
Depreciation	44,965	46,084	1,119	91,581	94,000	2,419
Decrease (increase) in inventories	31,924	(133,010)	(164,934)	116,993	102,000	(14,993)
Decrease (Increase) in equity investments	(7,649)	24,928	32,578	(30,267)	(66,000)	(35,733)
Cash Flows From Investing Activities	(174,465)	(144,875)	29,589	(313,778)	(480,000)	(166,222)
Proceeds from sales of investment securities	6,119	845	(5,273)	9,562	2,000	(7,562)
Purchase of property, plant and equipment	(170,903)	(146,612)	24,290	(329,115)	(459,000)	(129,885)
Cash Flows From Financing Activities	159,435	164,697	5,262	90,973	15,000	(75,973)
Cash and Cash Equivalents at End of Period	224,084	277,126	53,041	234,244	140,000	(94,244)
Free Cash Flow	(112,529)	(132,882)	(20,353)	(33,687)	(110,000)	(76,313)

5. Investment Data

Major Breakdown of Purchase of Property, Plant and Equipment

(Billions of yen)



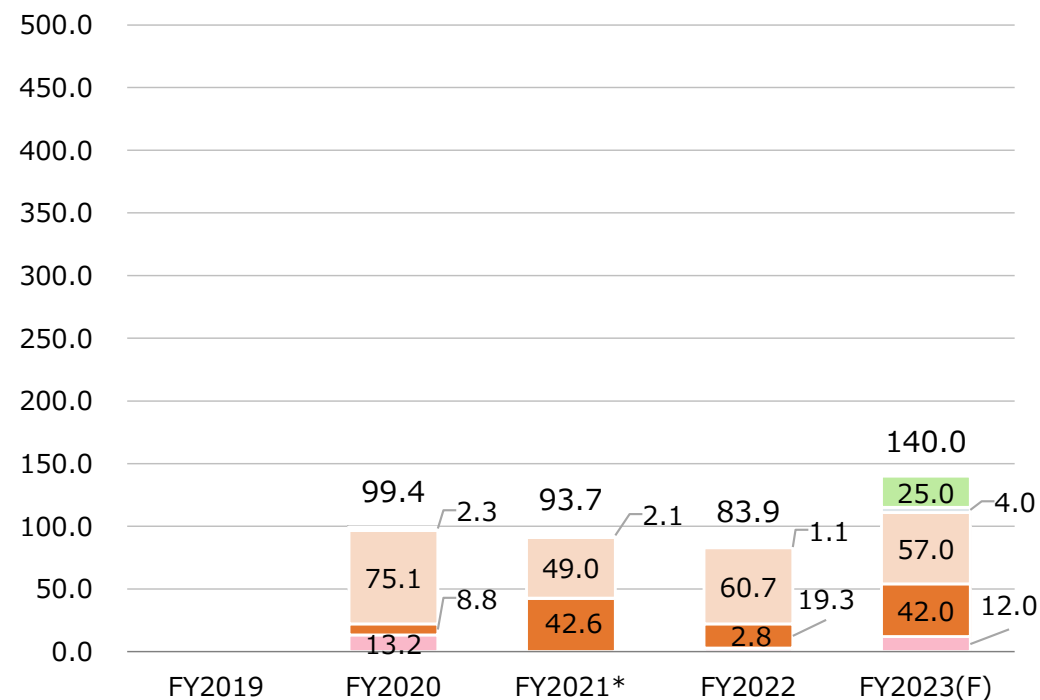
*Classifications have been changed below from FY2021

<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)



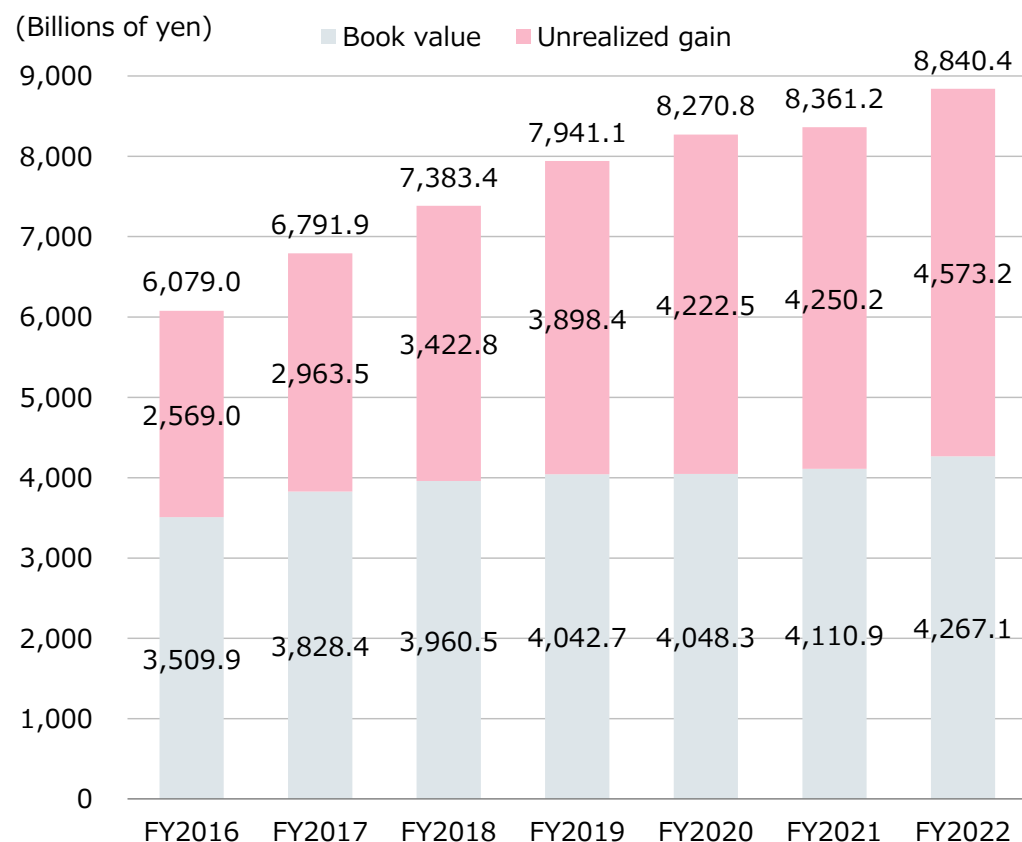
<Legend for FY2021 - >

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

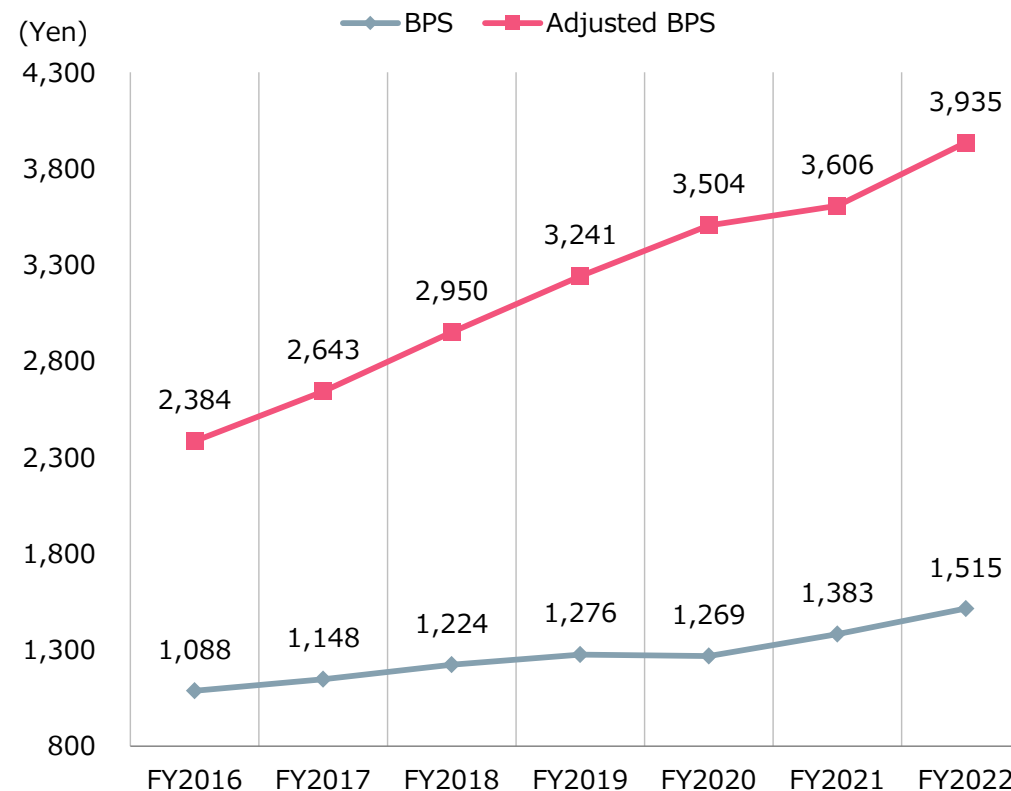
6. Income Generating Assets Unrealized Gains: Current Status #1

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



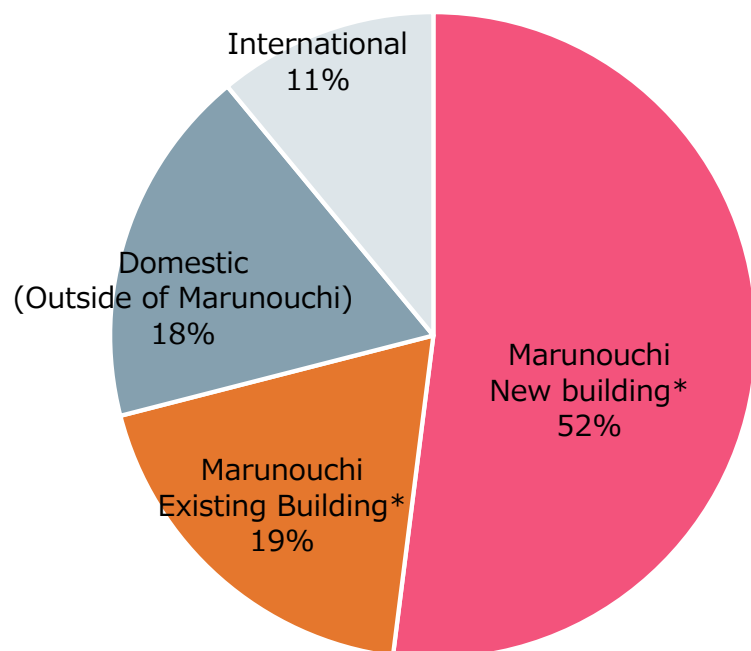
BPS and Adjusted BPS*



* BPS including unrealized gains (after tax)

7. Income Generating Assets #2

Unrealized Gain Breakdown

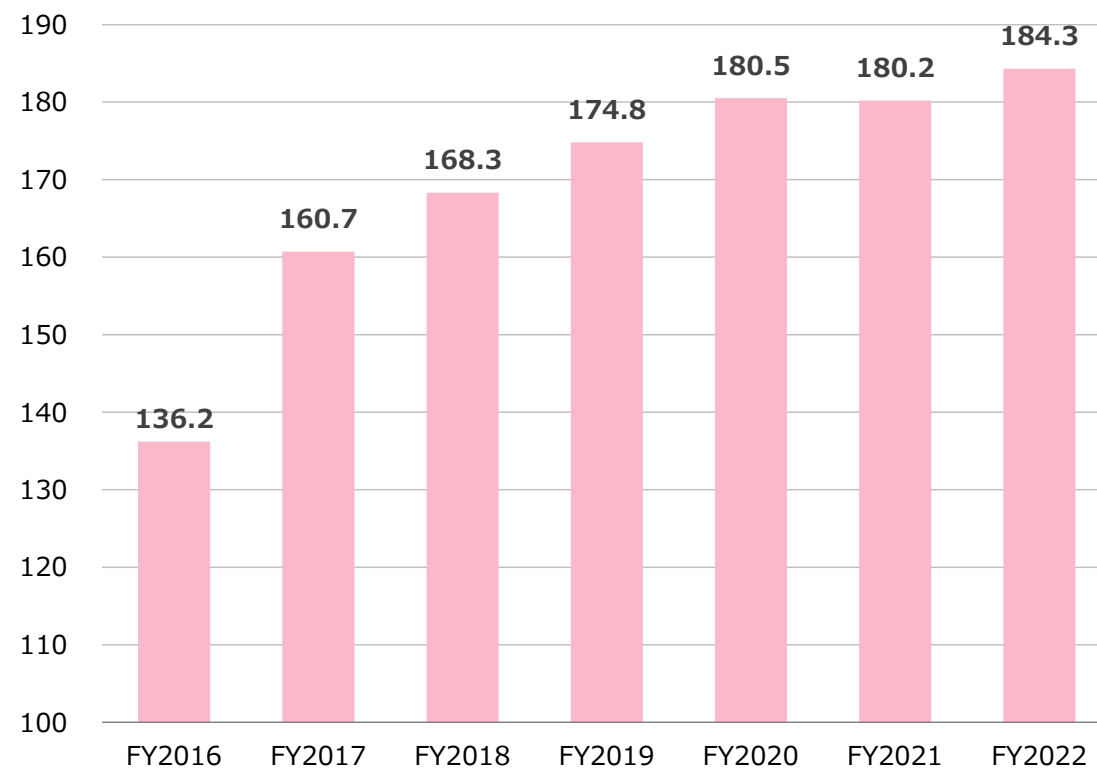


*Redeveloped properties after the completion of Marunouchi Building
Since the fiscal year ended March 2022, the entire TOKYO TORCH PJ has been counted as a new Marunouchi building.

(FY2022 Results)

Profit Trends

(Billion of yen)



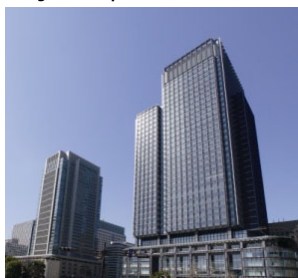
Business Overview

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>

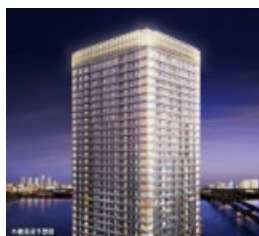
Undertakes hotel management nationwide as the Royal Park Hotels group. Began private airport management business.



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>

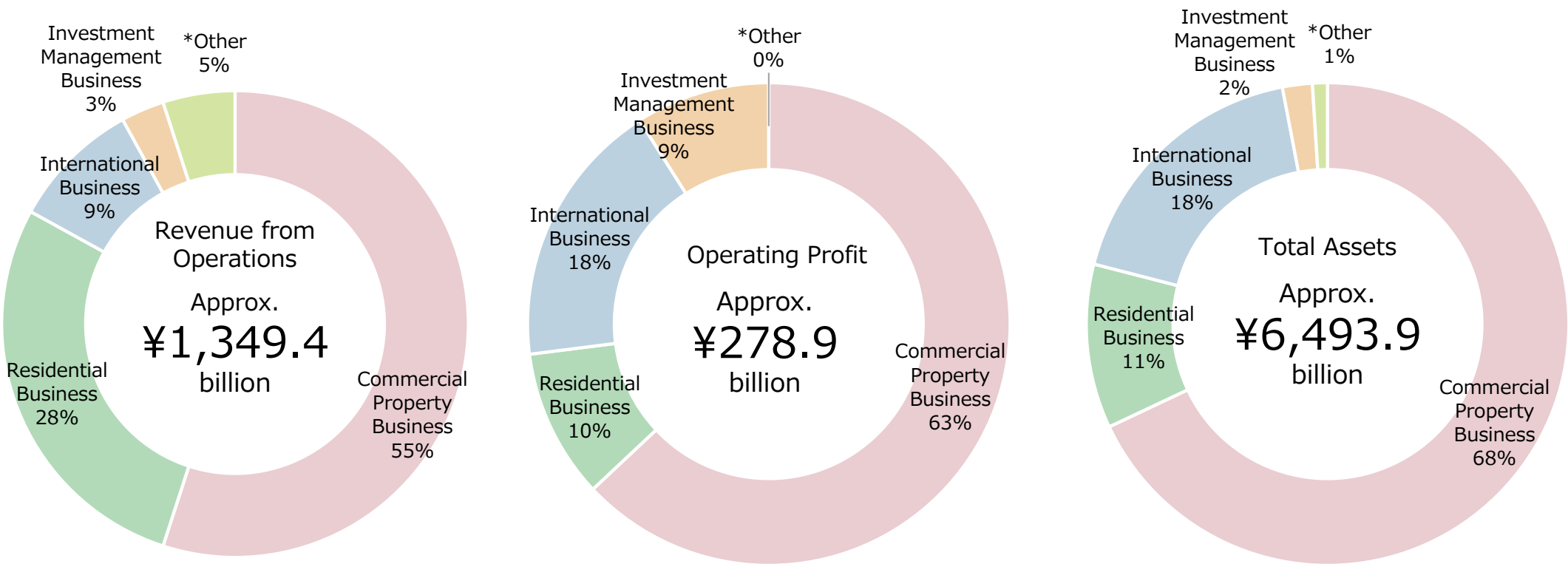
Mitsubishi Jisho Sekkei Inc. provides architectural design and engineering services of construction and civil engineering.



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



2. Business Scale

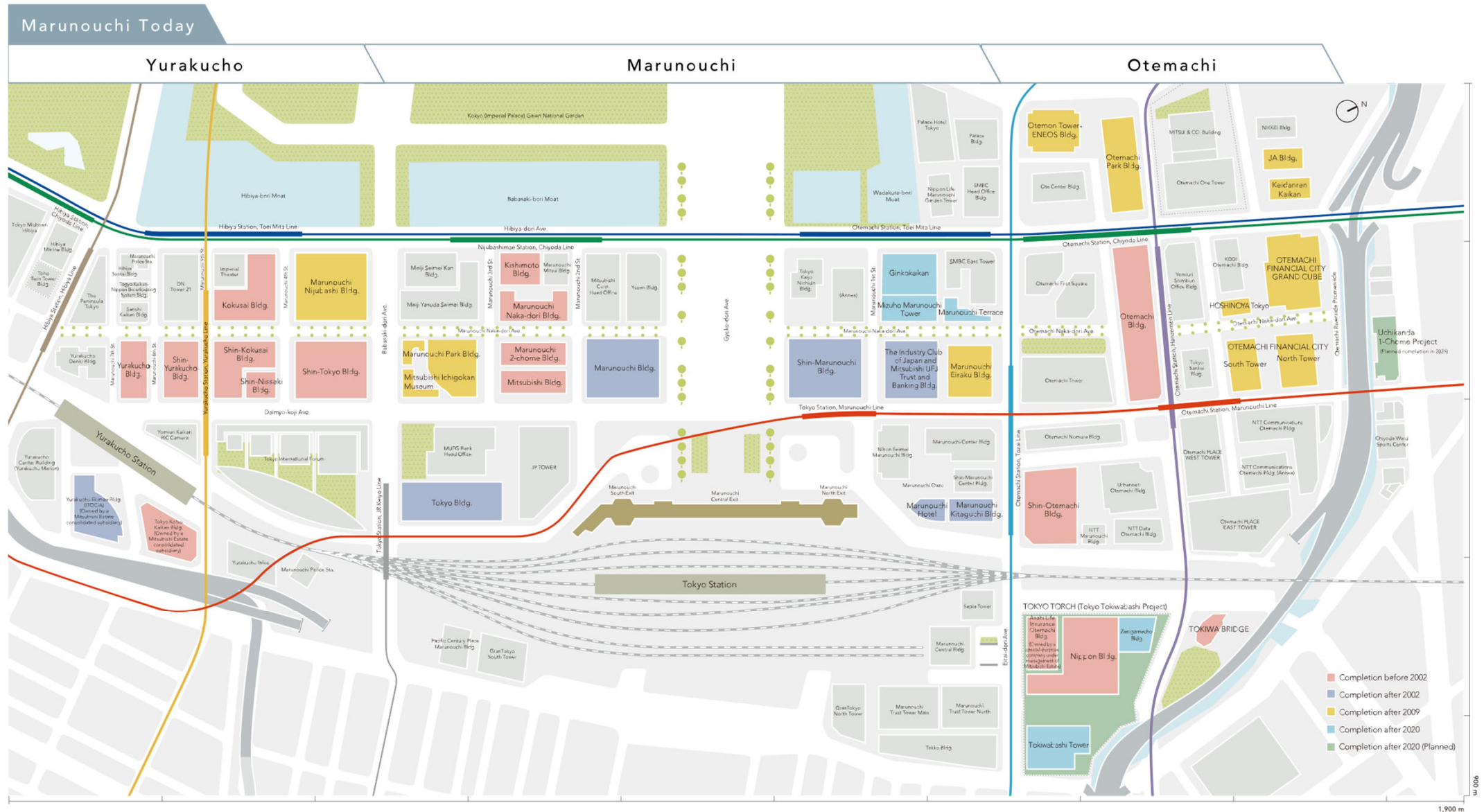


*Architectural Design & Engineering Business and Real Estate Services Business, Other Business (FY2022 Results)

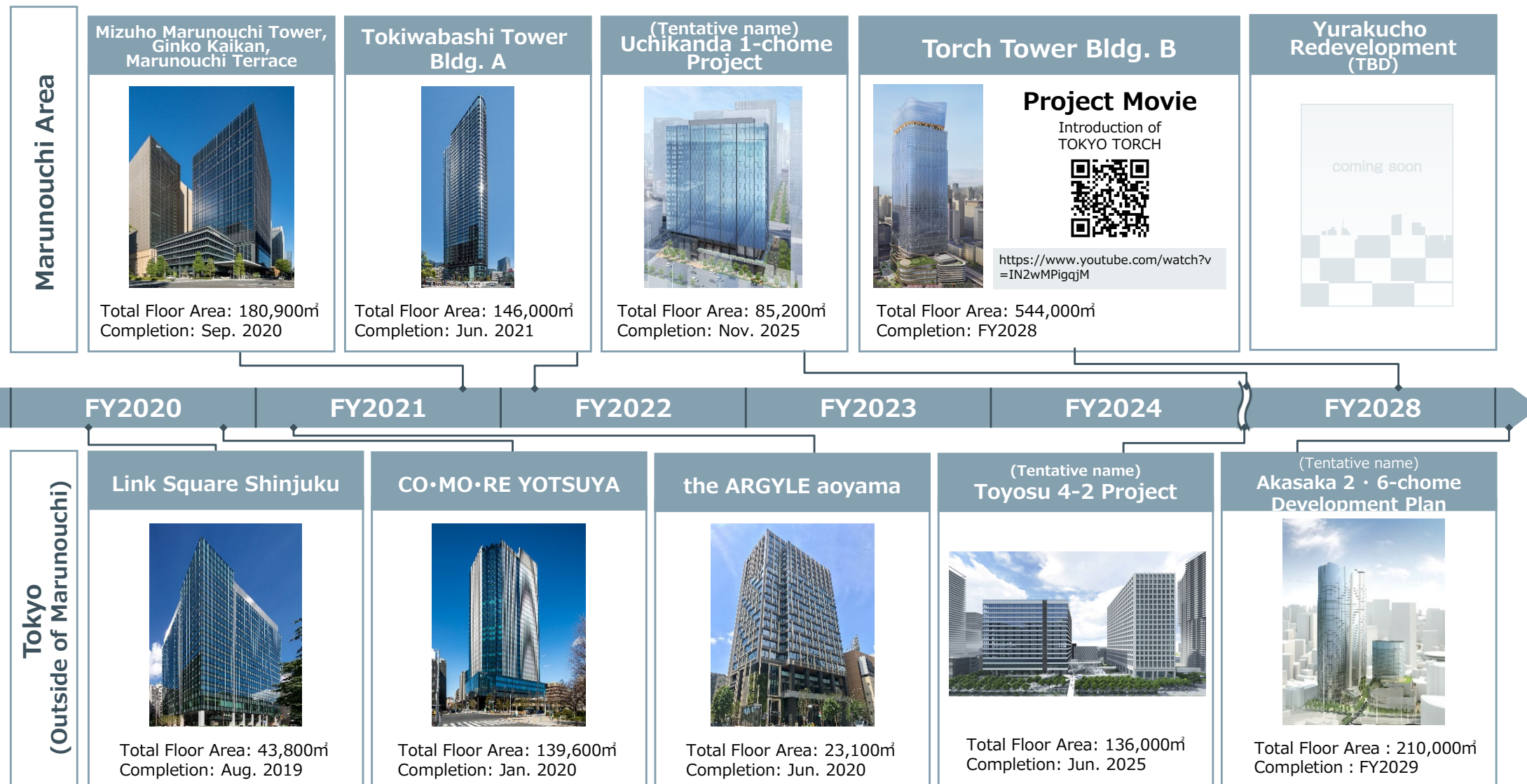
Commercial Property Business

Office Buildings

1. Marunouchi Area Map

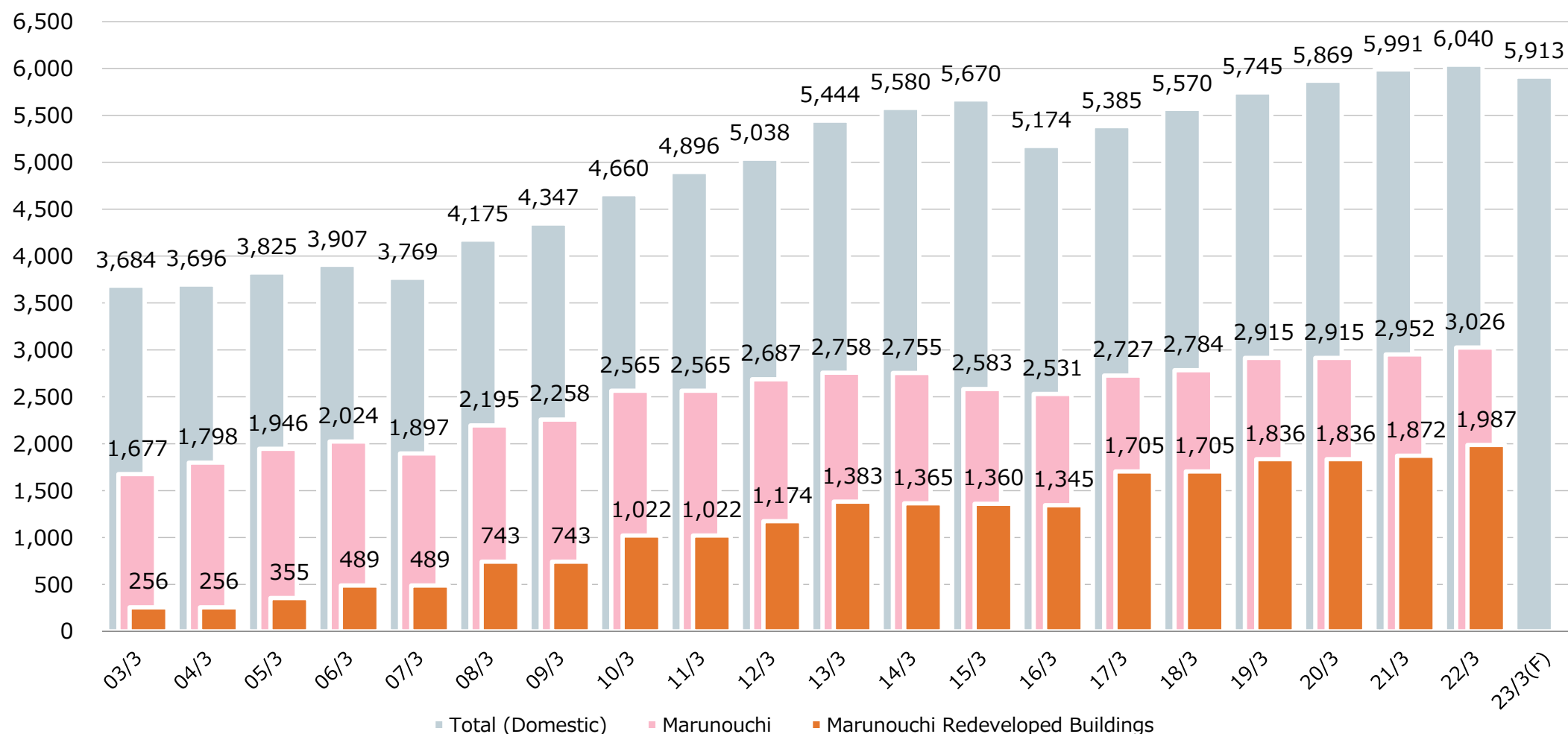


2. Pipeline



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

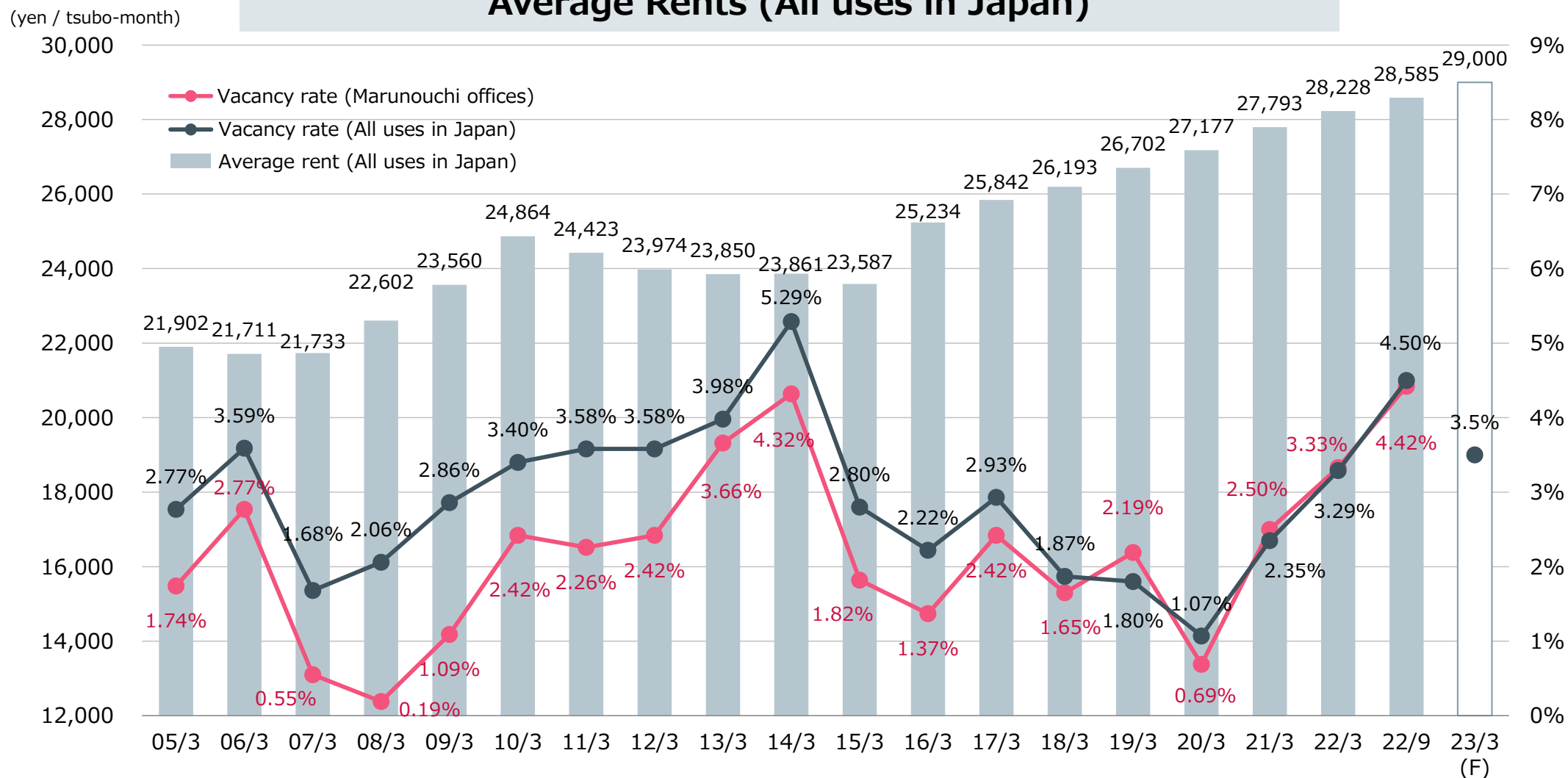
Total (Domestic)/Marunouchi/Marunouchi Redevelopment Buildings

(Thousand m²)

*Excluding floor space in Lifestyle Property Business from FY2016

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

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



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

(Billions of yen)

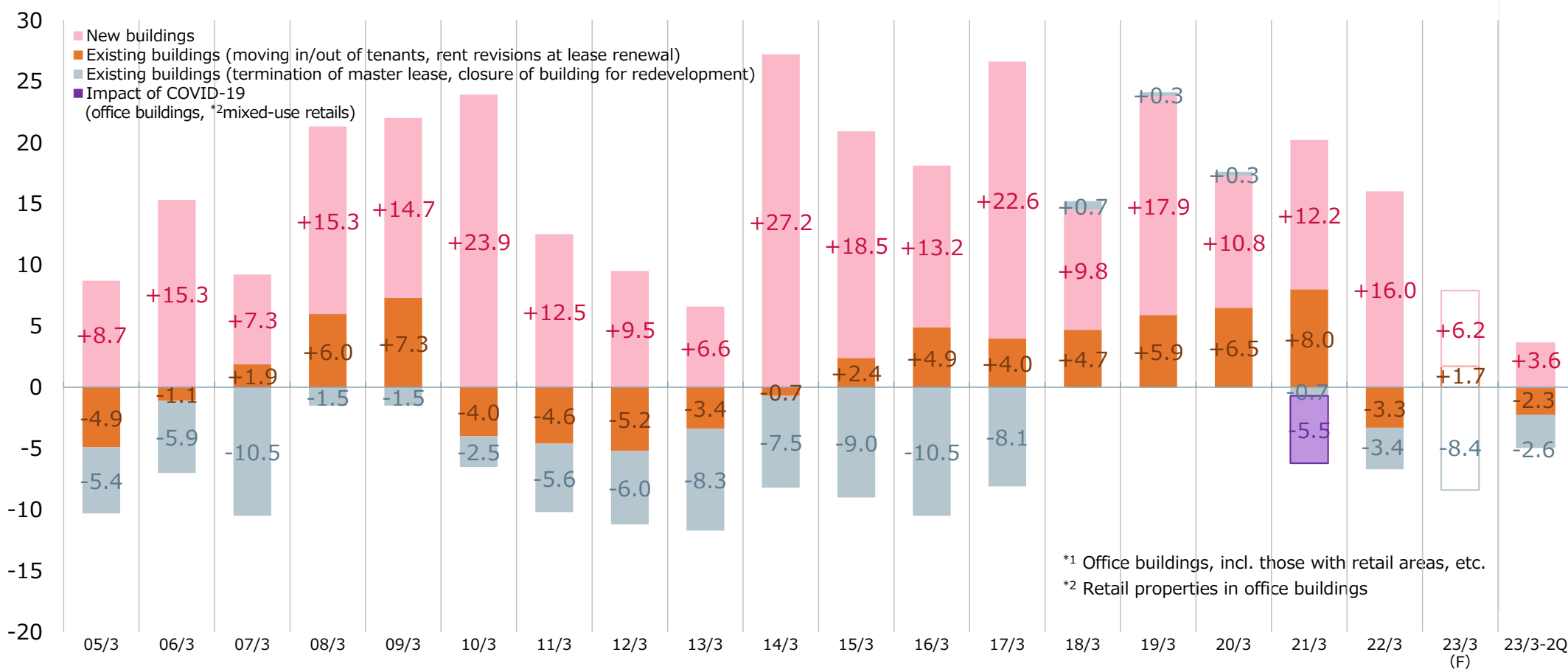
	FY2022-2Q Results	FY2022 Results	FY2023-2Q Results	FY2023 Forecasts
Rent revenue from office buildings*	215.9	435.2	213.5	423.7
Changes from the previous period	+ 7.8	+ 17.1	(2.4)	(11.4)
Rent revenue from new buildings	+ 8.4	+ 16.0	+ 3.6	+ 6.2
Rent revenue from existing buildings	(2.2)	(6.7)	(4.9)	(6.7)
Termination of master lease, closure of building for redevelopment	(1.8)	(3.4)	(2.6)	(8.4)
Moving in/out of tenants, Rent revisions at lease renewal	(0.4)	(3.3)	(2.3)	+ 1.7
Supplementary revenue, incl. common area charge•Others	+ 1.6	+ 7.8	(1.1)	(10.9)

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

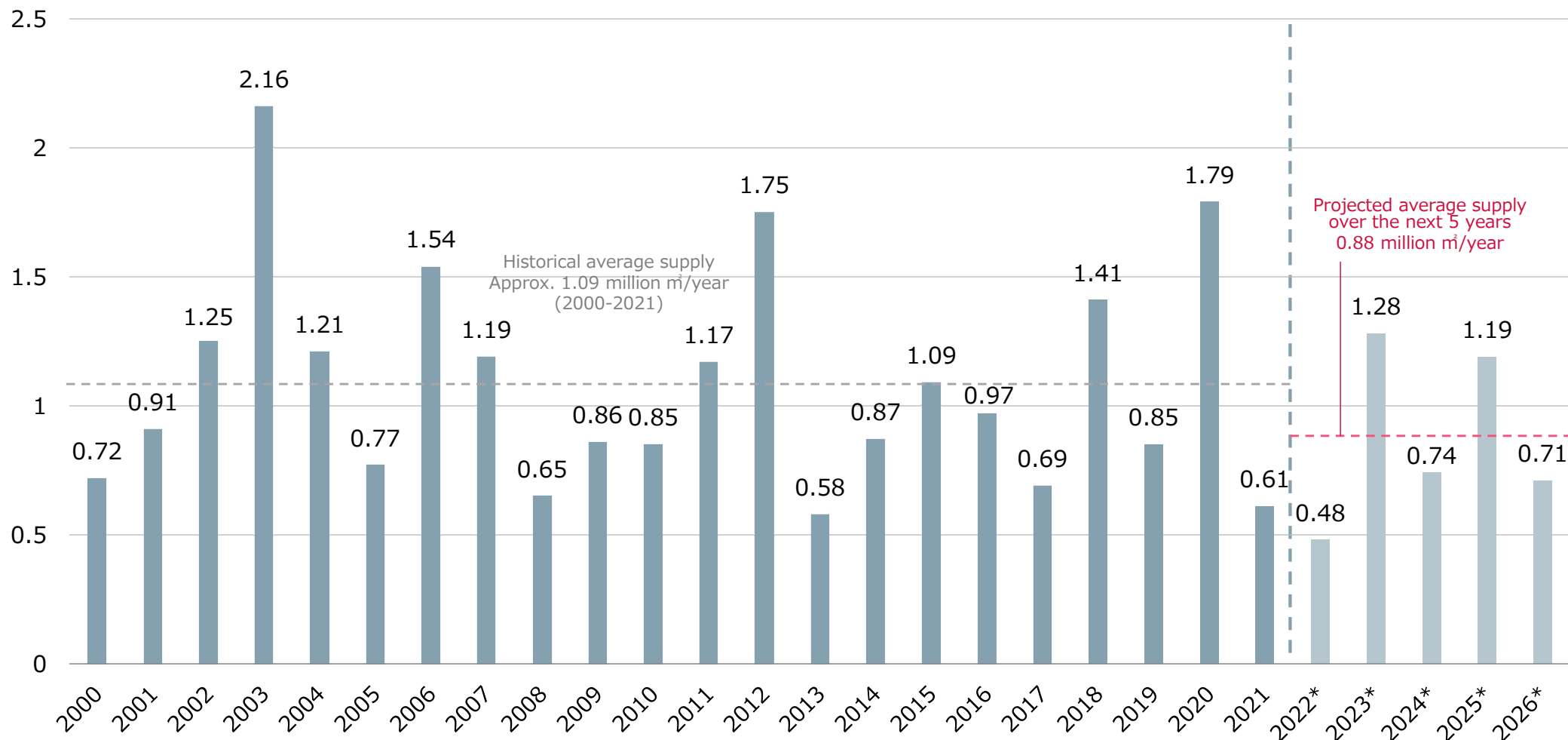
6. Earnings Related Data: Trends in Rent Revenue From Office Buildings*¹ (Unconsolidated)

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

(Billions of yen)

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

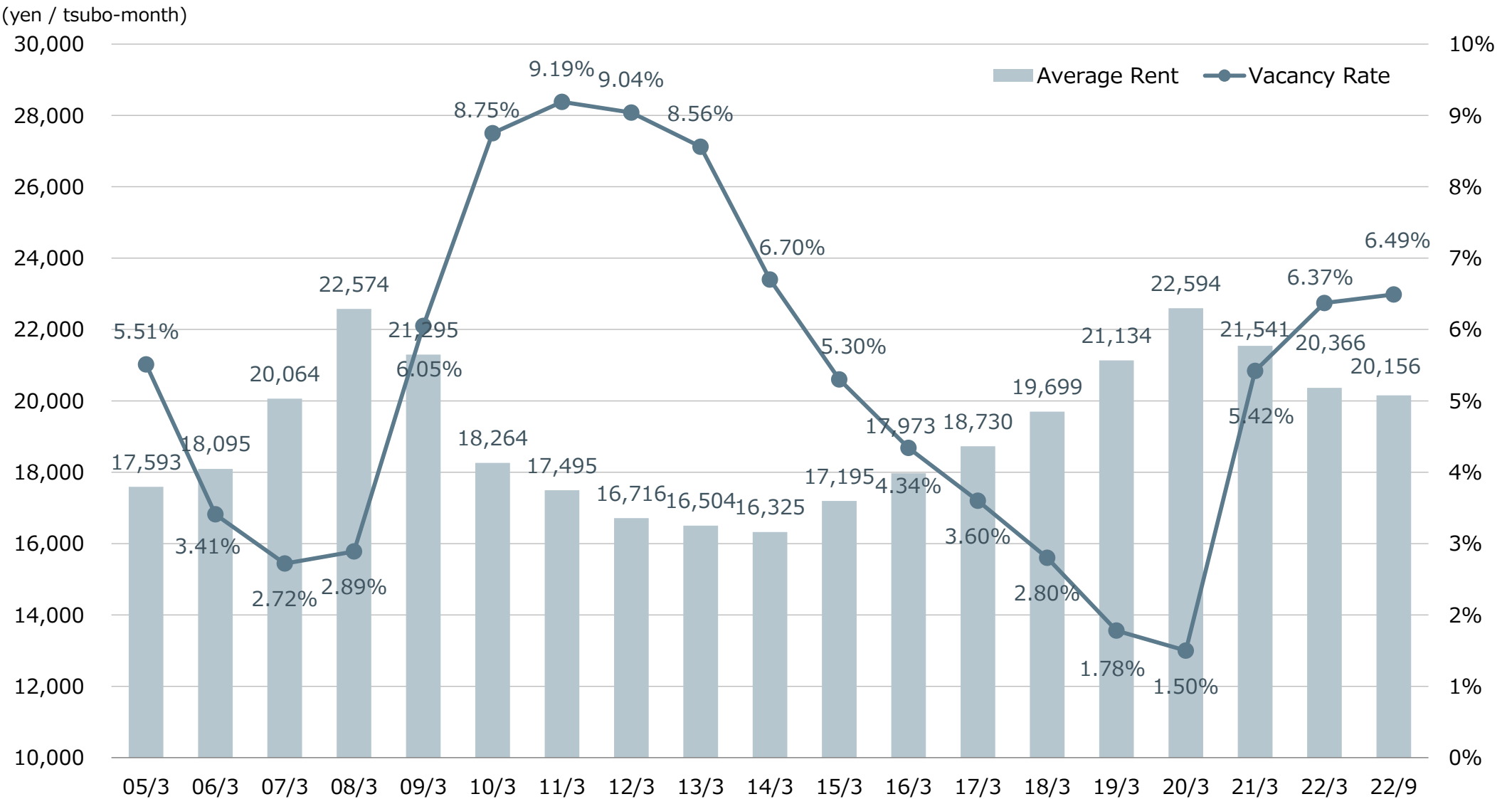
7. Office Building Market Data: New Supply of Large-Scale Office Buildings (23 Wards of Tokyo)

(Millions of m²)

*Forecast

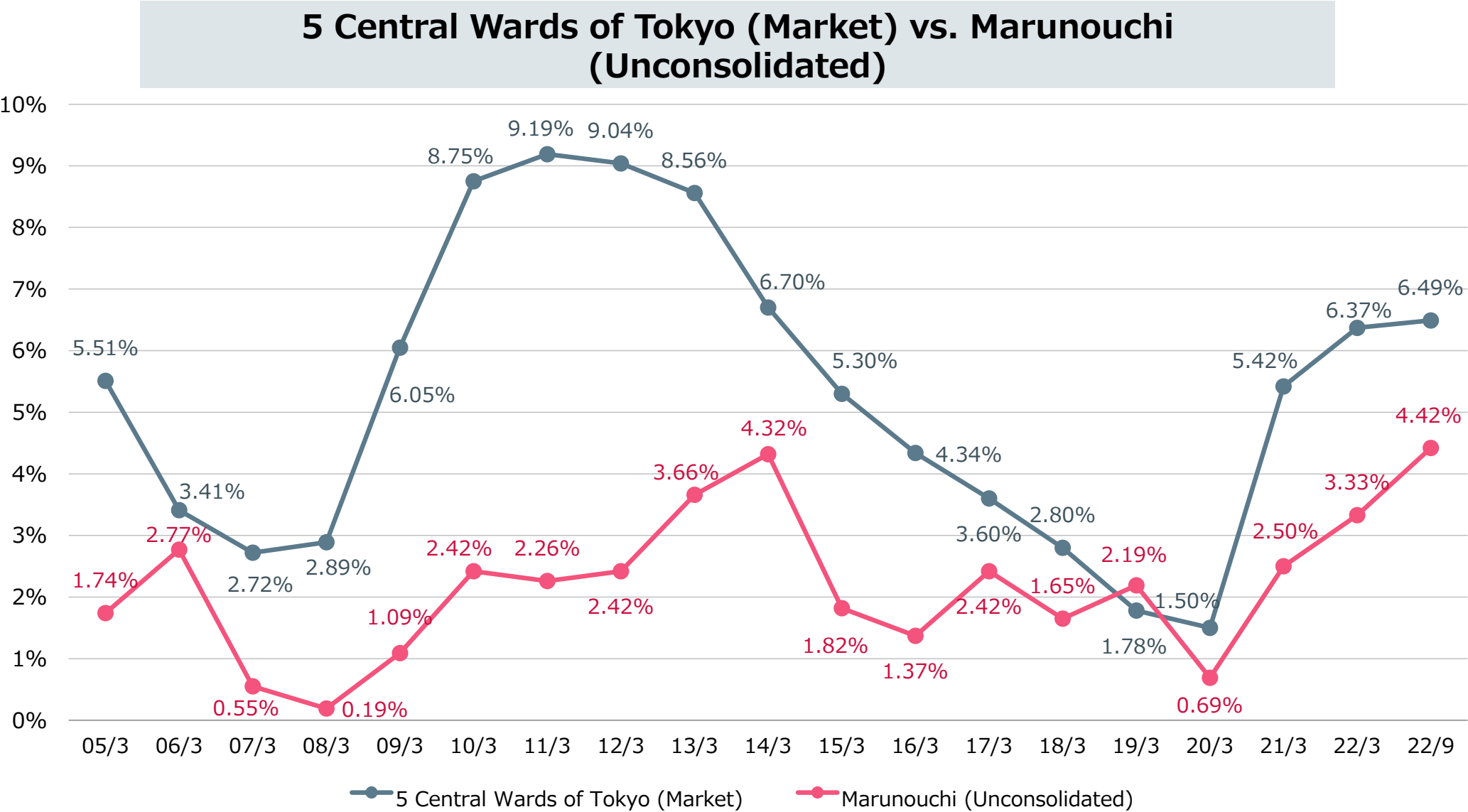
*Research subject buildings: Buildings with a total office floor area exceeding 10,000m²
Source: Mori Building (as of May 2022)

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



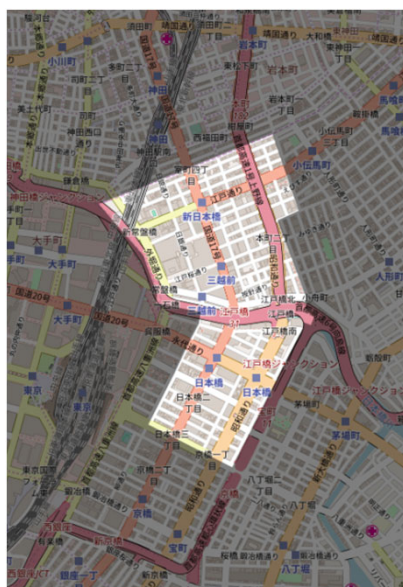
Source: Miki Shoji Co., Ltd.

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

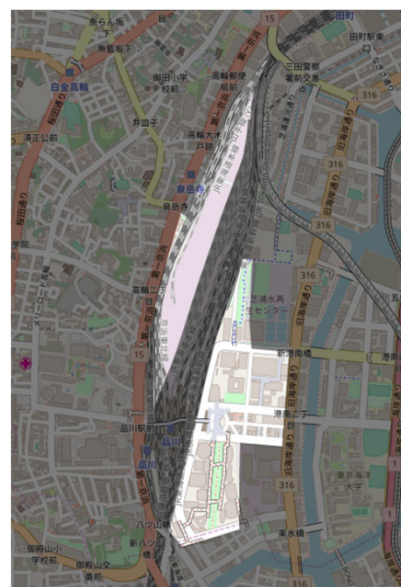
Marunouchi



Nihonbashi



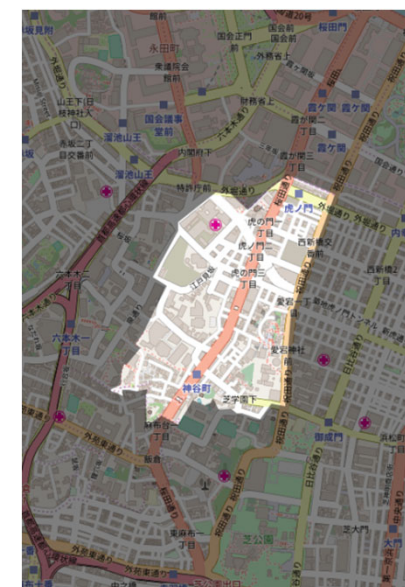
Shinagawa



Shibuya



Toranomon



Area: **120ha**

Railway lines: 28 lines

Area: **76ha**

Railway lines: 5 lines

Area: **49ha**

Railway lines: 9 lines

Area: **86ha**

Railway lines: 8 lines

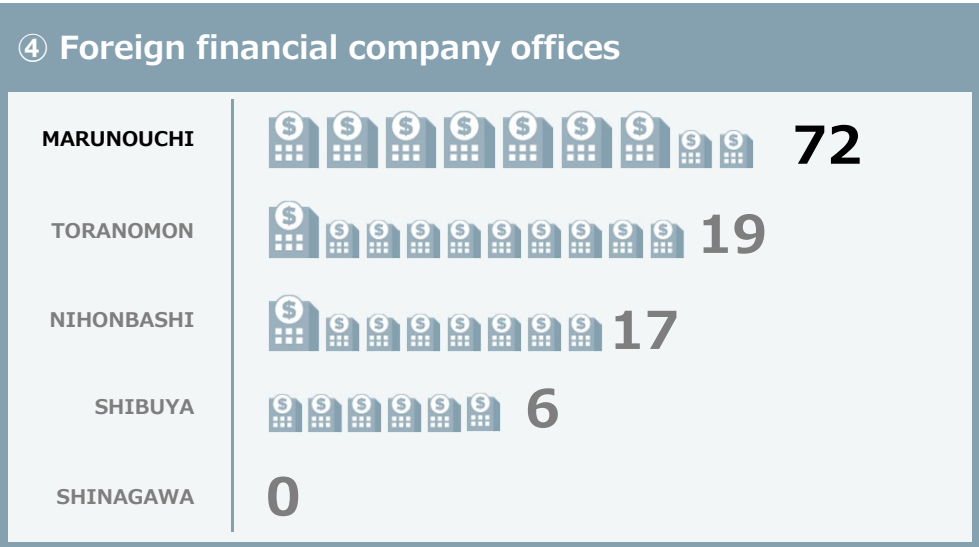
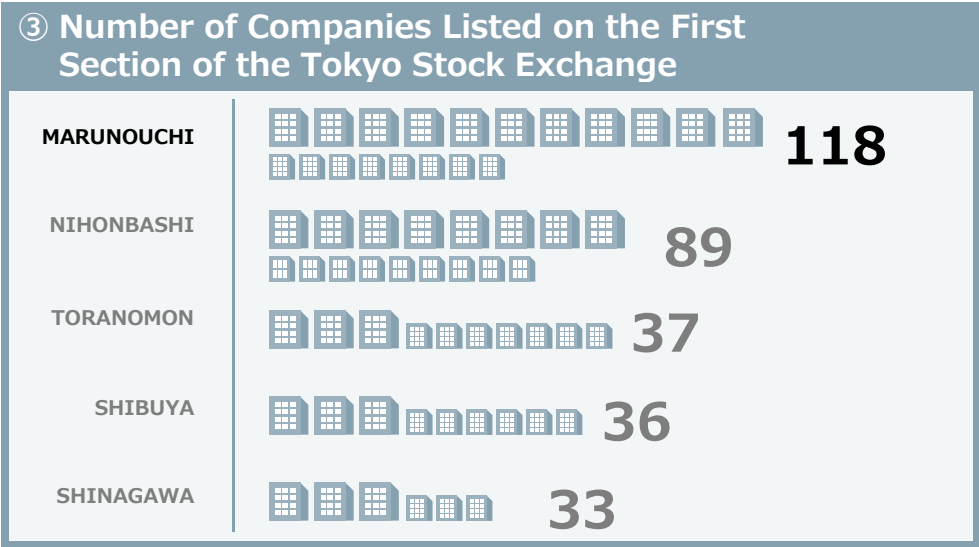
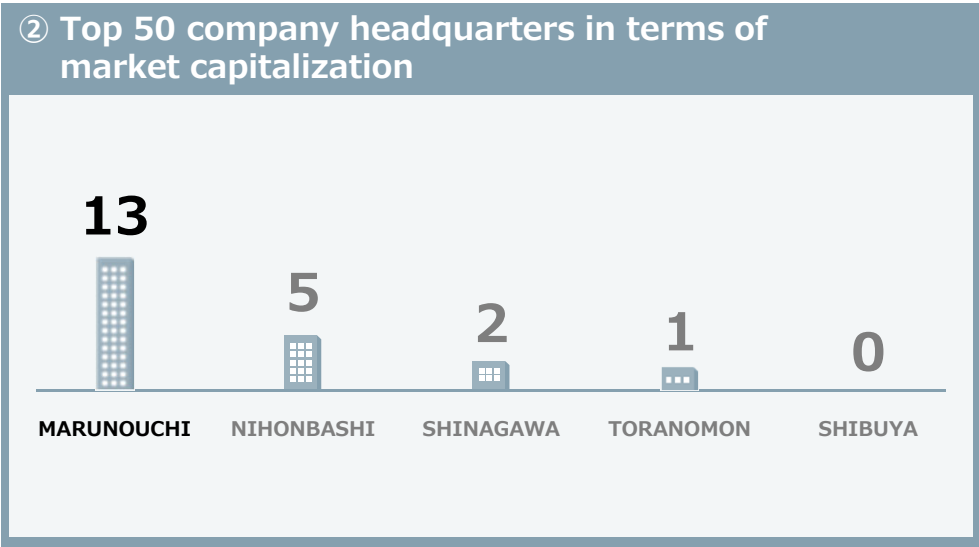
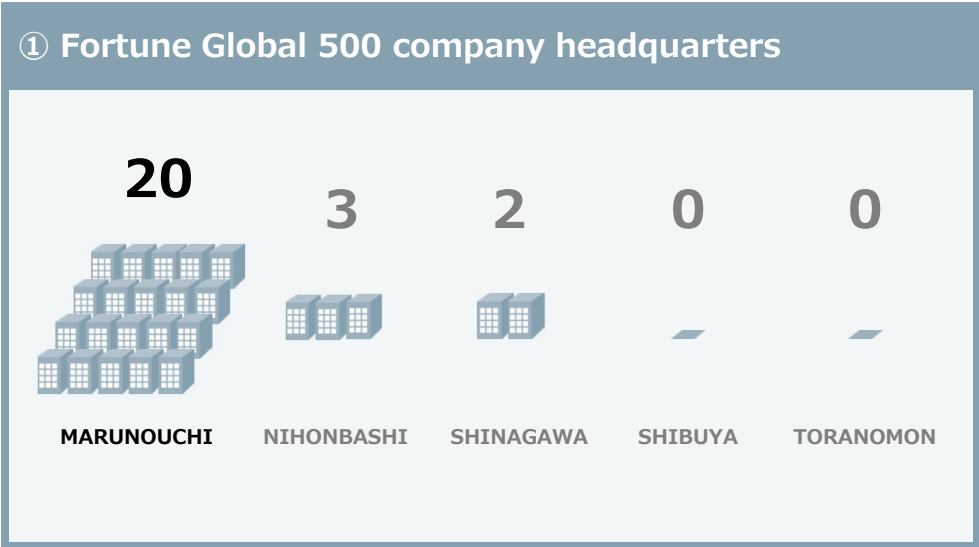
Area: **58ha**

Railway lines: 2 lines

©Open Street Map

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

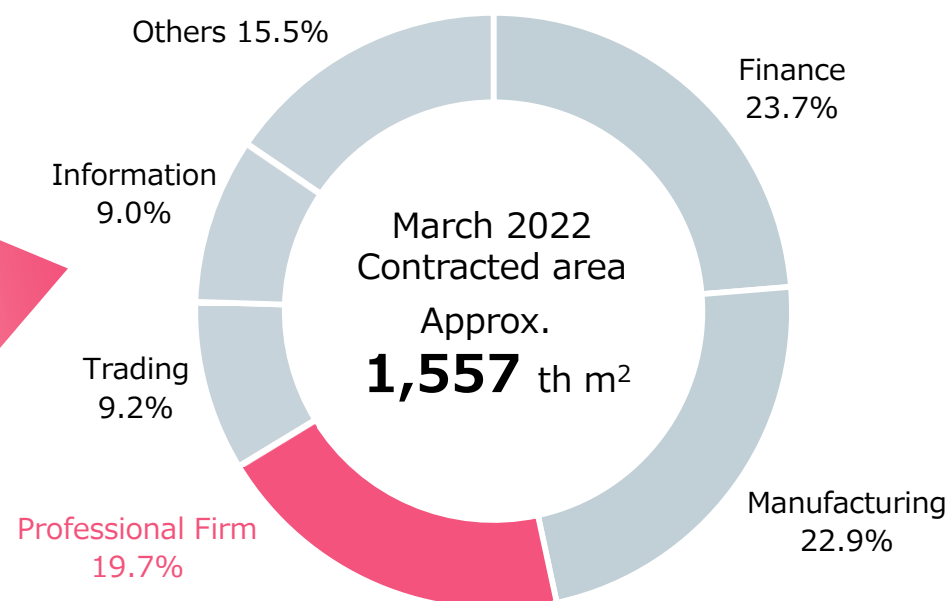
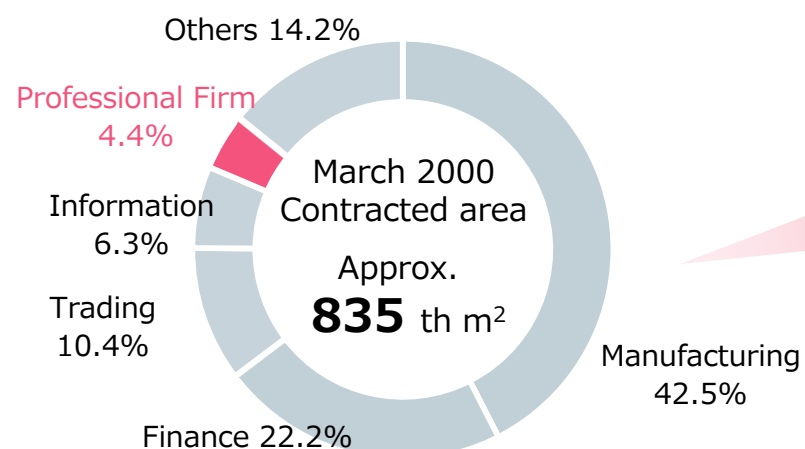
(as of March 2022)



12. Marunouchi Data: Marunouchi Office 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%
Contracted area (office)		Approx. 835 th m²

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%
Contracted area (office)		Approx. 1,557 th m²



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

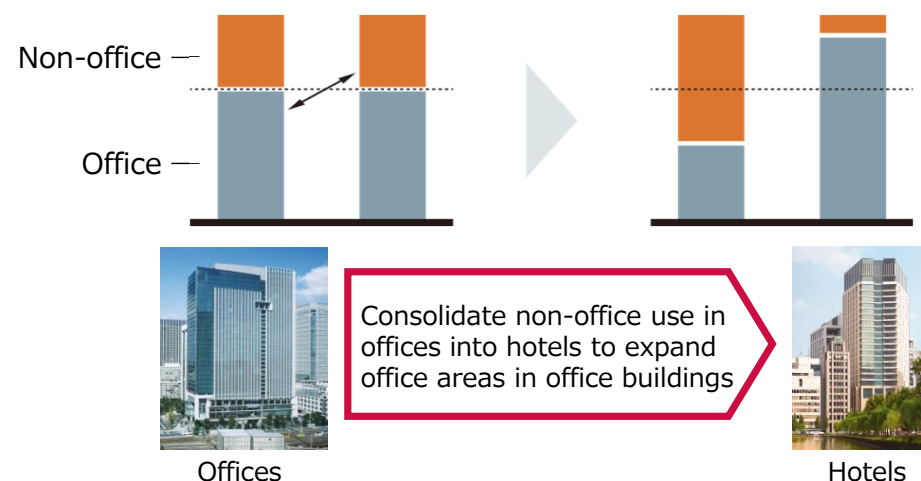
Possible to be permitted for relaxation of floor-area ratio regulation depending on levels of contribution to city regeneration as an exemption of urban planning

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

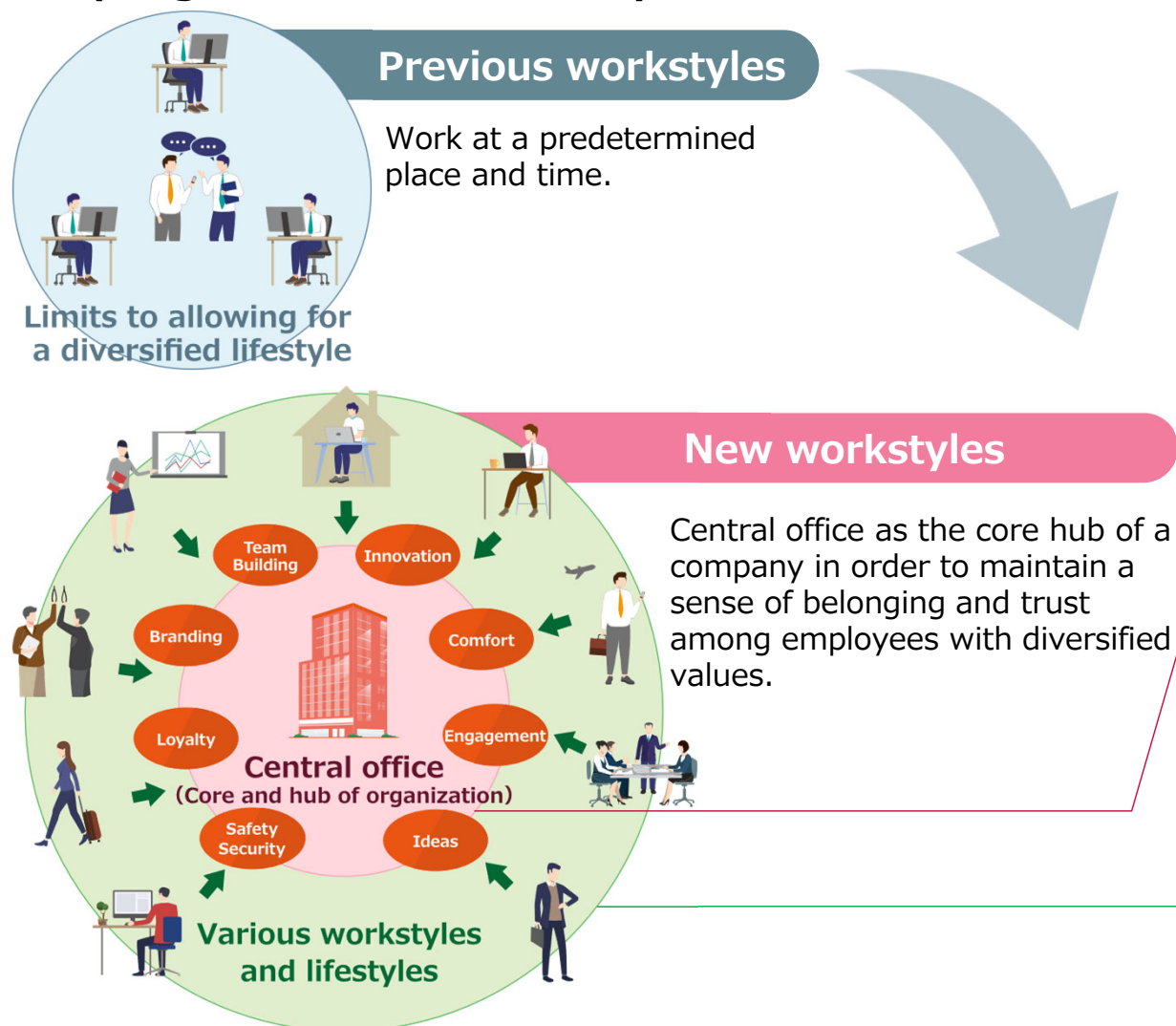
Possible to consolidate and allocate mandated non-office use floor-areas when running several projects simultaneously

◆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

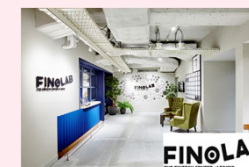


TOKYO TORCH (Tokiwabashi PJ)

- 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



NINJA SPACE

- To locate workspaces



CIRCLES (Compact office)

- Aim is to develop 30 buildings by 2024



Telecubes

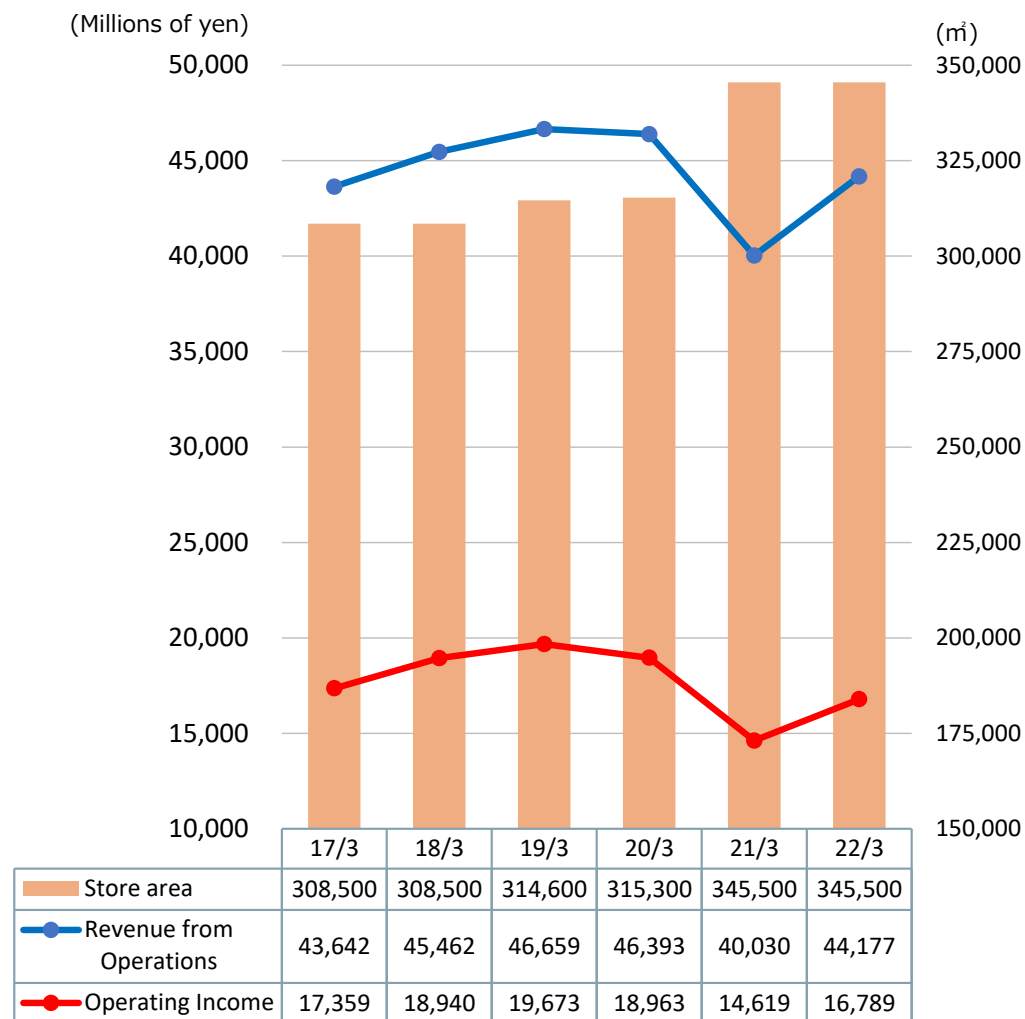
- Increase installment numbers
- Expand installation spots to condominiums etc.

Commercial Property Business

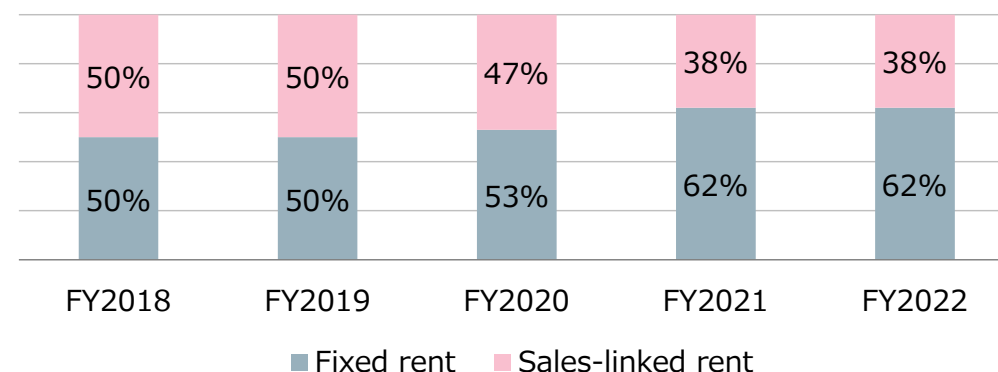
**Outlet Malls, Retail Properties, Logistics
Facilities and Hotels**

1. Outlet Mall Business #1

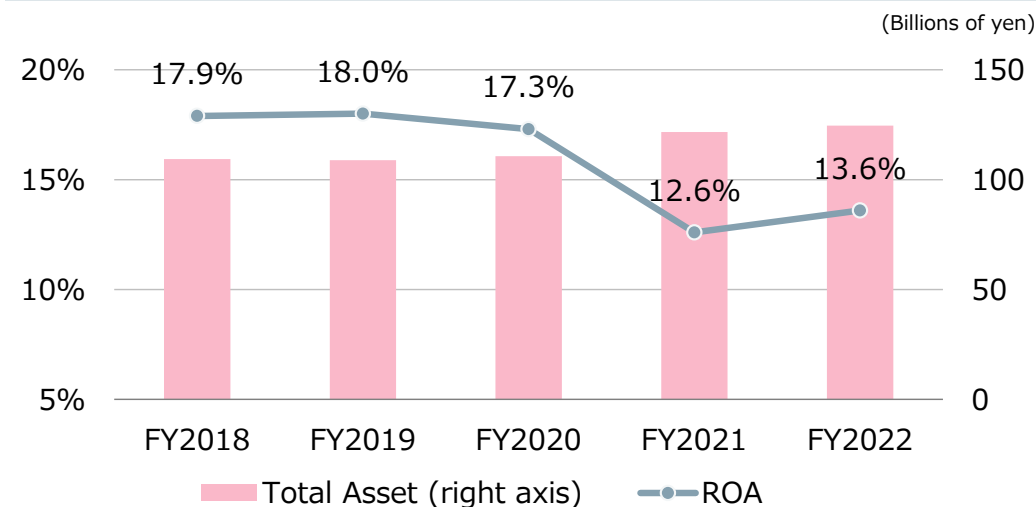
Change in Store Area, Revenue from Operations, and Operating Income



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



Changes in ROA·Total Assets



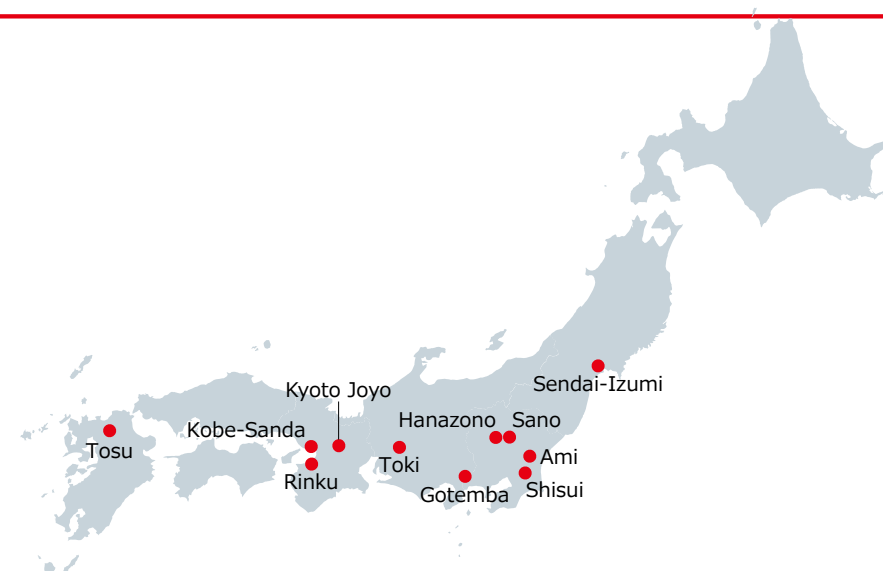
2. Outlet Mall Business #2



GOTEMBA PREMIUM OUTLETS®



FUKAYA - HANAZONO PREMIUM OUTLETS®

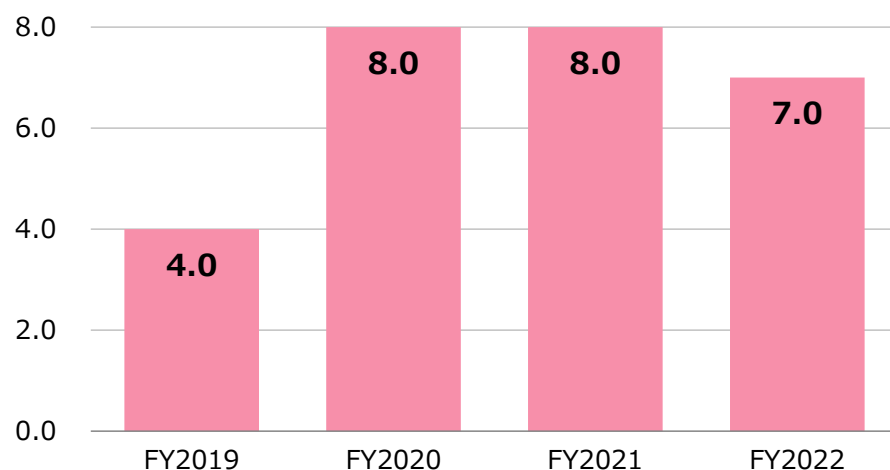


Name	Location	Site Area	Total Floor Area	Store Floor Area	Number of Stores	Schedule
GOTEMBA PREMIUM OUTLETS®	Gotemba, Shizuoka	419,200㎡	70,400㎡	61,300㎡	290	Open: Jul. 2000, Phase2 expansion: Jul. 2003, Phase3 expansion: Mar. 2008, Phase4 expansion: Jun. 2020
RINKU PREMIUM OUTLETS®	Izumisano, Osaka	130,300㎡	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

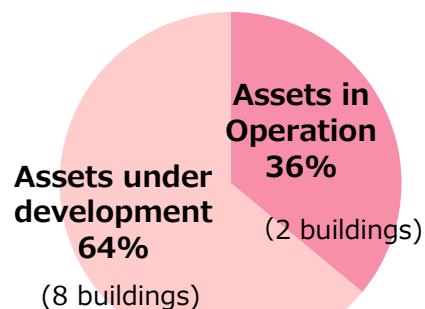
Trends in Gain on Sales

(Billions of yen)

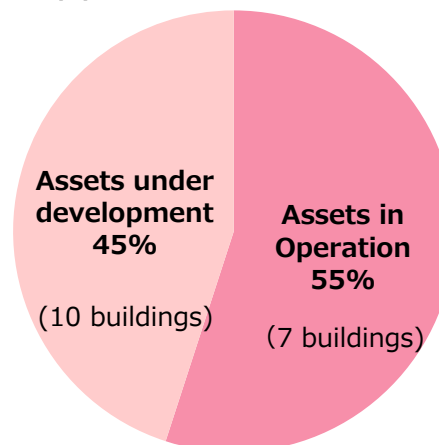


Total Assets

<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 Jojo Core Logistics Facility	Jojo, Kyoto	119,000m ²	277,000m ²	2025	2026



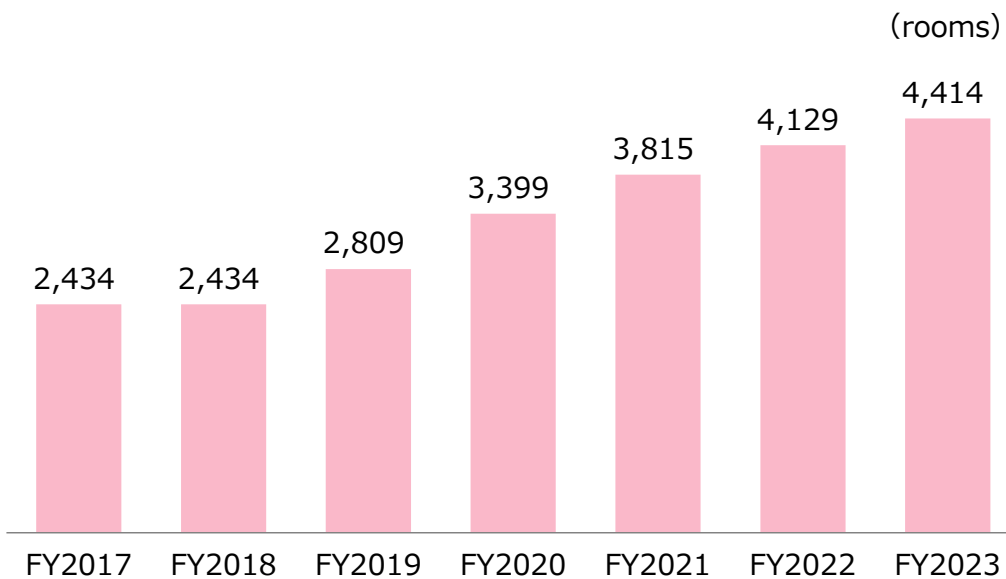
Tokyo Ryutsu Center Distribution Building New Bldg. A



Logicross Sagamihara

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

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

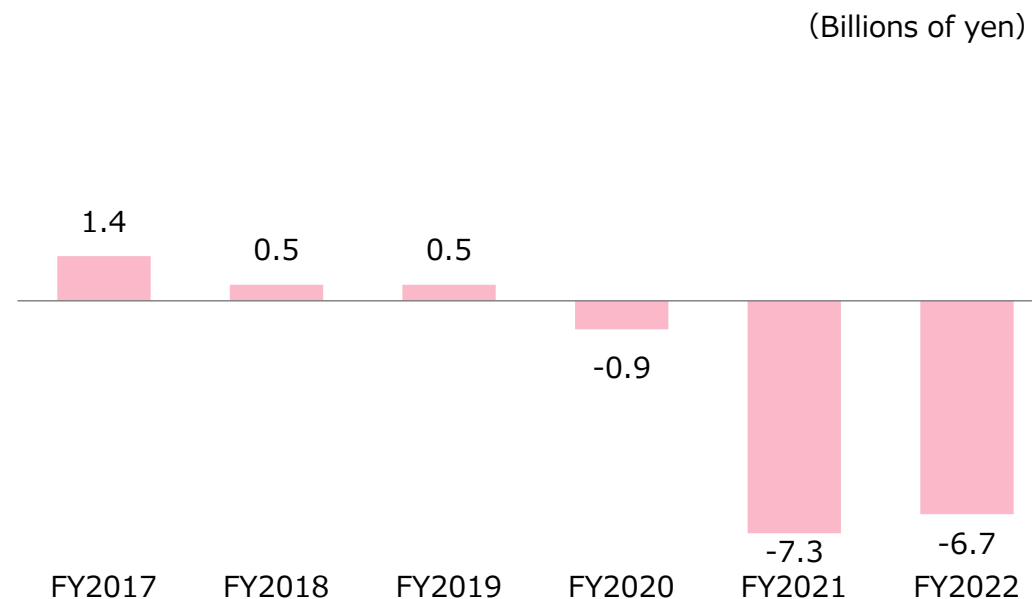


The Royal Park Canvas Sapporo Odori Park



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)

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 Midotsuji	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	Nov. 2022
Nagoya Sakae Hotel Project	Nagoya, Aichi	250	FY2025



The Royal Park Canvas Sapporo Odori Park

Hotel Development Business (Domestic Asset Business)

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



Hotel Okura Kyoto Okazaki Bettei

Residential Business

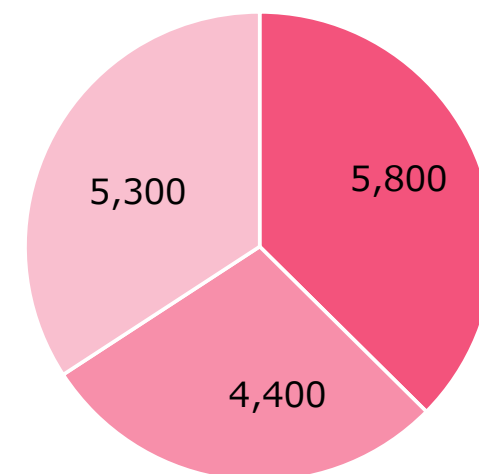
1. Condominium Business Data #1

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.).

	FY2022-2Q (Results)	FY2022 (Results)	FY2023-2Q (Results)	FY2023 (Forecasts)
Condominiums Sold (millions of yen) *1 *3	53,624	216,231	33,319	115,000
Condominiums Sold (units)	742	3,046	338	1,600
Gross Margin *2 *3	23.0%	22.5%	26.0%	23.1%
Inventory (units)	111	62	19	-
New Supply of Condominiums (units)	878	2,131	1,018	1,900

Land Bank Breakdown in Reporting Term

(As of September 30, 2022)



Total: 15,500 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

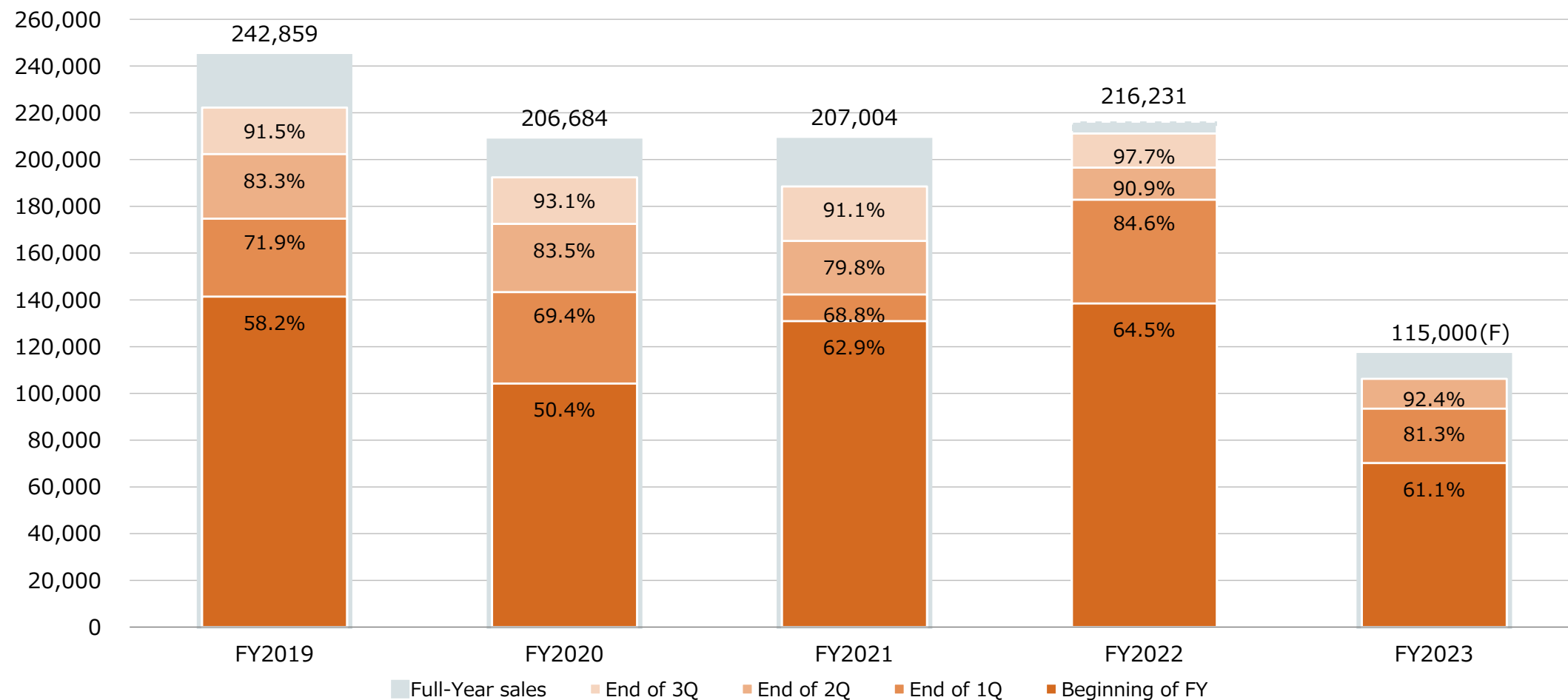


The Parkhouse Nagoya

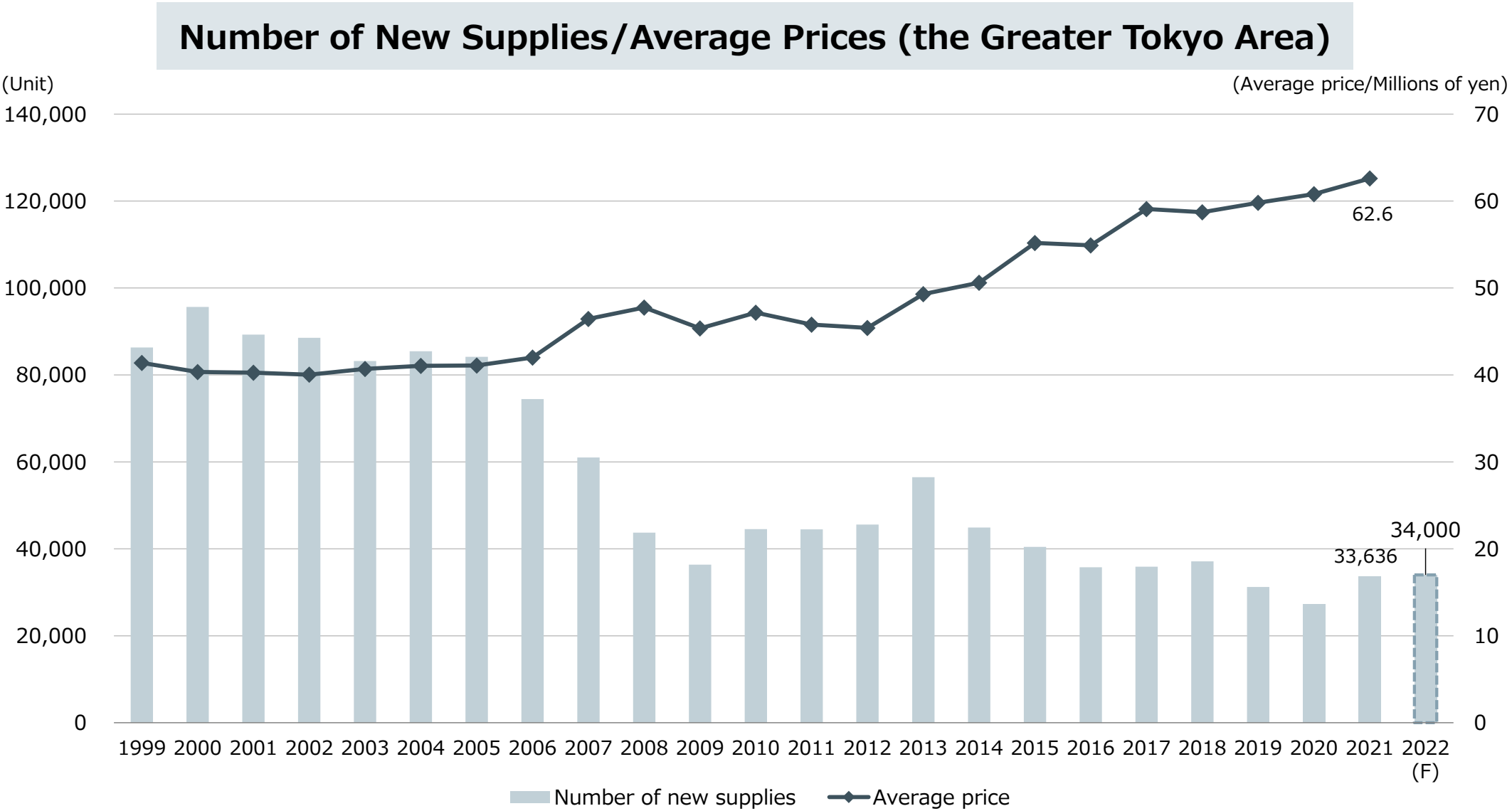
3. Condominium Business Data #3

Quarterly Distribution of Sales by Agreement Date

(Millions of yen)



4. Condominium Market Data

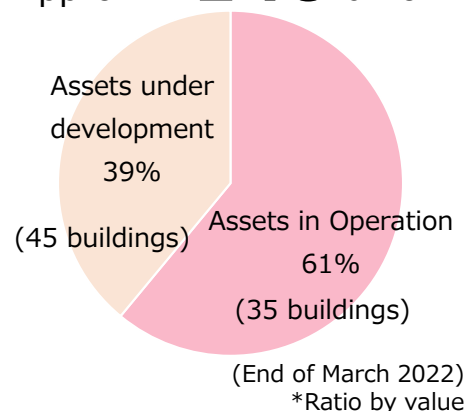


Source: Real Estate Economic Institute Co., Ltd.

5. Rental apartments business

Total Assets

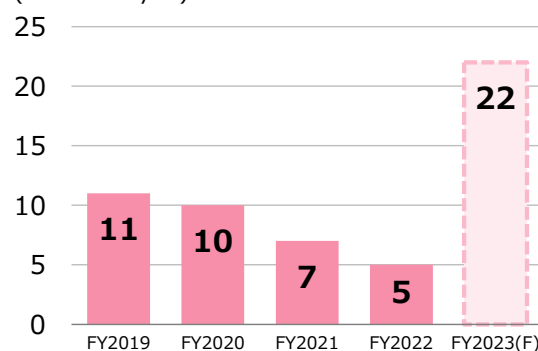
Approx. ¥ **140** billion



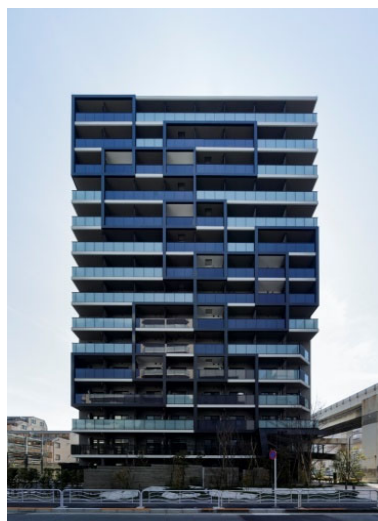
Parkhabio Akasaka Tower

Trends in Gain on Sale

(Billions of yen)



*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 Kodenmachi	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

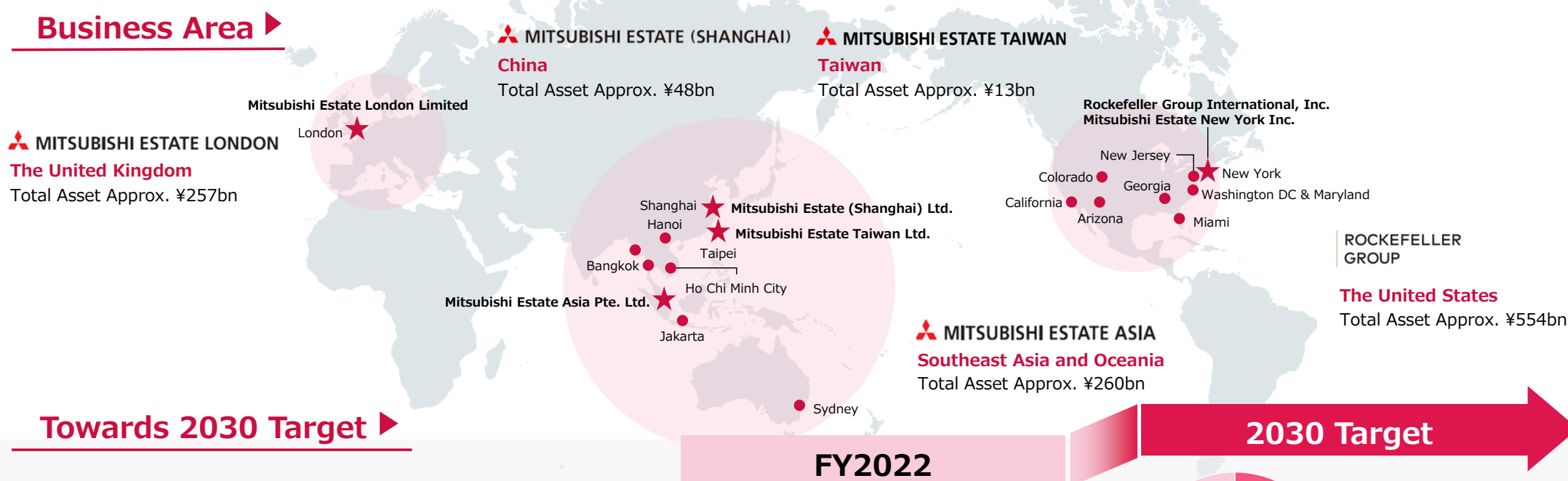
In addition to the listed above, there are approximately 45 projects under development

International Business

1. International Business Strategy

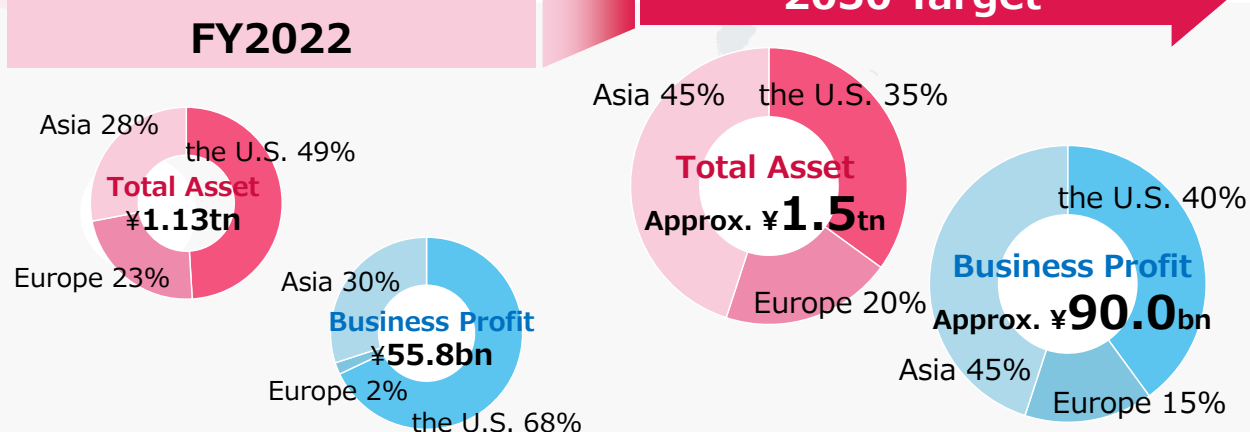
Promote International Business at a total of five bases in the U.S., Europe, and Asia.
Business Profit Target for 2030 is Approx.90 Billion Yen.

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

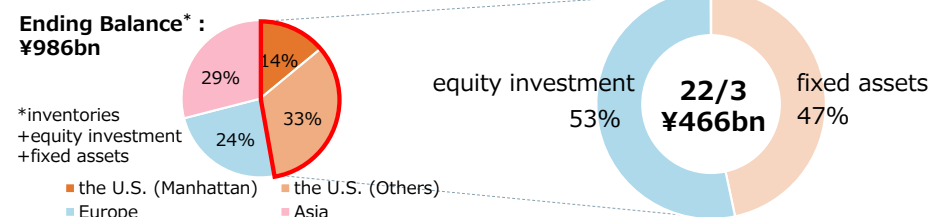
- RGII's Development Expertise and Recognition
 - In its nearly 90-year history, RGII has extensive experience in the development of large-scale mixed-use projects such as Rockefeller Center, as well as logistics facilities and residential properties (condominiums and rental apartment).
- TA Realty's 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

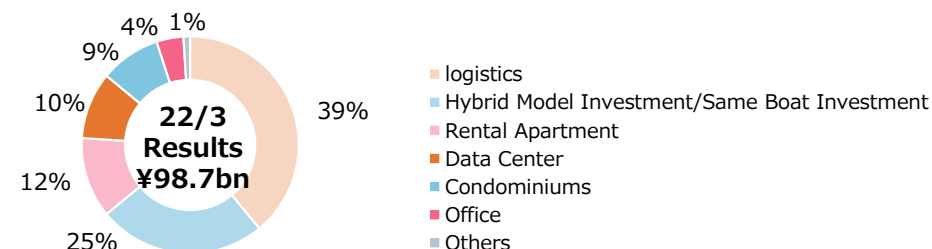
- IRR 8~10%

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	2023	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

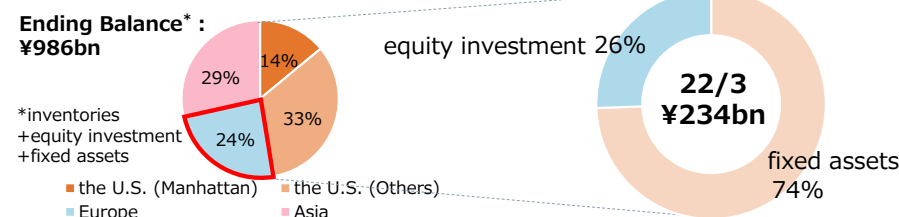
- Know-how and network based on nearly 40 years of successful business experience
 - Our group-led development achievements and know-how in highly individualized and difficult projects that require administrative consultations and applications for permits and approvals.
- Abundant network of Europa Capital
 - 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

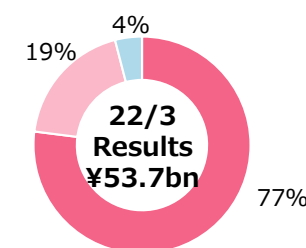
- IRR 8~10%

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

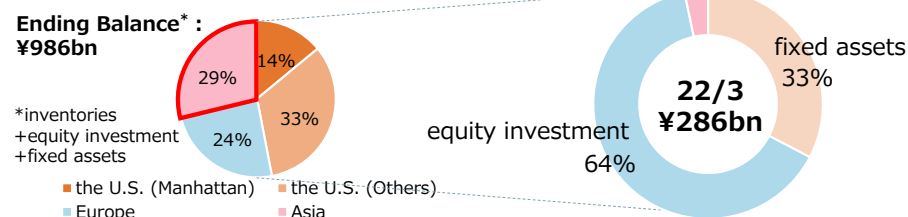
- Developed countries : 8~10%/Developing countries : more than 10%

Organization

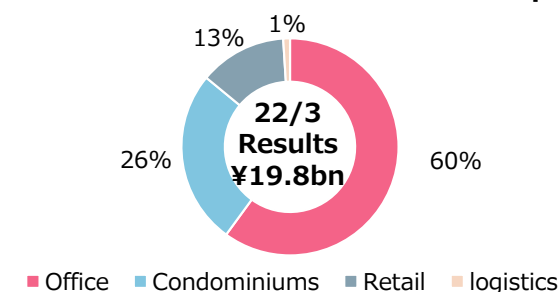
- Hands-on Development by expatriate and local staff for major share projects
- Collaborate with local partners for minor share projects

Investment Amount

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



Breakdown of Investment Amount ※CAPEX + Equity



Major Ongoing Project

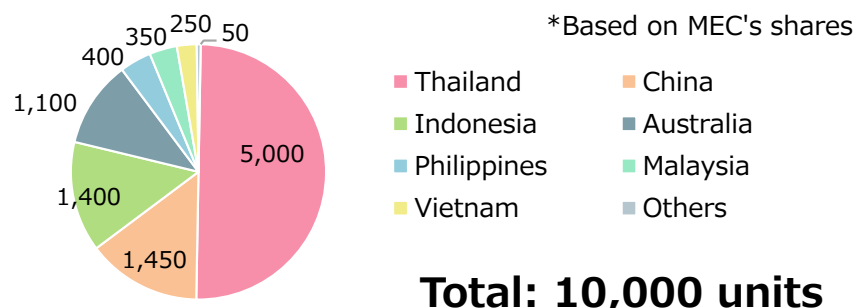
Property Name	Location	Type	Completion	Size ^{※1}
Suzhou Business Park	Jiangsu, Suzhou, China	Office	2024	220,400m ^{※2}
Savya Financial Center North Tower	Philippines (Manila)	Office	2022	29,700m ^{※2}
Oasis Central Sudirman	Indonesia (Jakarta)	Mixed Use	2028	307,000m ^{※2}
180 George Street	Australia (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.

Land Bank of For-Sale Condominiums in Asia



Total: 10,000 units



Oasia (previously L34) /Vietnam
Totals Units : 489
MEC's share : 49%
Completion : 2023



Life Rama 4-Asoke / Thailand
Totals Units : 1,237
MEC's share : 49%
Completion : 2024

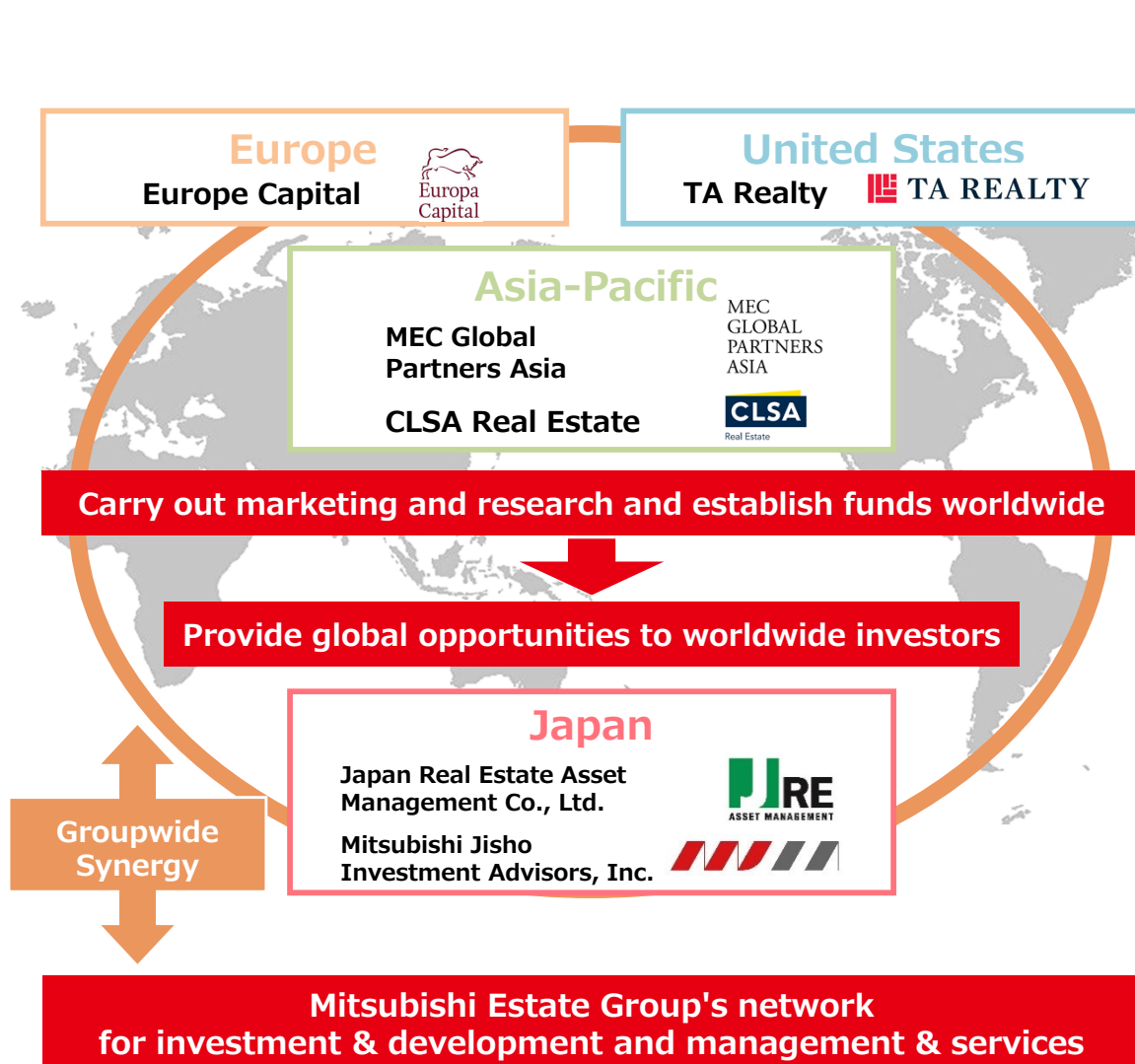
Major Ongoing Project

(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 Tangerang)	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

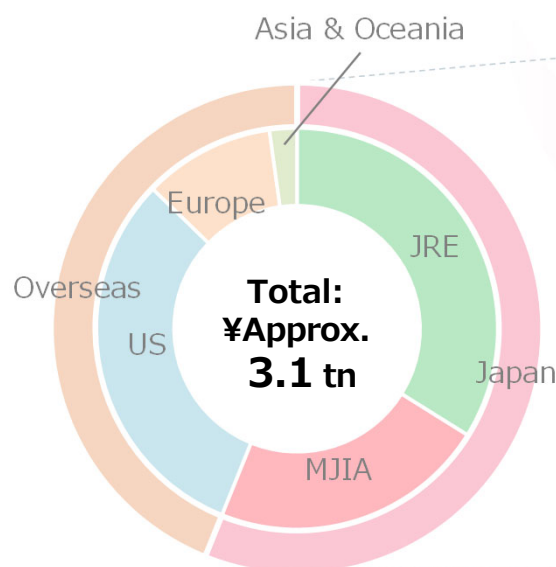
As of the end of FY2023-2Q, AuM expanded to a total of ¥5.5 trillion in Japan and abroad.
Achieved Long-Term Management Plan(targeting ¥5 tn by the mid-2020s) ahead of schedule.

At the time of the announcement of the Long-Term Management Plan

(Announced Jan. 2020)



Targeting **¥5 tn**
by the mid-2020s

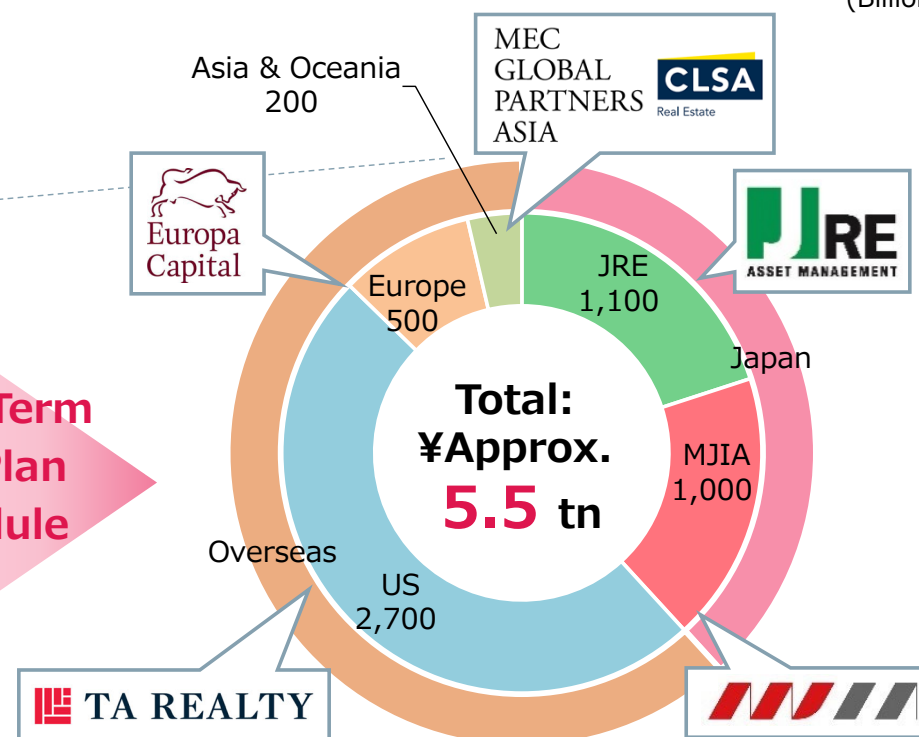


Achieved Long-Term Management Plan ahead of schedule

As of end of Sep. 2022

Domestic: As of end of Sep. 2022, Overseas: As of end of Jun. 2022

(Billions of yen)

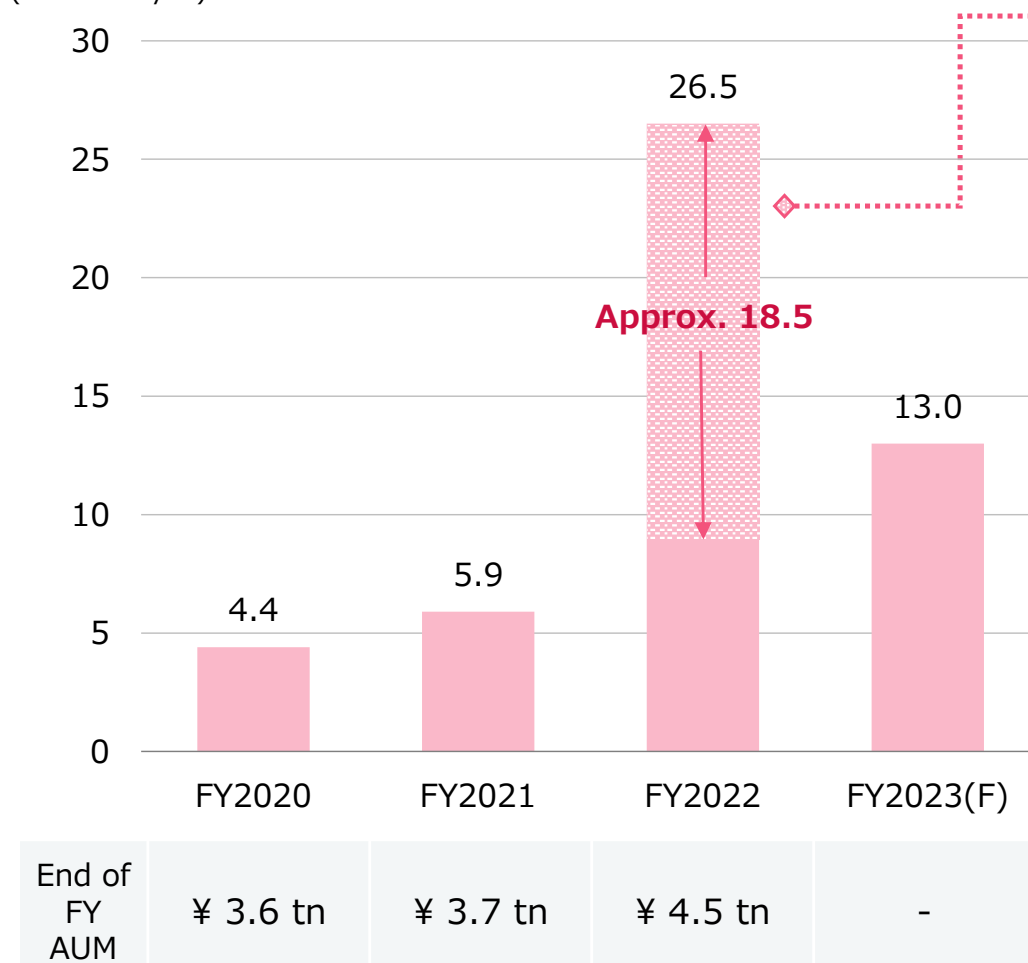


3. Investment Management Business : Changes in Operating Profit

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)

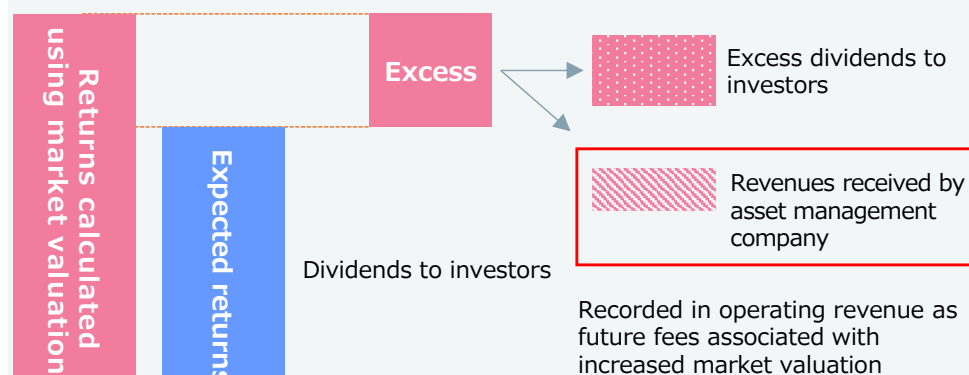


【*Recognition of future fees associated with increased market value of real estate in funds in the U.S. and other countries】

- 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

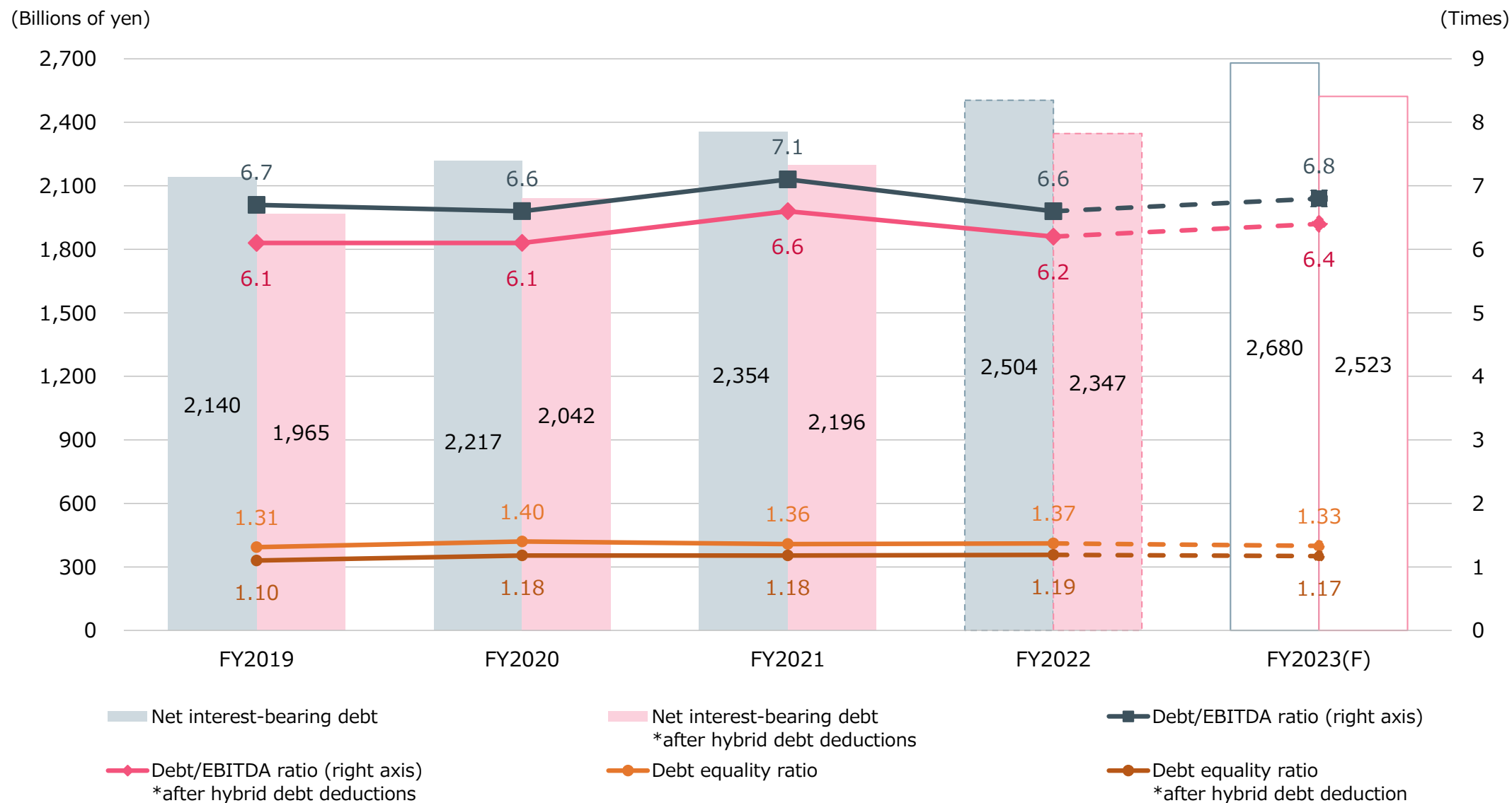
Open-end	<p>A type of REIT or fund that allows investors to withdraw their investment in REIT units or funds upon request.</p> <p>Examples : Private REITs</p>
Closed-end	<p>A type of REIT or fund that does not allow investors to withdraw their investment in REIT units or funds upon request.</p> <p>Examples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

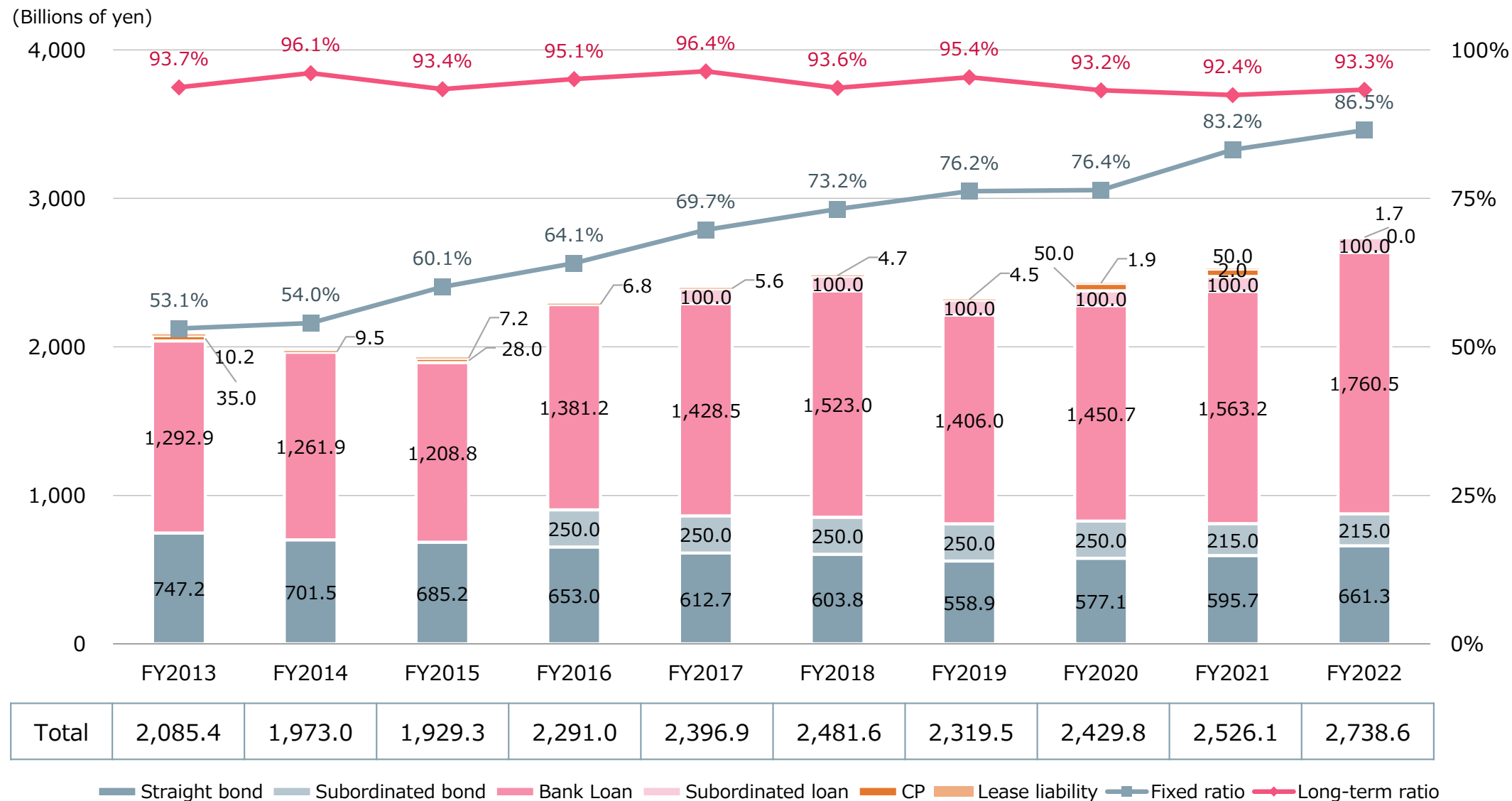
Core	<p>The fund aims to generate a target return mainly from rental income returns by income-producing property investments.</p> <p>*Capital return is not considered as a main target return, but the fund takes a low to medium market risk.</p>
Core-plus	<p>Same as Core Fund, the fund aims to generate 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.

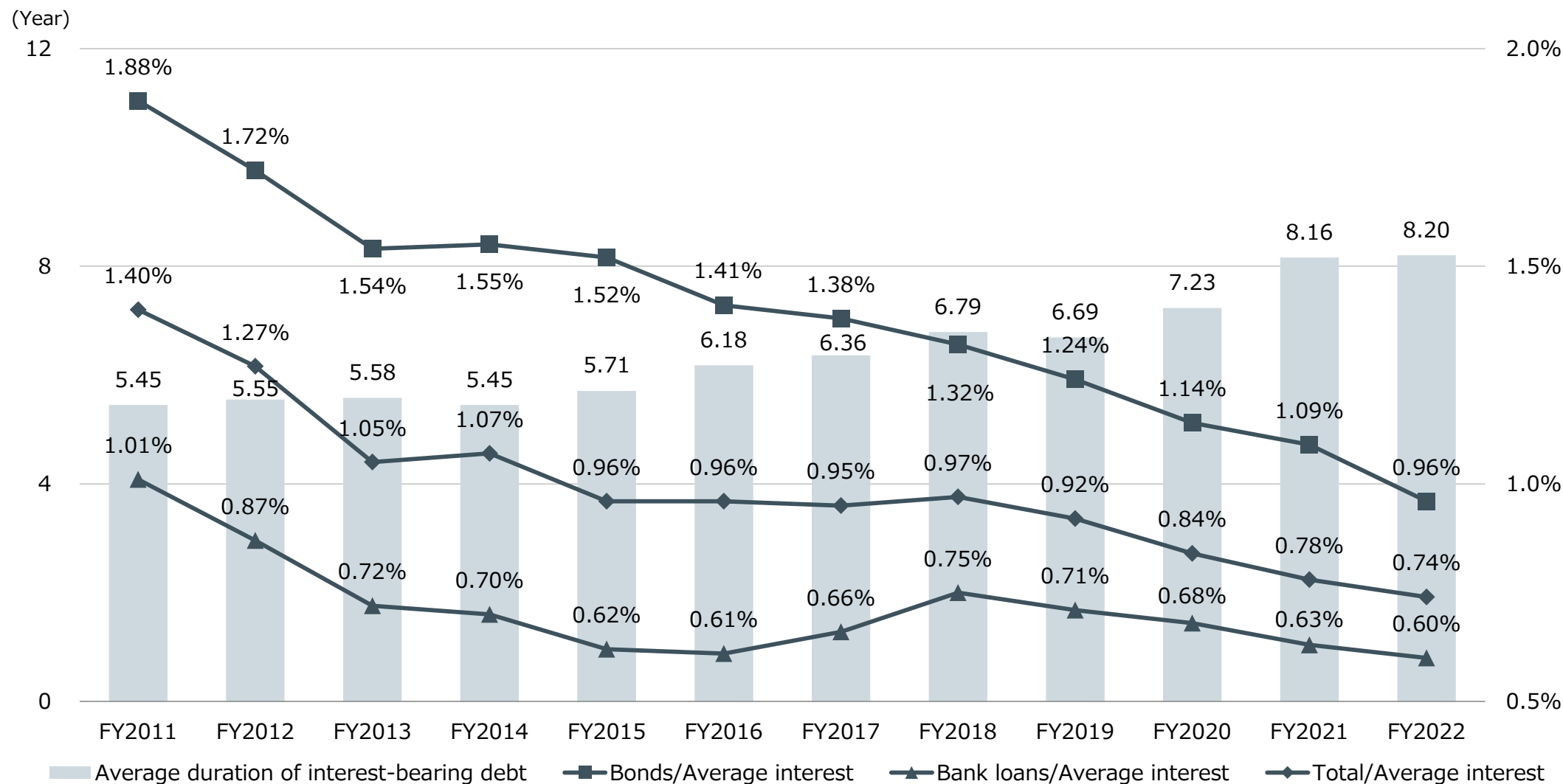
1. Net Interest-Bearing Debt/EBITDA Ratio



2. Breakdown of Interest-Bearing Debt



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



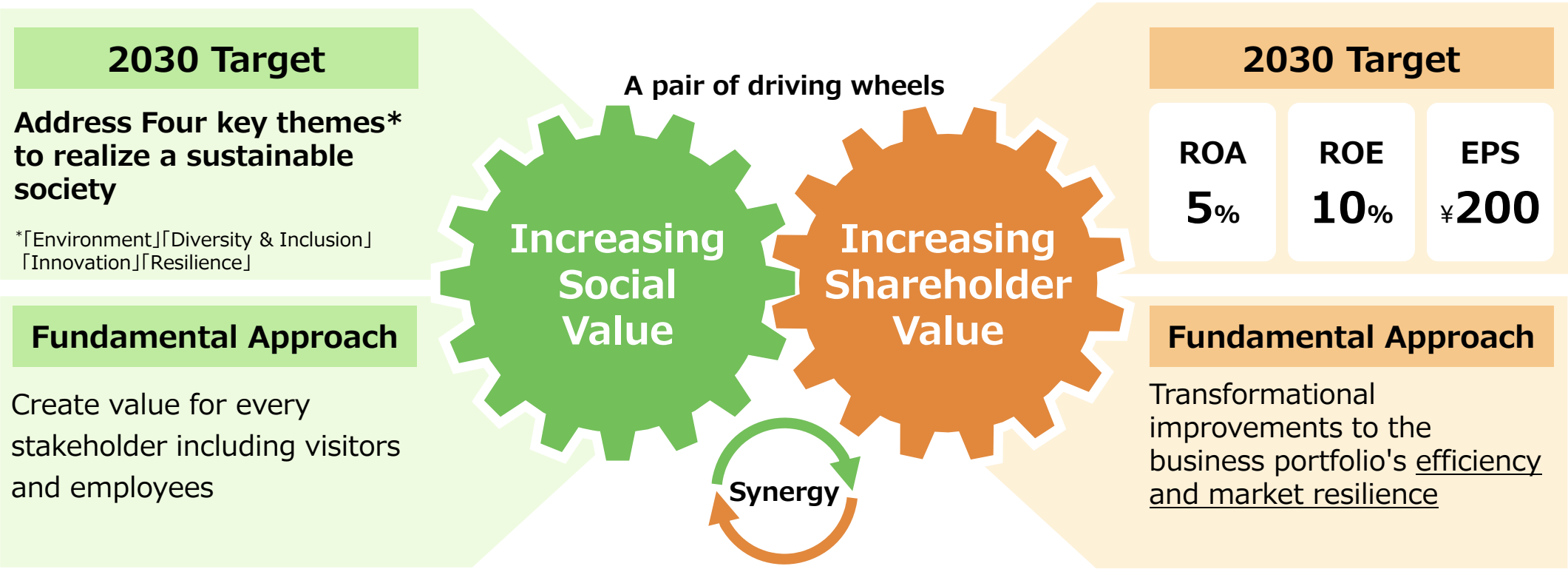
Overview of the "Long-Term Management Plan 2030"

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

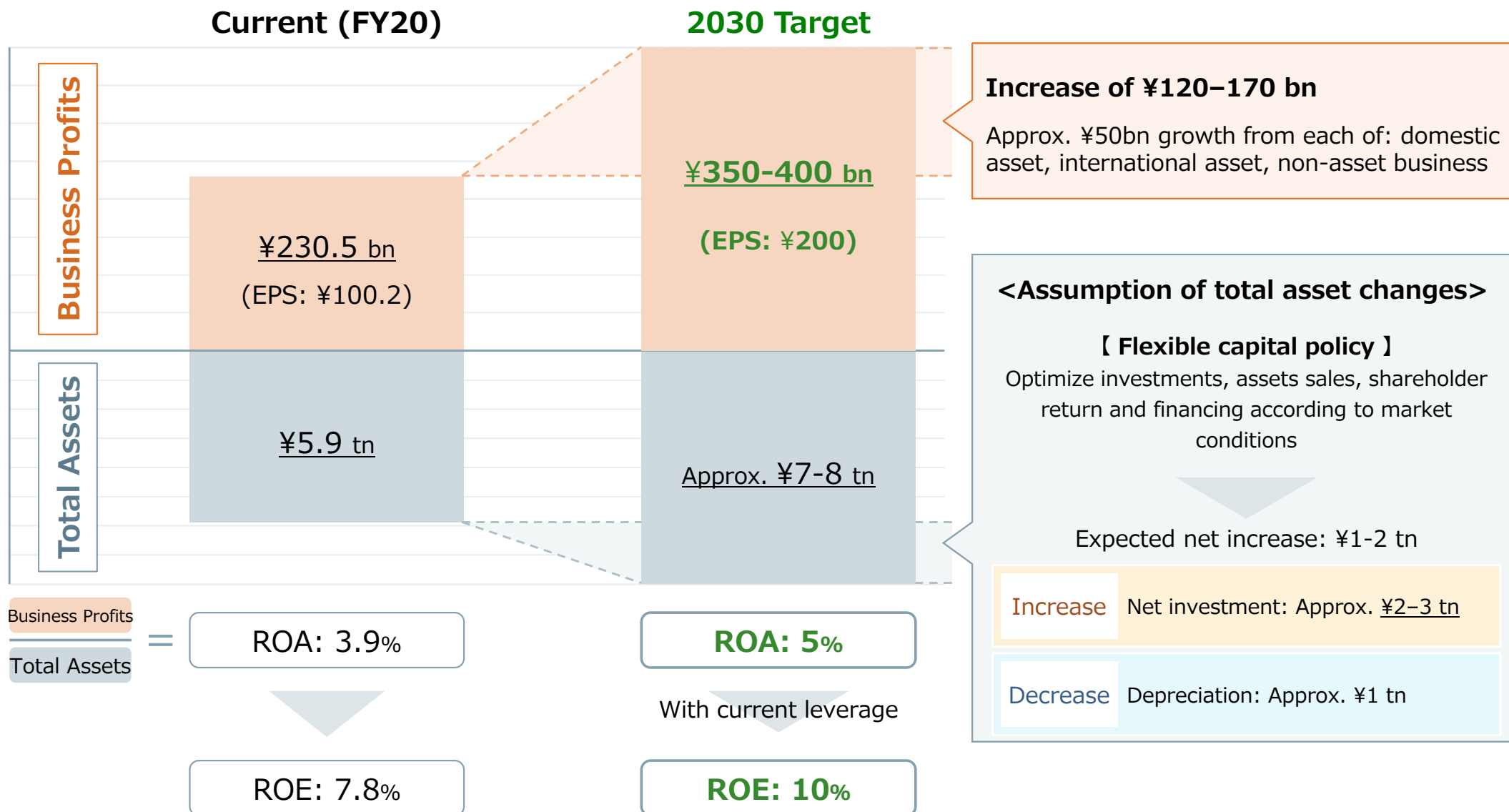
*¹ ROA = Business Profits*² / Total Asset (average of opening/closing balances)

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

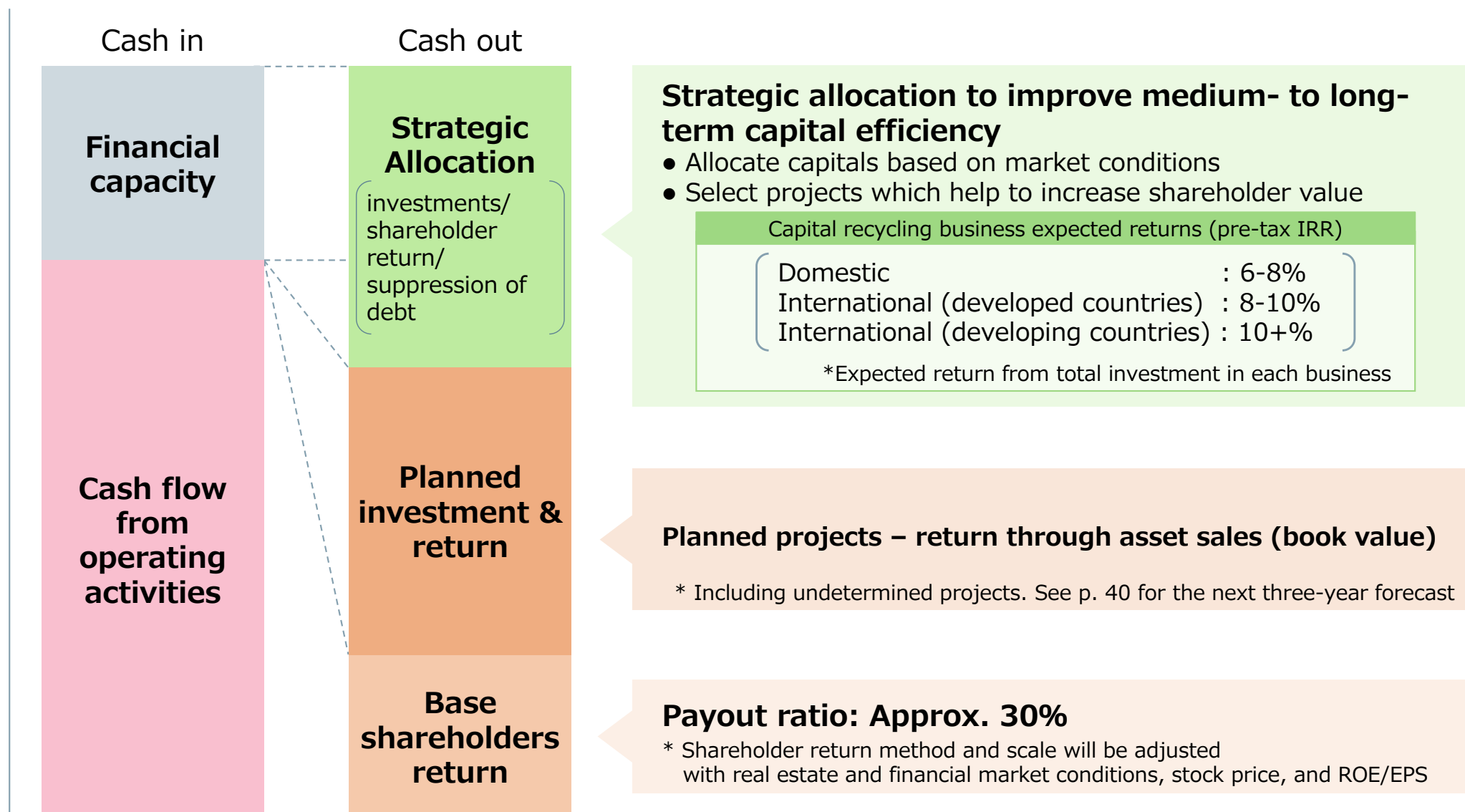
3. 2030 Targets: Realization Plan (ROA·ROE·EPS)

*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

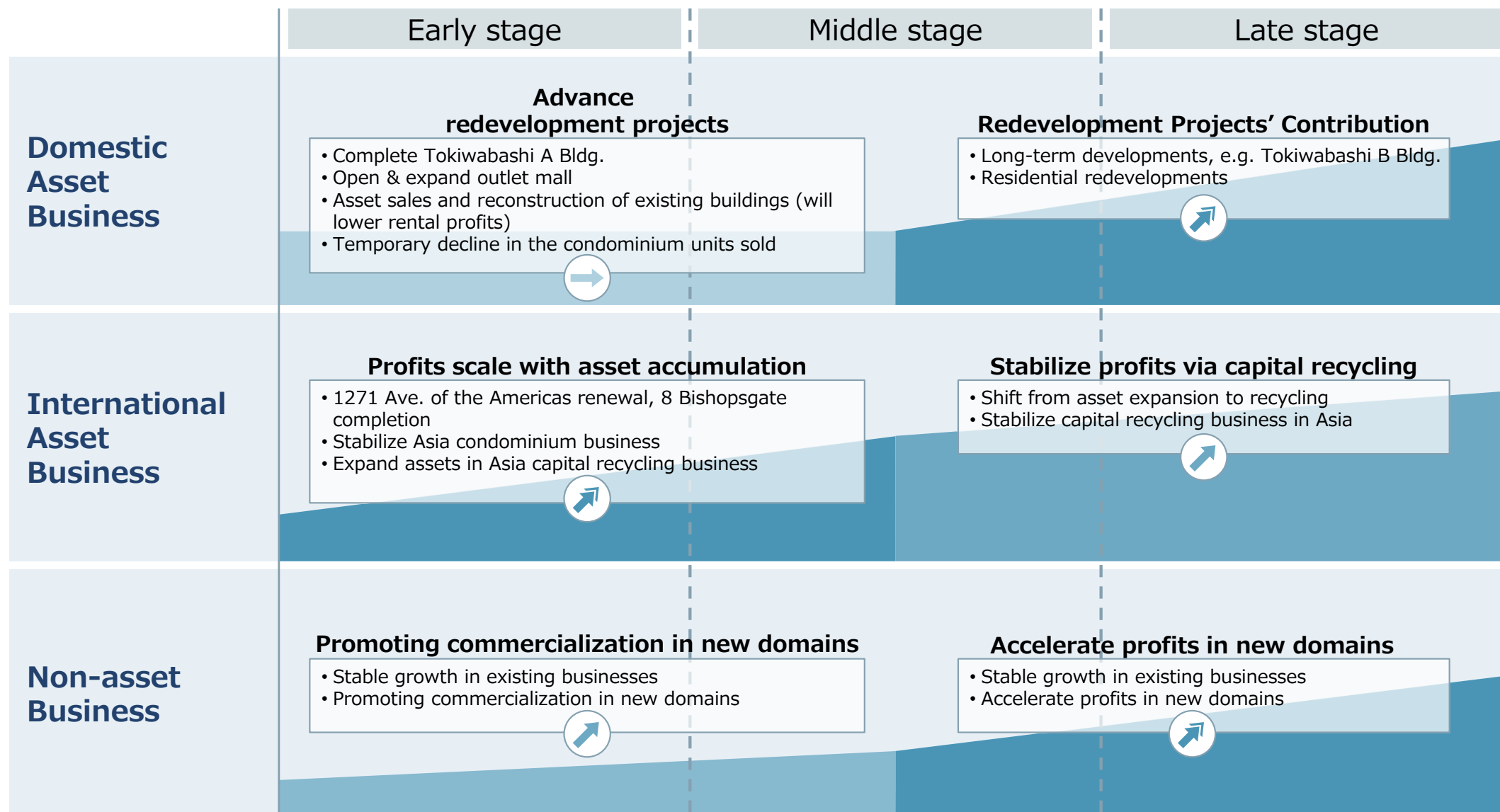
*Repost from the "Long-Term Management Plan 2030"

Profit changes vs FY2020*	Growth Strategy
① Domestic Asset Business <u>Approx. +¥50 bn</u> (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 <u>Approx. +¥50 bn</u> (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 <u>Approx. +¥50 bn</u> (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 <u>Approx. ±¥20–30 bn</u>	<ul style="list-style-type: none"> • 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

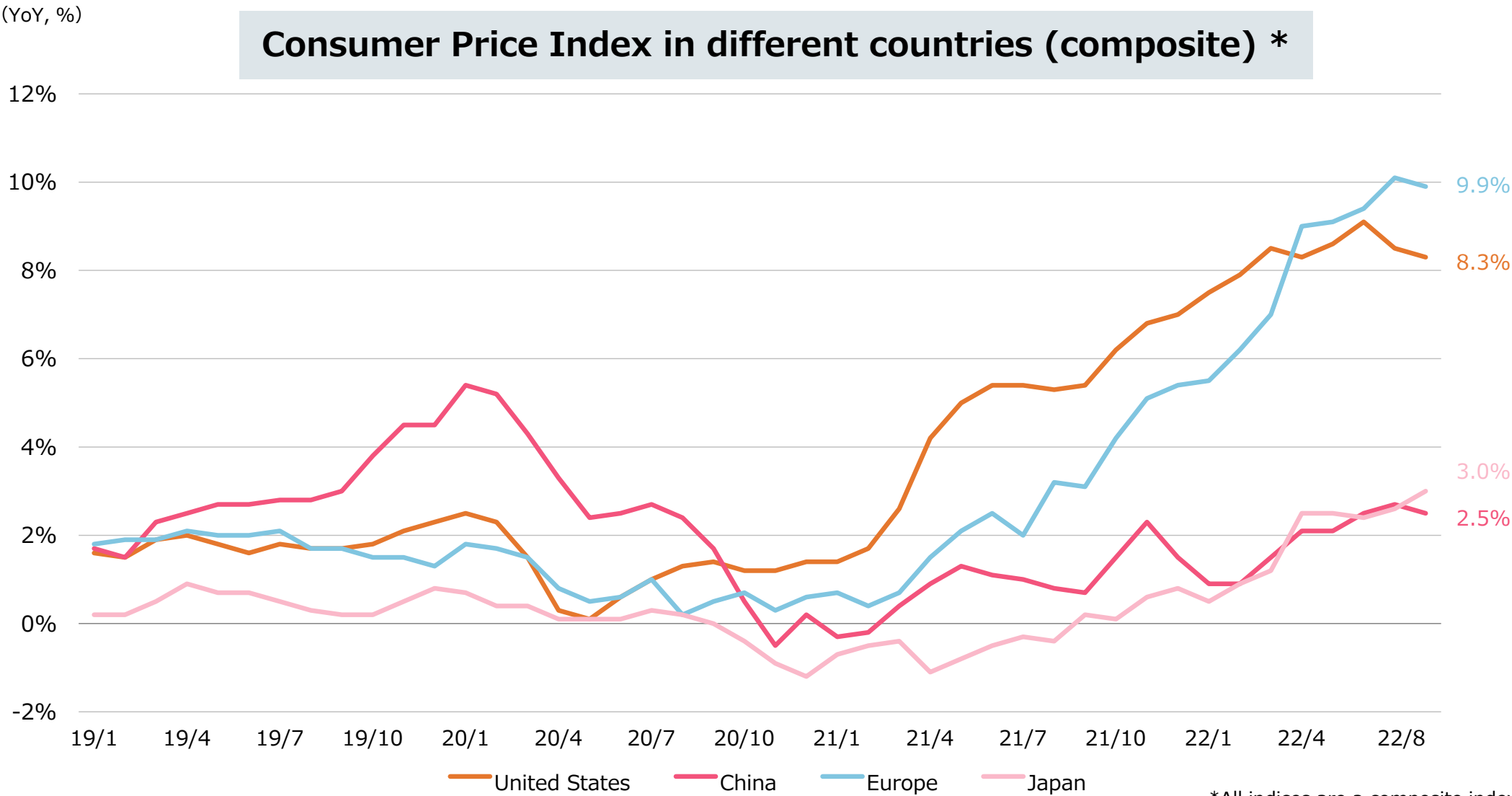
*Repost from the "Long-Term Management Plan 2030"



Appendix.

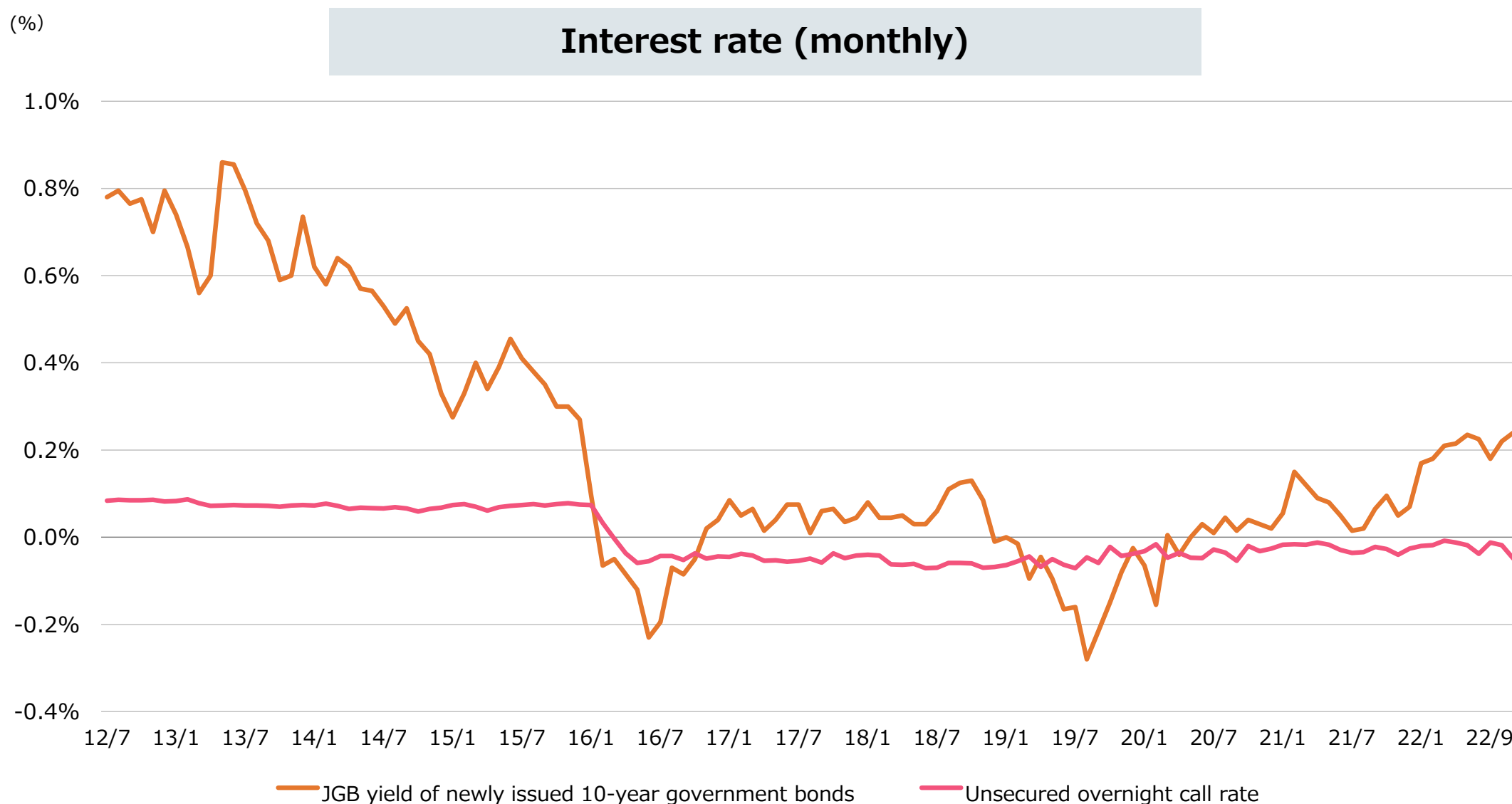
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1. Historical Consumer Price Index



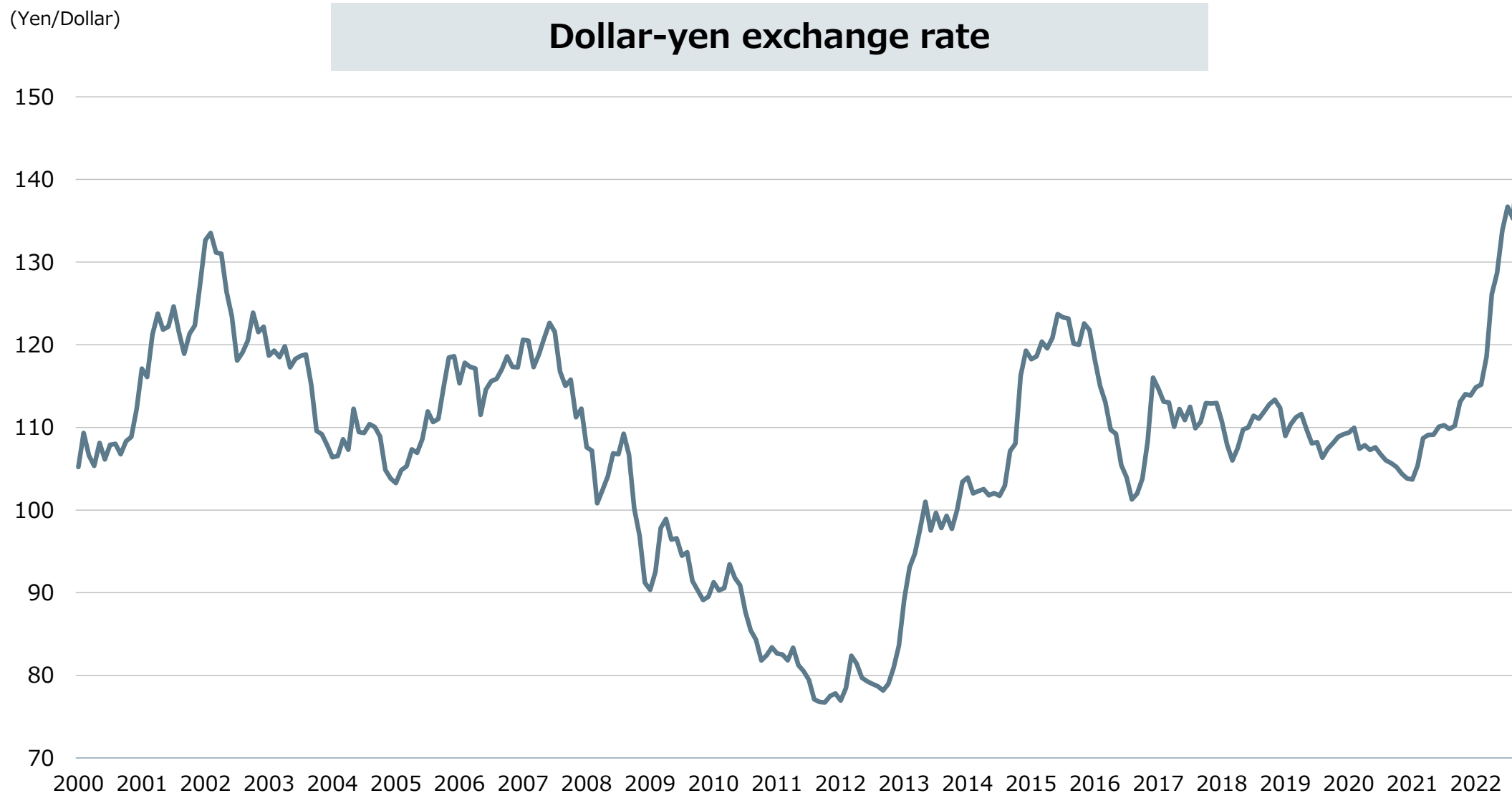
*All indices are a composite index
Source: US Department of Labor, Statistical Office of the European Union, National Bureau of Statistics of China, Ministry of Internal Affairs and Communications

2. Historical domestic interest rate



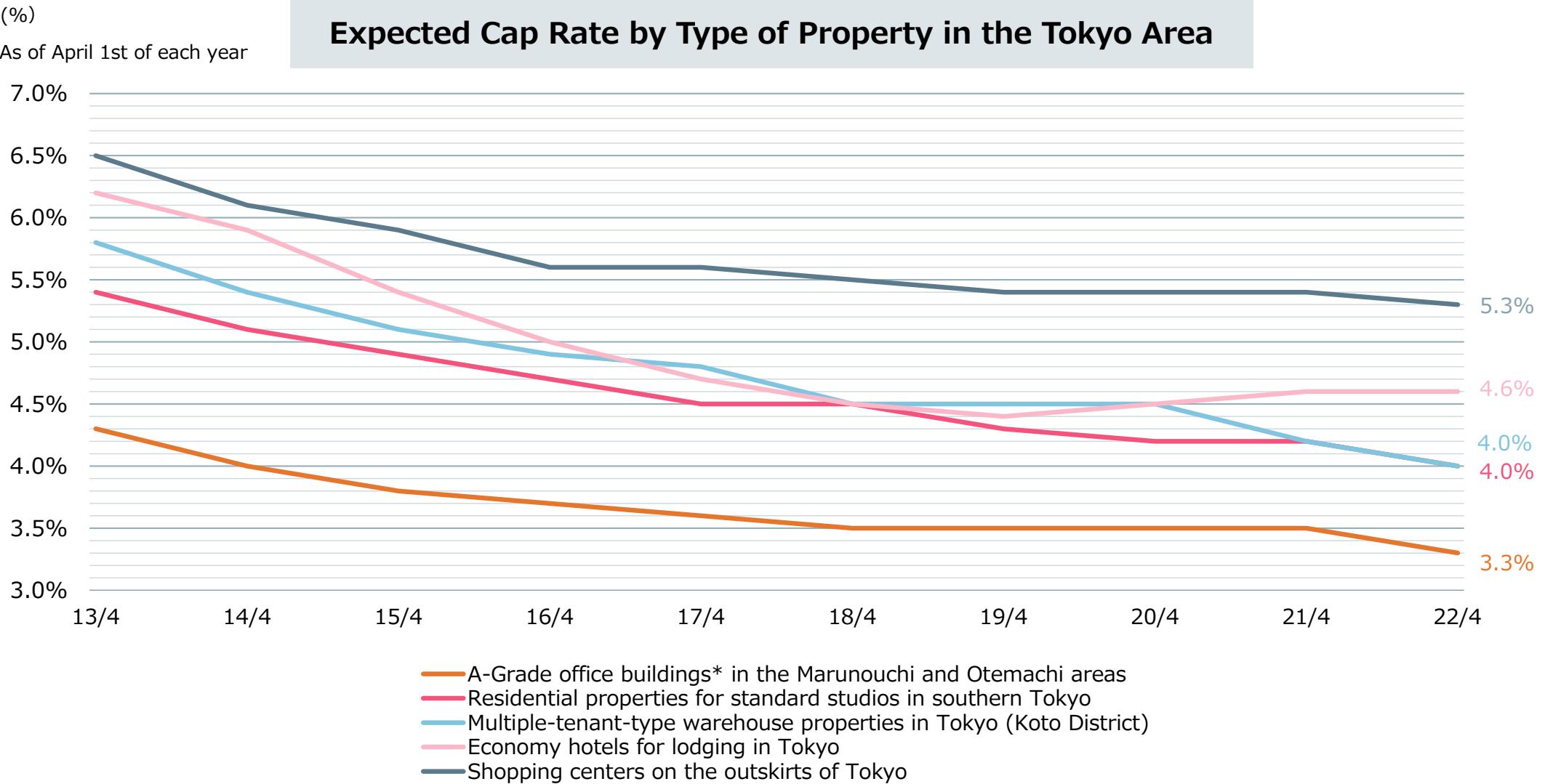
Source: Bank of Japan, Japan Bond Trading Co., Ltd.

3. Historical foreign exchange rate



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

4. Historical expected cap rate by types of property



* Covers properties within five minutes' walk from the nearest station and with floor areas of at least 50,000 m²
Source: Japan Real Estate Institute

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