

■ May 11, 2023



MITSUBISHI ESTATE CO., LTD.

FACT BOOK FY2023

(The Fiscal Year Ending on March 31, 2023)

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Disclaimer

• This FACT BOOK contains predictions and aims which relate to, without limitation, our future economic performance, our plans and objectives for future operations and projections of revenue and other financial items. These predictions are inherently subject to risks and uncertainties, due to unforeseeable events or external factors. Future events and actual results, financial and otherwise, may differ materially from the events and results expressed here.

• Please refer to ASSET BOOK for principal projects.

I . Performance Comparisons (Consolidated)

1. Income Statement Results for FY2023 and FY2022

<p>[Overview]</p> <p>There is an increase in operating revenue, operating profit, and profit attributable to owners of parent YoY and each marks a record high. Main factors include an increase in overseas capital gains and a recovery of retail properties and hotels.</p> <p>[Commercial Property Business]</p> <p>Operating profits remained almost flat for both income gains and capital gains compared with FY2022. Capital gains remained unchanged YoY as a result of the sale of various assets, such as large office buildings, in the 4Q. Income gains also remained around the same level YoY. Main factors include an impact of decreases in rental revenue from buildings to be closed and also in revenue for the amount equivalent to restoration costs in existing buildings despite a profit improvement along with a recovery of demand in retail properties and hotels.</p> <p><Office Buildings></p> <p>In regards to new buildings, there was an increase in rental revenue and profits mainly as a result of opening of Tokiwabashi Tower. In existing buildings, factors, such a decrease in rental profits as a result of a decrease in rental revenue from buildings to be closed and a decrease in revenue for the amount equivalent to restoration costs in existing buildings, led to an overall decrease in rental revenue and profits compared with FY2022.</p> <p><Retail Properties (e.g. outlet malls)></p> <p>There is an increase in revenue and profits compared with FY2022 along with the relaxing of restrictions.</p> <p><Hotels></p> <p>There is an improvement in revenue compared with FY2022 along with the relaxing of restrictions.</p> <p>[Residential Business]</p> <p>There is a decrease in revenue and an increase in profits compared with FY2022. Despite a decrease in revenue due to a decrease in the number of units sold of domestic condominiums, an increase in capital gains from rental apartments etc. contributed to an increase in profits.</p> <p>[International Business]</p> <p>There is an increase in revenue and profits compared with FY2022. A substantial increase in capital gains from sales of Central St. Giles, an office building in London, as well as logistic facilities in U.S. are the main factors led to this overall increase.</p> <p>[Investment Management Business]</p> <p>There is a decrease in revenue and profits YoY. Main factor led to an overall decrease is an absence of incentive fee recorded in FY2022. On the other hand, the majority of incentive fee originally plans to be distributed to non-controlling shareholders, therefore, impact on profit attributable to owners of parent is limited.</p>
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	Millions of yen (rounded down)		
	FY2023 Results	FY2022 Results	Change
Commercial Property Business	777,424	760,658	16,766
Residential Business	346,419	380,959	(34,540)
International Business	176,130	121,234	54,896
Investment Management Business	35,878	46,702	(10,824)
Architectural Design & Engineering Business and Real Estate Services Business	60,774	57,780	2,994
Other	11,801	10,134	1,666
Eliminations	(30,602)	(27,979)	(2,622)
Operating Revenue	1,377,827	1,349,489	28,337
Commercial Property Business	188,852	189,909	(1,057)
Residential Business	35,037	30,173	4,863
International Business	89,400	55,816	33,583
Investment Management Business	8,054	26,537	(18,483)
Architectural Design & Engineering Business and Real Estate Services Business	4,176	2,802	1,374
Other	(2,121)	(1,683)	(438)
Eliminations or Corporate	(26,696)	(24,578)	(2,118)
Operating Profit	296,702	278,977	17,724
Non-operating income	14,361	16,319	(1,957)
(Share of profit of entities accounted for using equity method)	260	332	(72)
Non-operating expenses	39,244	41,586	(2,341)
Ordinary Profit	271,819	253,710	18,108
Extraordinary income	12,224	20,189	(7,964)
Extraordinary loss	31,141	20,120	11,020
Profit before Income Taxes	252,902	253,779	(876)
Total income taxes	70,634	70,889	(255)
Profit	182,268	182,889	(621)
Profit attributable to non-controlling interests	16,924	27,718	(10,793)
Profit Attributable to Owners of Parent	165,343	155,171	10,171

	Millions of yen (rounded down)		
	FY2023 Results	FY2022 Results	Change
Breakdown of Extraordinary income			
Gain on sale of non-current assets	8,921	6,781	2,139
Gain on sale of investment securities	3,303	7,987	(4,684)
Gain on sale of shares of subsidiaries and associates	-	1,843	(1,843)
Reversal of provision for environmental measures	-	3,576	(3,576)
Total	12,224	20,189	(7,964)

	Millions of yen (rounded down)		
	FY2023 Results	FY2022 Results	Change
Breakdown of Extraordinary loss			
Loss related to retirement of non-current assets	17,741	16,254	1,487
Loss on valuation of shares of subsidiaries and associates	2,599	-	2,599
Impairment losses	3,535	3,866	(330)
Loss on valuation of equity investments	7,264	-	7,264
Total	31,141	20,120	11,020

<Reference>

	Millions of yen (rounded off to the nearest billion)		
	FY2023 Results	FY2022 Results	Change
Capital Gains included in Operating profit			
Commercial Property Business	42,000	42,000	0
Residential Business	24,000	5,000	19,000
International Business	61,000	29,000	32,000
Investment Management Business	-	-	-
Other	-	-	-
Eliminations or Corporate	-	-	-
Total	127,000	76,000	51,000

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

<Reference>

	Millions of yen (rounded down)		
	FY2023 Results	FY2022 Results	Change
Business profit			
Business profit	296,962	279,310	17,652

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

2. Current Income Statement Forecasts for FY2024 and Results for FY2023

[Overview]
 Despite contributing factors, such as an increase in capital gains in Commercial Property Business, a recovery of demand in retail properties and hotels, and an increase in the number of units sold of domestic condominiums, operating profit is expected to decrease compared with FY2023 due to a decrease in overseas capital gains. On the other hand, the highest record for three consecutive years is expected in profit attributable to owners of parent as a result of improvement in extraordinary income/loss. Annual dividends per share is expected to be 40 yen (+ 2 yen from FY2023), a record high for three consecutive years. Factors affecting individual segments compared with FY2023 are detailed below.

[Commercial Property Business]
 Despite an increase in capital gains and a recovery of demand in retail properties and hotels, operating profit is expected to remain around the same level mainly due to a decrease in rental revenue from buildings to be closed for redevelopment.

<Office Buildings>
 While high rents and low vacancy rates are expected to remain in existing buildings, rental revenue from existing buildings being closed for redevelopment is likely to decrease.

<Retail Properties (e.g. outlet malls)>
 An increase in rental revenue and profits is expected as a result of the relaxing of restrictions.

<Hotels>
 An improvement in revenue is expected as a result of the relaxing of restrictions.

[Residential Business]
 Despite a decrease in capital gains from rental apartments etc, operating profits is expected to remain almost unchanged as a result of an increase in the number of units sold of domestic condominiums.

[International Business]
 An overall decrease in revenue and profits is expected due to a decrease in overseas capital gains resulting from the absence of large property sales recorded in FY2023.

[Investment Management Business]
 An overall increase in revenue and profits is expected as a result of an increase in various fees.

	Millions of yen (rounded down)		
	FY2024 Forecasts	FY2023 Results	Change
Commercial Property Business	836,000	777,424	58,576
Residential Business	381,000	346,419	34,581
International Business	158,000	176,130	(18,130)
Investment Management Business	43,000	35,878	7,122
Architectural Design & Engineering Business and Real Estate Services Business	67,000	60,774	6,226
Other	11,000	11,801	(801)
Eliminations	(27,000)	(30,602)	3,602
Operating Revenue	1,469,000	1,377,827	91,173
Commercial Property Business	188,000	188,852	(852)
Residential Business	36,000	35,037	963
International Business	54,000	89,400	(35,400)
Investment Management Business	12,000	8,054	3,946
Architectural Design & Engineering Business and Real Estate Services Business	5,000	4,176	824
Other	(1,000)	(2,121)	1,121
Eliminations or Corporate	(30,000)	(26,696)	(3,304)
Operating Profit	264,000	296,702	(32,702)
Non-operating income	11,000	14,361	(3,361)
(Share of profit of entities accounted for using equity method)	300	260	40
Non-operating expenses	43,000	39,244	3,756
Ordinary Profit	232,000	271,819	(39,819)
Extraordinary income	31,000	12,224	18,776
Extraordinary loss	5,000	31,141	(26,141)
Profit before Income Taxes	258,000	252,902	5,098
Total income taxes	79,000	70,634	8,366
Profit	179,000	182,268	(3,268)
Profit attributable to non-controlling interests	13,000	16,924	(3,924)
Profit Attributable to Owners of Parent	166,000	165,343	657

	Millions of yen (rounded down)		
	FY2024 Forecasts	FY2023 Results	Change
■ Breakdown of Extraordinary income			
Gain on sale of non-current assets		8,921	
Gain on sale of investment securities		3,303	
Total	31,000	12,224	18,776

	Millions of yen (rounded down)		
	FY2024 Forecasts	FY2023 Results	Change
■ Breakdown of Extraordinary loss			
Loss related to retirement of non-current assets		17,741	
Loss on valuation of shares of subsidiaries and associates		2,599	
Impairment losses		3,535	
Loss on valuation of equity investments		7,264	
Total	5,000	31,141	(26,141)

<Reference>

	Millions of yen (rounded off to the nearest billion)		
	FY2024 Forecasts	FY2023 Results	Change
■ Capital Gains included in Operating profit			
Commercial Property Business	45,000	42,000	3,000
Residential Business	19,000	24,000	(5,000)
International Business	30,000	61,000	(31,000)
Investment Management Business	-	-	-
Other	-	-	-
Eliminations or Corporate	-	-	-
Total	94,000	127,000	(33,000)

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

<Reference>

	Millions of yen (rounded down)		
	FY2024 Forecasts	FY2023 Results	Change
■ Business profit			
Business profit	264,300	296,962	(32,662)

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

3. Balance Sheet Results

Millions of yen (rounded down)

	At Mar 31, 2023	At Mar 31, 2022	Change
Assets			
I. Current assets			
1. Cash and deposits	225,011	233,117	(8,105)
2. Trade notes, accounts receivable, and contract assets	69,987	60,645	9,342
3. Securities	3,578	4,280	(701)
4. Real estate for sale	65,252	41,239	24,013
5. Real estate for sale in process	420,956	299,532	121,424
6. Real estate for development	719	724	(5)
7. Costs on construction contracts in progress	5,201	4,316	885
8. Other inventories	1,413	1,575	(162)
9. Equity investments	716,416	624,521	91,895
10. Other current assets	108,723	87,260	21,463
11. Allowance for doubtful accounts	(659)	(422)	(236)
Total current assets	1,616,602	1,356,789	259,813
II. Non-current assets			
1. Property, plant and equipment			
(1) Buildings and structures	1,222,991	1,230,513	(7,522)
(2) Machinery, equipment and vehicles	27,909	31,208	(3,298)
(3) Land	2,335,460	2,310,551	24,908
(4) Land in trust	575,648	585,470	(9,822)
(5) Construction in progress	228,955	169,700	59,255
(6) Other property, plant and equipment	25,249	18,545	6,704
Total property, plant and equipment	4,416,214	4,345,989	70,224
2. Intangible assets			
(1) Leasehold interests in land	81,745	82,541	(795)
(2) Other intangible assets	29,441	25,550	3,890
Total intangible assets	111,187	108,092	3,095
3. Investments and other assets			
(1) Investment securities	306,352	299,617	6,734
(2) Long-term loans receivable	2,559	2,324	235
(3) Leasehold and guarantee deposits	144,070	140,230	3,840
(4) Retirement benefit asset	62,528	45,998	16,530
(5) Deferred tax assets	25,943	25,887	56
(6) Other investments	187,095	169,535	17,559
(7) Allowance for doubtful accounts	(596)	(548)	(47)
Total investments and other assets	727,954	683,045	44,909
Total non-current assets	5,255,356	5,137,127	118,228
Total assets	6,871,959	6,493,917	378,042

Millions of yen (rounded down)

	At Mar 31, 2023	At Mar 31, 2022	Change
Liabilities			
I. Current liabilities			
1. Trade notes and accounts payable	66,407	60,516	5,890
2. Short-term borrowings	194,881	182,052	12,829
3. Current portion of long-term borrowings	210,087	79,928	130,158
4. Current portion of bonds payable	26,635	90,000	(63,365)
5. Income taxes payable	23,574	29,445	(5,871)
6. Other current liabilities	333,752	189,099	144,652
Total current liabilities	855,337	631,043	224,293
II. Non-current liabilities			
1. Bonds payable	820,584	786,335	34,249
2. Long-term borrowings	1,618,019	1,598,562	19,457
3. Leasehold and guarantee deposits received	448,442	451,749	(3,306)
4. Deferred tax liabilities	288,861	274,176	14,685
5. Deferred tax liabilities for land revaluation	264,082	264,082	-
6. Retirement benefit liability	27,644	27,402	241
7. Provision for retirement benefits for directors (and other officers)	478	464	14
8. Provision for environmental measures	582	888	(305)
9. Negative goodwill	60,413	85,526	(25,112)
10. Other long-term liabilities	107,568	137,252	(29,683)
Total non-current liabilities	3,636,680	3,626,441	10,238
Total liabilities	4,492,017	4,257,484	234,532
Net assets			
I. Shareholders' Equity			
1. Share capital	142,414	142,414	-
2. Capital surplus	157,914	159,749	(1,835)
3. Retained earnings	1,147,425	1,165,344	(17,919)
4. Treasury shares	(48,454)	(132,483)	84,029
Total shareholders' equity	1,399,299	1,335,024	64,274
II. Accumulated other comprehensive income			
1. Valuation difference on available-for-sale securities	138,552	130,841	7,710
2. Deferred gains or losses on hedges	2,106	103	2,002
3. Revaluation reserve for land	526,417	526,417	-
4. Foreign currency translation adjustment	77,489	2,162	75,327
5. Remeasurements of defined benefit plans	13,695	8,675	5,020
Total accumulated other comprehensive income	758,261	668,200	90,061
III. Stock acquisition rights	193	201	(8)
IV. Non-controlling interests	222,187	233,005	(10,818)
Total net assets	2,379,941	2,236,432	143,509
Total liabilities and net assets	6,871,959	6,493,917	378,042

4. Cash Flow Statements

				Millions of yen (rounded down)	
	①FY2022 Results	②FY2023 Results	Change (②-①)	③FY2024 (Forecasts)	Change (③-②)
Profit before income taxes	253,779	252,902	(876)	258,000	5,098
Adjustment for extraordinary income or loss	7,349	13,756	6,406	(29,000)	(42,756)
Depreciation	91,581	93,459	1,877	96,000	2,541
Decrease (increase) in inventories	116,993	7,462	(109,531)	151,000	143,538
Decrease (increase) in equity investments	(30,267)	(5,399)	24,867	(92,000)	(86,601)
Other	(107,139)	(27,960)	79,178	23,000	50,960
Income taxes refund (paid)	(52,206)	(64,305)	(12,098)	(79,000)	(14,695)
Net cash provided by (used in) operating activities	280,090	269,914	(10,175)	328,000	58,086
Proceeds from sale and redemption of investment securities	9,562	7,717	(1,844)		
Proceeds from sales of property and equipment and beneficial interests in trust of property and equipment	14,570	17,047	2,476		
Capital investment	(329,115)	(286,523)	42,592	(424,000)	(137,477)
Other	(8,795)	(50,288)	(41,492)	106,000	156,288
Net cash provided by (used in) investing activities	(313,778)	(312,046)	1,731	(318,000)	(5,954)
Newly acquired funds	390,678	309,326	(81,352)	327,000	17,674
Repayment	(183,951)	(175,040)	8,910	(270,000)	(94,960)
Cash dividends paid	(58,249)	(70,426)	(12,176)	(68,000)	2,426
Repurchase and disposal of own shares	(29,861)	(45,822)	(15,960)	(54,000)	(8,178)
Other	(27,641)	12,420	40,062	23,000	10,580
Net cash provided by (used in) financing activities	90,973	30,457	(60,516)	(42,000)	(72,457)
Cash and cash equivalents at end of period	234,244	225,772	(8,472)	190,000	(35,772)
Free cash flow	(33,687)	(42,132)	(8,444)	10,000	52,132

II . Investment Data

1. Investment Data

Capital investment*

Millions of yen (rounded down)

FY2023		FY2024 (Forecasts)	
Total	286,523	Total	424,000
Mitsubishi Estate	89,773	Mitsubishi Estate	129,000
(Breakdown)		(Breakdown)	
Office Building		Office Building	
New/Redevelopment buildings (Marunouchi redevelopment etc.)	52,669	New/Redevelopment buildings (Marunouchi redevelopment etc.)	58,000
Refurbishment cost etc.	16,247	Refurbishment cost etc.	27,000
Hotel	9,135	Hotel	18,000
Retail Property	6,216	Retail Property	11,000
Logistics Facility	3,708	Logistics Facility	9,000
Other	196,749	Other	250,000
(Breakdown)		(Breakdown)	
Mitsubishi Estate Residence	54,684	Mitsubishi Estate Residence	61,000
MEC Group International	46,249	MEC Group International	61,000
Mitsubishi Estate Europe	43,998	Mitsubishi Estate Europe	35,000
Consolidated SPC(Domestic)	22,612	Consolidated SPC(Domestic)	30,000
Mitsubishi Estate・Simon	11,716	Tokyo Ryutsu Center	28,000
Consolidated SPC(International)	3,781	Sunshine City	10,000
Royal Park Hotels & Resorts	3,277	Mitsubishi Estate・Simon	6,000
Sunshine City	3,191	Royal Park Hotels & Resorts	3,000
Mitsubishi Estate Home	1,632	Consolidated SPC(International)	3,000
Marunouchi Heat Supply	1,370	Marunouchi Heat Supply	1,000
Yokohama Sky Building	1,033	Yokohama Sky Building	1,000
		Marunouchi Hotel	1,000
		Japan Regus Holdings	1,000
		Tokyo Kotsu Kaikan	1,000
		Strategic investment	45,000

Equity investment

Millions of yen (rounded down)

FY2023		FY2024 (Forecasts)	
Total	150,330	Total	201,000
Mitsubishi Estate	56,347	Mitsubishi Estate	50,000
(Breakdown)		(Breakdown)	
Logistics Facility	39,208	Logistics Facility	27,000
Hotel	13,250	Office Building	20,000
Office Building	2,010	Other(Domestic)	3,000
Other(Domestic)	1,696		
Other	93,983	Other	101,000
(Breakdown)		(Breakdown)	
Asia, Oceania	63,105	US	61,000
US	30,877	Asia, Oceania	38,000
		Europe	2,000
		Strategic investment	50,000

* Major inter-group transactions are eliminated.

2. Assets Breakdown and Special Purpose Vehicles Data

Assets Breakdown (Consolidated)

Millions of yen (rounded down)

	At Mar 31, 2023	At Mar 31, 2022	Change
Inventories			
Condominium (domestic)	344,572	240,992	103,580
International	27,611	9,617	17,994
US	17,697	170	17,527
Europe	-	-	-
Asia	9,913	9,447	466
Other	121,361	96,779	24,582
Total inventories	493,544	347,388	146,156
Equity investments			
Domestic Office Building	56,810	59,017	(2,207)
Domestic (other)	80,975	73,638	7,337
International	578,630	491,865	86,765
US	298,349	248,518	49,831
Europe	42,957	59,713	(16,756)
Asia	237,323	183,633	53,690
Total equity investments	716,416	624,521	91,895
Property, plant and equipment			
Office Building	3,128,790	3,112,604	16,186
Outlet Mall	137,313	134,724	2,589
Logistics Facility	106,355	94,051	12,304
Retail Property (Except Outlet Mall)	143,054	147,400	(4,346)
Rental Apartment	146,896	139,830	7,066
International	493,339	484,992	8,347
US	262,495	217,318	45,177
Europe	215,741	174,082	41,659
Asia	15,103	93,591	(78,488)
Other	260,467	232,388	28,079
Total property, plant and equipment	4,416,214	4,345,989	70,224

Special Purpose Vehicles Data

Millions of yen (rounded down)

	At Mar 31, 2023	At Mar 31, 2022	Change
Equity investments by Mitsubishi Estate			
Domestic Office Building	56,810	59,017	(2,207)
Domestic(other)	80,975	73,638	7,337
International	578,630	491,865	86,765
US	298,349	248,518	49,831
Europe	42,957	59,713	(16,756)
Asia	237,323	183,633	53,690
Total equity investments by Mitsubishi Estate	716,416	624,521	91,895

<Reference>

Millions of yen (rounded off to the nearest billion)

	At Mar 31, 2023	At Mar 31, 2022	Change
Equity investments by other companies			
Domestic Office Building	107,000	110,000	(3,000)
Domestic(other)	7,000	0	7,000
International	1,460,000	1,071,000	389,000
US	906,000	588,000	318,000
Europe	40,000	51,000	(11,000)
Asia	510,000	432,000	82,000
Total equity investments by other companies	1,570,000	1,181,000	393,000
Interest bearing debt borrowed by SPV			
Domestic Office Building	77,000	77,000	0
Domestic(other)	3,000	4,000	(1,000)
International	1,270,000	983,000	287,000
US	705,000	455,000	250,000
Europe	16,000	9,000	7,000
Asia	548,000	519,000	30,000
Total interest bearing debt borrowed by SPV	1,349,000	1,064,000	286,000

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

III. Business Data

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

Millions of yen (rounded down)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecasts)
Leasing						
Marunouchi Area Office Building	-	243,681	248,249	256,967	253,525	254,000
Tokyo Area Office Building (Outside of Marunouchi)	-	128,927	140,514	149,361	145,827	148,000
Office Building (Outside of Tokyo)	-	64,548	59,457	60,450	61,914	63,000
Outlet Mall	-	46,386	40,027	44,164	51,052	57,000
Other*2	-	40,919	36,175	35,242	36,634	40,000
Total leasing	-	524,464	524,423	546,186	548,954	562,000
Sales of assets	-	91,030	52,878	126,878	105,228	132,000
Other*3	-	108,217	95,139	87,593	123,240	142,000
Total	-	723,712	672,441	760,658	777,424	836,000

*1 Including revenue from other segments

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

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

2. Office Building Data (Consolidated)

(Thousands of square meters)

	At Mar 31, 2019	At Mar 31, 2020	At Mar 31, 2021	At Mar 31, 2022	At Mar 31, 2023
Contracted area	3,968	4,120	4,147	4,151	4,006
Owned by MEC	2,536	2,592	2,543	2,559	2,490
Subleases	1,432	1,528	1,604	1,592	1,516

3. Office Building Data (Unconsolidated)

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

	At Mar 31, 2019	At Mar 31, 2020	At Mar 31, 2021	At Mar 31, 2022	At Mar 31, 2023	At Mar 31, 2024 (Forecasts)
(1) Total operating floor space						
Owned by MEC	3,729	3,736	3,732	3,765	3,664	3,583
Subleases	2,016	2,133	2,259	2,275	2,141	2,160
Total	5,745	5,869	5,991	6,040	5,804	5,743
(2) Leasable area	3,631	3,726	3,807	3,834	3,709	3,659
(3) Vacancy rate (All uses in Japan*1)	1.80 %	1.07 %	2.35 %	3.29 %	3.73 %	3.5 %
(4) Average rent*2 (All uses in Japan)	26,702	27,177	27,793	28,228	29,221	29,000

*1 Including retail area etc. in office building

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

4. Marunouchi Area Building Data (Unconsolidated)

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

	At Mar 31, 2019	At Mar 31, 2020	At Mar 31, 2021	At Mar 31, 2022	At Mar 31, 2023
Operating floor space	2,915	2,915	2,952	3,026	2,920
Leasable area	1,755	1,751	1,773	1,820	1,745
Office vacancy rate	2.19 %	0.69 %	2.50	3.33 %	2.43 %
Building lease revenue	235,119	243,457	247,558	256,707	252,486

5. Domestic Condominium Business Data

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecasts)
Condominiums sold (Millions of yen)*1*3	242,859	206,684	207,004	216,231	117,792	160,000
Condominiums sold (units)	4,007	3,214	3,476	3,046	1,596	2,200
Gross margin*2*3	19.2 %	19.3 %	20.1 %	22.5 %	26.1 %	24.0 %
Inventory (units)	542	373	213	62	61	-
New supply of condominiums (units)	3,966	2,924	2,350	2,131	2,157	1,700
Condominium contract balance (Millions of yen)	144,970	162,141	140,455	100,026	194,301	-
The following fiscal year share (Millions of yen)	104,242	130,195	139,475	70,210	125,275	-
The post following fiscal year share (Millions of yen)	40,728	31,946	980	29,816	69,026	-

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

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

Gross profit margin = Gross profit ÷ Sales

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

IV. Historical Performance Data (Consolidated)

1. Major Performance Items

Millions of yen (rounded down)

		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecasts)
PL	Operating revenue	1,263,283	1,302,196	1,207,594	1,349,489	1,377,827	1,469,000
	Operating profit	229,178	240,768	224,394	278,977	296,702	264,000
	Ordinary profit	206,587	219,572	210,965	253,710	271,819	232,000
	Profit attributable to owners of parent	134,608	148,451	135,655	155,171	165,343	166,000
BS	Total assets	5,774,193	5,858,236	6,072,519	6,493,917	6,871,959	7,000,000
	Inventories	361,455	329,305	364,834	347,388	493,544	-
	Non-current assets (Property, plant and equipment and Intangible assets)	4,183,212	4,204,019	4,280,988	4,454,082	4,527,401	-
	Interest-bearing debt	2,319,597	2,429,883	2,526,142	2,738,632	2,871,677	2,940,000
	Net interest-bearing debt	2,140,288	2,216,874	2,353,835	2,504,387	2,645,905	2,750,000
	Average interest rate	0.98 %	0.93 %	0.87 %	0.79 %	0.89 %	1.10 %
	Shareholders' equity *1	1,770,643	1,734,462	1,851,899	2,003,225	2,157,561	2,180,000
CF	Cash flow from operating activities	345,954	341,766	207,414	280,090	269,914	328,000
	(Depreciation)	80,336	84,941	89,107	91,581	93,459	96,000
	Cash flow from investing activities	(271,083)	(277,440)	(297,303)	(313,778)	(312,046)	(318,000)
	(Capital investment)	(285,089)	(331,857)	(319,841)	(329,115)	(286,523)	(424,000)
	Cash flow from financing activities	(192,473)	(28,886)	50,425	90,973	30,457	(42,000)
	Free cash flow	74,871	64,326	(89,889)	(33,687)	(42,132)	10,000
Indicator	Business profit *2	229,442	240,998	224,701	279,310	296,962	264,300
	EBITDA *3	320,641	336,784	331,821 *4	381,434	402,221	374,500
	ROA*5	4.0 %	4.1 %	3.8 %	4.4 %	4.4 %	3.8 %
	ROE*6	7.8 %	8.5 %	7.6 %	8.1 %	7.9 %	7.7 %
	EPS(Yen)	96.97	108.64	101.34	116.45	125.54	130.08
	Net interest-bearing debt / EBITDA	6.7 times	6.6 times	7.1 times	6.6 times	6.6 times	7.3 times
	After hybrid debt deductions *7	6.1 times	6.1 times	6.6 times	6.2 times	6.2 times	6.9 times
	Debt equity ratio *8	1.31	1.40	1.36	1.37	1.33	1.35
After hybrid debt deductions*7	1.10	1.18	1.18	1.19	1.17	1.19	
Other	Interest expense	23,503	22,100	21,623	20,742	25,001	32,000
	Interest coverage ratio (ICR) *9	10.1 times	11.3 times	11.2 times	13.9 times	12.2 times	8.5 times
	Annual dividends per share(Yen)	30	33	31	36	38	40
	Dividend payout ratio	30.9 %	30.4 %	30.6 %	30.9 %	30.3 %	30.8 %
	Current value of Income generating assets	7,941,134	8,270,844	8,361,217	8,840,420	8,964,491	-
	Income generating assets unrealized gain	3,898,413	4,222,505	4,250,222	4,573,290	4,633,863	-
	Exchange average rate(¥/\$) /PL	110.44	109.03	106.77	109.91	131.63	128.00
	Exchange average rate(¥/£) /PL	147.41	139.19	137.01	151.18	162.00	156.00
	Exchange current rate(¥/\$) /BS	111.00	109.56	103.50	115.02	132.70	128.00
Exchange current rate(¥/£) /BS	140.46	143.48	139.82	155.24	160.00	156.00	

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

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

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

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

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

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

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

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

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

2. Segment Information (Consolidated)

Millions of yen (rounded down)

		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecasts)
Operating revenue	Commercial Property Business	-	723,712	672,441	760,658	777,424	836,000
	Residential Business	-	385,538	362,755	380,959	346,419	381,000
	International Business	-	134,175	114,457	121,234	176,130	158,000
	Investment Management Business	-	21,316	22,199	46,702	35,878	43,000
	Architectural Design & Engineering Business and Real Estate Services Business	-	57,128	56,064	57,780	60,774	67,000
	Others	-	8,743	9,055	10,134	11,801	11,000
	Eliminations or Corporate	-	(28,418)	(29,378)	(27,979)	(30,602)	(27,000)
	Total	1,263,283	1,302,196	1,207,594	1,349,489	1,377,827	1,469,000
Operating profit	Commercial Property Business	-	187,855	180,775	189,909	188,852	188,000
	Residential Business	-	24,320	24,068	30,173	35,037	36,000
	International Business	-	46,156	37,932	55,816	89,400	54,000
	Investment Management Business	-	4,467	5,966	26,537	8,054	12,000
	Architectural Design & Engineering Business and Real Estate Services Business	-	2,407	959	2,802	4,176	5,000
	Others	-	(2,018)	(1,089)	(1,683)	(2,121)	(1,000)
	Eliminations or Corporate	-	(22,420)	(24,219)	(24,578)	(26,696)	(30,000)
	Total	229,178	240,768	224,394	278,977	296,702	264,000
Business profit*	Commercial Property Business	-	188,099	181,084	190,211	189,089	188,300
	Residential Business	-	24,305	24,066	30,204	35,059	36,000
	International Business	-	46,156	37,932	55,816	89,400	54,000
	Investment Management Business	-	4,467	5,966	26,537	8,054	12,000
	Architectural Design & Engineering Business and Real Estate Services Business	-	2,407	959	2,802	4,176	5,000
	Others	-	(2,018)	(1,089)	(1,683)	(2,121)	(1,000)
	Eliminations or Corporate	-	(22,420)	(24,219)	(24,578)	(26,696)	(30,000)
	Total	229,442	240,998	224,701	279,310	296,962	264,300
Depreciation	Commercial Property Business	-	70,927	71,713	73,315	72,181	-
	Residential Business	-	3,946	4,120	4,570	4,993	-
	International Business	-	6,646	8,599	8,460	10,410	-
	Investment Management Business	-	1,333	1,359	1,681	1,837	-
	Architectural Design & Engineering Business and Real Estate Services Business	-	868	909	894	981	-
	Others	-	98	130	147	147	-
	Eliminations or Corporate	-	1,119	2,274	2,510	2,907	-
	Total	80,336	84,941	89,107	91,581	93,459	96,000
Amortization of goodwill	Commercial Property Business	-	-	75	75	75	-
	Residential Business	-	386	358	358	358	-
	International Business	-	66	64	67	217	-
	Investment Management Business	-	1,929	2,146	1,665	2,140	-
	Architectural Design & Engineering Business and Real Estate Services Business	-	208	377	377	377	-
	Others	-	-	-	-	-	-
	Eliminations or Corporate	-	-	-	-	-	-
	Total	3,282	2,591	3,022	2,544	3,170	5,800
Capital investment	Commercial Property Business	-	169,163	193,938	167,689	134,406	-
	Residential Business	-	45,079	72,629	51,998	57,943	-
	International Business	-	113,755	47,713	113,403	93,953	-
	Investment Management Business	-	328	54	938	334	-
	Architectural Design & Engineering Business and Real Estate Services Business	-	948	454	653	332	-
	Others	-	411	321	51	794	-
	Eliminations or Corporate	-	2,172	4,729	(5,620)	(1,241)	-
	Total	285,089	331,857	319,841	329,115	286,523	424,000
Total assets	Commercial Property Business	-	4,135,091	4,167,287	4,273,287	4,434,331	-
	Residential Business	-	570,282	673,344	666,928	834,751	-
	International Business	-	887,179	929,869	1,130,973	1,270,849	-
	Investment Management Business	-	71,829	77,586	108,984	112,590	-
	Architectural Design & Engineering Business and Real Estate Services Business	-	55,737	56,067	57,759	61,225	-
	Others	-	13,270	25,367	25,352	27,599	-
	Eliminations or Corporate	-	124,847	142,995	230,630	130,610	-
	Total	5,774,193	5,858,236	6,072,519	6,493,917	6,871,959	7,000,000

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

V. Mitsubishi Estate Group Companies' Data

Millions of yen (rounded down)

Mitsubishi Estate Co., Ltd.						
	FY2019	FY2020	FY2021	FY2022	FY2023	
Operating revenue	498,273	549,362	542,646	567,286	523,275	
Operating profit	110,803	117,176	138,571	120,792	94,201	
Ordinary profit	126,115	131,431	158,345	128,934	107,856	
Net income	100,980	109,251	110,616	93,612	67,408	
Total assets	4,749,852	4,782,507	4,936,321	5,079,089	5,326,049	
Depreciation	47,579	51,121	51,455	53,442	53,460	
Mitsubishi Jisho Property Management Co., Ltd.*						
	FY2019	FY2020	FY2021	FY2022	FY2023	
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	
Operating revenue	79,547	80,683	83,247	95,773	105,060	
Operating profit	5,950	5,960	5,757	5,570	6,167	
Ordinary profit	5,936	5,960	5,757	5,528	6,144	
Net income	4,282	4,101	3,978	3,781	4,207	
Total assets	77,146	77,633	82,448	95,086	103,521	
Depreciation	227	201	209	224	325	
Number of management properties	172	184	197	218	214	
Management area	8,124,226 m ²	8,615,266 m ²	8,963,474 m ²	10,053,028 m ²	9,429,319 m ²	
Marunouchi Heat Supply Co., Ltd.						
	FY2019	FY2020	FY2021	FY2022	FY2023	
Share of voting rights	64.16 %	65.59 %	65.59 %	65.59 %	65.59 %	
Operating revenue	14,833	15,766	15,694	16,836	19,262	
Operating profit	1,855	2,037	1,771	1,340	1,781	
Ordinary profit	1,837	1,982	1,615	1,204	1,723	
Net income	1,712	4,327	995	989	1,095	
Total assets	33,255	39,631	41,923	40,541	39,242	
Depreciation	2,600	2,732	3,594	3,750	3,564	
Sunshine City Corporation						
	FY2019	FY2020	FY2021	FY2022	FY2023	
Share of voting rights	63.20 %	63.20 %	63.20 %	63.20 %	63.20 %	
Operating revenue	28,121	26,926	24,079	24,809	27,132	
Operating profit	6,933	5,213	5,194	4,492	5,701	
Ordinary profit	5,690	3,473	4,344	3,637	4,571	
Net income	3,954	2,372	2,085	2,544	3,159	
Total assets	111,663	106,081	104,830	106,322	108,631	
Depreciation	5,265	5,686	5,732	5,760	5,641	
Mitsubishi Estate • Simon Co., Ltd.						
	FY2019	FY2020	FY2021	FY2022	FY2023	
Share of voting rights	60.00 %	60.00 %	60.00 %	60.00 %	60.00 %	
Operating revenue	46,659	46,393	40,030	44,177	51,069	
Operating profit	19,673	18,963	14,619	16,789	19,257	
Ordinary profit	19,952	19,219	14,942	17,155	19,646	
Net income	13,572	13,165	9,477	11,870	13,575	
Total assets	108,913	110,754	121,724	124,609	137,393	
Depreciation	5,035	5,197	6,126	6,188	6,558	
Store floor area	314,600 m ²	315,300 m ²	345,500 m ²	345,500 m ²	373,100 m ²	

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

Tokyo Ryutsu Center Inc.					
	FY2019	FY2020	FY2021	FY2022	FY2023
Share of voting rights	58.22 %	60.03 %	60.03 %	60.42 %	60.47 %
Operating revenue	10,349	10,361	9,245	7,811	8,350
Operating profit	3,223	3,238	1,997	1,770	1,958
Ordinary profit	2,874	2,976	1,711	1,653	1,765
Net income	2,543	2,037	1,224	(810)	1,237
Total assets	65,560	65,166	63,777	60,117	60,005
Depreciation	2,686	2,617	2,576	1,930	1,765
Royal Park Hotels and Resorts Co., Ltd.*					
	FY2019	FY2020	FY2021	FY2022	FY2023
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	25,388	24,266	9,775	14,464	31,857
Operating profit	549	(992)	(7,343)	(6,700)	(688)
Ordinary profit	505	(1,004)	(6,915)	(5,822)	(324)
Net income	432	(1,304)	67	302	(337)
Total assets	12,327	10,366	13,722	14,799	15,640
Depreciation	928	1,220	1,157	1,169	1,224
Mitsubishi Estate Residence Co., Ltd.					
	FY2019	FY2020	FY2021	FY2022	FY2023
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	302,180	269,660	251,093	264,647	221,100
Operating profit	26,260	24,729	23,702	32,635	34,479
Ordinary profit	24,777	23,184	22,146	30,825	32,418
Net income	17,692	16,429	14,750	20,364	21,860
Total assets	583,392	570,960	671,252	645,722	799,710
Depreciation	1,853	2,218	2,488	2,998	3,205
Mitsubishi Estate Home Co., Ltd.					
	FY2019	FY2020	FY2021	FY2022	FY2023
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	34,578	35,474	28,200	33,493	33,661
Operating profit	341	54	318	210	(707)
Ordinary profit	347	68	324	213	(768)
Net income	197	(29)	287	187	(854)
Total assets	11,506	11,232	13,092	11,016	10,660
Depreciation	312	402	400	354	391
Mitsubishi Jisho Community Co., Ltd.					
	FY2019	FY2020	FY2021	FY2022	FY2023
Share of voting rights	71.47 %	71.47 %	71.47 %	71.47 %	71.47 %
Operating revenue	52,563	55,514	55,663	57,342	58,354
Operating profit	3,170	3,353	3,629	3,713	3,945
Ordinary profit	3,237	3,427	3,690	3,790	4,032
Net income	2,101	2,222	2,477	2,476	2,639
Total assets	19,440	20,851	21,908	22,901	24,453
Depreciation	393	401	394	371	332
Number of condominium management units	349,572 units	352,365 units	350,682 units	345,327 units	344,867 units

* As of April 1, 2022, Royal Park Hotel's management business was transferred to Royal Park Hotels and Resorts thus calculated figures after FY2023 includes figures of Royal Park Hotel.

MEC Group International, Inc.*1					
	FY2019	FY2020	FY2021	FY2022	FY2023
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	107,952	91,990	89,222	127,440	142,972
Operating profit	28,143	24,861	30,877	61,692	58,658
Ordinary profit	26,119	22,874	26,353	59,625	54,820
Net income	13,339	12,654	17,077	25,636	33,606
Total assets	410,801	429,135	468,786	592,915	720,529
Depreciation	5,535	4,762	5,744	6,535	8,506
Mitsubishi Estate Europe Ltd.					
	FY2019	FY2020	FY2021	FY2022	FY2023
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	7,912	43,672	22,785	4,028	47,851
Operating profit	4,320	20,361	4,709	786	41,786
Ordinary profit	3,612	19,060	4,342	(6,340)	38,560
Net income	2,910	16,982	2,736	(2,824)	31,931
Total assets	156,852	189,954	192,419	255,840	282,571
Depreciation	1,876	1,834	1,846	1,374	1,627
Mitsubishi Estate Asia Pte. Ltd.					
	FY2019	FY2020	FY2021	FY2022	FY2023
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	2,918	1,905	3,042	2,824	3,224
Operating profit	1,502	381	1,322	200	(1,201)
Ordinary profit	1,625	558	1,809	347	(1,035)
Net income	1,647	534	1,788	59	(837)
Total assets	36,599	38,802	38,750	43,105	56,847
Depreciation	133	130	128	299	377
Mitsubishi Jisho Design Inc.*2					
	FY2019	FY2020	FY2021	FY2022	FY2023
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	21,552	18,838	20,034	19,922	20,350
Operating profit	3,474	2,446	3,052	2,816	2,640
Ordinary profit	3,496	2,394	3,073	2,844	2,683
Net income	2,374	1,617	2,110	1,945	1,927
Total assets	25,859	25,053	27,106	27,273	28,478
Depreciation	239	312	329	326	324
Mitsubishi Real Estate Services Co., Ltd.					
	FY2019	FY2020	FY2021	FY2022	FY2023
Share of voting rights	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Operating revenue	27,524	27,117	22,662	24,820	26,842
Operating profit	2,741	1,031	202	1,554	2,675
Ordinary profit	2,797	1,367	216	1,672	2,763
Net income	1,838	755	21	1,104	1,889
Total assets	26,359	25,047	23,847	24,977	26,968
Depreciation	397	416	362	348	367
Amount of transaction	307,369	450,048	260,240	273,926	355,950
Number of brokerage	1,129	1,095	932	1,118	1,197
Number of parking management	50,540	55,379	56,596	58,418	61,004

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

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