

Financial Highlights for FY2023 – 3Q
(The Fiscal Year Ending March 31, 2024)

Mitsubishi Estate Co., Ltd.

● **Highlights**

<Full-Year Forecasts>

- **Contracts and deliveries of domestic and overseas capital gains have been making a strong progress towards the full-year forecasts.**
- **Office leasing is progressing well, particularly in Marunouchi.**
 - **Vacancy rates remain low and average rents continue to be high level.**
 - **Large-scale leasing of 1,000 tsubos is progressing.**
 - **The vacancy rate forecast for Marunouchi at the end of FY2023 has improved from around 3% to mid-2%.**
- **Commercial Property Business operating profit was revised upward by ¥10 billion** due to the strong performance of office leasing, hotels, retails, and flexible offices.
- **Overall operating profit was revised upward by ¥ 3 billion and profit attributable to owners of parent remained unchanged** after taking into account the downward adjustment of incentive fees (non-cash) in the Investment Management Business and the increase in interest expenses etc.

<3Q Financial Results>

Record operating revenue of ¥926.4 billion, operating profit of ¥146.8 billion, ordinary profit of ¥123.2 billion and profit attributable to owners of parent of ¥77.5 billion.

The decline in operating profit was mainly due to the absence of large overseas capital gains in the previous year.

<Earnings Forecasts for FY2023 (Consolidated)>

Previous forecasts announced on November 9, 2023.

Millions of yen (rounded down)

	FY2023 Revised Forecasts	FY2023 Previous Forecasts	Change
Commercial Property Business	205,000	195,000	+ 10,000
Residential Business	36,000	36,000	0
International Business	54,000	54,000	0
Investment Management Business	(2,000)	5,000	(7,000)
Operating Profit	267,000	264,000	+ 3,000
Non-operating income	11,000	11,000	0
Non-operating expenses	46,000	43,000	+ 3,000
Ordinary Profit	232,000	232,000	0
Profit Attributable to Owners of Parent	166,000	166,000	0

<FY2023-3Q Financial Results (Consolidated)>

Millions of yen (rounded down)

	FY2023-3Q Results	FY2022-3Q Results	Change
Commercial Property Business	571,087	516,037	55,050
Residential Business	211,220	200,374	10,846
International Business	88,179	121,694	(33,515)
Investment Management Business	21,602	41,127	(19,524)
Operating Revenue	926,448	906,324	20,124
Commercial Property Business	134,215	121,913	12,301
Residential Business	7,049	10,137	(3,087)
International Business	26,781	69,178	(42,396)
Investment Management Business	(3,593)	19,382	(22,975)
Operating Profit	146,821	200,012	(53,191)
Non-operating income	13,278	11,771	1,506
Non-operating expenses	36,815	28,779	8,036
Ordinary Profit	123,284	183,004	(59,720)
Extraordinary income	16,295	8,860	7,434
Extraordinary losses	-	23,430	(23,430)
Total income taxes	54,662	45,458	9,204
Profit Attributable to Non-Controlling Interests	7,369	20,167	(12,798)
Profit Attributable to Owners of Parent	77,547	102,809	(25,262)

【Commercial Property Business】

YoY increase in revenues and profits due to higher rental profits from office buildings and strong performance of hotels and commercial properties.

Contracts and deliveries of capital gains have been making a strong progress towards the full-year forecasts.

< Office Buildings >

YoY increase in profits resulted from a strong performance of office leasing despite a decrease in rental profits from closed buildings for redevelopment.

		2023/03 Results	2023/09 Results	2023/12 Results	2024/03 Forecasts
Vacancy rates	Japan (all uses)	3.73%	4.07%	4.06%	3.5%
	Marunouchi (offices)	2.43%	2.47%	2.88%	mid-2%

< Retail Properties (e.g. outlet malls) and Hotels >

YoY increase in revenue and profits due to an improved business environment.

【Residential Business】

YoY increase in revenue and YoY decrease in profits. Making a steady progress with 97% of the condominium sales planned to be recorded for the full-year already contracted.

【International Business】

YoY decline in revenue and profits due to the absence of large capital gains recorded in the previous year. Contracts and deliveries of capital gains have been making a strong progress towards the full-year forecasts.

【Investment Management Business】

YoY decrease in revenue and profits mainly due to the adjustment of incentive fees (non-cash).

【Architectural Design & Engineering Business and Real Estate Services Business】

YoY increase in revenue and profits mainly due to a favorable performance in the enterprise brokerage business.

Disclaimer

The forecasts contained in this report, the Summary of Consolidated Financial Statements, and other financial materials are based on information available to the Company at the time of disclosure. Therefore, actual performance may differ from such forecasts due to various factors.

The summary of Financial Statements and other financial materials can be found on the homepage.

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