

Earnings Highlights for FY2023  
(The Fiscal Year Ended March 31, 2024)

Mitsubishi Estate Co., Ltd.

● **Highlights**

**< FY2023 Results >**

- Operating Profit was ¥278.6 billion and Profit Attributable to Owners of Parent was ¥168.4 billion, a record high.

**< FY2024 Outlook >**

- **Operating profit is expected to reach a new historical high, ¥300 billion.**
- **Profit Attributable to Owners of Parent is expected to reach a record high, ¥173 billion.**

**< Shareholder return policy change >**

**(Dividends)**

Dividend forecast for FY2024: ¥43 per share.

**Progressive dividend payments of ¥3 for every fiscal year is implemented** (until FY2030).

¥60 or more/share is expected in FY2030

**(Share buyback)**

**¥50 billion share buyback is decided in FY2024.** (To be canceled on completion)

**Until FY2026, same level of share buyback is expected every fiscal year.**

Millions of yen (rounded down)

	FY2023 Results	FY2022 Results	Change	Percentage Change	FY2023 Forecasts (Feb2024.Disclosed)
<b>Operating Revenue</b>	<b>1,504,687</b>	<b>1,377,827</b>	<b>126,860</b>	<b>9.2%</b>	<b>1,469,000</b>
Commercial Property Business	211,795	188,852	22,943	12.1%	205,000
Residential Business	38,888	35,037	3,851	11.0%	36,000
International Business	51,448	89,400	△ 37,952	△ 42.5%	54,000
Investment Management Business	△ 1,619	8,054	△ 9,673	△ 120.1%	△ 2,000
<b>Operating Profit</b>	<b>278,627</b>	<b>296,702</b>	<b>△ 18,075</b>	<b>△ 6.1%</b>	<b>267,000</b>
<b>Ordinary Profit</b>	<b>241,158</b>	<b>271,819</b>	<b>△ 30,661</b>	<b>△ 11.3%</b>	<b>232,000</b>
<b>Total income taxes</b>	<b>98,131</b>	<b>70,634</b>	<b>27,496</b>	<b>38.9%</b>	<b>89,000</b>
Profit Attributable to Non-Controlling Interests	7,968	16,924	△ 8,956	△ 52.9%	3,000
Profit Attributable to Owners of Parent	168,432	165,343	3,089	1.9%	166,000

**【Commercial Property Business】**

Profit growth compared to FY2022 due to strong performance of hotels and retail properties and increased capital gains. Both vacancy rates and average rents improved year-on-year.

		2023/3 Results	2023/9 Results	2023/12 Results	2024/3 Results
Vacancy rates	Japan (all uses)	3.73%	4.07%	4.06%	3.45%
	Marunouchi (offices)	2.43%	2.47%	2.88%	2.33%
Average rents (Japan, all uses)		¥29,221			¥29,471

**【Residential Business】**

Profit growth compared to FY2022 due to strong performance in the condominium business.

**【International Business】**

Profit declined compared to FY2022 due to the reversal of large capital gains.

**【Investment Management Business】**

Profit decreased compared to FY2022 due to adjustments of incentive fees recorded in the past.

**< FY2024 Outlook >**

Record operating profit of ¥300 billion and profit attributable to owners of parent of ¥173 billion are expected mainly due to International Business and Investment Management Business.

The dividend is expected to be ¥43 (up ¥3 from FY2023) in accordance with the new policy of a progressive dividend of ¥ 3 each year.

Millions of yen (rounded down)

	2025/03 Forecasts	2024/03 Results	Change	Percentage Change
<b>Operating Revenue</b>	<b>1,596,000</b>	<b>1,504,687</b>	<b>91,313</b>	<b>6.1%</b>
Commercial Property Business	110,000	114,730	△ 4,730	△ 4.1%
Marunouchi Property Business	90,000	97,082	△ 7,082	△ 7.3%
Residential Business	40,000	38,888	1,112	2.9%
International Business	70,000	51,448	18,552	36.1%
Investment Management Business	13,000	△ 1,619	14,619	
<b>Operating Profit</b>	<b>300,000</b>	<b>278,627</b>	<b>21,373</b>	<b>7.7%</b>
<b>Ordinary Profit</b>	<b>252,000</b>	<b>241,158</b>	<b>10,842</b>	<b>4.5%</b>
<b>Total income taxes</b>	<b>92,000</b>	<b>98,131</b>	<b>△ 6,131</b>	<b>△ 6.2%</b>
<b>Profit Attributable to Non-Controlling Interests</b>	<b>13,000</b>	<b>7,968</b>	<b>5,032</b>	<b>63.2%</b>
<b>Profit Attributable to Owners of Parent</b>	<b>173,000</b>	<b>168,432</b>	<b>4,568</b>	<b>2.7%</b>

**【Commercial Property Business※】**

While hotels and retail properties are expected to perform well, profit is expected to decline compared to FY2023 due to lower capital gains.

**【Marunouchi Property Business※】**

Office leasing remains strong, while profits of the segment are expected to decrease compared to FY2023, mainly due to closure of buildings for redevelopment.

**【Residential Business】**

Despite an expected decrease in capital gains from rental apartments, profits are expected to increase compared to FY2023 due to higher profits from condominiums for sale in Japan.

**【International Business】**

Profit is expected to increase compared to FY2023, mainly due to increased capital gains and the condominium business in Australia.

**【Investment Management Business】**

Profit is expected to increase compared to FY2023 due to the reversal of the incentive fee adjustment.

\*From FY2024, the former Commercial Property Business segment is split into the Commercial Property Business segment and the Marunouchi Property Business segment.

< Shareholder returns policy change >

**【Dividend】**

Based on the stable rental CF of Marunouchi and the upward trend in earnings, decided to introduce **a progressive dividend of ¥3 continuously until FY2030**; the dividend for FY2024 is expected to be ¥ 43 (up ¥3 from FY2023). ¥60 or more /share is expected in FY2030.

**【Share buy-backs】**

Decided to implement a **share buyback of ¥50 billion in FY2024**(To be canceled on completion) through the sale of the company's abundant capital recycling assets and the strategic sale of other assets etc; and **expects to continuously implement approximately same level of share buyback each fiscal year until FY2026**

**Disclaimer**

The forecasts contained in this report, the Summary of Consolidated Financial Statements, and FACT SHEETS 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 Fact Book can be found on the homepage.

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