

Q&A from IR Presentation (IR Meeting for FY2023)

<Long-Term Management Plan>

- Q. ROE is expected to decrease in FY2024, and gains on sales are anticipated to be slightly lower than in the previous year. Have you considered increasing the asset turnover ratio and capital gains on properties to achieve 10% ROE?
- A. Although ROE is forecast to decline over the FY2024, our long-term profit growth prospects are actually starting to look more positive. The combination of the share buyback, capital gains from overseas property sales and the completion of Torch Tower, means that the Company is on track to achieve its ROE target of 10% for FY2030. Capital gains on sales of properties are already high and are expected to grow further in the future.
- Q. What is your medium-term ROE forecast for the next few years?
- A. Due to technical factors such as foreign currency translation adjustments, ROE is not expected to grow significantly over the next few years. However, we are firmly on track for our goal of 10% ROE for FY2030.
- Q. Please outline your strategy for how you plan to achieve a 10% ROE in the three years after 2027. Will you accelerate share buybacks?
- A. As for the strategy after 2027 towards to achieve the KPI targets, we would like to consider this after implementing the current measures up to FY2026. We intend to determine which measures have the best chance of success at improving ROE by considering future market conditions at the same time as working to maximize profits from the completion of Torch Tower and the sale of overseas assets.
- Q. If the operating profit target is achieved ahead of schedule, would it be feasible to consider raising the KPI target?
- A. At this current time, this is yet to be determined. There are several potential scenarios, and we will evaluate them, taking into account the prevailing business and market conditions, at such time as the operating profit target is achieved.

Q. In the scenario that the operating profit target of 350 billion yen is achieved before the target date, what will be the growth drivers responsible? Are you also thinking about further growth in the residential business?

A. We anticipate that the biggest driver of profit growth will be International Business, and as such a great deal of investments has already been made, predominantly in developed countries. In particular, Australia has entered the payback period from FY2025. In addition, we have plans to expand existing fee businesses such as investment management business, real estate services business, and hotel management business from the viewpoint of efficiency, while also earning fees from real estate development. As for the residential business, although procurement is progressing, there are many properties currently undergoing redevelopment which are expected to take time to complete, so our growth plan for this business is longer-term.

<Marunouchi Property Business>

Q. Is there a probability of property sales in Marunouchi as in the previous fiscal year?

A. We will continue to consider selling assets where tax payments are low and contribute to improving ROA efficiency as we did before with the Otemon Tower.

<Commercial Property Business>

Q. What revenue enhancement measures are in effect with regard to operational assets?

A. For hotels, by including our Royal Park Hotel brand, we will maximize revenues by expanding our lineup. We will do this with external partners and by introducing hotels in complexes. We will also enhance profitability by positioning all assets, including offices and logistics, as operational assets, such as flexible workspace businesses, Regus and mobility centered next-gen facilities.

<International Business>

Q. What are the drivers for achieving profit targets upfront? What are the assumptions of the trading market?

A. The driver of profit growth in international business is mainly gains on property sales. We assume a certain degree of normalization in the trading markets and, in the US, we're working under the assumption of decreases in interest rates.

<Investment Management Business>

Q. Is there a risk of adjustment of incentive fees in the future?

A. Since interest rates are ceasing to rise and some funds are reaching the end of their terms, we assume that the risk of adjustment of incentive fees will be limited in FY2024. There is no revision to the company's long-term target of 30 billion yen in operating profit, and the company expects steady profit growth to continue.

<Asset Sales>

Q. What is the volatility of gains on sales of properties in FY2024?

A. We will keep an eye on the trading market and work to maximize property sales accordingly. Depending on the recovery of the overseas market, we may revise the balance between domestic/international business.

<Cross-Shareholdings>

Q. What is your policy for reducing cross-shareholdings?

A. In FY2023, we sold a considerable amount of shares, and will continue to reduce our cross-shareholdings

End of document

FY2023

(The Fiscal Year Ending March 31, 2024)

Mitsubishi Estate

Long-Term Management Plan 2030 Review

For details of the "Long-Term Management Plan 2030", which began from April 2020, please see the following link.

<https://www.mec.co.jp/en/ir/plan2030/>



Updates on Business/Management Strategy

1

Review of shareholder return

- 1) Progressive dividend
- 2) Continuous share buyback

2

Domestic asset Improve profitability through reorganization

3

International asset Accelerate achievement of the goal Update of business strategy

4

Enhanced disclosure

Execution

1

Review of shareholder return

- 1) Progressive dividends
- 2) Continuous share buyback



Progressive dividend of ¥3 every fiscal year

Business Strength

Shareholder Return (Dividends)

Shareholder Value

Reflect upward growth prospect and implement ¥3 progressive dividend every fiscal year (¥60 or more in FY2030)

From Marunouchi/Outlets/flagship buildings (Yen)
in the US/UK

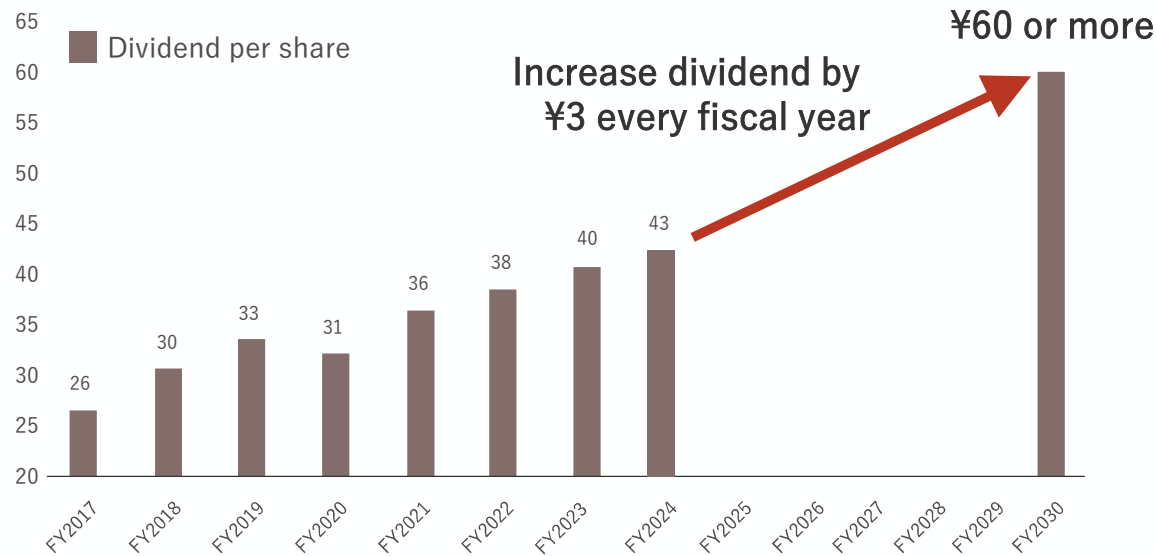
Stable rental CF

After completion of Torch Tower,
8 Bishopsgate, etc.,

Further growth of
rental CF

By monitoring the Market

Maximize profits on sale



Continuous/Stable
shareholder return

Improved
foreseeability

Continuous Share Buyback

Business Strength/
Management Strategy

Shareholder Return (Share Buyback)

Shareholder Value

High-level gains
on sale of property

Based on market insight,

Maximize profits on sale

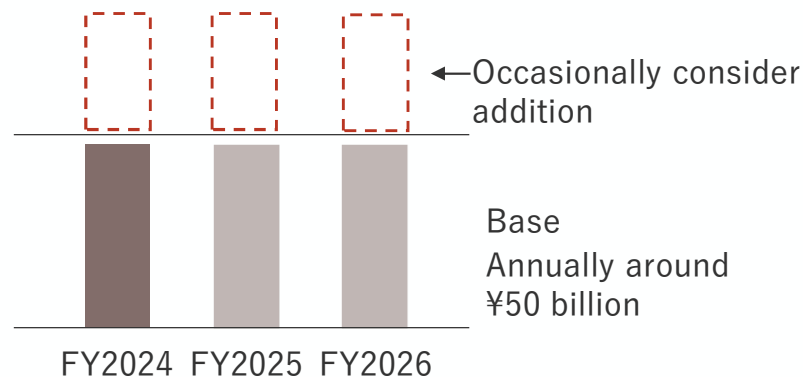
Including Marunouchi assets,

Strategic return

Sale of cross-
shareholdings, etc.

¥50 billion share buyback decided in FY2024
¥50 billion/year buyback estimated also in FY2025/FY2026

**Consider additional Share Buyback depending
on share price/CF, etc.**



Improved stability/
foreseeability

Occasionally
additional return

Cancel after
completing acquisition

Execution

2

Domestic asset

Improve profitability through reorganization



By clarifying the business model/responsibility for profit and loss to enable
“Visualize” and “Refine” the Earning Power



Marunouchi Property Business

Compelling differentiation for Marunouchi, and profitability improvement



Commercial Property Business

Capital recycling business of office / logistics / commercial / hotels, and improved competitive edge/profitability of operational assets



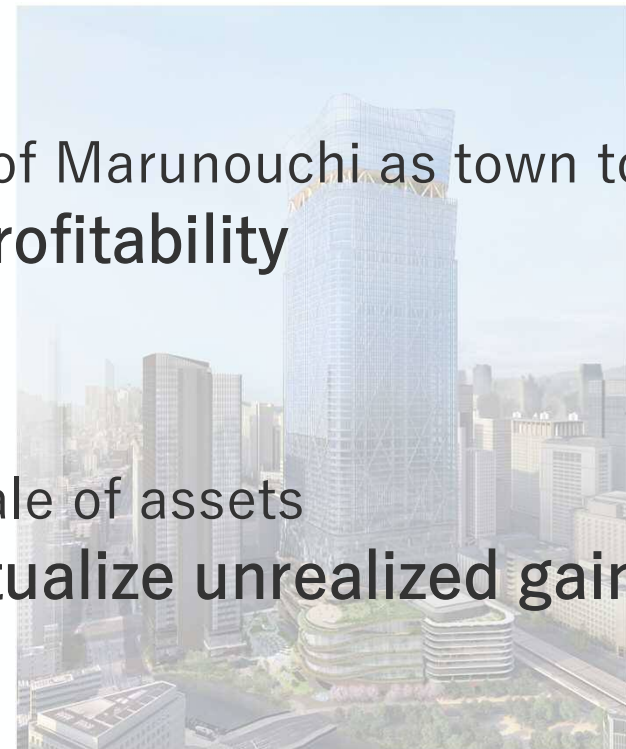
Compelling differentiation of Marunouchi, and improvement of its profitability

Leasing

Reaffirm/refine the value of Marunouchi as town to
Improve profitability

Property
sale

Strategic sale of assets
Improve efficiency/Actualize unrealized gains



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Change in External Environment

Change in the style of offices

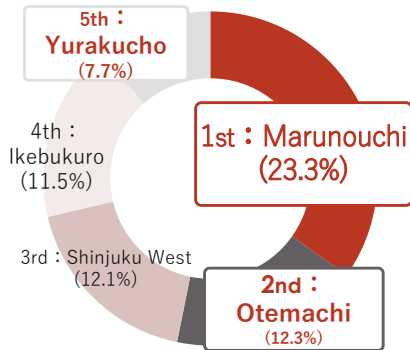
→Diverse values to both businesses and workers matters

Full-blown inflation

Utilizing changes in external environment and advantages to higher office rents

Outstanding location advantage

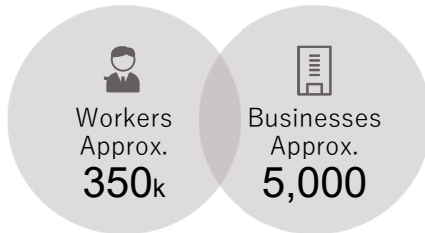
Ranked No.1* city to work in



Accessibility Business concentration

Stations/Railway lines

13 stations 28 lines



*Colliers 2022 Ranking of the best places to work in Tokyo

Providing new value to the area

Workplaces that meet diverse needs



Providing a place for innovation



A wide line-up of workspace addressing the needs of businesses/workers

Flexible offices



7 sites

Offices with fixtures, and serviced offices comprising of reception, conference room and lounge area



4 sites

Serviced offices with premium feel of high quality/added value



173 sites nationwide

Rental offices with Japan's largest number of locations, catered to various work styles



Touch down function



100 sites in Tokyo

Increase productivity using spare time and space efficiently



Provide software and venues for innovations (innovation ecosystem)

International businesses

EGG/The M Cube



Global Business Hub Tokyo



Fintech

FINOLAB



Deeptech

Inspired.Lab



All Genres

TOKIWA BRIDGE



Number of companies founded in the last decade

Approx. **1,000**

Cumulative number of businesses occupying startup facilities

Over **400**

Number of participants in organizations that connect leading companies with startups

Over **250** companies/groups

Improve profitability of the entire area

Improvement in profits

→ Most effective use through area management

→ Expansion/Evolution of service

Cost efficiency

→ Cost management



Strategic sale of assets

Improve efficiency and actualize unrealized gains



Marunouchi Property Business

Compelling differentiation for Marunouchi, and profitability improvement



Commercial Property Business

Capital recycling business of office / logistics / commercial / hotels, and improved competitive edge/profitability of operational assets



Capital recycling business of office/logistics/commerce/hotels, and improved competitive edge/profitability of operational assets

Property sale

Through market opportunities,
sustainable/high-level
gain on sale of property

Leasing
Operation

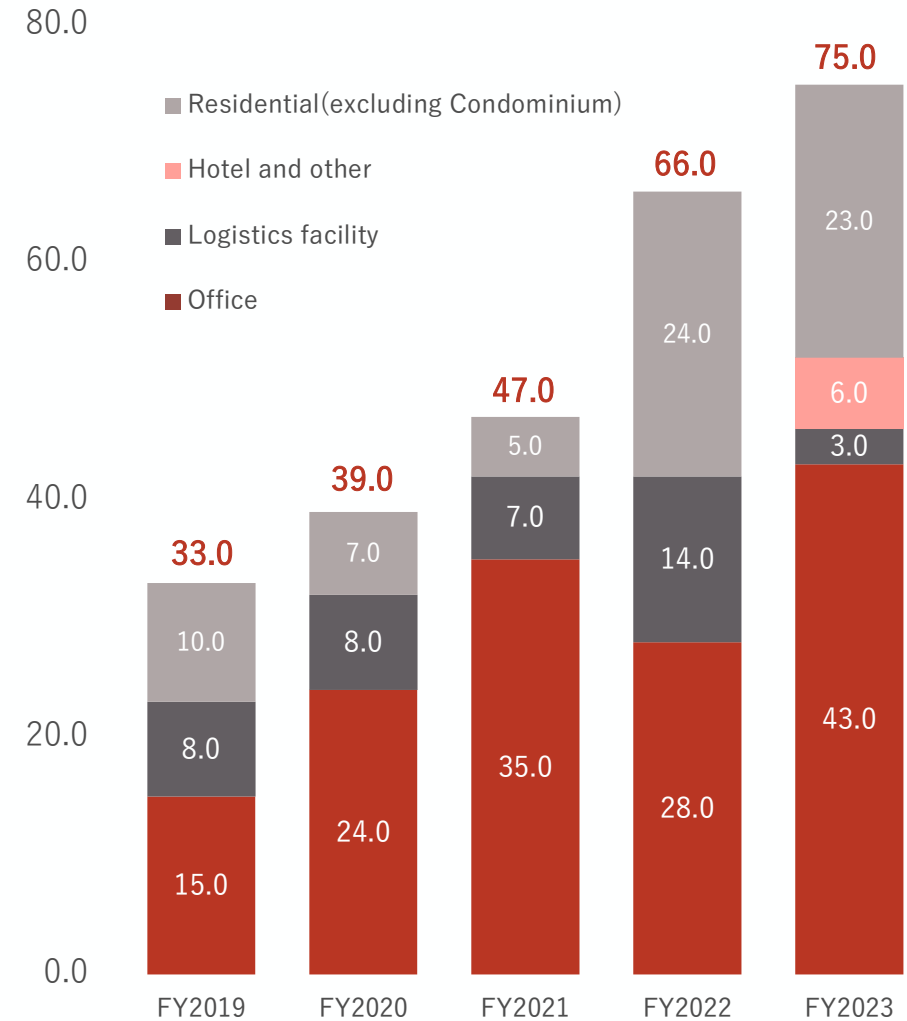
High quality building assets in good
locations, and operational assets,
including outlets and hotels,
improve profitability

Fees

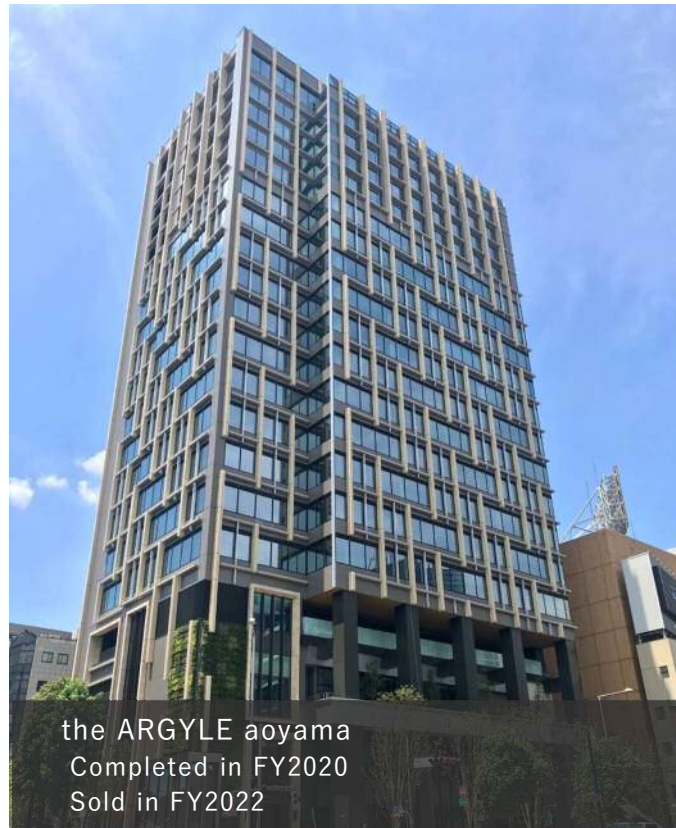
Active use of our know-how to
earn various fees, and
highly efficient profits

Sustainable/High-level gain on sale of property

(Billions of yen) Capital Gain Results (Total Domestic Asset Business)



Office development in prime areas selectively invested



Short-term capital recycling business with small and mid-sized office “CIRCLES”

CIRCLES

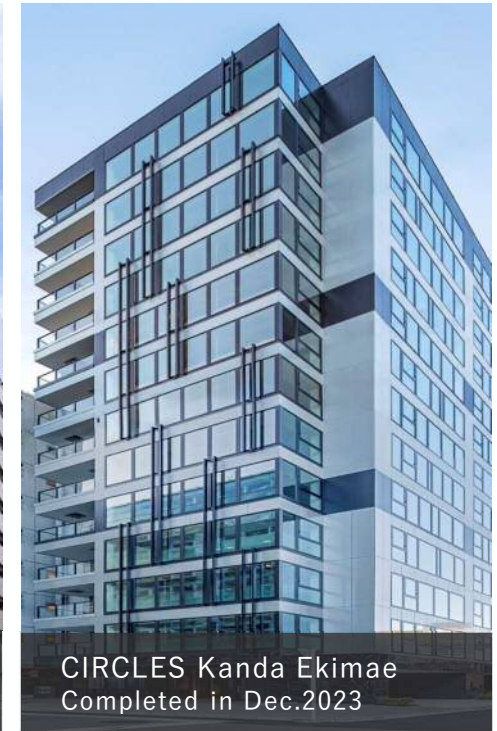
Number of developments: 33

(23 completed, 10 under development)

Number of buildings sold: 15

List of buildings

CIRCLES Shibuya
CIRCLES Ginza
CIRCLES Shiodome
CIRCLES Nishishinjuku
CIRCLES Gotanda
CIRCLES Ichigaya
CIRCLES Hirakawacho
CIRCLES Ochanomizu
CIRCLES Kanda Ekimae
CIRCLES Akihabara Ekimae
CIRCLES Kanada Ogawamachi
CIRCLES Nihonbashi Kobunacho
CIRCLES Nihonbashi Bakurocho
CIRCLES Nagoya Nishiki
CIRCLES Otonoha Hakata



Development of logistics facilities in view of diversified needs and next generations

Number of developments: **40**
(23 completed, 17 under development)

Number of facilities sold: **20**



Tokyo Ryutsu Center Bldg. A (completed in Aug. 2023)



Logicross Zama (completed in Nov. 2023)

“Next-generation core logistics facility”



(Provisional name) Kyoto Jojo Core Logistics Facility

A diverse line-up of operational assets

Outlet Business



Hotel Management Business



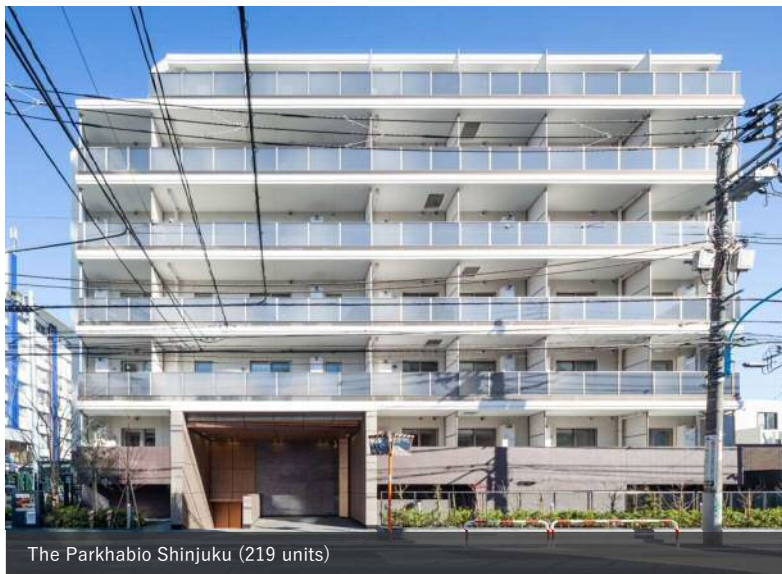
Hotel Development Business



Capturing growing demand, rental apartment business centered on metropolitan area

Property including rental apartments

Number of developments: **111**
(60 buildings in operation, 51 buildings under development)



The Parkhabio Shinjuku (219 units)



The Parkhabio Yokohama Kannai (85 units)

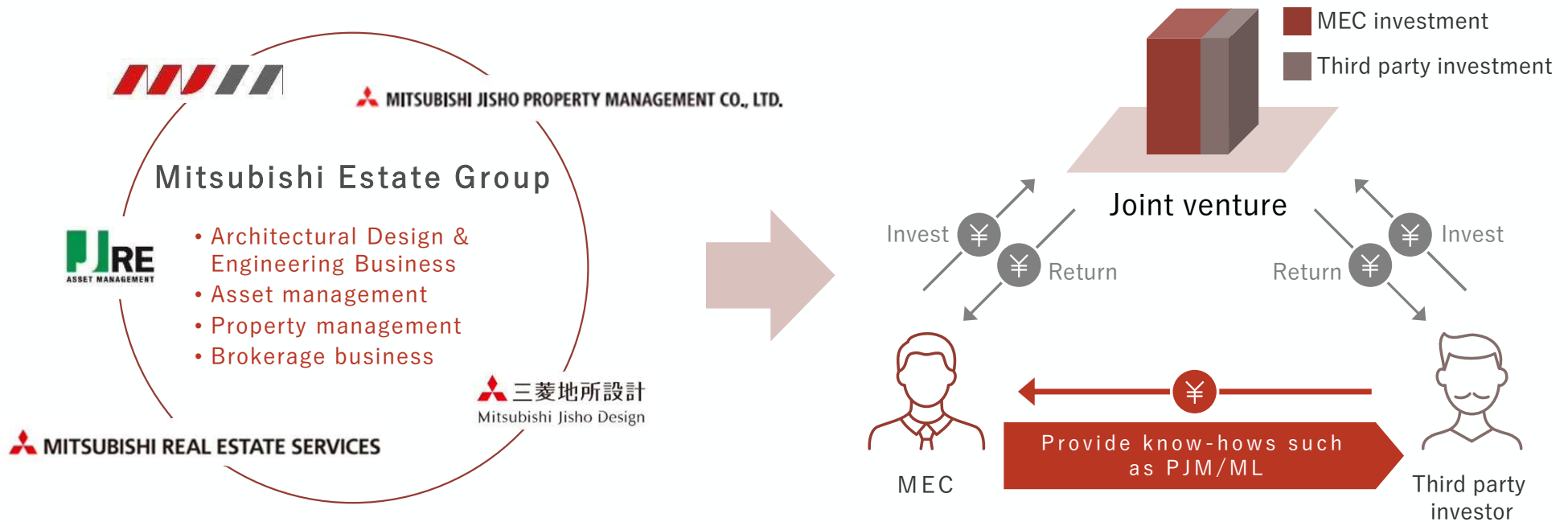


The Parkhabio Sugamo (188 units)



The Parkhabio Kiba (223 units)

Earn various fees by fully leveraging the Group's expertise



Provide the Group's expertise. Earn fees throughout the value chain.

Earn various fees by fully leveraging the Group's expertise

Grand Green Osaka

We obtain various fees as managing company.

【Services provided by our Group】

- Project management
- Leasing management
- Master lease
- Property management
- Architectural Design & Engineering Business



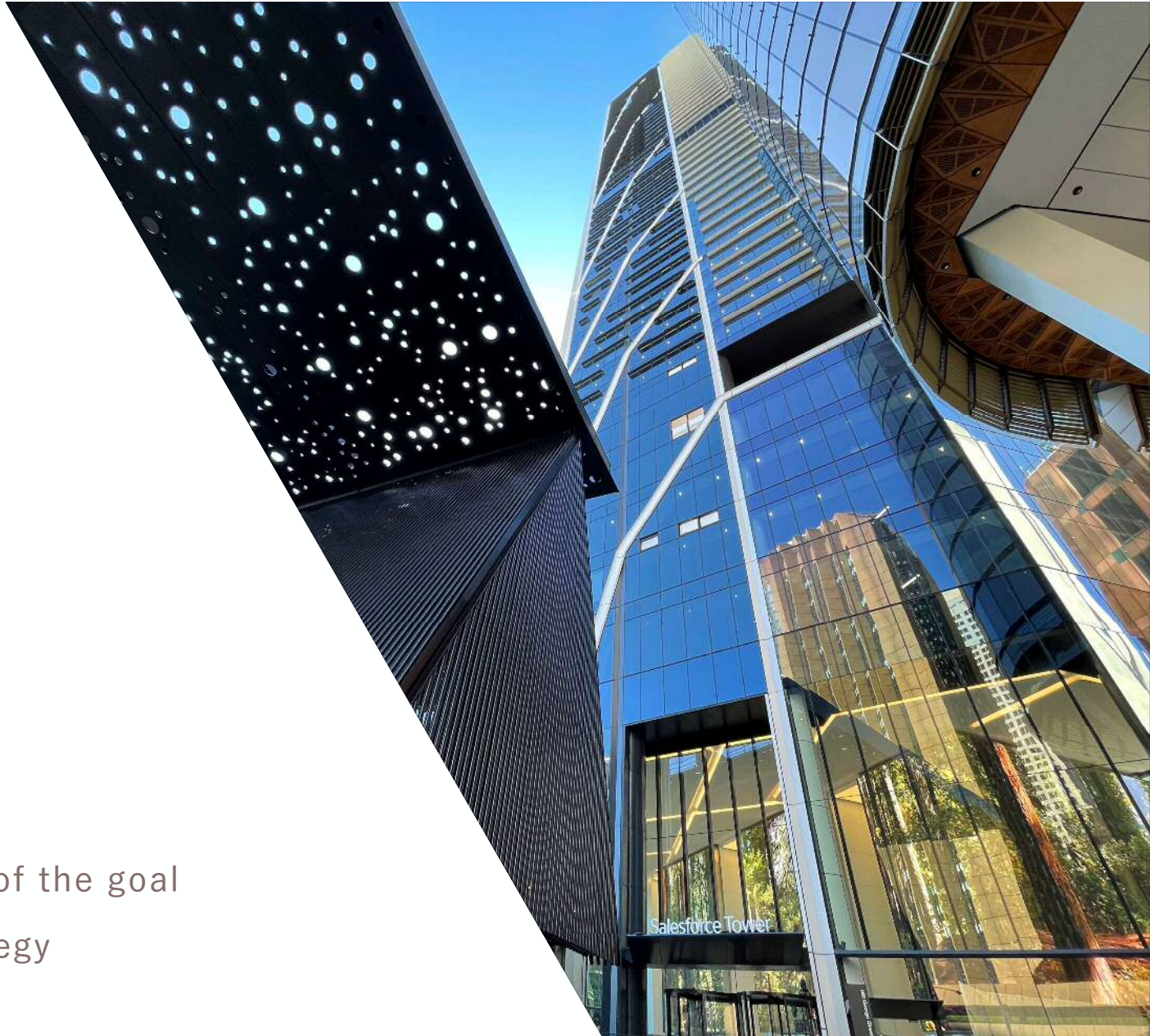
Execution

3

International asset

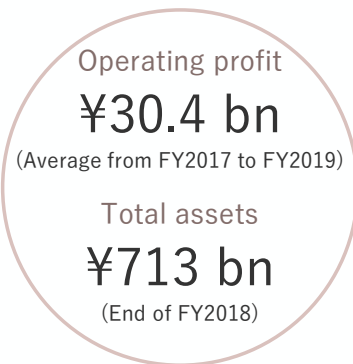
Accelerate achievement of the goal

Update of business strategy



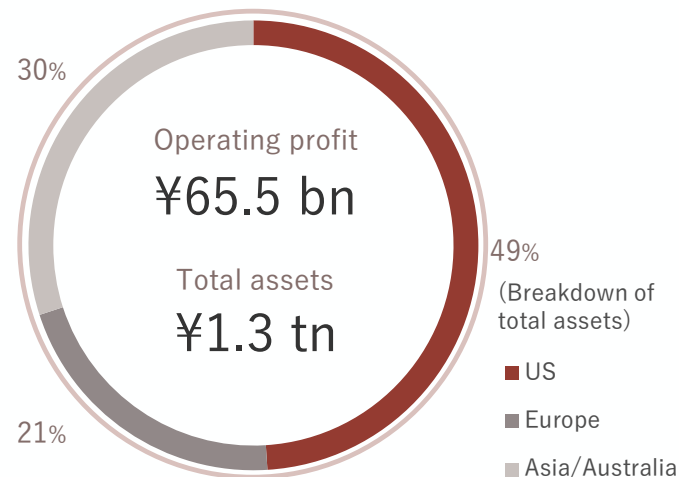
Achieve of PL targets ahead of schedule

As of the release of
Long-Term Management Plan



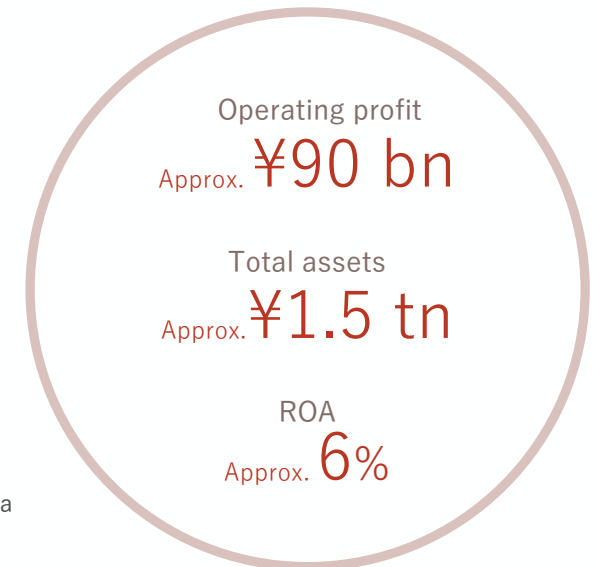
Last 3 years' results

(Average from FY2021 to FY2023)



Late 2020s

Aim to achieve the LT target ahead of schedule



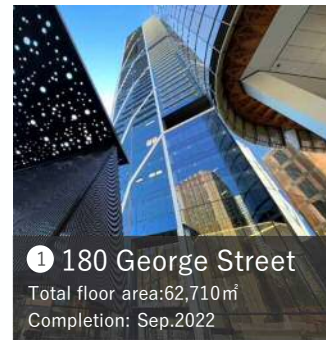
Investment shifting to developed countries

London, UK

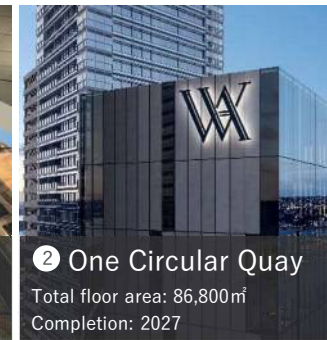


Contract offers: over 85%

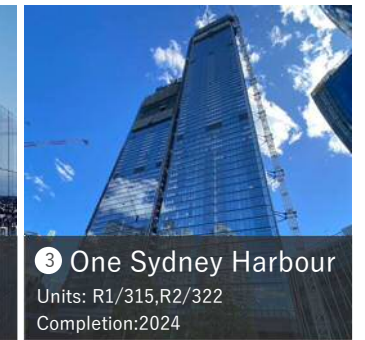
Australia



Contract offers: over 99%



Hotel : Sold
Condominiums:
Contracted over 70%



Condominiums:
Contracted over 90%

Stable Rental Profit

US



London, UK



Overseas: Total rental profit over ¥20bn

*FY2023 results

US A development track record across the US, centering on logistics facilities, rental apartments, and data centers



● Logistics facilities **36** ● Rental apartments **30** ● Data centers **3**

Sale records



Eastampton FY2023	
Location	New Jersey
Main use	Logistics
Total floor area	31,000m ²
EIRR	Approx.100%



Stateline 7 FY2023	
Location	South Carolina
Main use	Logistics
Total floor area	93,000m ²
EIRR	Over 30%



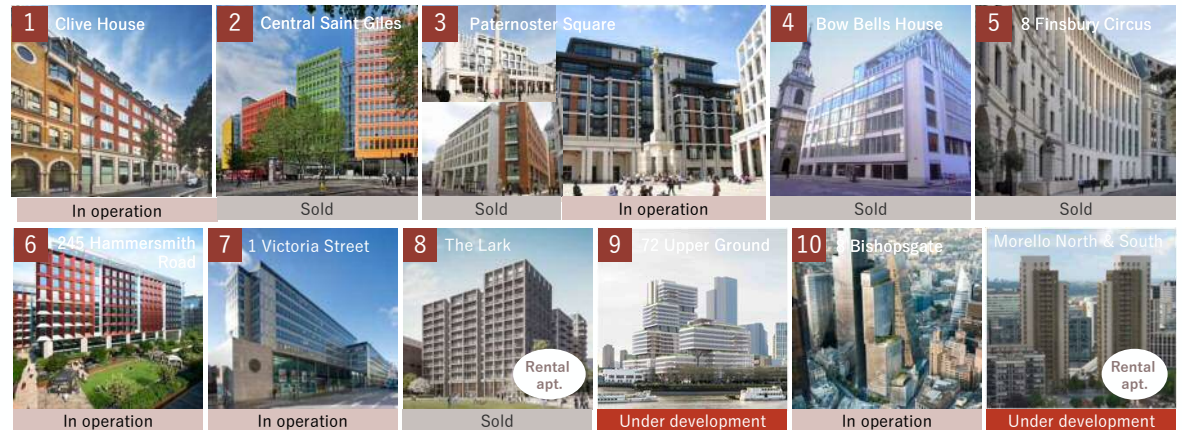
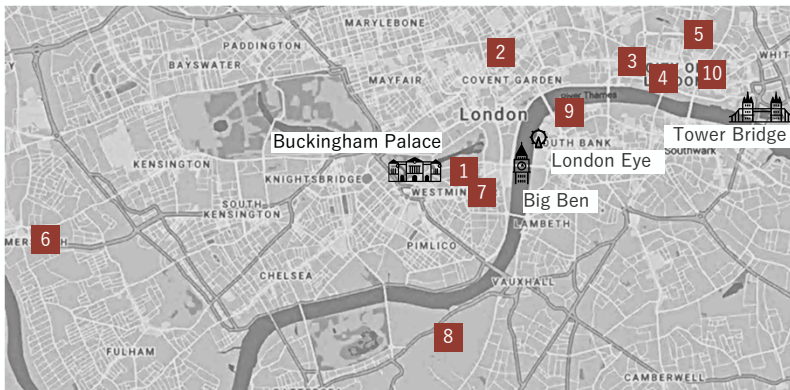
Val Verde FY2022	
Location	California
Main use	Logistics
Total floor area	26,900m ²
EIRR	Approx.100%



Hanover FY2022	
Location	Pennsylvania
Main use	Logistics
Total floor area	42,100m ²
EIRR	Approx.100%

Europe Over 30 years of Continued Large-scale Development and Realization of Development Profits in London Prime Locations

Past achievements



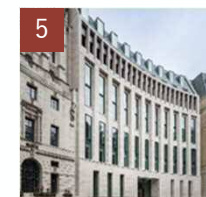
Realization of high development profits



Central Saint Giles

Total floor area 66,000m²
Completion 2010

FY2022 **¥39bn**



8 Finsbury Circus

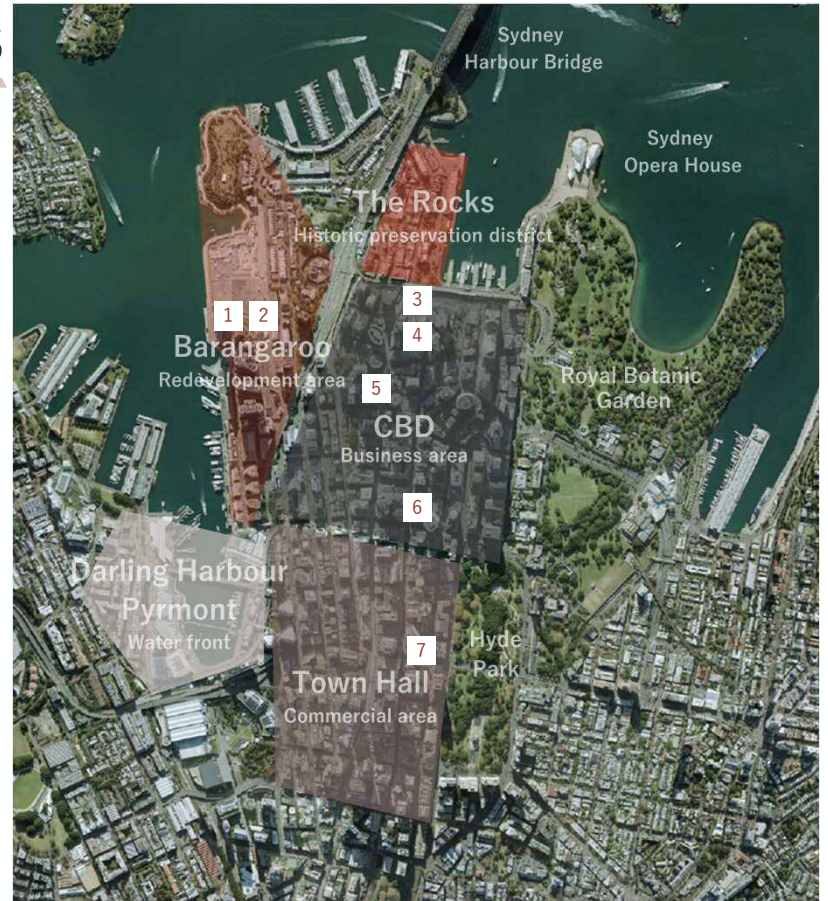
Total floor area 23,000m²
Completion 2016

FY2019 **¥16bn**

Australia

Captured investment opportunities of various asset types in prime locations of Sydney CBD

- | | | | | | |
|-------------------|---|-----------------------------------|-------------------|---|--------------------|
| Under development | 1 | One Sydney Harbour Residences One | Held by Fund | 5 | 60 Margaret Street |
| Under development | 2 | One Sydney Harbour Residences Two | Held by Fund | 6 | 130 Pitt Street |
| Under development | 3 | One Circular Quay | Under development | 7 | Parkline Place |
| Completed | 4 | 180 George Street | | | |



Execution

4

Enhanced disclosure



Hold IR Day

IR DAY

2024.12

 **MITSUBISHI ESTATE**

Marunouchi



Logicross

Regus

**ROCKEFELLER
GROUP**

 **TA REALTY**

【Further improved disclosure】

- Separation of Commercial Property Business
(Commercial Property Business/Marunouchi Property Business)
- Disclosure of operating profit by business line
- Disclosure of small MTG materials on website (Ja/En)
- Proactive holding of property tours, etc.

Updates on Business/Management Strategy

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Review of shareholder return

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- 2) Continuous share buyback

2

Domestic asset Improve profitability through reorganization

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International asset Accelerate achievement of the goal Update of business strategy

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Enhanced disclosure

Social value

2030 target

- Pursue tangible and intangible urban development for the next generation
- Maintain commitment to reducing environmental impact
- Consider people, empathize with people, protect people
- Create and circulate new value

Shareholder value

2030 target

ROA

5%

ROE

10%

EPS

¥200

Business profit 350~400bn

Be the ECOSYSTEM Engineers