

FY2024 – 2Q  
(The Fiscal Year Ending March 31, 2025)

# Mitsubishi Estate IR Presentation

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# Financial Overview

## FY2024 2Q Results

- Operating Profit was ¥99.8 billion (up ¥9.5 billion YoY) and Profit Attributable to Owners of Parent was ¥50.0 billion (up ¥8.4 billion YoY).
- Office, retail (outlet malls) and hotels continue to perform well and are making steady progress toward the full-year forecasts. Capital Gains are expected in the second half.
- Office leasing continue to perform well, with vacancy rates 1.45% as of September 30, 2024.

## FY2024 Forecasts (Revised)

- The segment breakdown of the operating profit has been revised in the light of the environment in the overseas transaction markets(Commercial +10bn, Marunouchi +5bn, Residential +5bn, International -20bn).
- Operating profit ( ¥ 300bn, record high) and profit attributable to owners of parent (¥ 173bn, record high for the fourth consecutive year) remain unchanged.

## Shareholder Return Policy (Repost)

### (Dividends)

Dividend forecast for FY2024: ¥43 per share.

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

### (Share buyback)

¥50 billion share buyback is decided in FY2024.

Until FY2026, around ¥50 billion share buyback is expected every fiscal year.

Treasury stock shares will be canceled. Treasury stocks to be decided this time are also planned to be canceled after completion of share buybacks.

# PL Overview

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# 1. FY2024-2Q Income Statement Summary

**Operating Profit: ¥99.8 bn (up ¥9.5 billion YoY) , Profit Attributable to Owners of Parent: ¥50.0 bn (up ¥8.4 billion YoY)**

Millions of yen (rounded down)	FY2024-2Q Results	FY2023-2Q Results	Change	Main Factors
<b>Operating revenue</b>	<b>641,065</b>	<b>587,933</b>	<b>+ 53,132</b>	
<b>Operating profit</b>	<b>99,878</b>	<b>90,314</b>	<b>+ 9,564</b>	
Commercial Property Business	42,441	36,387	+ 6,054	+Continued strong performance of the hotels and outlet malls, stable office business
Marunouchi Property Business	48,404	51,689	(3,285)	-Decreased due to building closures, lack of one-off revenue/+Improving vacancy rate
Residential Business	3,739	(985)	+ 4,725	+Increased profit from condominiums business
International Business	11,305	18,019	(6,713)	-Decreased capital gains
Investment Management Business	1,993	(2,386)	+ 4,380	+In reaction to negative incentive fees in the previous year
Architectural Design & Engineering Business and Real Estate Services Business	4,226	2,553	+ 1,672	+Good performance of Architectural Design & Engineering Business and Real Estate Services Business
Other	(835)	(1,172)	+ 336	
Eliminations or corporate	(11,397)	(13,792)	+ 2,394	
Non-operating income	7,843	8,631	(787)	
Non-operating expenses	28,279	23,721	+ 4,558	Increase in interest expenses
<b>Ordinary profit</b>	<b>79,442</b>	<b>75,224</b>	<b>+ 4,218</b>	
Extraordinary income	17,374	7,345	+ 10,028	Increase in gain on sales of investment securities
Extraordinary losses	-	-	-	
Total income taxes	37,393	35,952	+ 1,440	
Profit attributable to non-controlling interests	9,402	5,071	+ 4,331	
<b>Profit attributable to owners of parent</b>	<b>50,021</b>	<b>41,546</b>	<b>+ 8,474</b>	

■ Capital Gains included in Operating Profit (before G&A)	Millions of yen (rounded off to the nearest billion)		
	FY2024-2Q Results	FY2023-2Q Results	Change
Commercial Property	9,000	6,000	+ 3,000
Residential	4,000	6,000	(2,000)
International	-	8,000	(8,000)
<b>Total</b>	<b>13,000</b>	<b>20,000</b>	<b>(7,000)</b>

## 2. FY2024 Income Statement Forecasts - Current vs Previous Forecasts

**No change in total operating profit forecast.** Domestic business has been revised upward. Overseas, due to the slow recovery of the market, some properties to be sold have been postponed.

Millions of yen (rounded down)	Current Forecasts	Previous Forecasts	Change	Main Factors
<b>Operating revenue</b>	<b>1,596,000</b>	<b>1,596,000</b>		
<b>Operating profit</b>	<b>300,000</b>	<b>300,000</b>	<b>± 0</b>	
Commercial Property Business	120,000	110,000	<b>+ 10,000</b>	+Increase in rental income and capital gains
Marunouchi Property Business	95,000	90,000	<b>+ 5,000</b>	+Increase in rental income
Residential Business	45,000	40,000	<b>+ 5,000</b>	+Increase in capital gains from rental apartment and other investment assets
International Business	50,000	70,000	<b>(20,000)</b>	-The sale of some properties has been postponed
Investment Management Business	13,000	13,000		
Architectural Design & Engineering Business and Real Estate Services Business	7,000	7,000		
Other	(2,000)	(2,000)		
Eliminations or corporate	(28,000)	(28,000)		
Non-operating income	12,000	12,000		
Non-operating expenses	60,000	60,000		
<b>Ordinary profit</b>	<b>252,000</b>	<b>252,000</b>		
Extraordinary income/losses	26,000	26,000		
Total income taxes	92,000	92,000		
Profit attributable to non-controlling interests	13,000	13,000		
<b>Profit attributable to owners of parent</b>	<b>173,000</b>	<b>173,000</b>		

■ Capital Gains included in Operating Profit (before G&A)	Millions of yen (rounded off to the nearest billion)		
	Current Forecasts	Previous Forecasts	Change
Commercial Property	50,000	45,000	+5,000
Residential	25,000	20,000	+5,000
International	25,000	45,000	(20,000)
<b>Total</b>	<b>100,000</b>	<b>110,000</b>	<b>(10,000)</b>

### 3. FY2024-2Q Income Statement Progress

**In-line with the full-year forecast.** Rental income are progressing steadily. Capital gains will mainly be recorded in the second-half.

Millions of yen (rounded down)	FY2024-2Q Results	Full-year Forecasts (Current)	Progress Rate	Main Factors
<b>Operating revenue</b>	<b>641,065</b>	<b>1,596,000</b>	<b>40.2%</b>	
<b>Operating profit</b>	<b>99,878</b>	<b>300,000</b>	<b>33.3%</b>	
Commercial Property Business	42,441	120,000	35.4%	Capital gains recording to be centered on the second half
Marunouchi Property Business	48,404	95,000	51.0%	Good progress in office leasing
Residential Business	3,739	45,000	8.3%	Capital gains and delivery of condominiums recording centered on the second half
International Business	11,305	50,000	22.6%	Capital gains recording centered on the second half
Investment Management Business	1,993	13,000	15.3%	One-off expenses in 1Q and dividends mainly recognized in the second-half
Architectural Design & Engineering Business and Real Estate Services Business	4,226	7,000	60.4%	Good performance in both businesses
Other	(835)	(2,000)	41.8%	
Eliminations or corporate	(11,397)	(28,000)	40.7%	
Non-operating income	7,843	12,000	65.4%	
Non-operating expenses	28,279	60,000	47.1%	
<b>Ordinary profit</b>	<b>79,442</b>	<b>252,000</b>	<b>31.5%</b>	
Extraordinary income/losses	17,374	26,000	66.8%	Sales of the strategic holdings
Total income taxes	37,393	92,000	40.6%	
Profit attributable to non-controlling interests	9,402	13,000	72.3%	
<b>Profit attributable to owners of parent</b>	<b>50,021</b>	<b>173,000</b>	<b>28.9%</b>	

■ Capital Gains included in Operating Profit (before G&A)				Millions of yen (rounded off to the nearest billion)
	FY2024-2Q Results	Full-year Forecasts (current)	Progress Rate	
Commercial Property	9,000	50,000	18%	
Residential	4,000	25,000	16%	
International	-	25,000	0%	
<b>Total</b>	<b>13,000</b>	<b>100,000</b>	<b>13%</b>	

# BS/CF Overview

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# 1. Balance Sheet Summary

(Billions of yen)

Assets	As of September 30, 2024	As of March 31, 2024	Change
Inventories	553.5	513.8	+39.6
Property, plant and equipment	4,794.2	4,597.1	+197.1
Equity investments	1,047.8	962.1	+85.6
Other	1,419.0	1,510.6	(91.5)
<b>Total assets</b>	<b>7,814.6</b>	<b>7,583.7</b>	<b>+230.9</b>
Liabilities and net assets	As of September 30, 2024	As of March 31, 2024	Change
Interest-bearing debt	3,298.5	3,138.1	+160.3
Other	1,809.5	1,820.9	(11.4)
<b>Liabilities</b>	<b>5,108.1</b>	<b>4,959.1</b>	<b>+148.9</b>
<b>Net assets</b>	<b>2,706.5</b>	<b>2,624.5</b>	<b>+81.9</b>
<b>Total liabilities and net assets</b>	<b>7,814.6</b>	<b>7,583.7</b>	<b>+230.9</b>

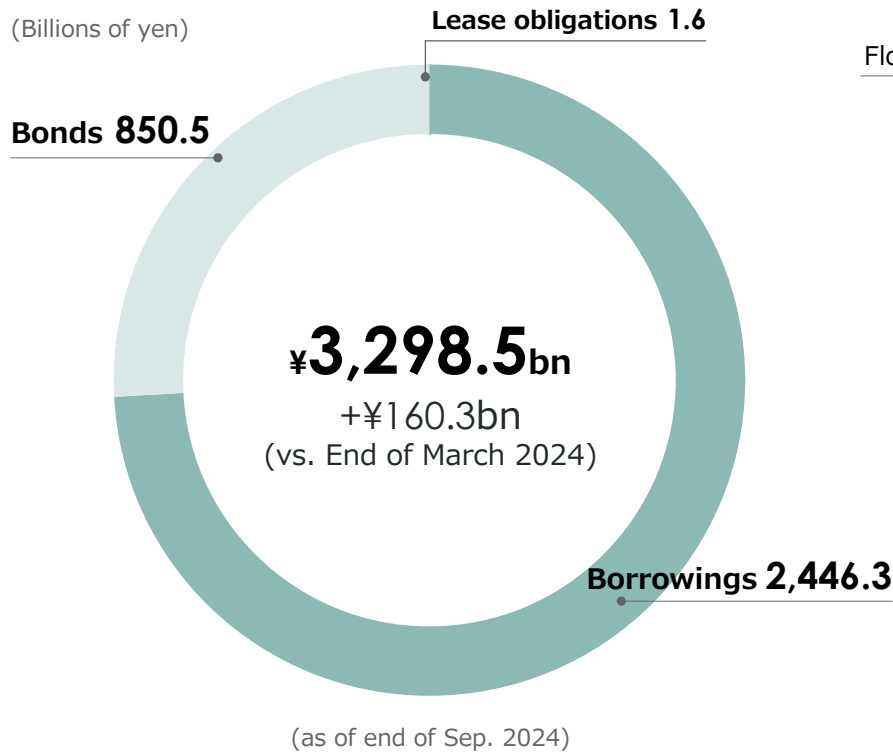
PPE/equity investments etc. increased due to progress in selected investments



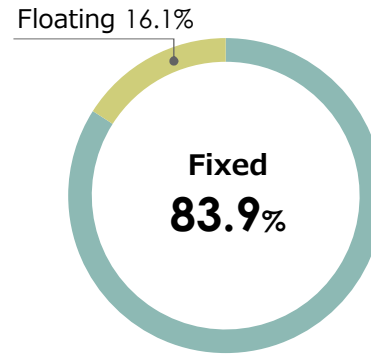
## 2. Interest-Bearing Debt

### Consolidated Interest-Bearing Debt

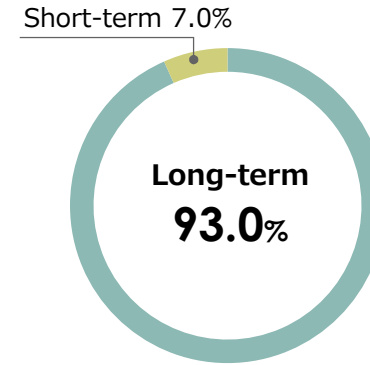
(Billions of yen)



#### Fixed/Floating Rates

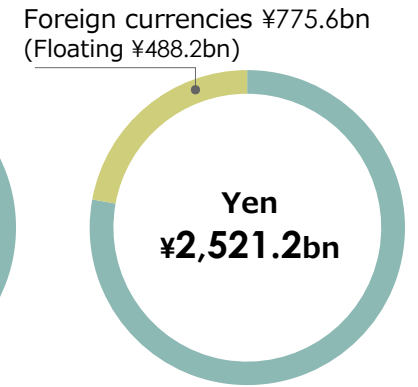


#### Long/Short Terms



(as of end of Sep. 2024)

#### Yen/Foreign Currency



Average Remaining Maturity (Unconsolidated) **6.9 years**

#### Amount to be Repaid(Consolidated) Credit Rating

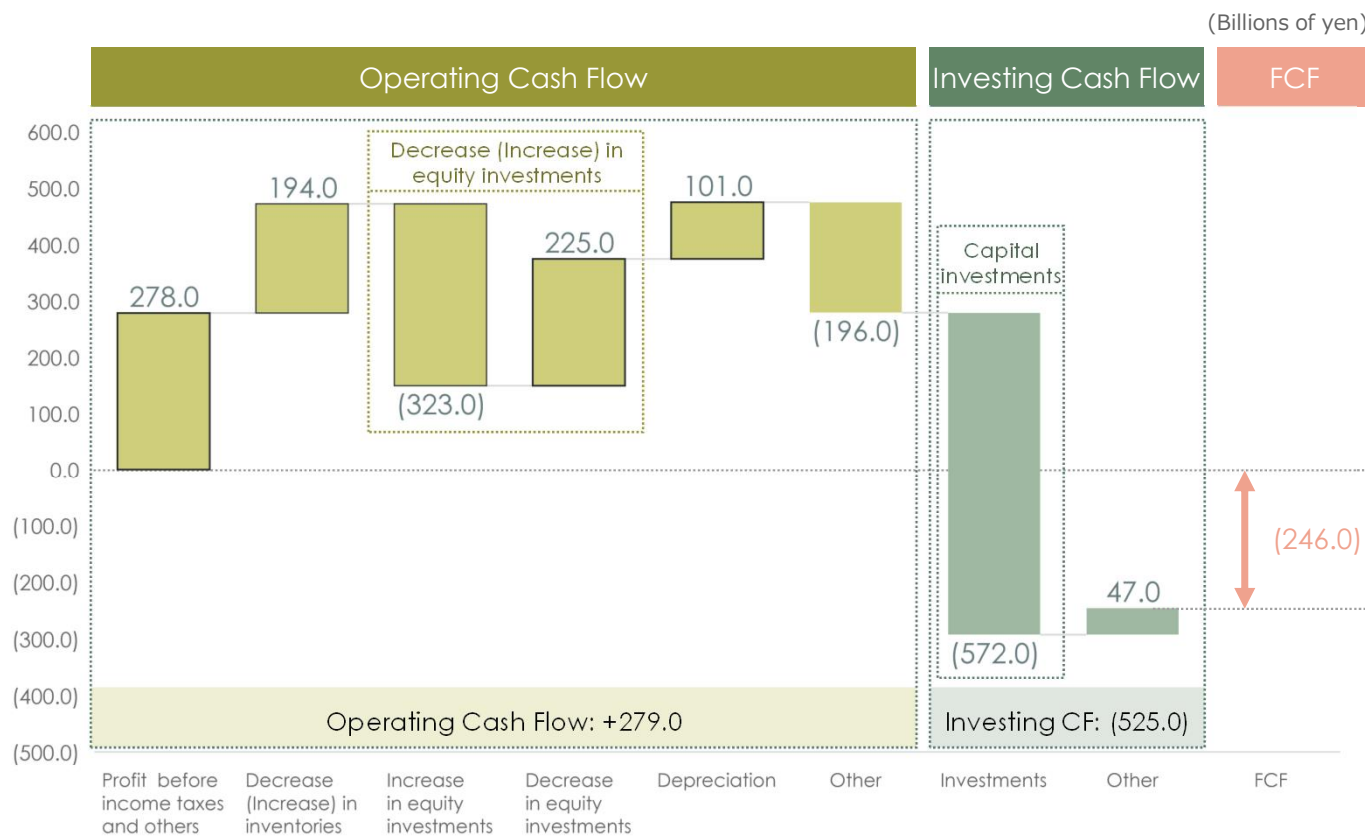
(From October 1, 2024)

	Billions of yen
FY2024	174.3
FY2025	247.7
FY2026	267.6
FY2027	284.1

Credit Rating Agency	Long-term Rating
Moody's	A2
Standard and Poor's (S&P)	A+
Rating and Investment Information (R&I)	AA
Japan Credit Raging Agency	AA+

### 3. Cash Flow Forecast For FY2024

Projects underway in domestic and overseas, as well as new investments mainly in overseas are progressing



### Investment Progress

( Billions of yen )

	Initial Plan	2Q YTD Act	%
Capital Investments	572.0	181.7	31.8%
	Japan	105.0	—
	Overseas	76.7	—
Equity Investments	323.0	67.8	21.0%
	Japan	23.1	—
	Overseas	44.6	—
<b>Total</b>	<b>895.0</b>	<b>249.5</b>	<b>27.9%</b>

# Shareholders Returns

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# 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

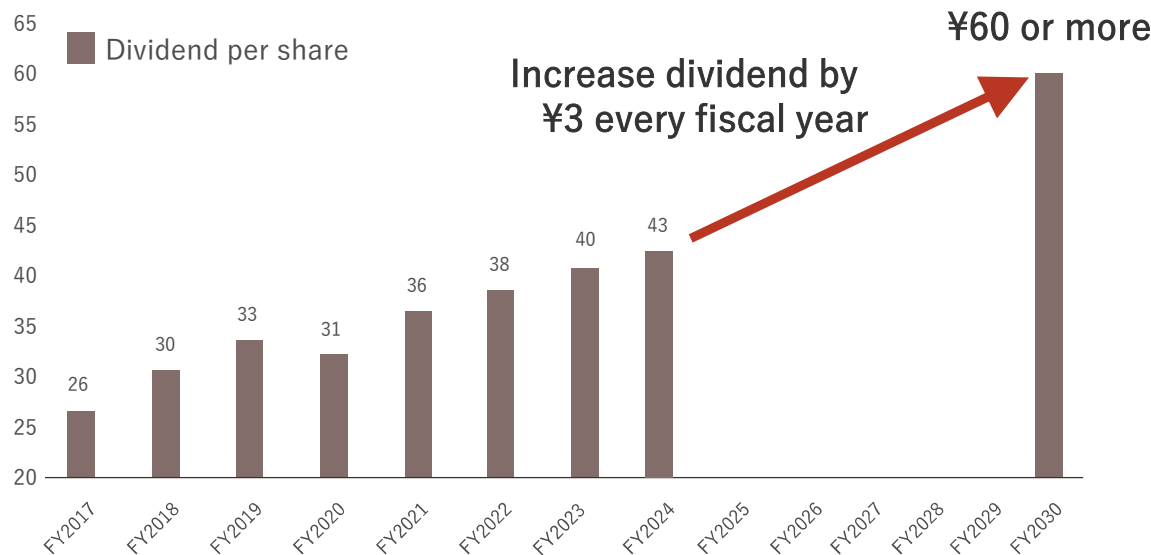
Stable rental CF

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

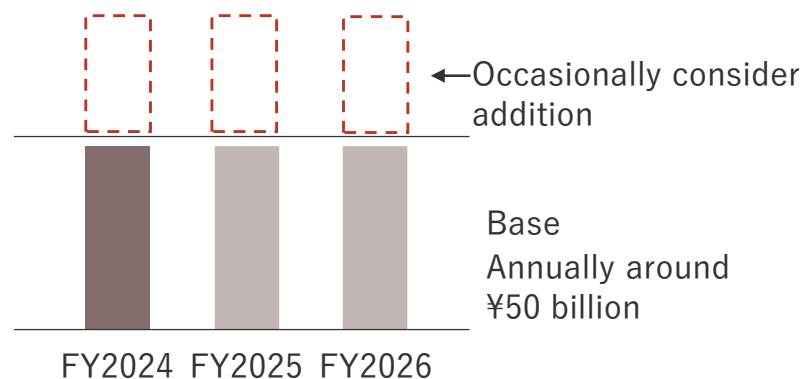
Including Marunouchi assets,

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

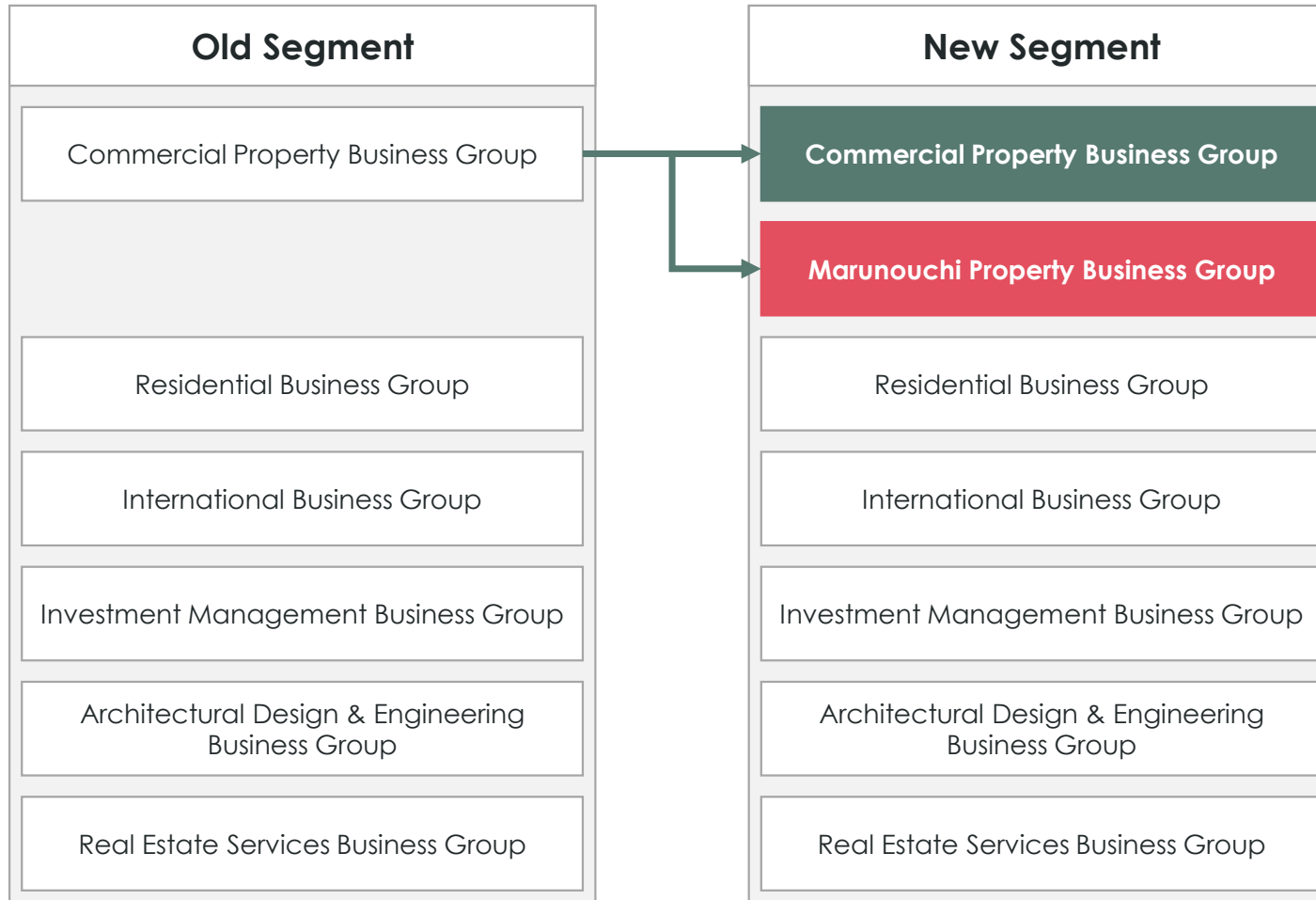
Occasionally  
additional return

Cancel after  
completing acquisition

# Strategy and Progress

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# 1. Summary of Segment Changes



## 2. FY2023 Operating Profit (breakdown)

(Reference)

Millions of yen	FY2023 Results	Main components
<b>Operating Profit</b>	<b>278,627</b>	
Commercial Property Business	<b>114,730</b>	
Leasing	59,000	Rental profit of office, logistics facility, retail property (including outlet), hotel, etc., in Japan (excluding Marunouchi)
Sales of assets	47,000	Gain on sale of properties, such as office, logistics facility, retail property, and hotel
Other(fees, etc.)	8,730	Fee income from hotel management, project management, etc.
Marunouchi Business	<b>97,082</b>	
Leasing	89,000	Rental profit mainly from Marunouchi office buildings
Other(fees, etc.)	8,082	Profit on property management and flexible workspace businesses
Residential Business	<b>38,888</b>	
Condominiums Sales	21,000	Profit on new condominiums and renovated condominiums businesses
Sales of assets	15,000	Gain on sale of properties such as rental apartments
Other	2,888	
International Business	<b>51,448</b>	
Leasing	21,000	Rental profit of major properties in the US and Europe
Condominiums Sales	9,000	Profit on new condominium business
Sales of assets	26,000	Gain on sale of overseas asset properties
Other	(4,552)	
Investment Management Business	<b>(1,619)</b>	
Base fee etc.	9,900	Profit on asset management business in both Japan and overseas (excluding incentive fees associated with market value change)
Incentive fee	(11,519)	Incentive fees associated with market value change (non-cash)
Architectural Design & Engineering Business and Real Estate Services Business	<b>9,021</b>	
Other	<b>(1,577)</b>	
Eliminations or corporate	<b>(29,346)</b>	

\* Rounded the amount to the nearest billion yen. To be consistent with total value, rounding adjustment was made in the item at the bottom of each segment. G&A was appropriated for each profit on a pro-rata basis.



# 3. Commercial Property Business

## Business Overview

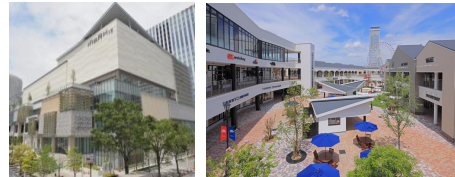
### Office Buildings

Engages in the development, leasing, and property management of office buildings, mainly in major cities in Japan excluding Marunouchi area.



### Retail Properties

Develops retail properties and outlet malls across Japan, 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.



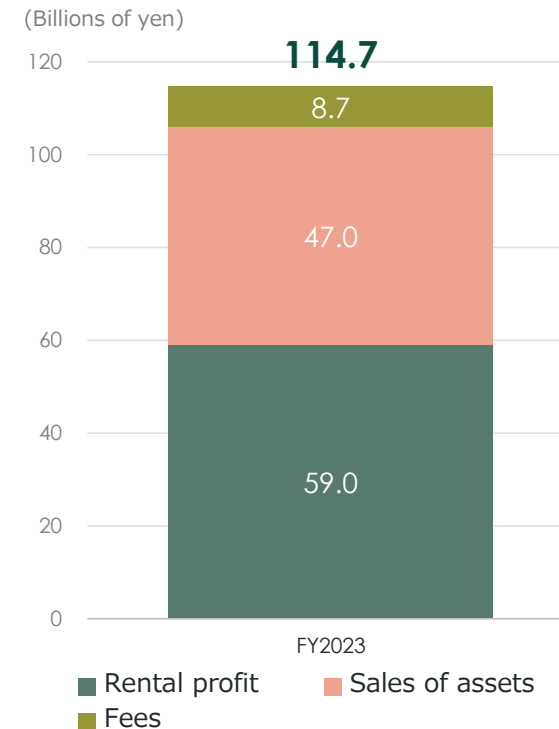
## Main Indicators

→See IR Databook P.35-47

<b>Capital Recycling Assets</b>	<b>NOI Yield of Assets under Operation</b>	<b>High Capital Gains</b>
Over <b>¥1.0tn</b>	Approx. <b>7%</b>	<b>¥52 billion</b> Before G&A

\*FY2023 results and at the end of March 2024 unless otherwise described

## Operating Profit



\* G&A was appropriated for each profit on a pro-rata basis.

# 4. Marunouchi Property Business

## Business Overview

Development, leasing, and property management of mainly office buildings in Otemachi, Marunouchi, and Yurakucho (DaiMaruYu district). Maximize profits through area development and area management in the DaiMaruYu district.

→See IR Databook P.20-34



Marunouchi Building  
Shin-Marunouchi Bldg.



Marunouchi Park Building

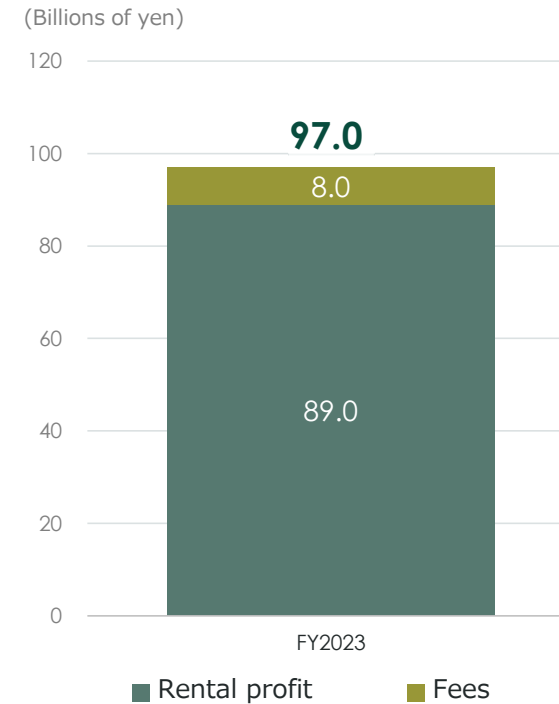


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## Main Indicators: Advancing Marunouchi Redevelopment

Redeveloped	New Projects*	Vacancy Rate of Marunouchi/Office
19 buildings / 35 in total 2million m <sup>2</sup>	1.1 - 1.3million m <sup>2</sup>	As of Sep. 2024 1.45%
		→See IR Databook P.29

## Operating Profit



\* G&A was appropriated for each profit on a pro-rata basis.

\*Total area to be supplied at the Marunouchi NEXT stage announced in 2020

\*\*FY2023 results and at the end of March 2024 unless otherwise described; the area represents total floor area

# 5. Residential Business

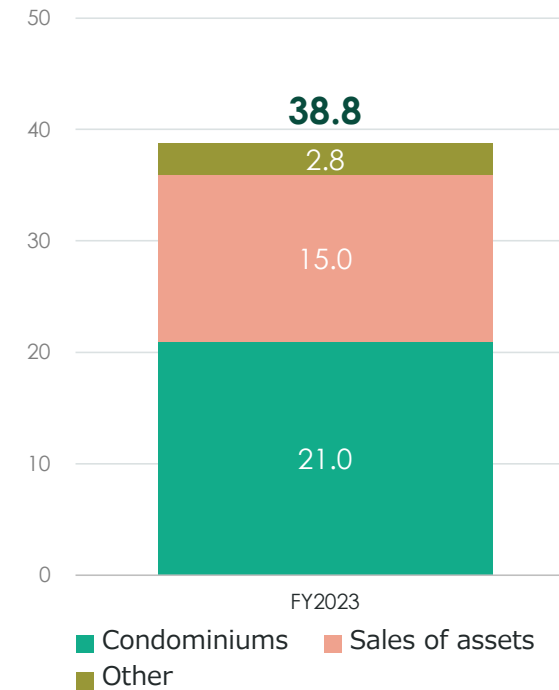
## Business Overview

Operates residential condominium business under "The Parkhouse" brand and rental apartments business under "The Parkhabio" brand.



## Operating Profit

(Billions of yen)



\* G&A was appropriated for each profit on a pro-rata basis.

## Main Indicators

→See IR Databook P.49-53

Land Bank	Gross Profit Margin	Owned Rental Apartments, etc.
As of Sep. 2024 <b>17,600</b> units	<b>25.9%</b>	<b>111</b> buildings

\*FY2023 results and at the end of March 2024 unless otherwise described

# 6. International Business

## Business Overview

Undertakes office building development and leasing businesses mainly in the United States and the United Kingdom, as well as projects in the cities of the Asia and Oceania regions.

### Capital Gains

US	Europe	Asia/Oceania
Logistics, Rental apartments Size of ¥20bn per year	Offices Rental apartments	Focus on investment efficiency

Condominiums Sales
Mainly in Asia/Oceania for actual demand

Rental profit
Mainly in Europe and US; Stable

Hybrid-model investment profit
In US; Logistics, Rental apartments

### Business overview / Reference for details

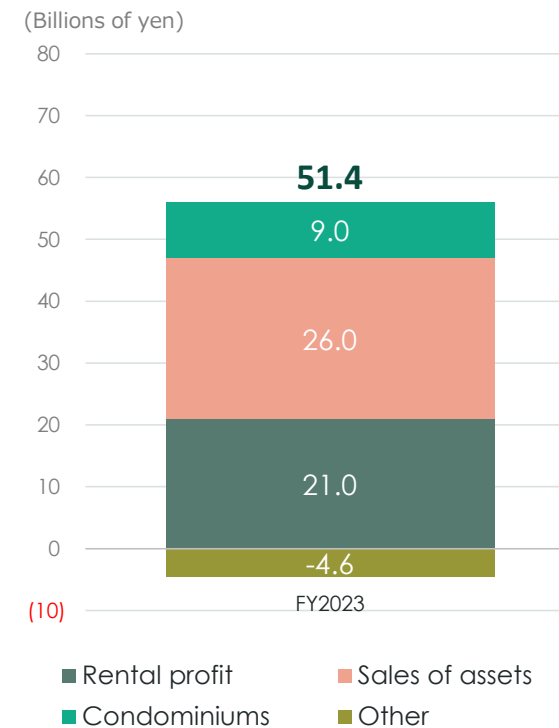
Overall international business strategy  
→See IR Databook P.55-57

US  
→See IR Databook P.58-60

Europe  
→See IR Databook P.61-63

Asia/Oceania  
→See IR Databook P.64-67

## Operating Profit



\* G&A was appropriated for each profit on a pro-rata basis.

# 7. Investment Management Business

## Business Overview

Asset management companies in Japan, US, Europe, and Asia address global needs of asset management of real estates. Entrusted from over 650 institutional investors, general business corporations, and retail investors in 25 countries worldwide.

### Japan



### US



### Europe

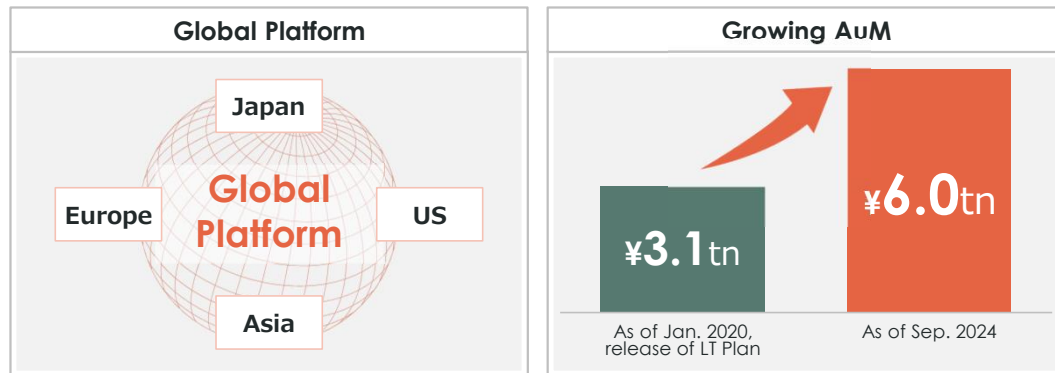


### Asia

MEC  
GLOBAL  
PARTNERS  
ASIA

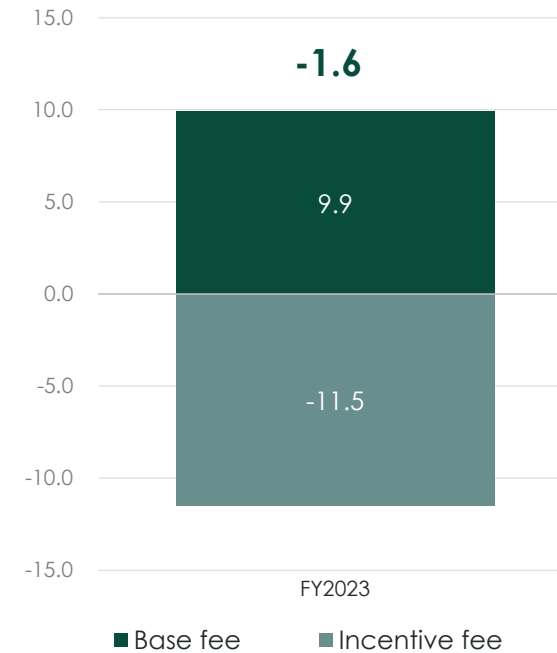
## Main Indicators

→See IR Databook P.68-72



## Operating Profit

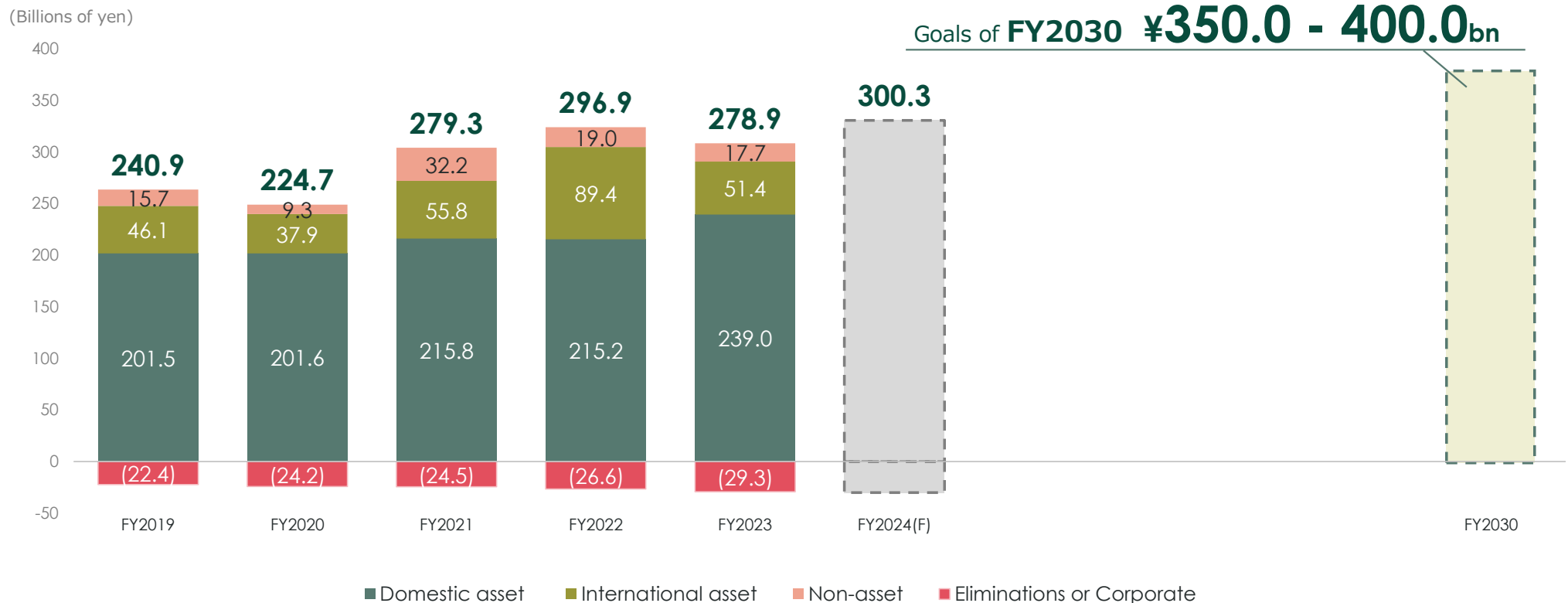
(Billions of yen)



\* G&A was appropriated for each profit on a pro-rata basis.

## 8. Progress in Long-term Management Plan 2030

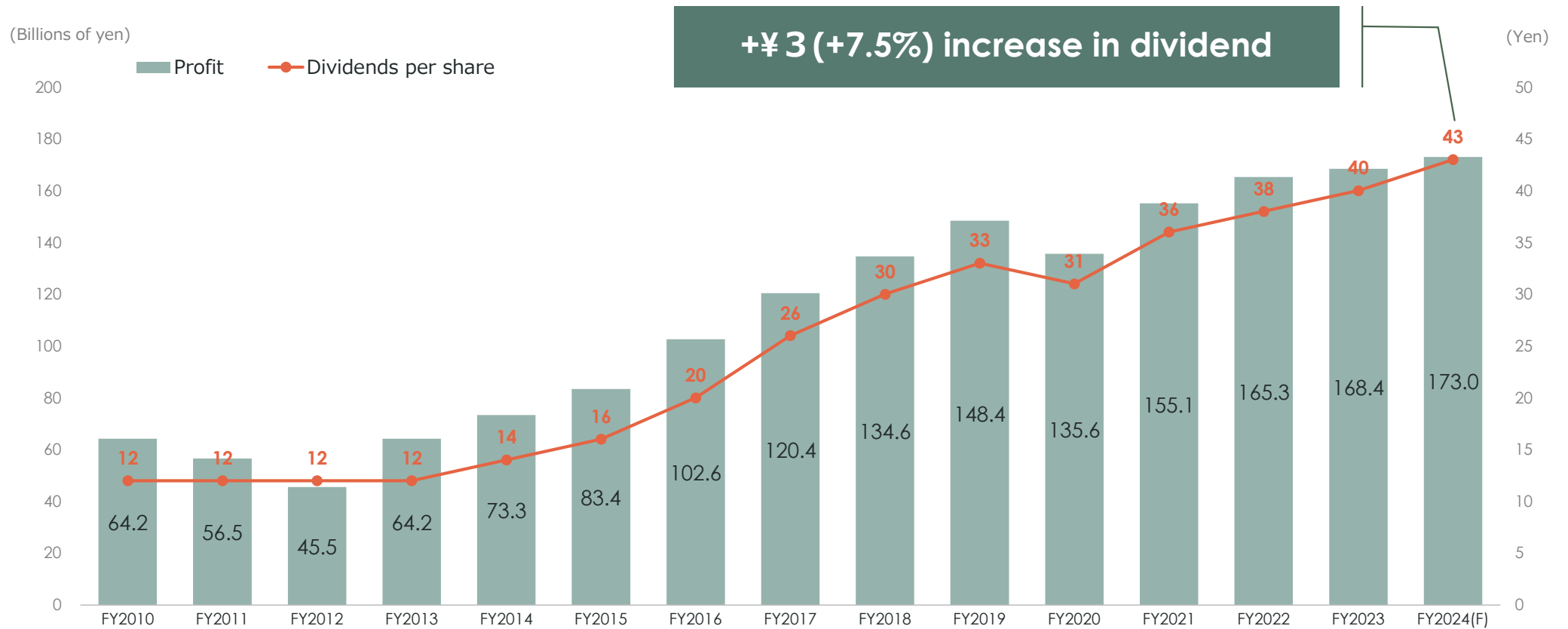
### Changes in Business Profit



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

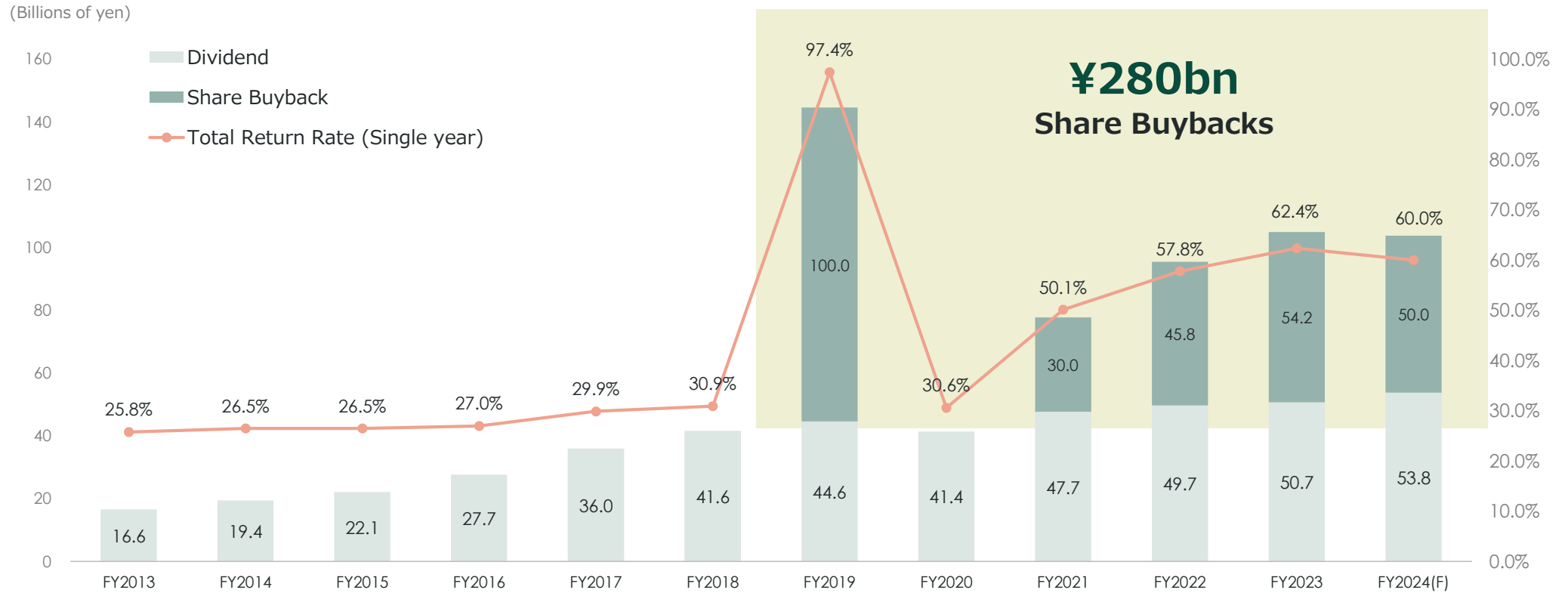
## 9. Shareholders Returns (Dividends)

DPS increase due to steady profit growth, and progressive dividend payments(+¥3) is introduced from FY2024.



# 10. Shareholders Returns (Share Buyback)

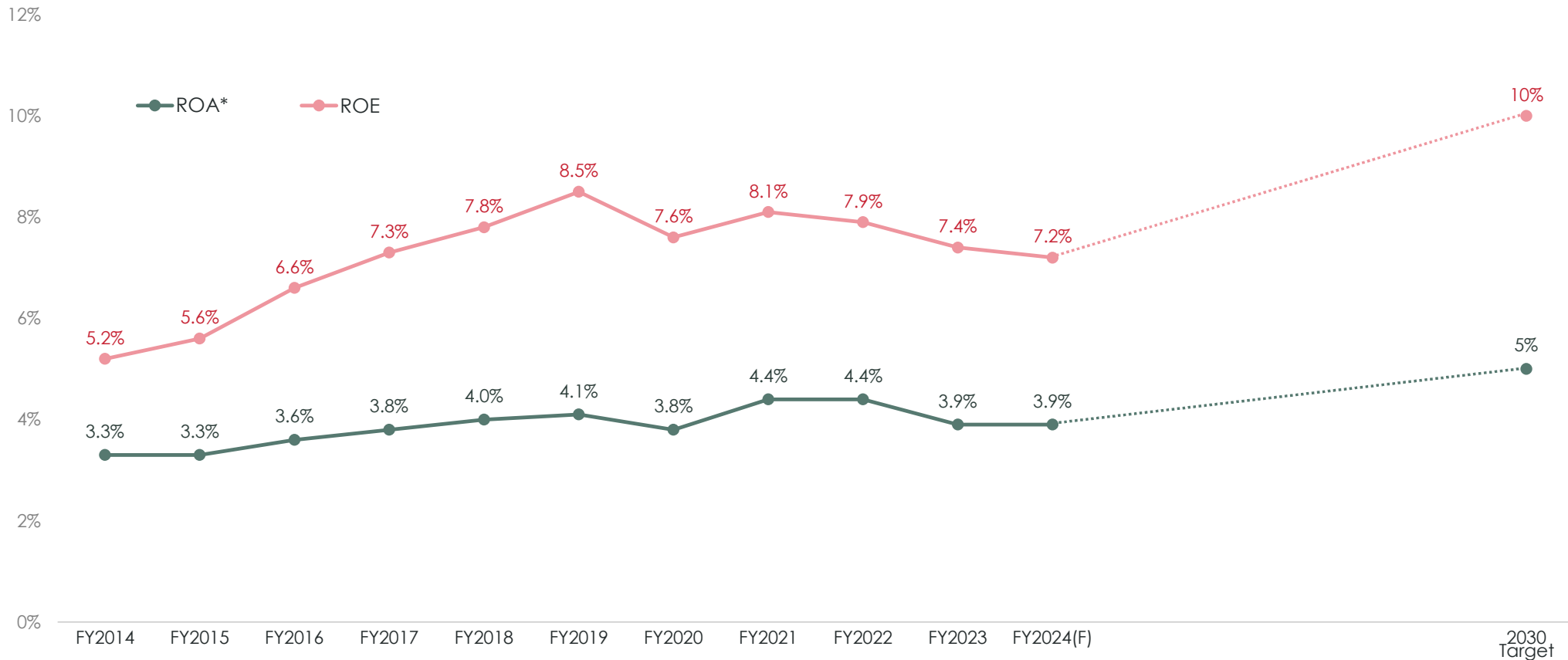
Implement ¥280billion share buyback in 6 years. Continued high-level and stable shareholder return.





# 11. ROA · ROE · EPS

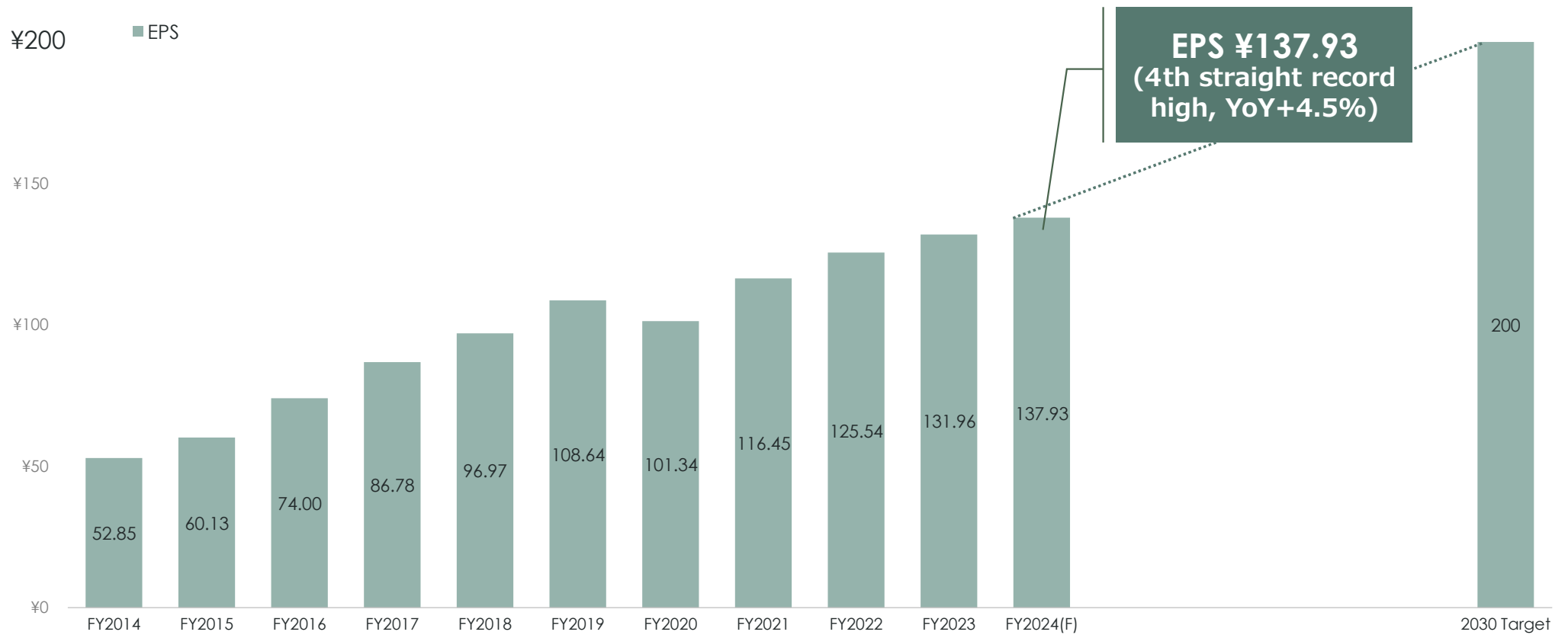
FY2023 results: ROA 3.9%, ROE 7.4%, EPS ¥131.96



\* ROA = Business Profit / Total assets (average)

## 12. ROA · ROE · EPS

EPS is expected to hit 4th straight record-high in FY2024.



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