

FY2024 – 3Q
(The Fiscal Year Ending March 31, 2025)

Mitsubishi Estate IR Presentation

Copyright © MITSUBISHI ESTATE Co., Ltd. All Rights Reserved

Financial Overview

FY2024 3Q Results

- Operating Profit was ¥194.4 billion (up ¥47.6 billion YoY) and Profit Attributable to Owners of Parent was ¥105.7 billion (up ¥28.2 billion YoY).
- Office, retail (outlet malls) and hotels continue to perform well. Both Income Gains and Capital Gains are making steady progress toward the full-year forecasts.
- Office leasing continue to perform well, and the percentage of upward rent revisions and the rate of rent increases are rising. Marunouchi Office vacancy rate: 1.97% as of December 31, 2024.

FY2024 Forecasts (Revised)

- The segment breakdown of operating profit has been revised in the light of the environment in the overseas transaction markets (Commercial +5bn, Residential +2bn, Architectural Design & Engineering and Real Estate Services+3bn, International -10bn).
- 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

1. FY2024-3Q Income Statement Summary

Operating Profit: ¥194.4 billion (up ¥47.6 billion YoY) , Profit Attributable to Owners of Parent: ¥105.7 billion (up ¥28.2 billion YoY)

Millions of yen (rounded down)

	FY2024-3Q Results	FY2023-3Q Results	Change	Main Factors
Operating revenue	1,047,919	926,448	+ 121,470	
Operating profit	194,478	146,821	+ 47,657	
Commercial Property Business	72,610	59,857	+ 12,752	+Continued strong performance of the office, outlet malls and hotels Increase in capital gains
Marunouchi Property Business	74,348	74,451	(102)	+Improving vacancy rate and strong performance in flexible office business -Decreased due to building closures
Residential Business	20,559	7,049	+ 13,510	+Increased profit from condominiums business and capital gains from rental apartments
International Business	31,471	26,781	+ 4,689	+Strong sales of condominiums in Australia
Investment Management Business	9,045	(3,593)	+ 12,638	+In reaction to negative incentive fees in the previous year
Architectural Design & Engineering Business and Real Estate Services Business	5,457	4,568	+ 888	+Increase in fee income
Other	(1,814)	(1,129)	(684)	
Eliminations or corporate	(17,200)	(21,163)	+ 3,963	
Non-operating income	15,185	13,278	+ 1,907	
Non-operating expenses	42,854	36,815	+ 6,038	Increase in interest expenses
Ordinary profit	166,809	123,284	+ 43,525	
Extraordinary income	35,145	16,295	+ 18,849	Increase in gain on sales of investment securities
Extraordinary losses	15,437	-	+ 15,437	Increase in loss on retirement of fixed assets and impairment loss
Total income taxes	64,581	54,662	+ 9,918	
Profit attributable to non-controlling interests	16,143	7,369	+ 8,774	
Profit attributable to owners of parent	105,791	77,547	+ 28,244	

■ Capital Gains included in Operating Profit (before G&A)	Millions of yen (rounded off to the nearest billion)		
	FY2024-3Q Results	FY2023-3Q Results	Change
Commercial Property	17,000	11,000	+ 6,000
Residential	18,000	7,000	+11,000
International	7,000	11,000	(4,000)
Total	42,000	29,000	+ 13,000

2. FY2024 Income Statement Forecasts - Current vs Previous Forecasts (as of Nov. 7, 2024)

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
Operating revenue	1,596,000	1,596,000	± 0	
Operating profit	300,000	300,000	± 0	
Commercial Property Business	125,000	120,000	+ 5,000	+Increase in capital gains
Marunouchi Property Business	95,000	95,000		
Residential Business	47,000	45,000	+ 2,000	+Increase in capital gains from rental apartment and other investment assets
International Business	40,000	50,000	(10,000)	-The sale of some properties has been postponed
Investment Management Business	13,000	13,000		
Architectural Design & Engineering Business and Real Estate Services Business	10,000	7,000	+ 3,000	+Fee income increases driven by strong brokerage business and etc.
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		
Ordinary profit	252,000	252,000		
Extraordinary income/losses	26,000	26,000		
Total income taxes	92,000	92,000		
Profit attributable to non-controlling interests	13,000	13,000		
Profit attributable to owners of parent	173,000	173,000		

■ 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	55,000	50,000	+ 5,000
Residential	27,000	25,000	+ 2,000
International	10,000	25,000	(15,000)
Total	92,000	100,000	(8,000)

3. FY2024-3Q Income Statement Progress

In-line with the full-year forecast. Rental income is progressing steadily.

Capital gains and the delivery of domestic condominiums will mainly be recorded in 4Q.

Millions of yen (rounded down)	FY2024-3Q Results	Full-year Forecasts (Current)	Progress Rate	Main Factors
Operating revenue	1,047,919	1,596,000	65.7%	
Operating profit	194,478	300,000	64.8%	
Commercial Property Business	72,610	125,000	58.1%	Capital gains recording to be centered on the second half
Marunouchi Property Business	74,348	95,000	78.3%	Good progress in office leasing
Residential Business	20,559	47,000	43.7%	Capital gains and delivery of condominiums recording centered on the second half
International Business	31,471	40,000	78.7%	Strong sales of condominiums in Australia
Investment Management Business	9,045	13,000	69.6%	One-off expenses in 1Q and dividends mainly recognized in the second half
Architectural Design & Engineering Business and Real Estate Services Business	5,457	10,000	54.6%	Fee income mainly recognized in 4Q
Other	(1,814)	(2,000)	90.7%	
Eliminations or corporate	(17,200)	(28,000)	61.4%	
Non-operating income	15,185	12,000	126.5%	
Non-operating expenses	42,854	60,000	71.4%	
Ordinary profit	166,809	252,000	66.2%	
Extraordinary income/losses	19,707	26,000	75.8%	Sales of the strategic holdings and etc.
Total income taxes	64,581	92,000	70.2%	
Profit attributable to non-controlling interests	16,143	13,000	124.2%	
Profit attributable to owners of parent	105,791	173,000	61.2%	

■ Capital Gains included in Operating Profit (before G&A)	Millions of yen (rounded off to the nearest billion)		
	FY2024-3Q Results	Full-year Forecasts (current)	Progress Rate
Commercial Property	17,000	55,000	30.9%
Residential	18,000	27,000	66.7%
International	7,000	10,000	70.0%
Total	42,000	92,000	45.7%

BS/CF Overview

1. Balance Sheet Summary

(Billions of yen)

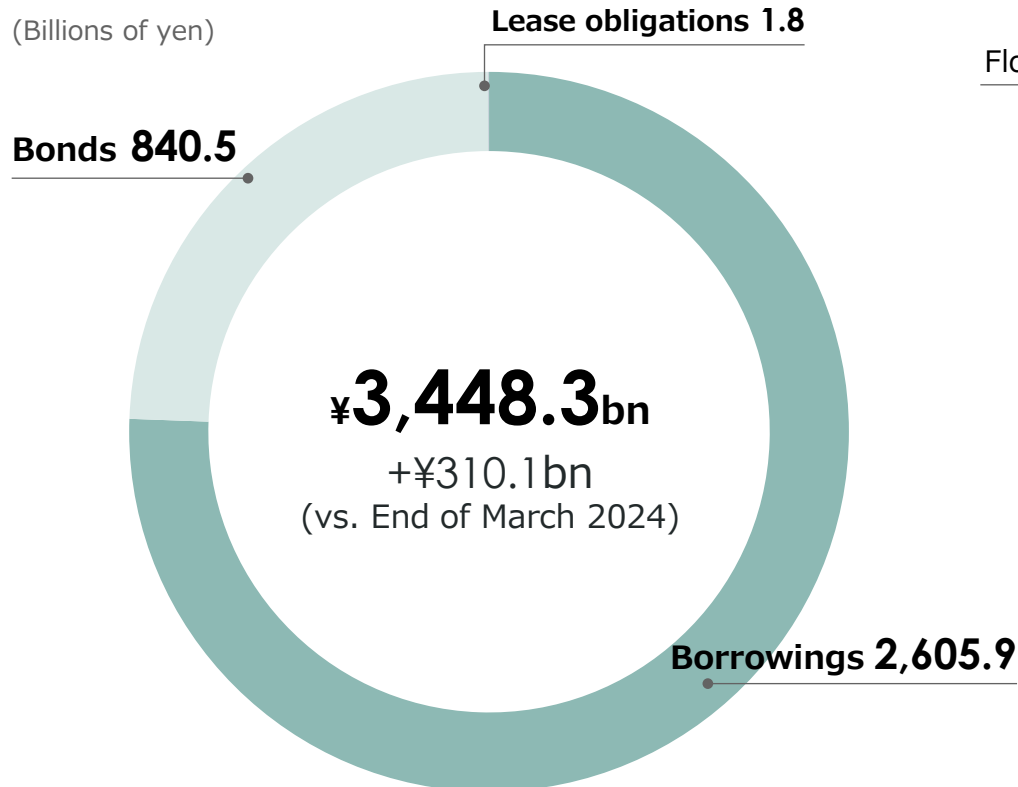
Assets	As of December 31, 2024	As of March 31, 2024	Change
Inventories	617.1	513.8	+103.2
Property, plant and equipment	4,732.9	4,597.1	+135.7
Equity investments	1,013.1	962.1	+50.9
Other	1,510.3	1,510.6	(0.2)
Total assets	7,873.5	7,583.7	+289.7
Liabilities and net assets	As of December 31, 2024	As of March 31, 2024	Change
Interest-bearing debt	3,448.3	3,138.1	+310.1
Other	1,811.1	1,820.9	(9.8)
Total Liabilities	5,259.5	4,959.1	+300.3
Total Net assets	2,614.0	2,624.5	(10.5)
Total liabilities and net assets	7,873.5	7,583.7	+289.7

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

2. Interest-Bearing Debt

Consolidated Interest-Bearing Debt

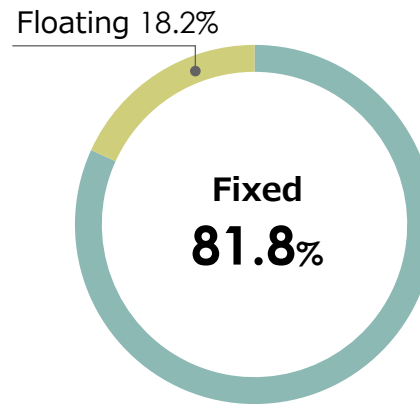
(Billions of yen)



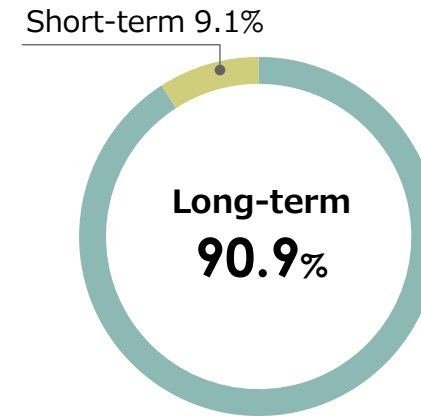
(as of end of Dec. 2024)

(as of end of Dec. 2024)

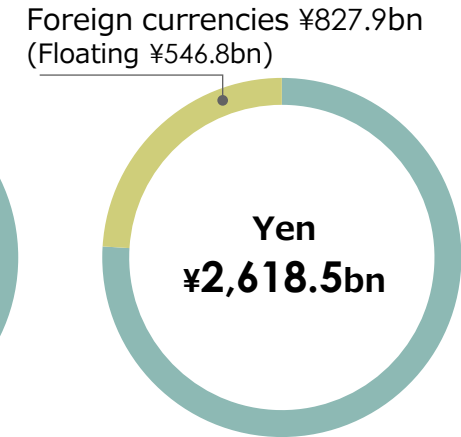
Fixed/Floating Rates



Long/Short Terms



Yen/Foreign Currency



* Excl. Lease liability

Average Remaining Maturity (Unconsolidated) **6.6years**

Amount to be Repaid(Consolidated) Credit Rating

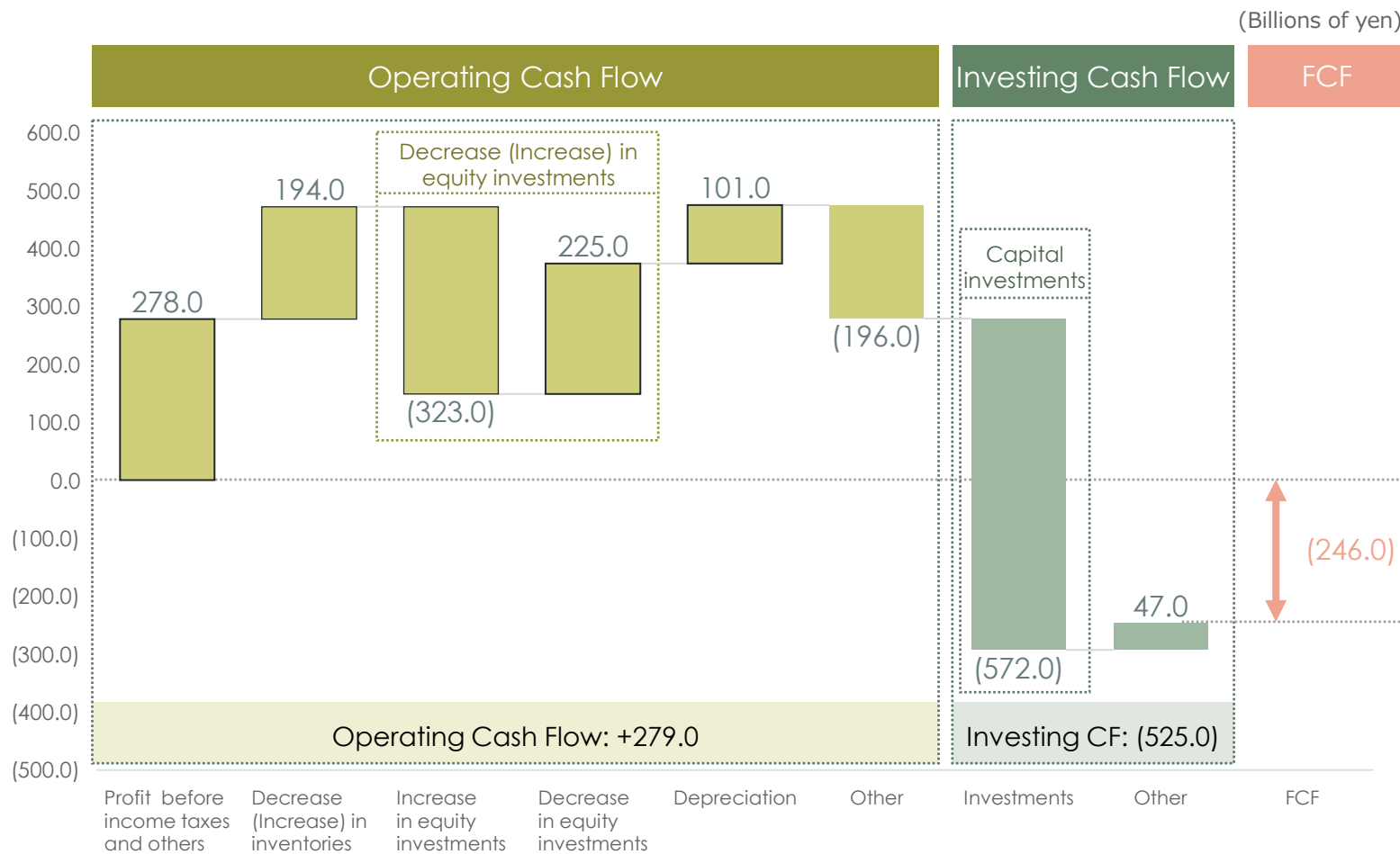
(From October 1, 2024)

	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 Rating Agency	AA+

3. Cash Flow Forecast For FY2024 ※CF results are only disclosed in the 2Q and 4Q.

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	—
Total	895.0	249.5	27.9%

Shareholders Returns

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 in the US/UK

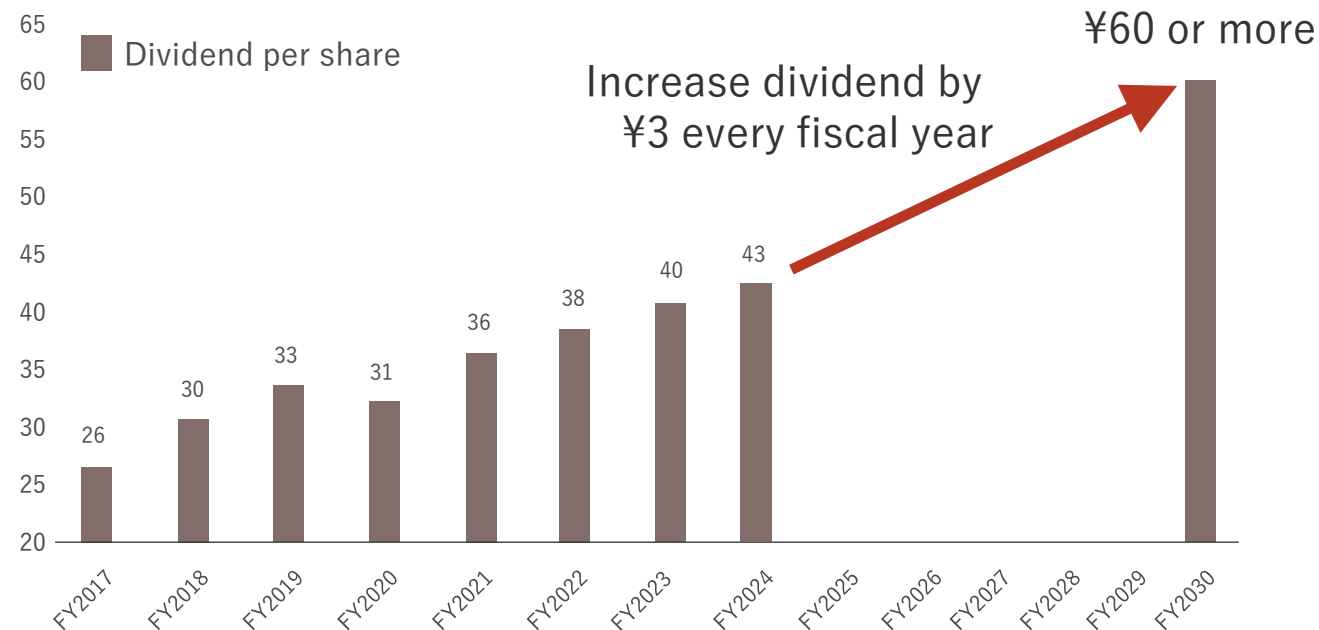
Stable rental CF

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.

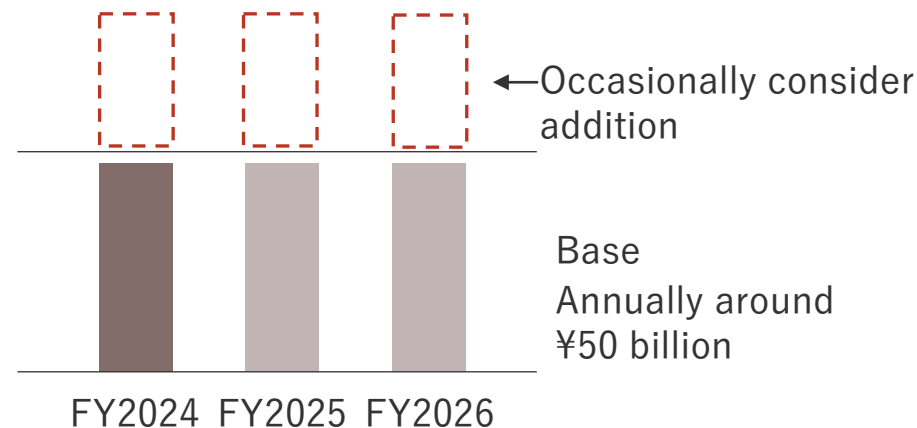
¥50 billion share buyback decided in FY2024
¥50 billion/year buyback estimated also in FY2025/FY2026

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

Improved stability/
foreseeability

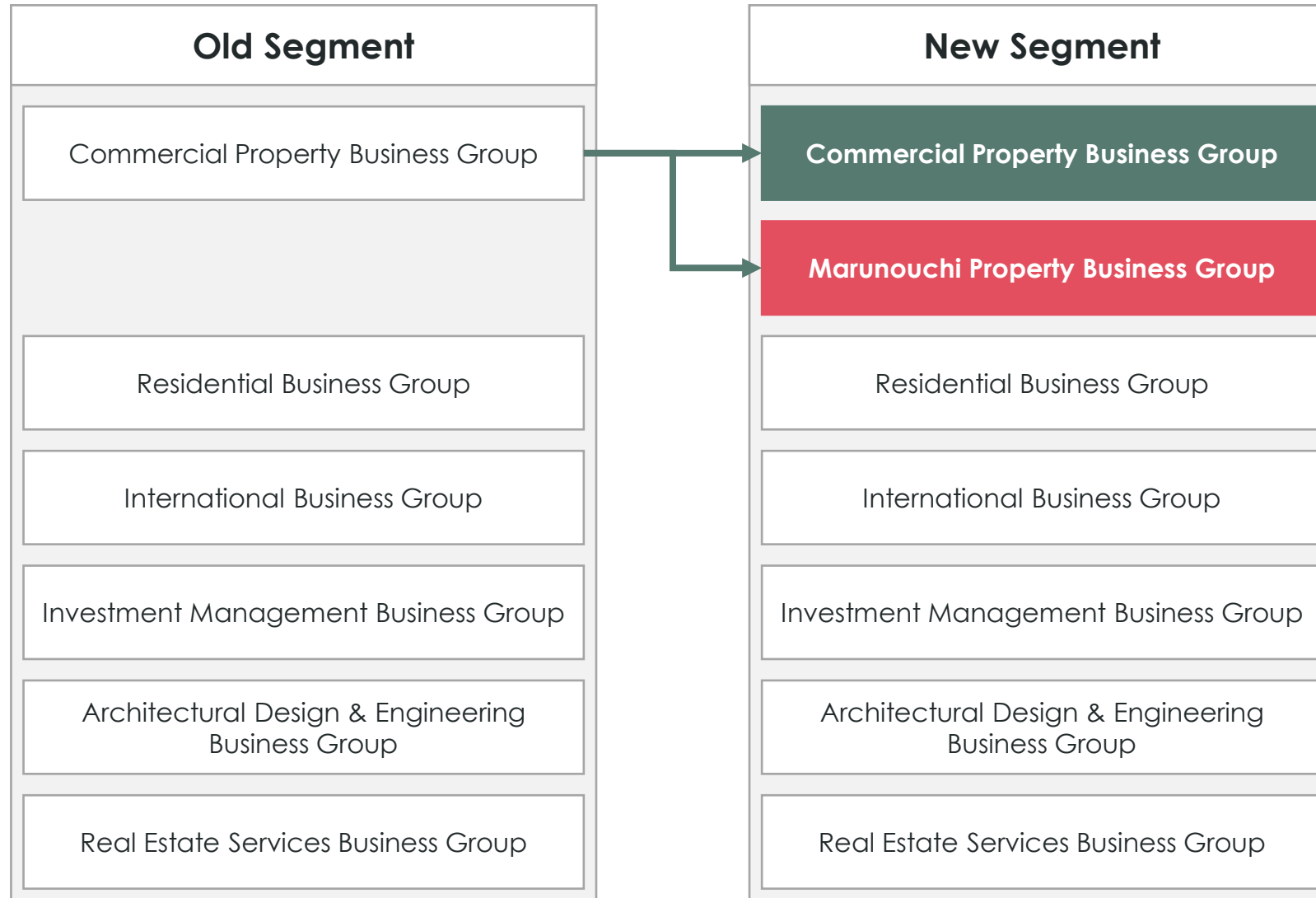
Occasionally
additional return

Cancel after
completing acquisition



Strategy and Progress

1. Summary of Segment Changes



2. FY2023 Operating Profit (breakdown)

(Reference)

Millions of yen	FY2023 Results	Main components
Operating Profit	278,627	
Commercial Property Business	114,730	
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	97,082	
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	38,888	
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	51,448	
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	(1,619)	
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	9,021	
Other	(1,577)	
Eliminations or corporate	(29,346)	

* 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

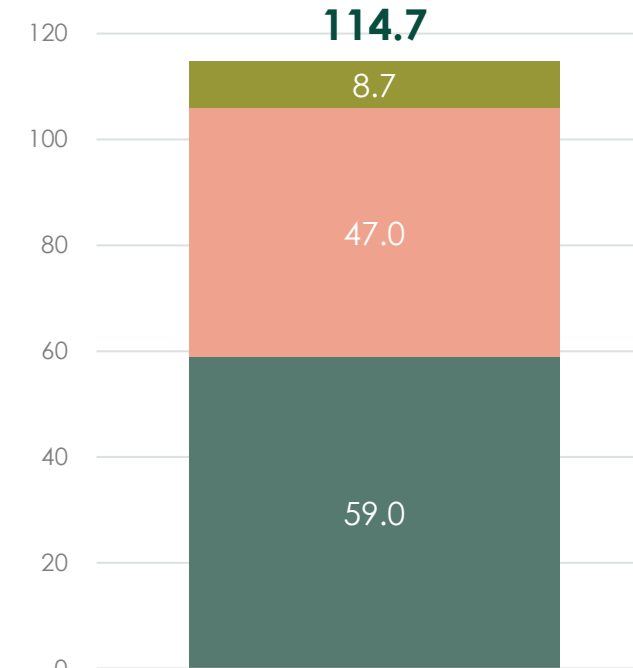
→See IR Databook P.35-47

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

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

Operating Profit

(Billions of yen)



FY2023
 ■ Rental profit ■ Sales of assets
 ■ Fees

* 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.

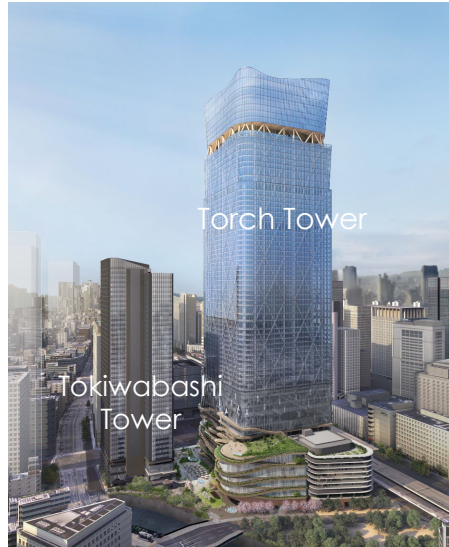
→See IR Databook P.20-34



Marunouchi Building
Shin-Marunouchi Bldg.



Marunouchi Park Building

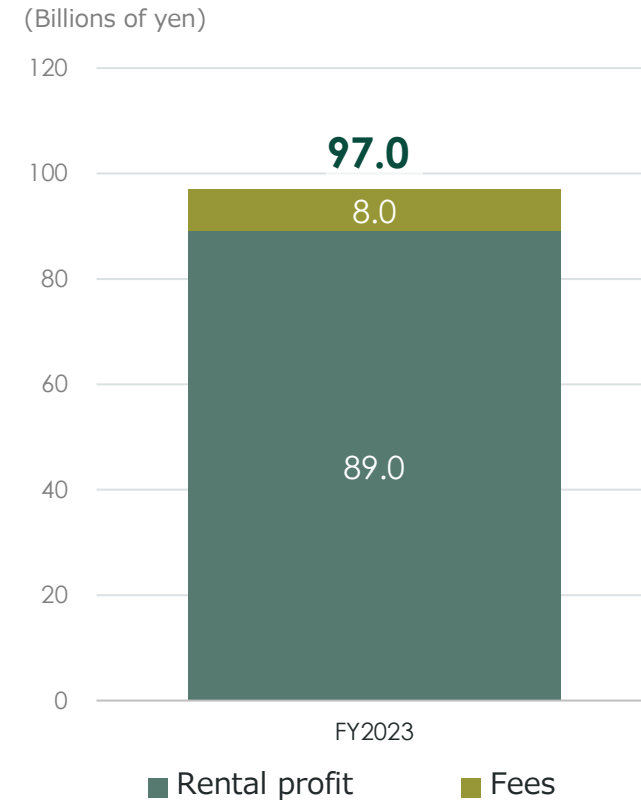


©Mitsubishi Jisho Design Inc.

Main Indicators: Advancing Marunouchi Redevelopment

Redeveloped	New Projects*	Vacancy Rate of Marunouchi/Office
<p>19 buildings / 35 in total 2 million m²</p>	<p>1.1 - 1.3 million m²</p>	<p>As of Dec. 2024 1.97%</p> <p>→See IR Databook P.29</p>

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

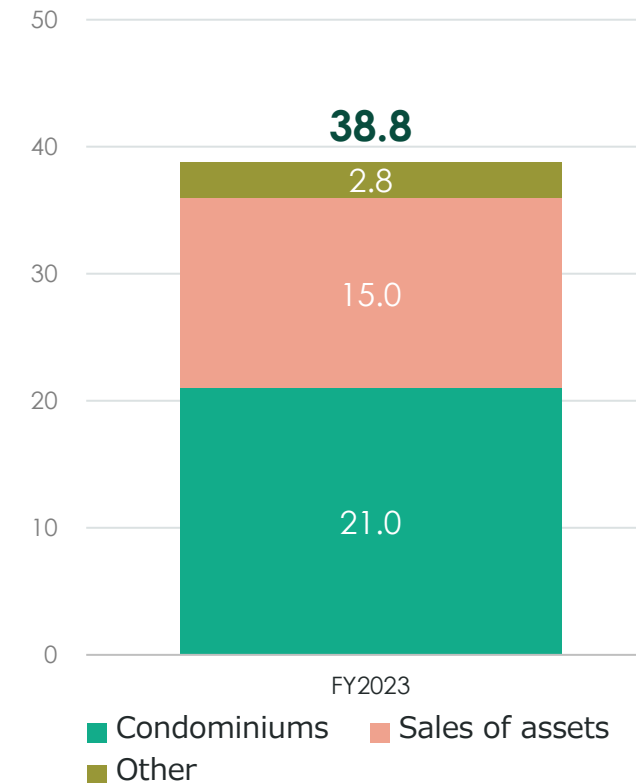
Business Overview

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.48-53

Land Bank	Gross Profit Margin	Owned Rental Apartments, etc.
As of Dec. 2024 18,250 units	26.2%	111 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

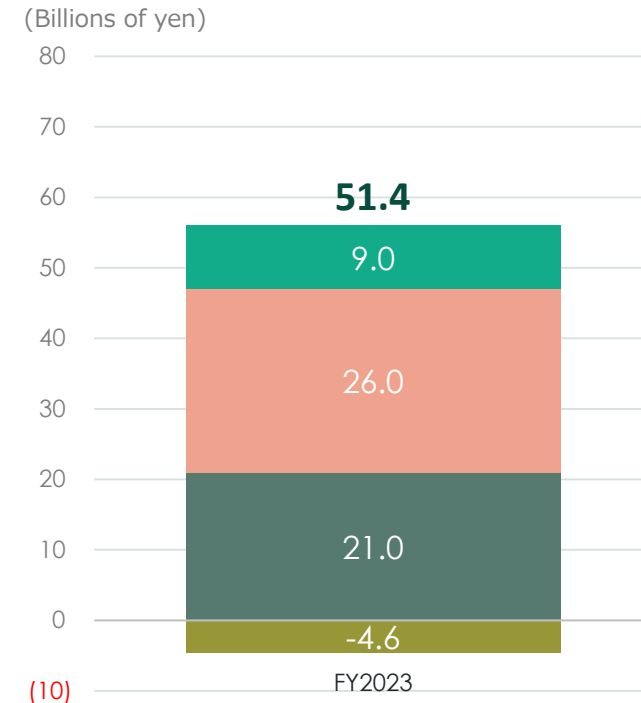
Overall international business strategy
→See IR Databook P.55-57

US
→See IR Databook P.58-60

Europe
→See IR Databook P.61-63

Asia/Oceania
→See IR Databook P.64-67

Operating Profit



- Rental profit
- Sales of assets
- Condominiums
- Other

* 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

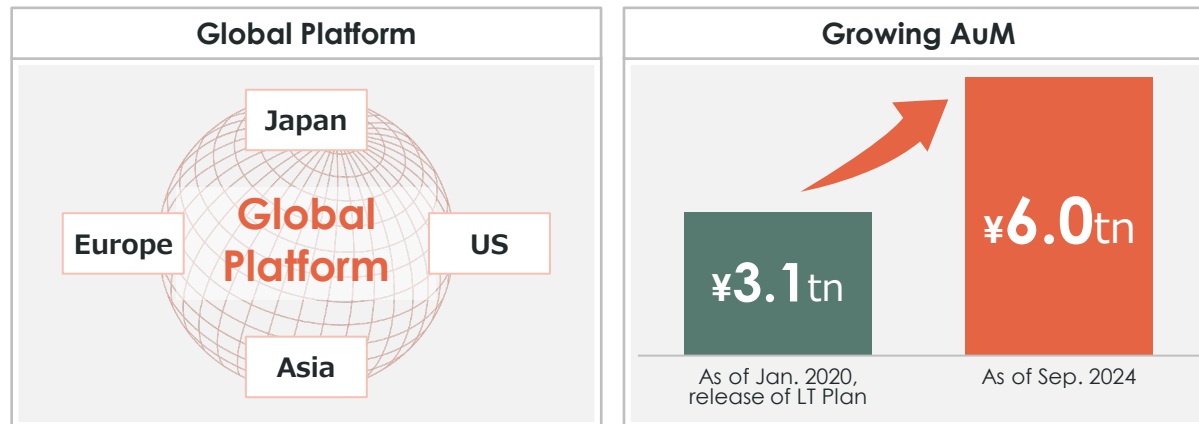


Asia



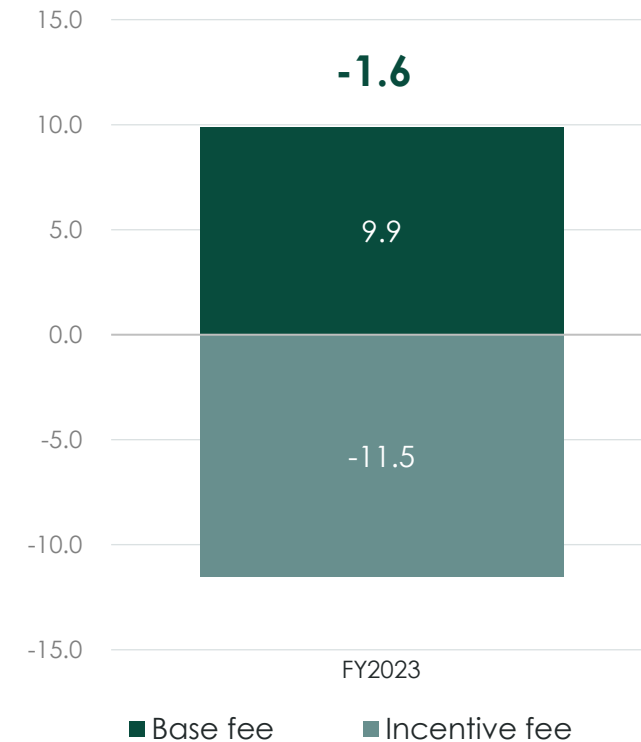
Main Indicators

→See IR Databook P.68-72



Operating Profit

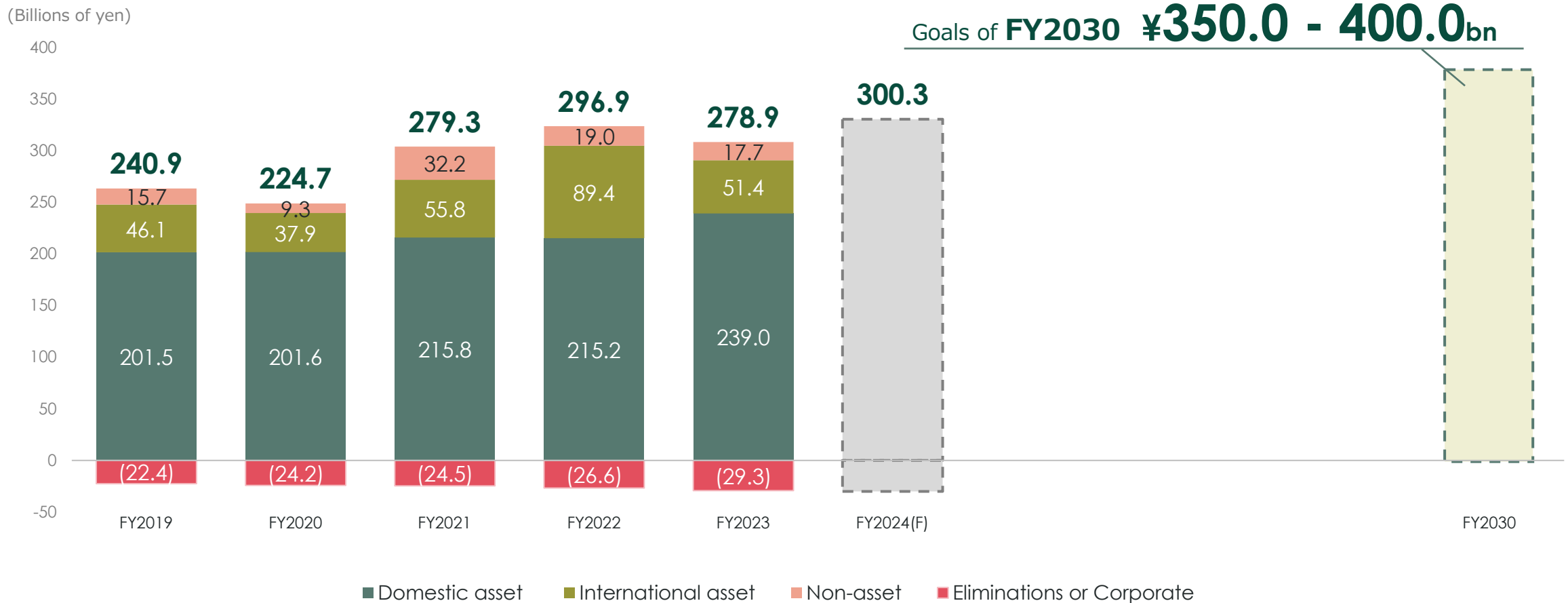
(Billions of yen)



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

8. Progress in Long-term Management Plan 2030

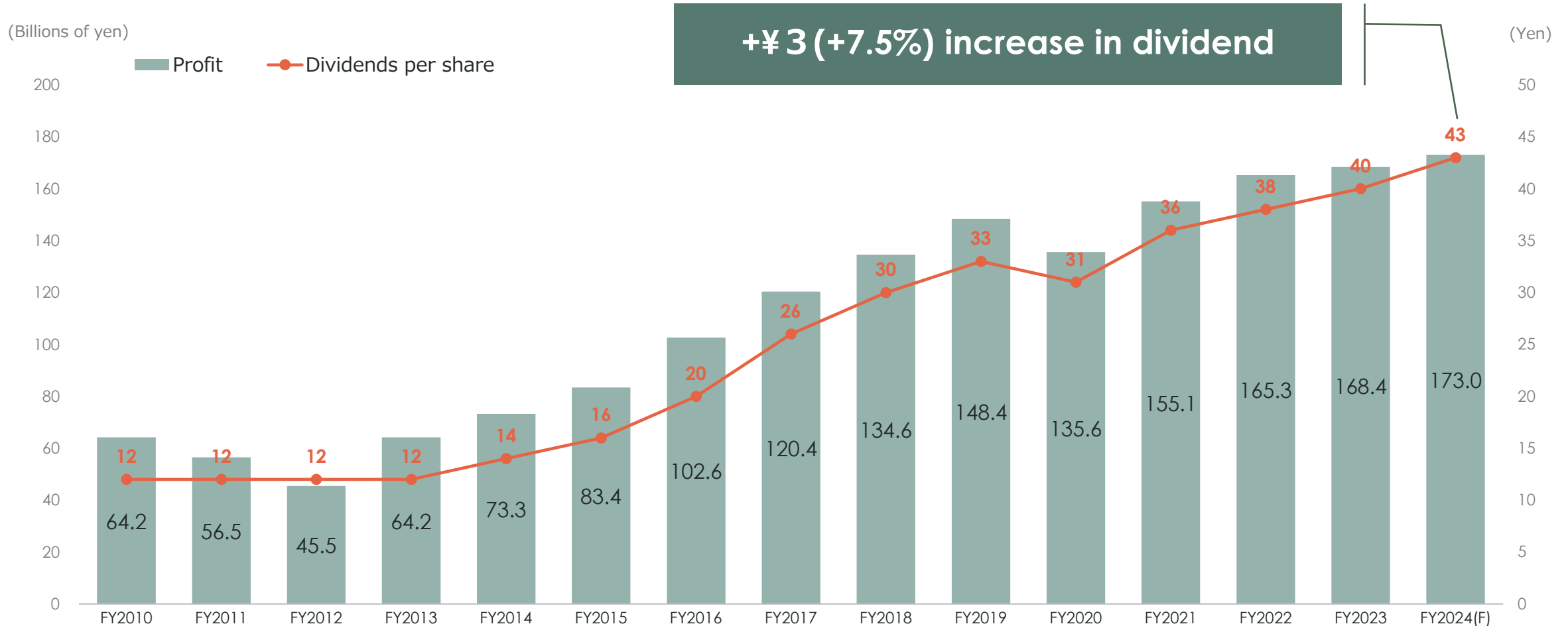
Changes in Business Profit



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

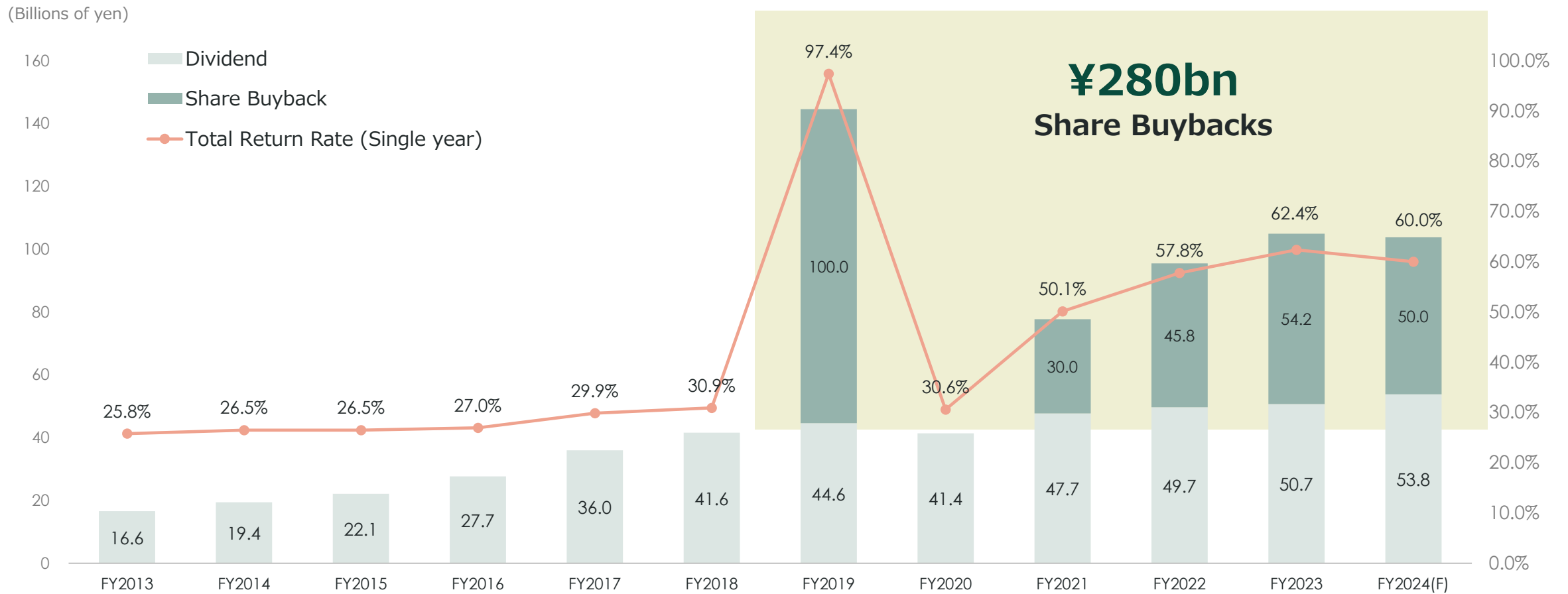
9. Shareholders Returns (Dividends)

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



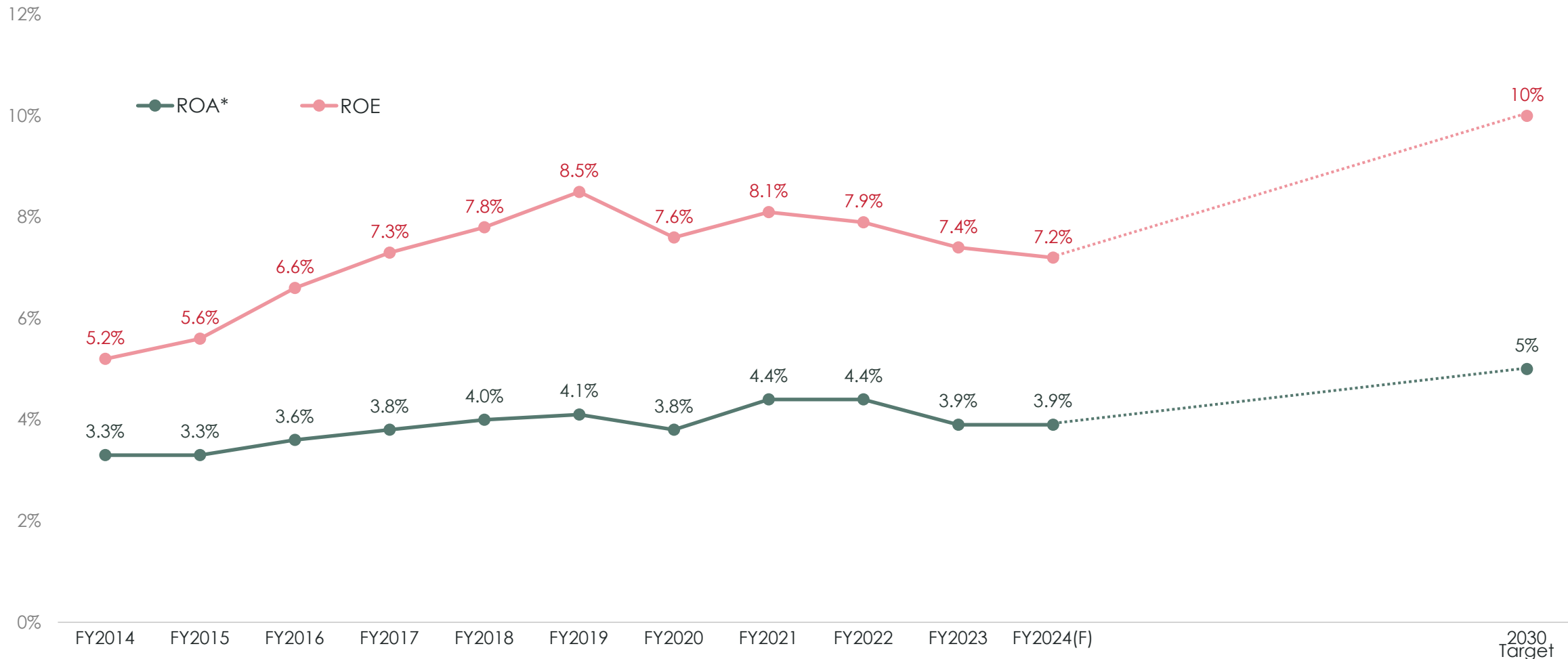
10. Shareholders Returns (Share Buyback)

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



11. ROA · ROE · EPS

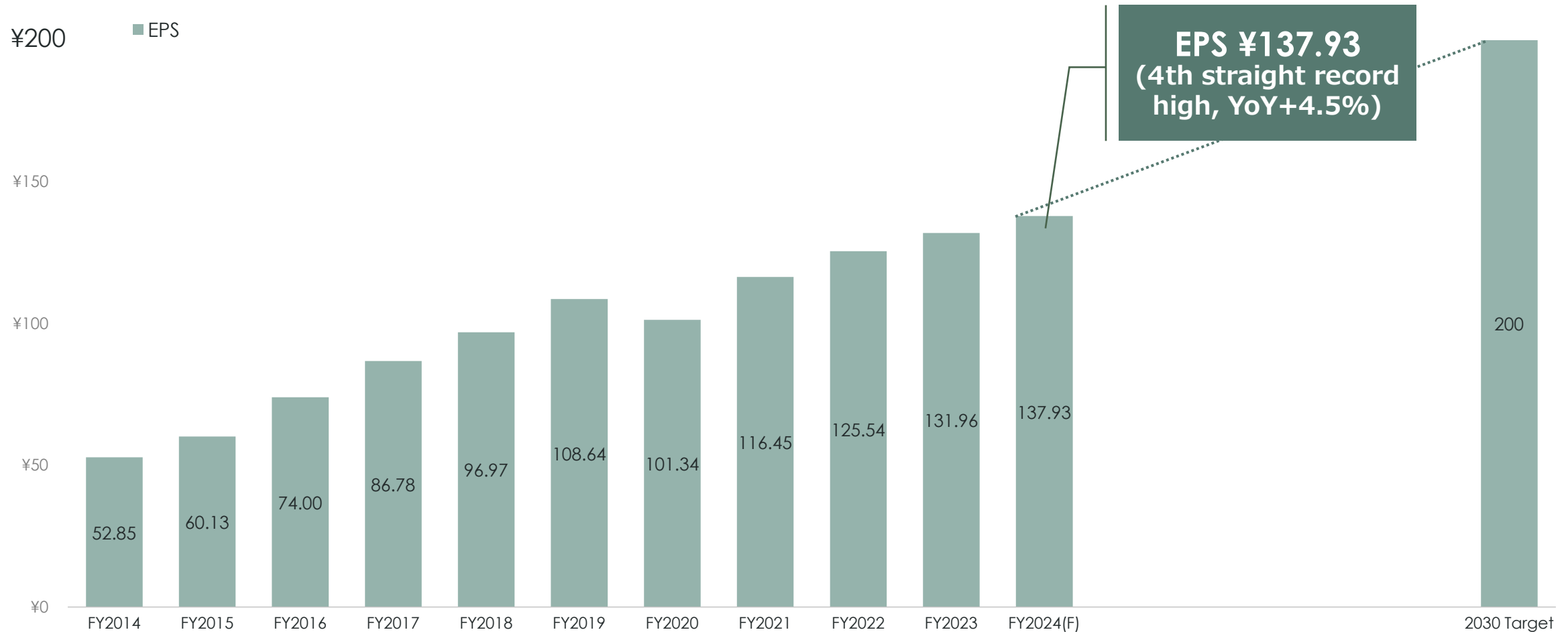
FY2023 results: ROA 3.9%, ROE 7.4%, EPS ¥131.96



* ROA = Business Profit / Total assets (average)

12. ROA · ROE · EPS

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



Contact Information

Investor Relations Office,
Corporate Communications
Department
Mitsubishi Estate Co., LTD.

+81-3-3287-5200

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

Disclaimer

This material is provided for information purposes only. Nothing herein is intended to constitute an offer to sell, a solicitation of an offer to buy, or a recommendation of any specific products by Mitsubishi Estate Co., Ltd. (the "Company")

The contents of this material involve judgements based on the information available to the Company as of the releasing date. Although the information expressed is obtained or compiled from sources that the Company believes to be reliable, the Company cannot and does not guarantee the accuracy, certainty or completeness of the information.

Forward-looking statements contained herein involve known and unknown risks, uncertainties and other factors that may affect future results or events expressed in those statements, and therefore should not be read as a guarantee by the Company that such results or events will be achieved as stated.

Further, the Company undertakes no obligation to update any of such forward-looking statements, whether as a result of new information, future events or otherwise. This material may also be changed or removed without prior notice. The contents of this material may not be copied, reproduced, or distributed in any way without prior consent from the Company.