FY2026-1Q (The Fiscal Year Ending March 31, 2027)

IR Presentation

MITSUBISHI ESTATE

Financial Overview

New

FY2026 1Q Results

- **Operating Profit was ¥121.2 billion (up 94.3% YoY)** and **Profit Attributable to Owners of Parent was ¥95.4 billion (up 198.3% YoY).** Both reached **record highs for a first quarter.**
- In Japan, earnings growth was driven by **capital gains from office buildings and condominium sales.**
- Overseas, significant profit growth was driven by the sale of **prime office assets**, including **Warwick Court** in London and **180 George Street** in Sydney.
- The Marunouchi Property Business delivered higher earnings, supported by **continued positive rent reversions**. The vacancy rate further declined to **0.49% as of the end of June 2026**.
- A **¥30.0 billion gain on the sale of strategic-holding stocks** was recorded as extraordinary income, contributing to the substantial increase in profit attributable to owners of parent.

FY2026 Forecasts

(Changes shown in red)

- **Operating Profit is expected to reach a record high of ¥370 billion** (up ¥40.2 billion, or 12.2% YoY), driven by strong performance in the Marunouchi Property Business segment and capital gains from overseas assets **(90% already secured)**.
- Extraordinary income of about ¥75.0 billion is planned, mainly from selling strategic-holding stocks.
- **Profit Attributable to Owners of Parent is expected to reach about ¥235.0 billion**, a record high.
- **ROE is expected to be around 9%.**

Shareholders Returns Policy

(Repost)

(Dividends) Dividend for FY2025: ¥46 per share. Dividend forecast for FY2026: ¥49 per share. Progressive dividend payment of +¥3 for every fiscal year until FY2030.

(Share buybacks) **¥50.0 billion share buyback has been firmly decided for FY2026**, with additional repurchases to be considered going forward.

FY2026 Strategy to Drive ROE Growth

ROE Improvement Strategy

1. Growth in Operating Profit

2. Pursuing Efficiency Through Asset Sales

3. Managing Equity (Commitment to Shareholder Returns)

FY2026 Strategy

1. **Operating Profit Growth** to ¥370 billion in FY2026 (+¥40.2 billion YoY), driven by Marunouchi growth and overseas capital gains (90% secured)

2. **Extraordinary income** of ¥75.0 billion, mainly from the **Sale of Strategic-Holding Stocks**

3. **Share Buyback** of ¥50 billion, with **flexible consideration of additional buybacks**

ROE of around 9% in FY2026 (from 8.5% in FY2025)

FY2026-1Q Overview

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1. FY2026-1Q Income Statement Summary vs FY2025-1Q results

Operating Profit: ¥121.2 billion (up ¥58.8 billion YoY)
Profit Attributable to Owners of Parent: ¥95.4 billion (up ¥63.4 billion YoY)

Millions of yen (rounded down)	FY2026-1Q Results	FY2025-1Q Results	Change	Main Factors
Operating revenue	**497,685**	**356,954**	**+ 140,731**	
Operating profit	**121,240**	**62,405**	**+ 58,834**	
Commercial Property Business	30,027	16,285	+ 13,742	+ Increase in capital gains
Marunouchi Property Business	27,240	24,626	+ 2,613	+ Good performance in office leasing and the retail business
Residential Business	23,305	19,844	+ 3,461	+ Increase in profit from condominium business
International Business	43,036	6,373	+ 36,663	+ Increase in capital gains
Investment Management Business	1,440	1,072	+ 368	
Architectural Design & Engineering Business and Real Estate Services Business	1,412	1,867	(455)	
Other	(146)	(637)	+ 490	
Eliminations or corporate	(5,076)	(7,026)	+ 1,950	
Non-operating income	5,807	9,201	(3,394)	
Non-operating expenses	18,871	15,934	+ 2,936	Increase in interest expenses
Ordinary profit	**108,176**	**55,672**	**+ 52,503**	
Extraordinary income	30,228	7,892	+ 22,335	Increase in gain on sales of investment securities
Extraordinary losses	-	11,491	(11,491)	
Total income taxes	38,629	16,214	+ 22,414	
Profit attributable to non-controlling interests	4,358	3,873	+ 485	
Profit attributable to owners of parent	**95,416**	**31,985**	**+ 63,430**	

■ **Capital Gains included in Operating Profit (before G&A)**

Millions of yen (rounded off to the nearest billion)

	FY2026-1Q Results	FY2025-1Q Results	Change
Commercial Property	14,000	-	+ 14,000
Residential	1,000	2,000	(1,000)
International	38,000	1,000	+ 37,000
Total	**53,000**	**3,000**	**+ 50,000**

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2. Balance Sheet Summary

(Billions of yen)

Assets	As of June 30, 2026	As of March 31, 2026	Change
Inventories	632.3	642.6	(10.2)
Property, plant and equipment	5,162.0	5,117.5	+ 44.4
Equity investments	1,155.4	1,121.3	+ 34.1
Other	1,593.0	1,684.7	(91.7)
Total assets	**8,542.9**	**8,566.2**	**(23.2)**

Liabilities and net assets	As of June 30, 2026	As of March 31, 2026	Change
Interest-bearing debt	3,780.9	3,610.9	+ 170.0
Other	1,849.1	2,077.7	(228.5)
Total Liabilities	**5,630.1**	**5,688.6**	**(58.5)**
Total Net assets	**2,912.8**	**2,877.5**	**+ 35.2**
Total liabilities and net assets	**8,542.9**	**8,566.2**	**(23.2)**

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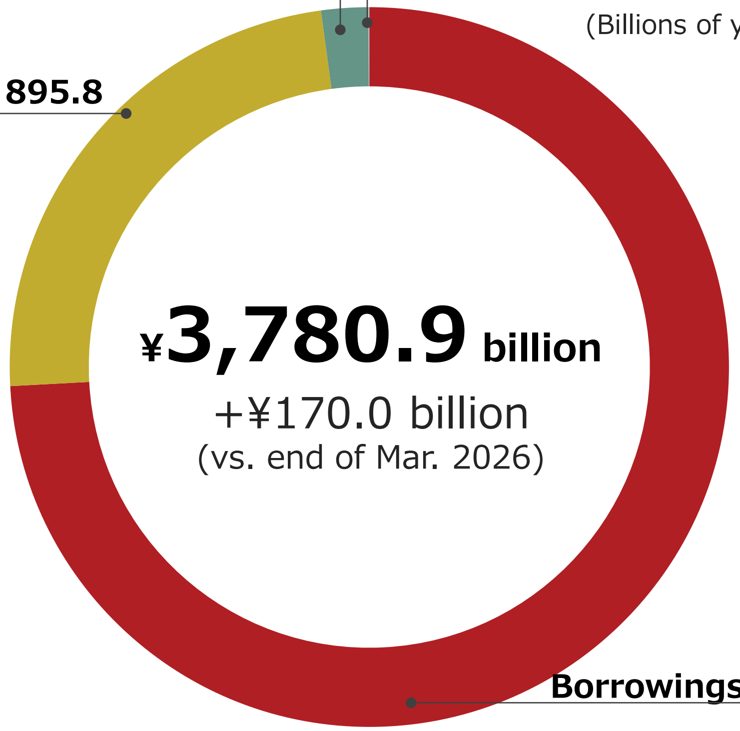
3. Interest-Bearing Debt

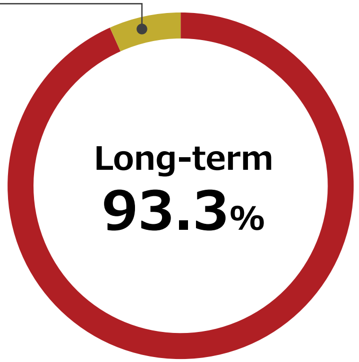
(as of end of Jun. 2026)

Consolidated Interest-Bearing Debt

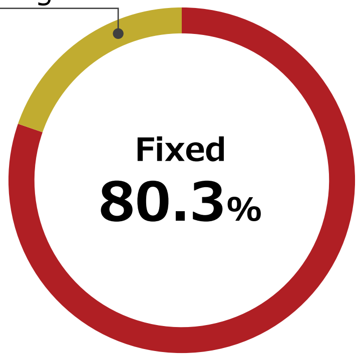


(as of end of Jun. 2026)

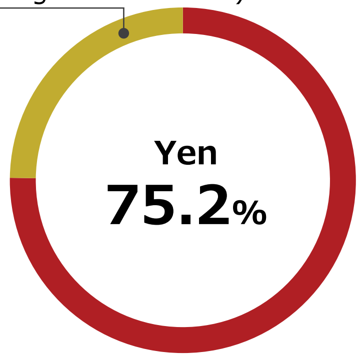
Long/Short Terms *



Fixed/Floating Rates *



Yen/Foreign Currency *



* Excl. CP and Lease Liabilities

Average Remaining Maturity (Unconsolidated)
6.0 years

Amount to be Repaid (Consolidated)

	Billions of yen
FY2026	367.4
FY2027	464.9
FY2028	375.1
FY2029	312.2

Credit Rating

(from Aug. 21, 2025)

Credit Rating Agency	Long-term Rating
Moody's	A2
S&P	A
R&I	AA
Japan Credit Rating Agency	AA+

FY2026 Forecasts

There are no updates from this page to the IR Presentation for FY2025 disclosed on May 13, 2026.

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1. FY2026 Income Statement Forecasts vs FY2025 results

Operating Profit: ¥370.0 billion (up ¥40.2 billion YoY)
Profit Attributable to Owners of Parent: ¥235.0 billion (up ¥12.4 billion YoY)

Millions of yen (rounded down)	FY2026 Forecasts	FY2025 Results	Change	Main Factors
Operating revenue	**2,000,000**	**1,746,148**	**+ 253,852**	
Operating profit	**370,000**	**329,730**	**+ 40,270**	
Commercial Property Business	110,000	135,677	(25,677)	- Decrease in capital gains
Marunouchi Property Business	120,000	97,534	+ 22,466	+ Good performance of office leasing and increase in capital gains
Residential Business	65,000	57,287	+ 7,713	+ Increase in profit from condominium business
International Business	80,000	57,111	+ 22,889	+ Increase in capital gains
Investment Management Business	15,000	1,435	+ 13,565	+ Increase in base fees and rebound from incentive fee adjustments
Architectural Design & Engineering Business and Real Estate Services Business	10,000	12,614	(2,614)	
Other, Eliminations or corporate	(30,000)	(31,931)	+ 1,931	
Non-operating income	10,000	17,808	(7,808)	
Non-operating expenses	85,000	74,452	+ 10,548	Increase in interest expenses
Ordinary profit	**295,000**	**273,086**	**+ 21,914**	
Extraordinary income/losses	75,000	76,259	(1,259)	
Total income taxes	115,000	113,830	+ 1,170	
Profit attributable to non-controlling interests	20,000	13,008	+ 6,992	
Profit attributable to owners of parent	**235,000**	**222,507**	**+ 12,493**	

■ **Capital Gains included in Operating Profit (before G&A)**

Millions of yen (rounded off to the nearest billion)

	FY2026 Forecasts	FY2025 Results	Change
Commercial Property	50,000	67,000	(17,000)
Marunouchi Property	10,000	-	+ 10,000
Residential	10,000	11,000	(1,000)
International	55,000	50,000	+ 5,000
Total	**125,000**	**128,000**	**(3,000)**

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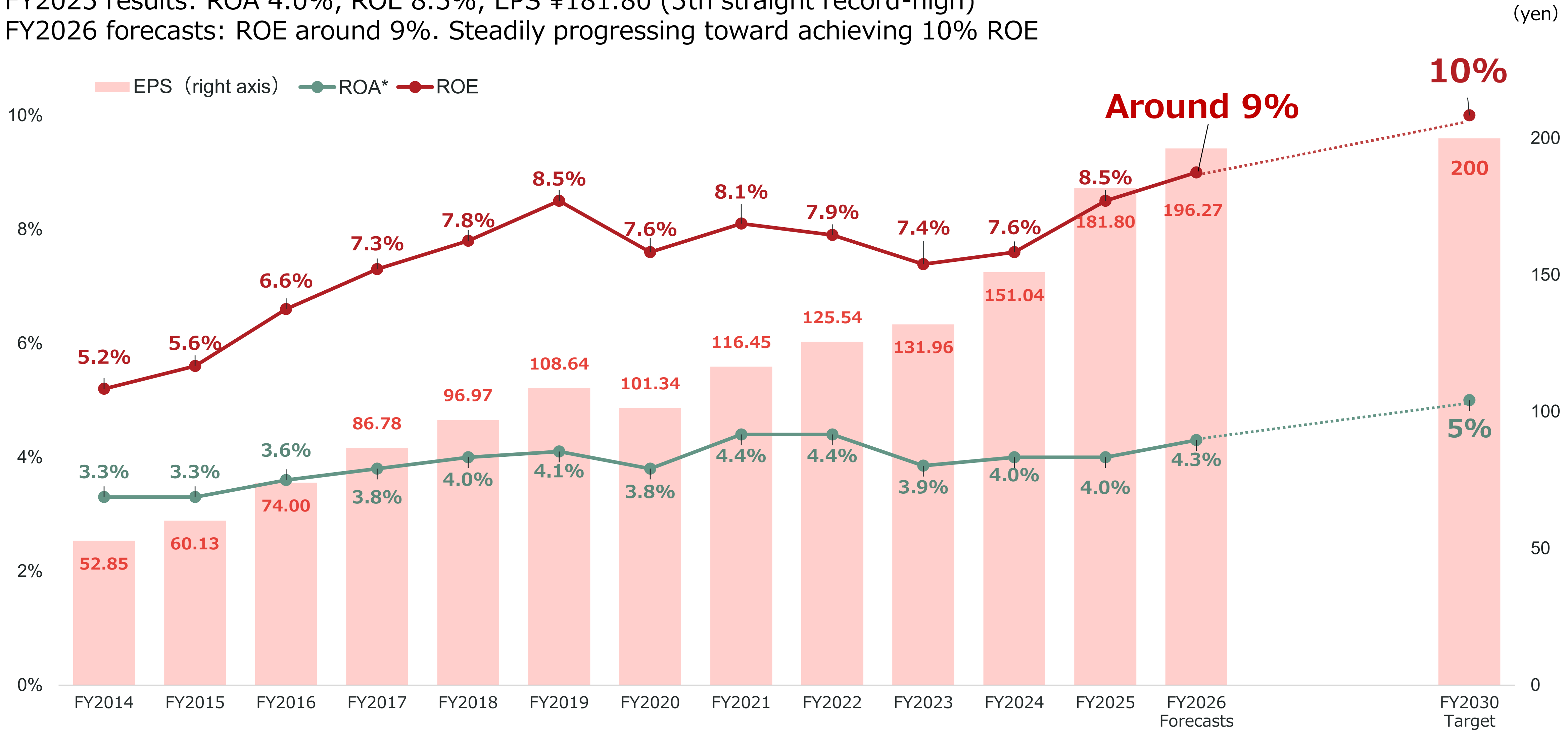
2. ROA･ROE･EPS

FY2025 results: ROA 4.0%, ROE 8.5%, EPS ¥181.80 (5th straight record-high)
FY2026 forecasts: ROE around 9%. Steadily progressing toward achieving 10% ROE



* ROA = Business Profit / Total assets (average)

Shareholders Returns

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1. Shareholders Returns Policy/ Progressive Dividends +¥3 Every Fiscal Year

Dividends of ¥49 per share planned for FY2026

Business Strengths | **Shareholder Returns (Dividends)** | **Shareholder Value**

Reflect upward growth prospect and implement progressive dividends with a +¥3 increase every fiscal year (¥60 or more in FY2030)

From Marunouchi/outlet malls/flagship buildings in Europe and the US

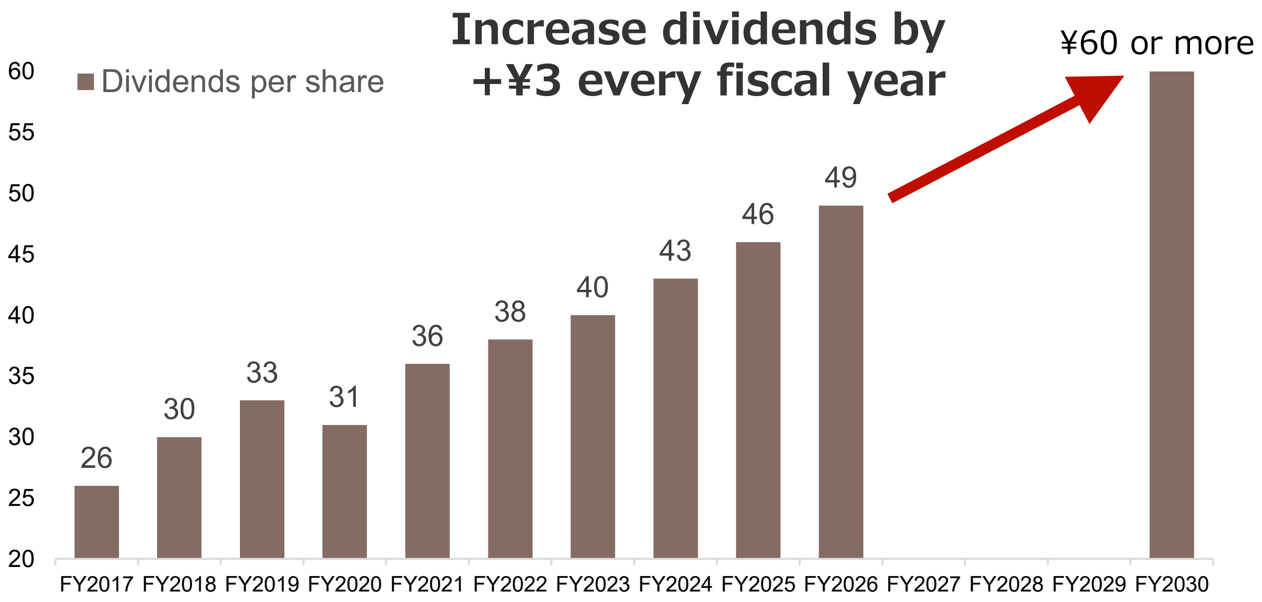
Stable Rental CF

After completion of Torch Tower, 8 Bishopsgate, etc.

Further Growth of Rental CF

By monitoring the market

Maximize Profits on Sales



Continuous/ Stable Shareholder Returns

Improved foreseeability

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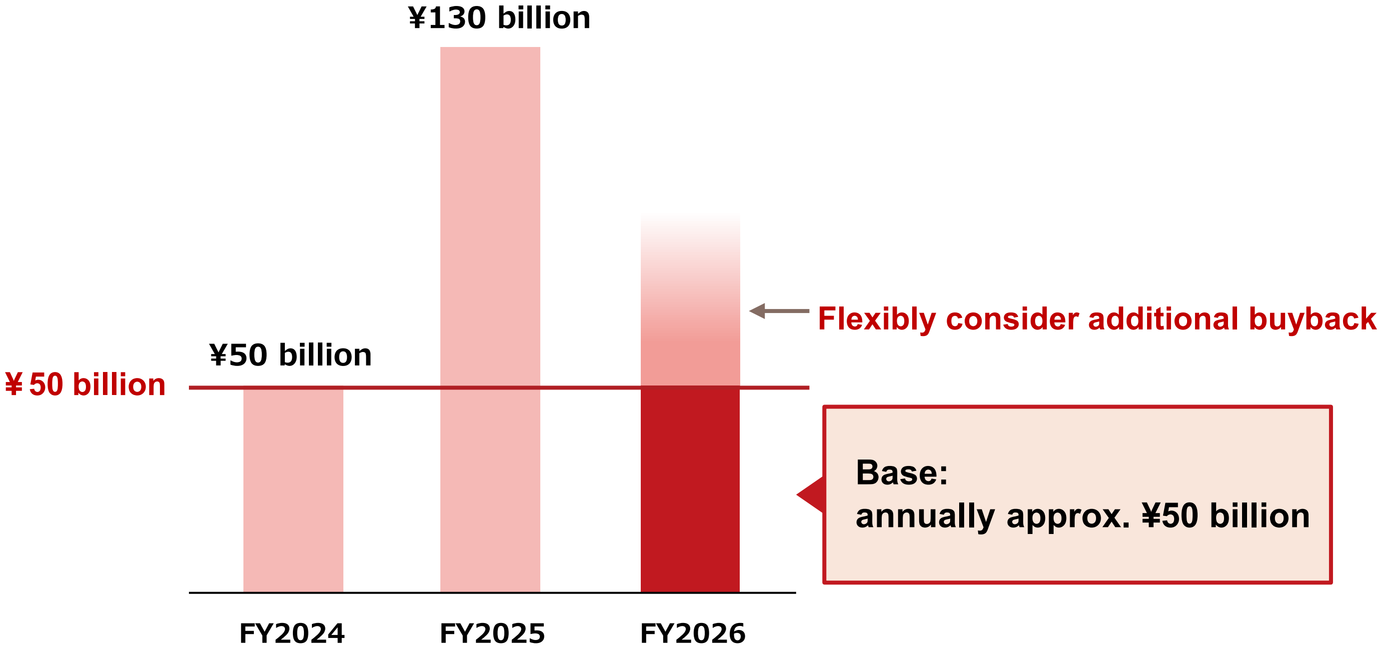
2. Shareholders Returns Policy/ Continuous and Flexible Share Buybacks

Business Strengths / Management Strategies → **Shareholder Returns (Share Buybacks)**

¥130 billion share buybacks in FY2025

¥50 billion share buybacks planned for FY2026, with additional buybacks to be considered

- **Maximize Capital Gains** by monitoring the market
- **Strategic Returns** including Marunouchi assets
- **Sale of Strategic-Holding Stocks, etc.**



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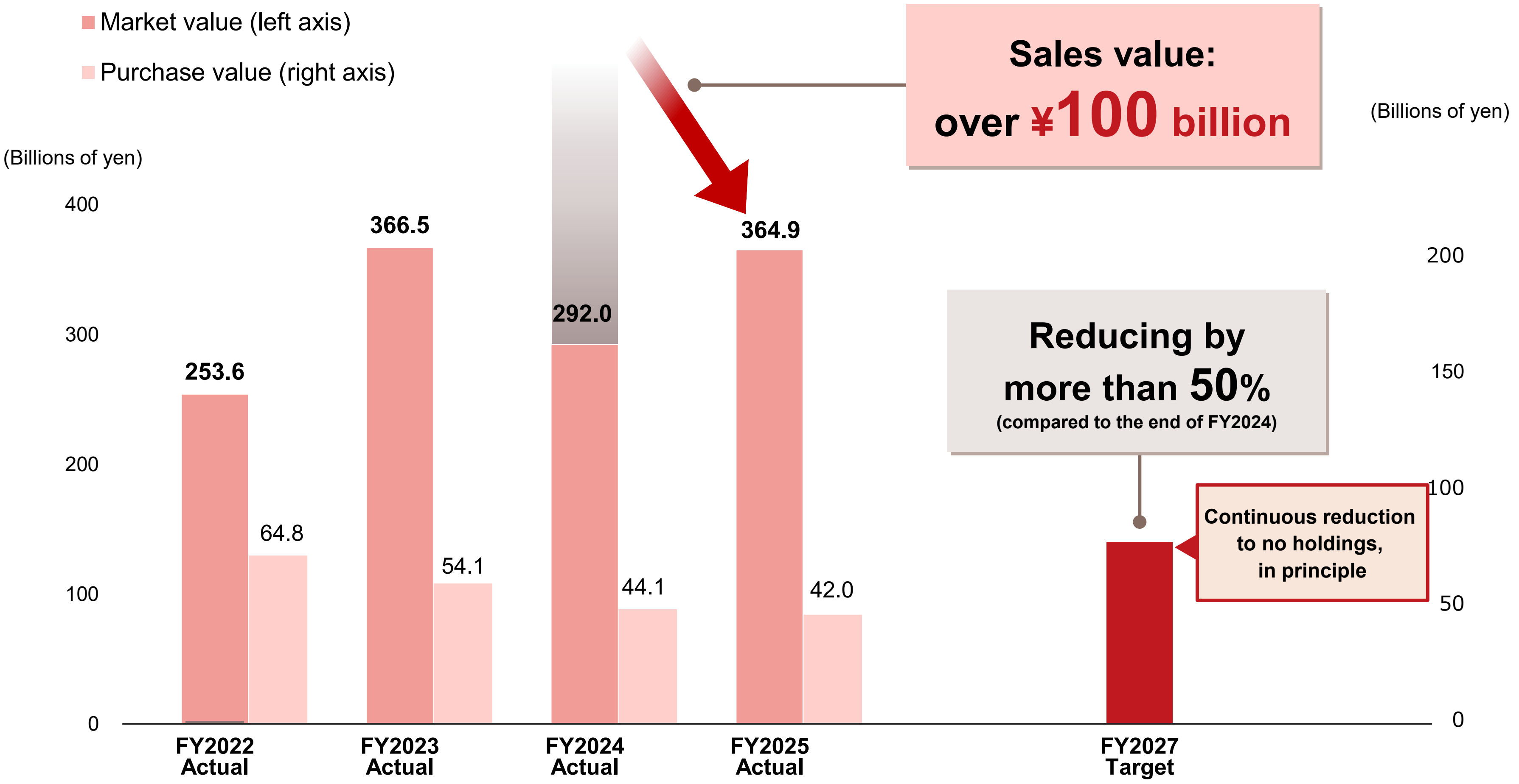
3. Policy for Sale of Strategic-Holding Stocks

Reducing strategic-holding stocks by more than 50% by FY2027.

Market / Purchase Value of Strategic-Holding Stocks (Listed Stocks)



Effects and Use of Proceeds

- Actualize unrealized gains
- Use proceeds for share buybacks, high-efficiency investments, etc.

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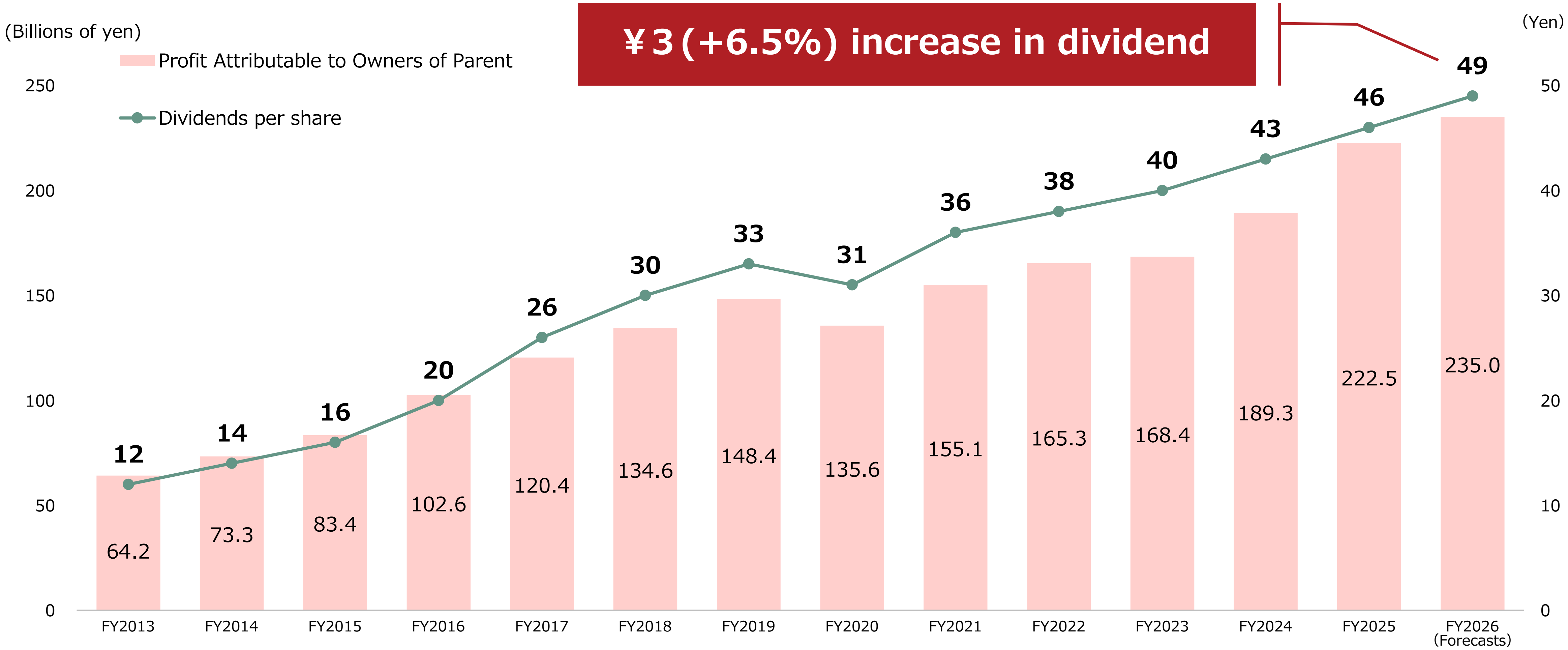
4. Shareholders Returns (Dividends)

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



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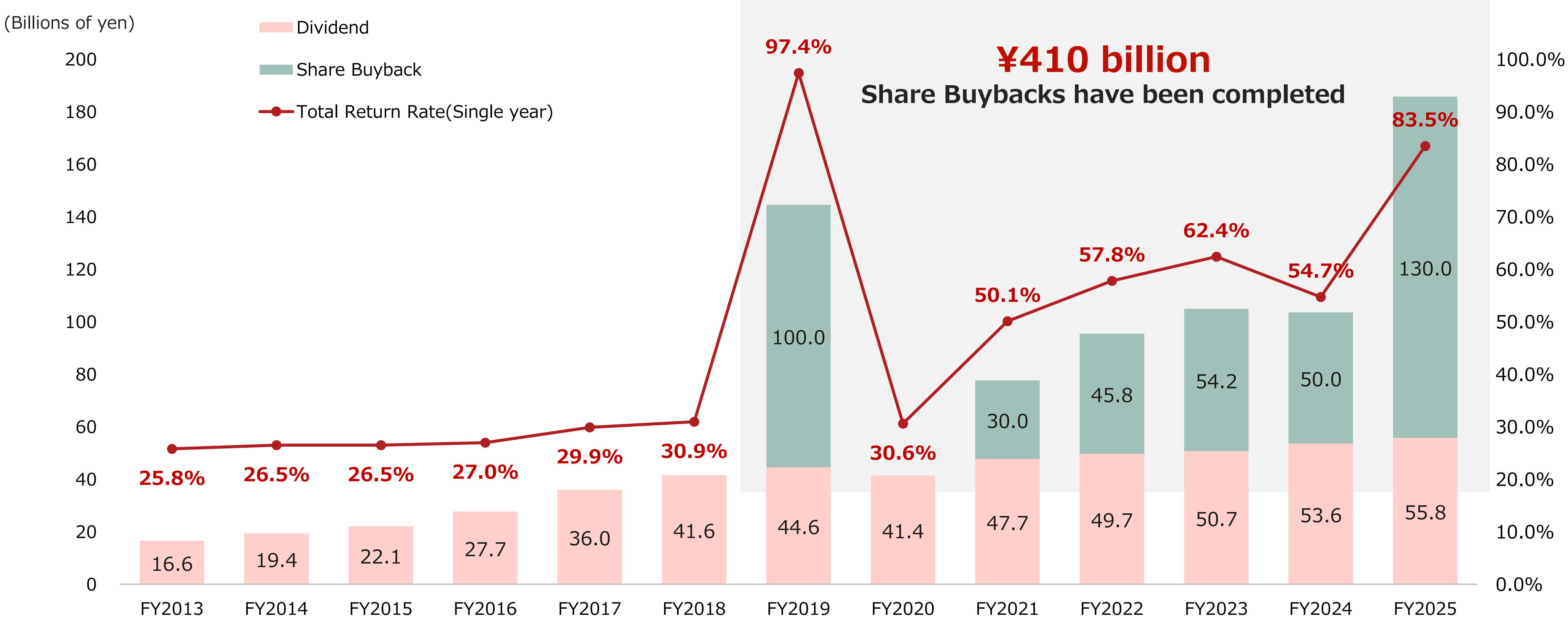
5. Shareholders Returns (Share Buyback)

Implemented ¥410 billion share buybacks over the past 7 years and will continue to deliver high and stable shareholders returns.
For FY2026 as well, in addition to the already approved ¥50 billion share buyback, additional repurchases will be considered flexibly.



Strategy and Progress

1. FY2025 Operating Profit (breakdown)

(Reference)

Millions of yen	FY2025 Results	Main components
Operating Profit	**329,730**	
Commercial Property Business	**135,677**	
Leasing	66,800	Rental profit of office, logistics facility, retail property (including outlet), hotel, etc., in Japan (excluding Marunouchi)
Sales of assets	59,500	Gain on sale of properties, such as office, logistics facility, retail property, and hotel
Other(fees, etc.)	9,377	Fee income from hotel management, project management, etc.
Marunouchi Business	**97,534**	
Leasing and Other(fees, etc.)	97,534	Rental profit mainly from Marunouchi office buildings, and profit from property management and flexible workspace businesses
Residential Business	**57,287**	
Condominiums Sales	43,700	Profit on new condominiums and renovated condominiums businesses
Sales of assets	7,500	Gain on sale of properties such as rental apartments
Other	6,087	
International Business	**57,111**	
Leasing	22,800	Rental profit of major properties in the US and Europe
Condominiums Sales	(1,500)	Profit on new condominium business
Sales of assets	41,300	Gain on sale of overseas asset properties
Other	(5,489)	
Investment Management Business	**1,435**	
Base fee etc.	7,400	Profit on asset management business in both Japan and overseas (excluding incentive fees associated with market value change)
Incentive fee	(3,300)	Incentive fees associated with market value change (non-cash)
One-off expense	(2,665)	M&A related costs, etc.
Architectural Design & Engineering Business and Real Estate Services Business	**12,614**	
Other	**(2,323)**	
Eliminations or corporate	**(29,607)**	

* Rounded the amount to the nearest hundred million 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.

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2. 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.

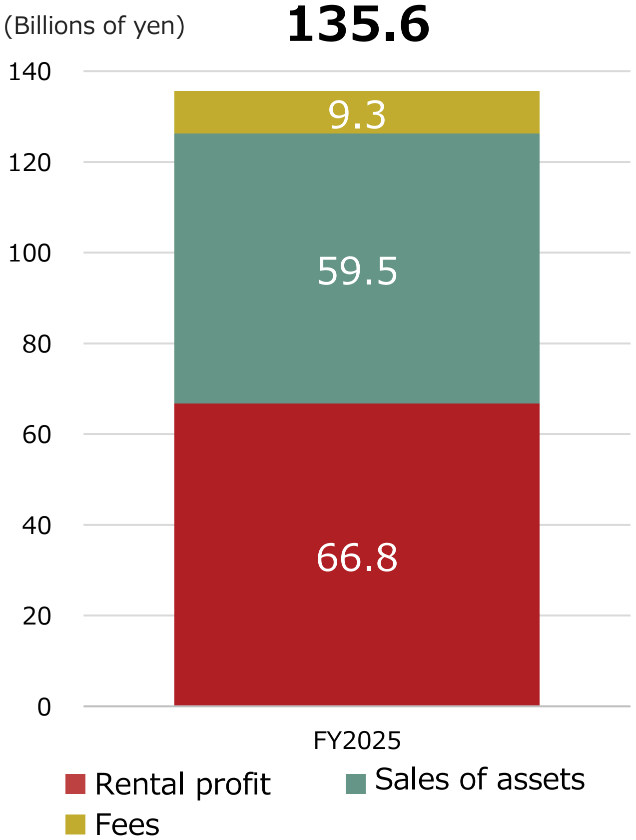
Main Indicators

→See IR Databook P.34~43

Capital Recycling Assets	NOI Yield of Assets under Operation	High Capital Gains
Over ¥1.0tn	Mid-6% range	¥67billion Before G&A

*FY2025 results and at the end of March 2026 unless otherwise described

Operating Profit



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

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3. Marunouchi Property Business

Business Overview

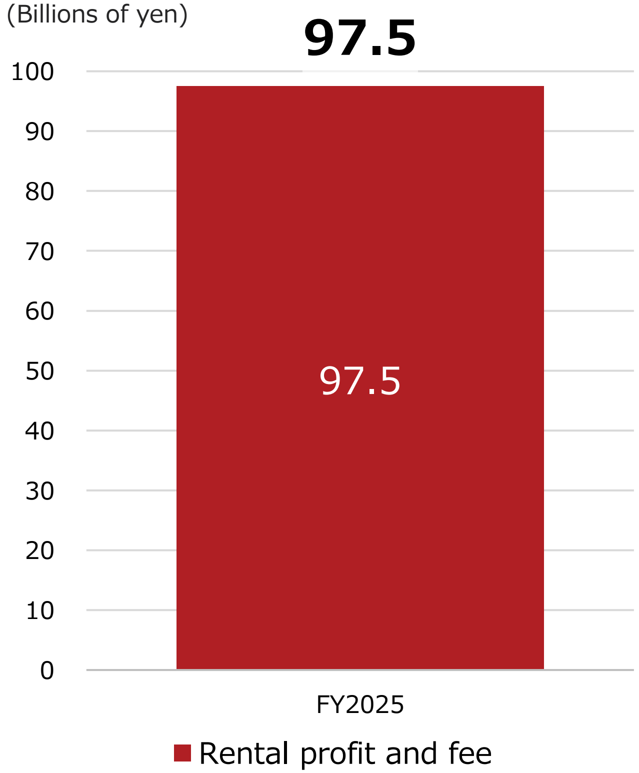
Development, leasing, and property management of mainly office buildings in Otemachi, Marunouchi, and Yurakucho (DaiMaruYu district). Maximize profits through area development and area management in the DaiMaruYu district.

Marunouchi Building　Shin-Marunouchi Bldg.

Marunouchi Park Building

©Mitsubishi Jisho Design Inc.

Operating Profit



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

Main Indicators: Advancing Marunouchi Redevelopment

Redeveloped	New Projects*	Vacancy Rate of Marunouchi/Office
19buildings / 35 in total 2million m²	1.1 - 1.3million m²	As of Mar. 2026 0.55% →See IR Databook P.27

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

**FY2025 results and at the end of March 2026 unless otherwise described; the area represents total floor area

→See IR Databook P. 18～33

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4. Residential Business

Business Overview

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

The Parkhouse

The Parkhabio

The Parkhouse Yoyogi Oyama Residence

The Parkhouse Shinsaibashi Tower

The Parkhabio Kitasenju

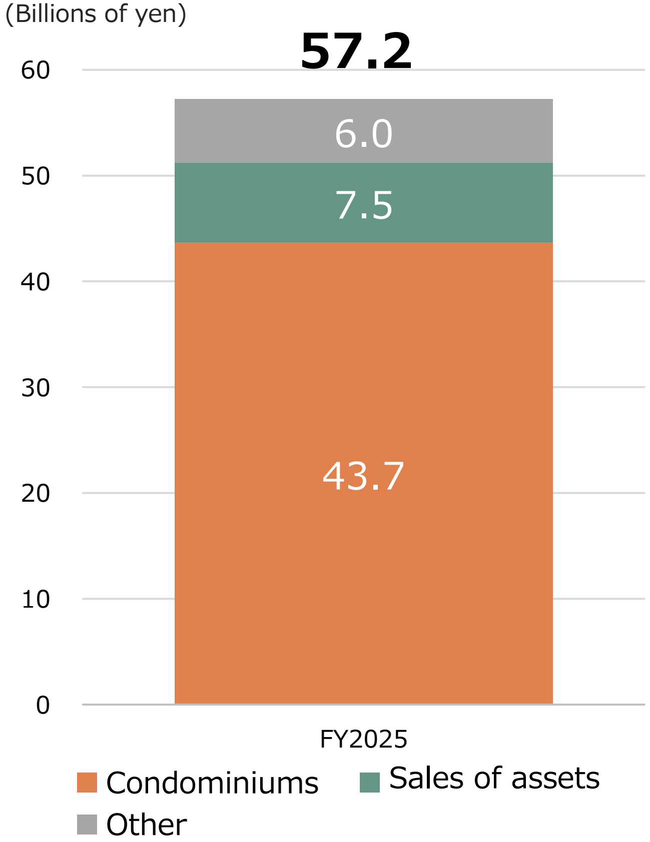
Main Indicators

→See IR Databook P.44-49

Land Bank	Gross Profit Margin	Owned Rental Apartments, etc.
As of Mar. 2026 16,107 units	37.1%	156 buildings

*FY2025 results and at the end of March 2026 unless otherwise described

Operating Profit



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

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5. 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 ¥20 billion 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

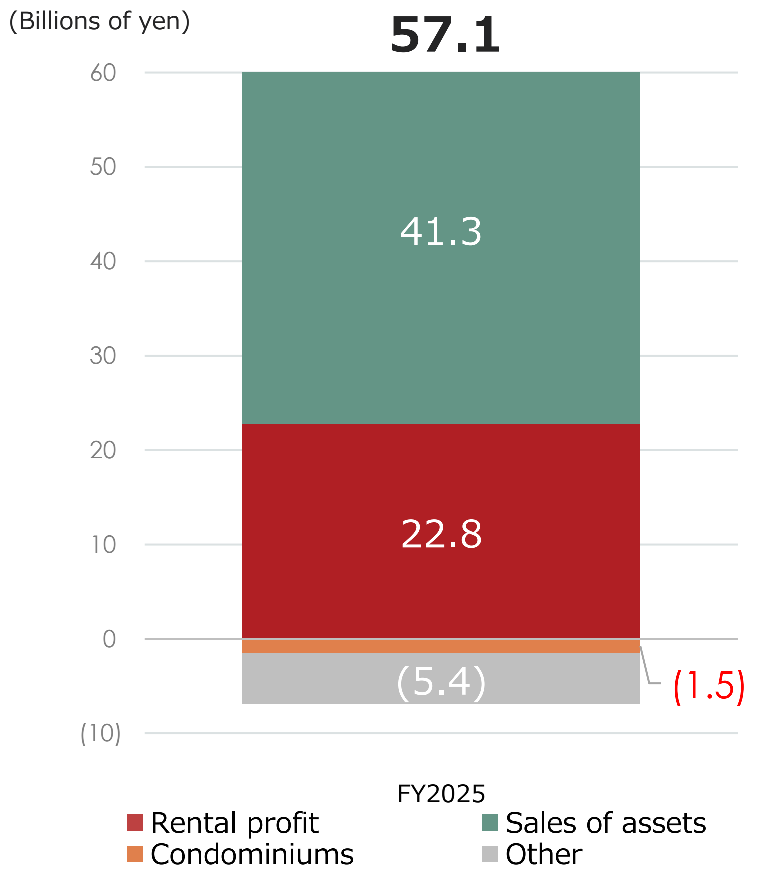
Overall international business strategy
→See IR Databook P.51-53

US
→See IR Databook P.54-56

Europe
→See IR Databook P.57-59

Asia/Oceania
→See IR Databook P.60-63

Operating Profit



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

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6. 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

JRE ASSET MANAGEMENT

US

TA REALTY

Europe

PATRON

EUROPA

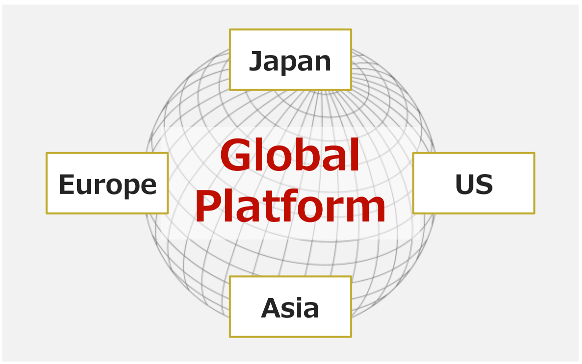
Asia

MEC GLOBAL PARTNERS ASIA

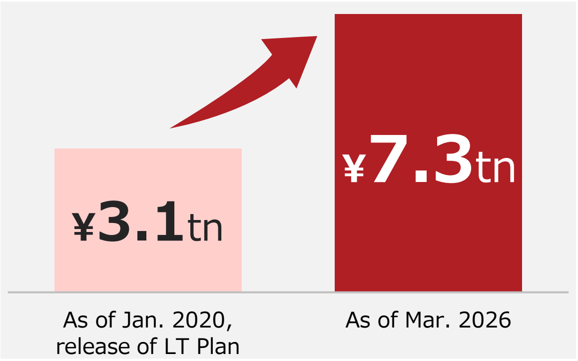
Main Indicators

→See IR Databook P.64-70

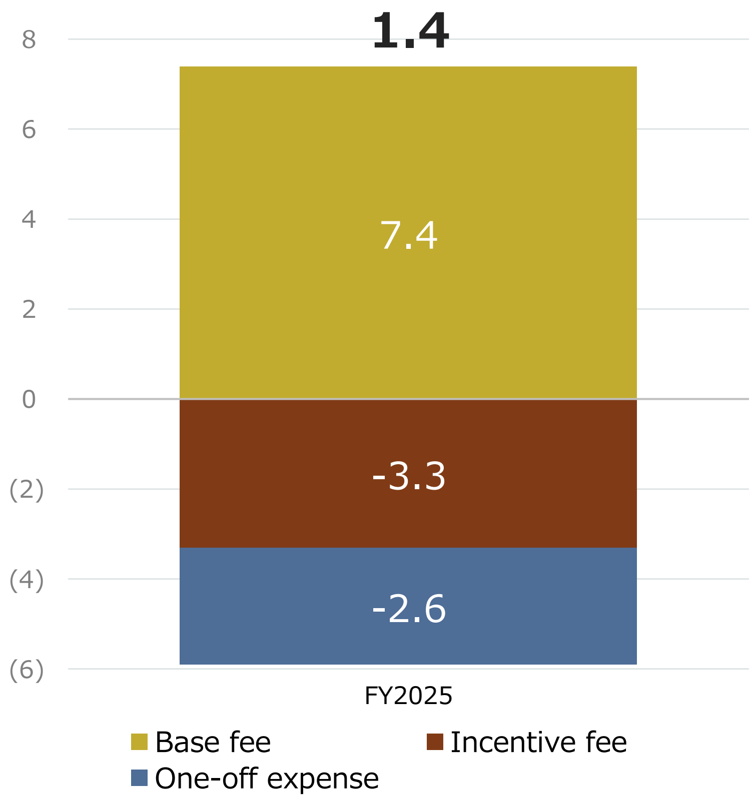
Global Platform



Growing AuM



Operating Profit



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

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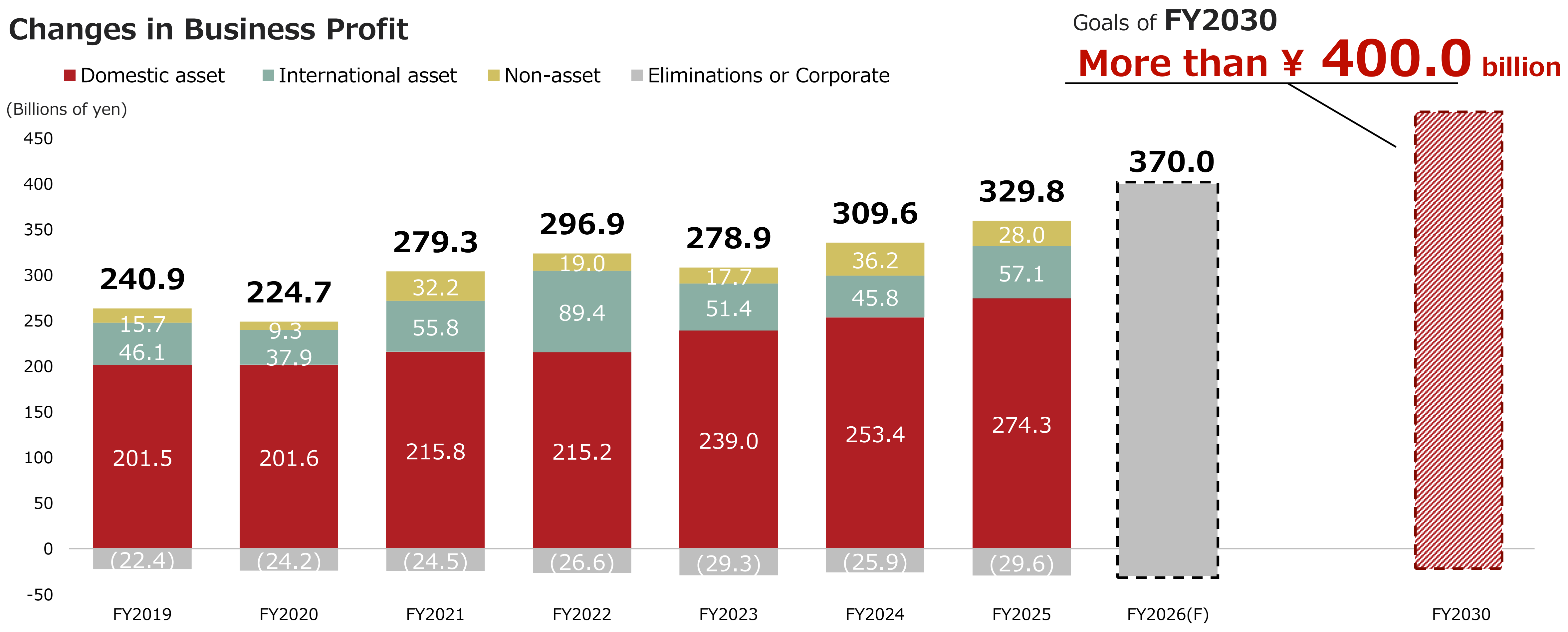
7. Progress in Long-term Management Plan 2030

Changes in Business Profit



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

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