Mitsubishi Estate Group IR Day Marunouchi Property Business

December 6, 2024



Today's Attendees

Supervising Officers of the Marunouchi Property Business Group

Representative Corporate Executive Officer, Deputy President

Kenji Hosokane

Profile

2024- present

1990	Joined the Company in the Urban Project Development Department
2008	Deputy General Manager of Building Asset Development Department
2013	General Manager of Building Asset Development Department
2014	Executive Officer, General Manager of Marunouchi Development
	Department
2015	Executive Officer, General Manager of Yokohama Branch
2017	Senior Executive Officer, (in charge of Lifestyle Property Business
	Planning Department, etc.)
2021	Representative Corporate Executive Officer, Senior Executive Officer
	(Supervising Business Development, Client Relations & Solutions Group)
2023	Representative Corporate Executive Officer, Deputy President
	(Supervising Commercial Property Business Group)

Marunouchi Property Business Planning Department

General Manager of Marunouchi Property Business Planning Department

Hiroshi Shioiri

- Contents 1. FACTS about [Marunouchi] Business District
 - 2. Overview of Market Trends and Marunouchi (Based on results of 2024 survey related to offices)
 - 3. Strategies for Marunouchi (Workstyles that are possible because it is Marunouchi ~ Making the entire area into a workplace~)

1890

1900

1910

1920

1940

1950

1960

1970

1980

1990

1998

2002

2006

2010

2014

2019

2020

After carrying out "Marunouchi urban development" continuously for more than 130 years, since 1890, work is currently underway with "Marunouchi NEXT Stage"

1890 Starting from scratch **Purchase of Marunouchi Land and** Vision of a Major Business Center



The history of Tokyo's Marunouchi area began in 1890 when Yanosuke Iwasaki, who was the president of Mitsubishi at the time, purchased the area at the request of the Meiji government of Japan.

At the time, the area was an expanse of flat, grassy fields that became known as Mitsubishigahara, or Mitsubishi Fields. Iwasaki's reasoning behind acquisition was his belief that for Japan to become a modern nation, the country needed a business center such as the ones in New York or London. The purchase price was ¥1.28 million, about three times Tokyo's annual budget at the time – a massive sum that speaks to the boldness and inspiration of Iwasaki's decision.

1890s - 1950s First Phase of Development Dawning of a Full-Scale **Business Center Development**

> 1960s - 1980s Second Phase of Development An Abundance of Large-**Capacity Office Buildings** Reflecting a **Period of Rapid Economic Growth**



As Japan entered an era of high economic growth, there was a sharp increase in demand for office space. Through the Marunouchi remodeling plan that began in 1959, the area was rebuilt with large-scale office buildings, providing a considerable supply of highly integrated office space. Sixteen buildings were constructed, increasing the total available floor space by about five times. In addition, Naka-dori Avenue, stretching from north to south through the Marunouchi area, was widened from 13 meters to 21 meters.

The construction of the area's first modern office building, Mitsubishi Ichigokan, was completed in 1894. Soon after, three-story redbrick office buildings began springing up.

Following the opening of Tokyo Station in 1914, the area was further developed as a

business center. American-style large reinforced concrete buildings lined the streets,

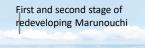
making the area have a more functional look and giving rise to the area being called

resulting in the area becoming known as the "London Block."

the "New York Block."

The 1980s marked the appearance of high-rise buildings more than 100 meters tall in the area. However, even in an era of changing skylines, the Marunouchi area remained a business center with beautiful scenic views of the waters and green woods of the Imperial Palace.

1998 - 2019Third Phase of **Development** The World's Most Interaction-inspiring Neighborhood

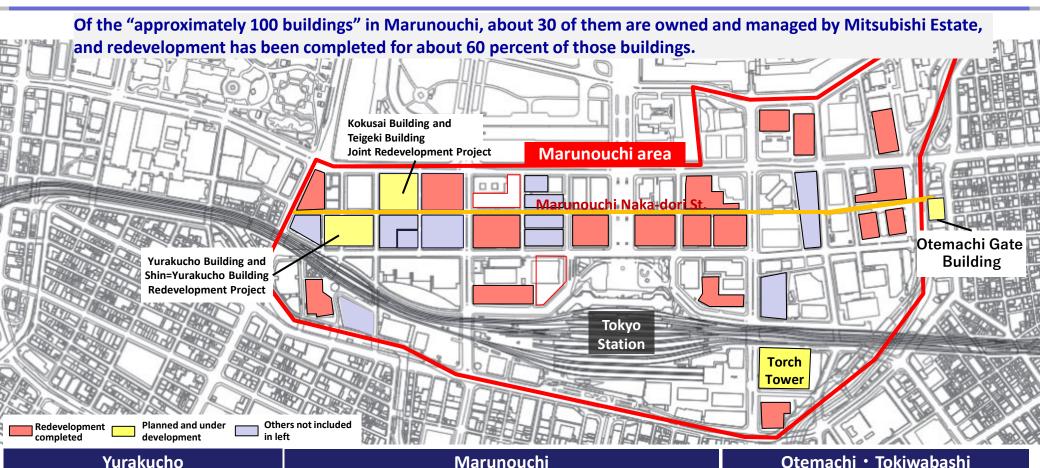


In 1998, Mitsubishi Estate began work on a project aimed at creating a landscape that would give a new image to the area based on the concept of "The world's most interaction-inspiring neighborhood."

Starting with the completion of the Marunouchi Building in 2002, Mitsubishi Estate rebuilt many buildings in line with the new concept. After that, we expanded the vibrant and bustling atmosphere of Marunouchi to Otemachi and Yurakucho, deepening the business functions as well as broadening the diversity of the city functions.

2020 -Marunouchi **NEXT Stage** Aiming to Make the Marunouchi **Redevelopment Project** Broader and More Comprehensive

Urban development of the Marunouchi area from 2020 onward is mapped out in "Marunouchi NEXT Stage," with the aim of realizing a stage where new "value" can be created through the gathering and interaction of people and companies. In addition, as we have set the Yurakucho and Tokiwabashi area as the main redevelopment area, approximately ¥600 billion to ¥700 billion in total will be invested by 2030 to carry forward redevelopment and renovation.



Turakuciio
The Peninsula Tokyo Yurakucho Denki Building Yurakucho Ekimae Building (ITOCIA) Tokyo Kotsu Kaikan Building Shin-Kokusai Building Shin-Nisseki Building Marunouchi Nijubashi Building Shin-Tokyo Building

Meiji Yasuda Seimei Building Marunouchi Park Building Tokyo Building Kishimoto Building Marunouchi Naka-dori Building Marunouchi 2-Chome Building Mitsubishi Building JP TOWER Marunouchi Building

Shin-Marunouchi Building
Palace Building
Mizuho Marunouchi Tower &
Marunouchi Terrace
Mitsubishi UFJ Trust and Banking Building
Marunouchi Eiraku Building
Marunouchi Kitaguchi Building,
Marunouchi Oazo

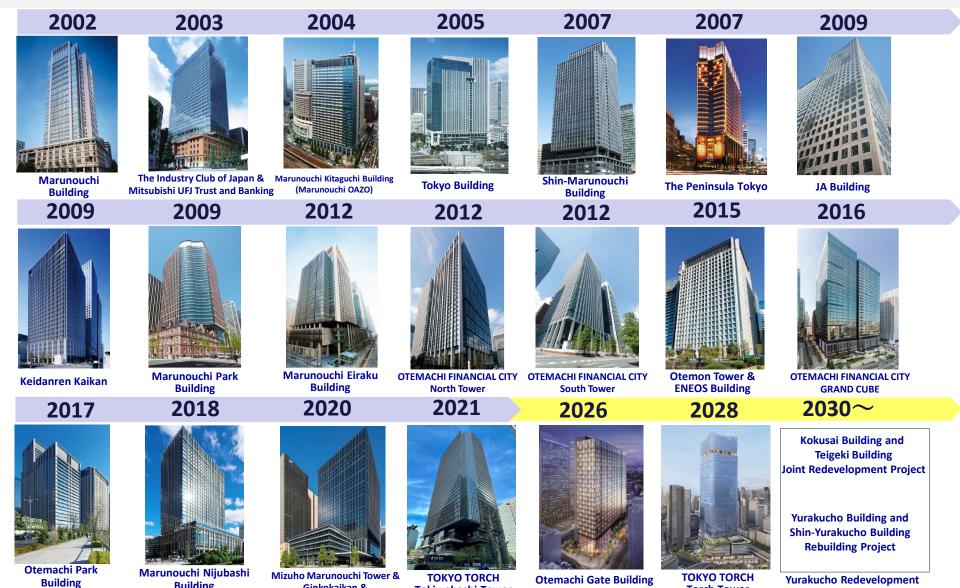
Otemon Tower & ENEOS Building
Otemachi Park Building
Otemachi Building
Shin-Otemachi Building
JA Building & Keidanren Kaikan
OTEMACHI FINANCIAL CITY
South Tower & North Tower
OTEMACHI FINANCIAL CITY GRAND CUBE
TOKYO TORCH Tokiwabashi Tower

Building

Ginkokaikan &

Marunouchi Terrace

List of redeveloped buildings since the construction of the Marunouchi Building (22 buildings, including those being planned)



Tokiwabashi Tower

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Torch Tower

[Otemachi Gate Building (scheduled to be completed in 2026)]

Extension of Naka-Dori Ave. (construction work on the footbridge) stretching from Otemachi to the Kanda area, creating open spaces for interaction







[TOKYO TORCH Torch Tower (scheduled to be completed in 2028)]

To be the tallest building in Japan and Tokyo's new symbolic tower



on

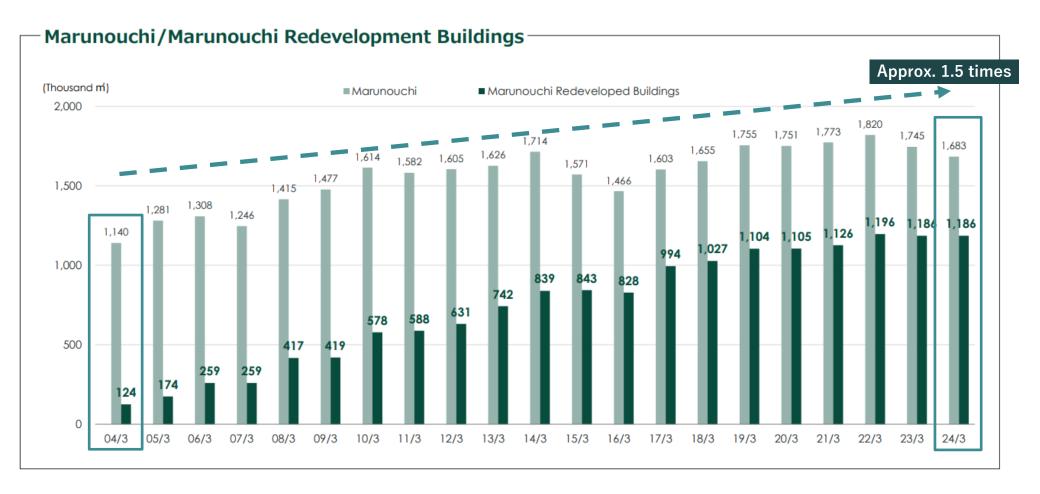


	Tokiwabashi Tower	Torch Tower	Building C	Zenigamecho Building
Name	TOKYO TORCH (Tokyo Tokiwabashi Project)			
Location	Chiyoda, Tokyo and Chuo, Tokyo			
Site Area	31,400m²			
Total Floor Area	146,000mi	553,000m²	20,000mi	30,000mi
Floor Area Ratio	1,860%			
Floors(above ground / below ground)Height	38/5 212m	62/4 385m	- /4	9/3 53m
Construction Begins	Jan. 2018	Sep. 2023	Jan. 2018	Apr. 2017
Expected Completion	Jun. 2021	May 2028 (planned)	May 2028 (planned)	Mar. 2022



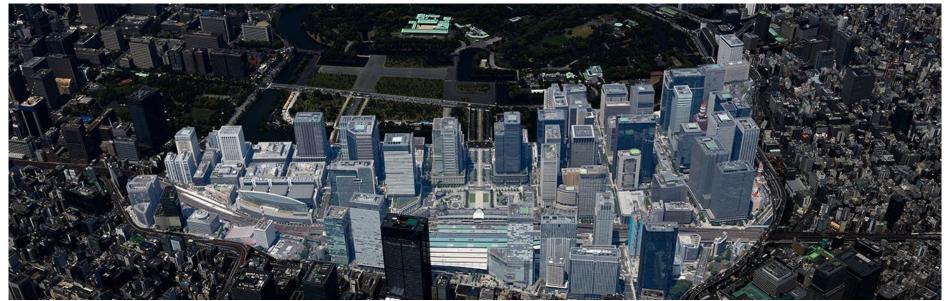


Mitsubishi Estate's leasable area (All Uses) in Marunouchi has grown by 1.5 times over the past twenty years to approximately 1,683,000 m² (this will increase to approximately 1,980,000 m² following the completion of Torch Tower and the redevelopment of closed buildings) Redeveloped buildings account for about 70% of all buildings constructed since the Marunouchi Building



Concentration is accelerating even faster

(Over the past seven years, the working population and number of offices has increased by 20 percent to become an urban area where 350,000 people work)





Area

Approx. 120ha

135*1



Number of headquarters of companies listed on TSE



Consolidated sales

¥155 trillion*2



Number of offices

Previously 4,300





workers Previously 280,000

350,000*2



Railway network

28 lines 13 stations Network

Entire length of underpass 18 km Free loop-line bus

within the region

^{*1)} Of companies listed on the TSE (Prime, Standard, Growth), the number of companies with headquarters in Otemachi, Marunouchi *2) Based on surveys and calculations from the 2021 Economic Census for Business Activity released in June 2023. and Yurakucho. June 2023 survey. 人を、想う力。街を、想う力。 🚣 三菱地所

Concentration accelerated even faster

Total sales of companies with headquarters in Marunouchi listed on the TSE is approx. ¥155 trillion (9.1% of all sales in Japan)

> Source: MITSUBISHI ESTATE CO., LTD. (as of January 2024)

1. Fortune Global 500 company headquarters 3. Number of Companies Listed on the Prime Market of the Tokyo Stock Exchange NIHONBASHI MARUNOUCHI 19

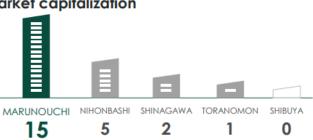
NIHONBASHI SHINAGAWA 3 || || || 2 0

MARUNOUCHI 103

|| || || ||

34 || || || || || || || TORANOMON 31 SHINAGAWA

2. Top 50 company headquarters in terms of market capitalization



4. Foreign financial company offices





Total sales of companies with headquarters in the Marunoushi District listed on the TSE Approx. ¥155 trillion

(9.1% of all sales in Japan)

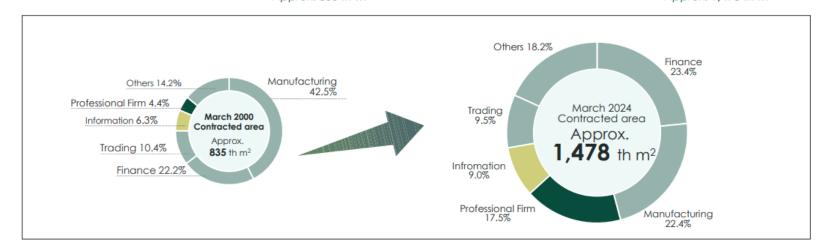
Substantial changes in the make-up of Mitsubishi Estate's office tenants

- X Contracted floor space (offices) has increased 1.8 times to 1,478,000 m² in just over twenty years
- * Tremendous increase in proportion of professional firms (32 of the top 100 law firms in terms of the number of people are concentrated here)
- * Total area of manufacturers has not decreased

Ex: Number of law firms (Firms where the number of people rank among top 100 firms) 32

March 2000	Type of Business	Area ratio
1	Manufacturing	42.5%
2 Finance		22.2%
3 Trading 4 Information 5 Professional Firm		10.4%
		6.3%
		4.4%
	Others	14.2%
	Contracted area (office)	Approx 835 th m ²

March 2024	Area ratio of Business	(三菱地所調べ) Area ratio
1	Finance	23.4%
2	Manufacturing	22.4%
3	Professional Firm	17.5%
4	Trading	9.5%
5	Information	9.0%
	Others	18.2%
	Contracted area (office)	Approx. 1,478 th m²



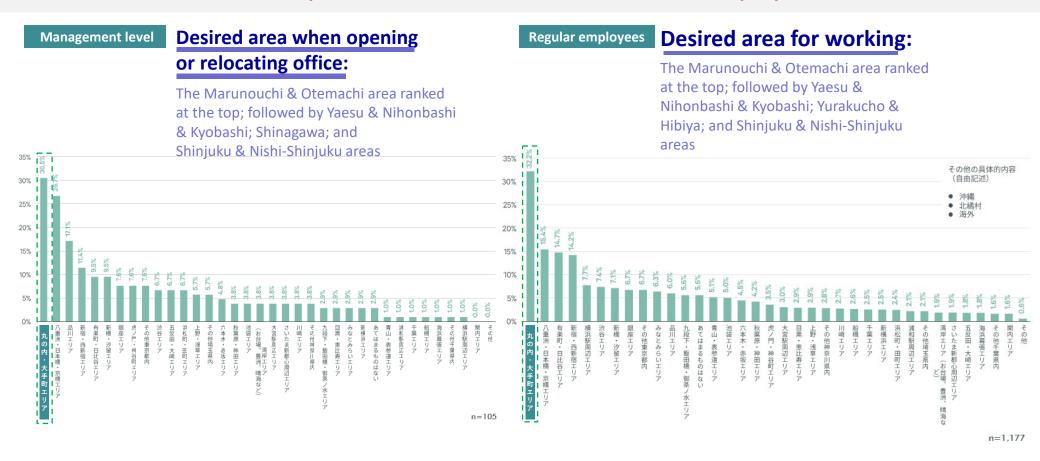
2. Overview of Market Trends and Marunouchi Contents (Based on results of 2024 survey related to offices)

After the COVID-19 pandemic, each company has come to position human capital management as one of the most important issues, resulting in reconsidering the preparation of the office environment as "an investment" and not as a "cost" Each company seeks to realize what an office should be like as a management base that leads to raising corporate value



Envisioned image Make Marunouchi a place that will continue to be chosen as "the No. 1 business area," where a person would continue to want to work and have an office ~ Make the entire area into a workplace ~

Provide a platform to "maximize the time value of the company"



The dilemma of offices encountered by companies

[Promote collaboration between employees (open)] \Leftrightarrow [Facilities that contribute to improving operational efficiency (closed)] Sophistication and increased complexity of the role required by offices, and coexistence of opposing functions

> 経営層 一般社員

ダイジェストスライド

つをお答えください。(3つまで)

Q22.オフィスが持つ役割とは何だと Q5.あなたがオフィスに行く目的・理由は何ですか。 思いますか。重要と思うもの上位3 主なものを5つまでお選びください。(5つまで)

Role of the office and reason for going to the office:

The role of the office as viewed by management level coincides with the reason for going to the office by the engagement level. It is deemed that creating an office that embodies the vision of the management level will accelerate the sharing of the vision, consequently contributing to the improvement of engagement. However, there is a variety of visions and there is no silver bullet that will work for all companies.

		経営層 (オフィスの役割)	エンゲージメント層 (オフィスに行く目的)		全体 (オフィスに行く目的)
1位	60.3%	従業員同士のコミュニケーション・コ ラボレーションの促進	41.9% 社内の対面コミュニケーション・コラ ボレーションのため	28.5%	プリンターやモニター、デスクなどの設備や 備品を使用するため
2位	47.8%	快適かつ集中して業務が行える環境	32.0% 業務に集中するため(業務効率が上が るため)	28.5%	会社が出社を必須または推奨しているため
3位	42.6%	従業員のエンゲージメントの向上	31.1% 社内の重要な対面の会議があるため	27.1%	社内の対面コミュニケーション・ コラポレーションのため
4位	31.6%	従業員の結びつきの強化	27.5% プリンターやモニター、デスクなどの 設備や備品を使用するため	24.9%	業務に集中するため (業務効率が上がるため)
5位	18.4%	企業カルチャーの醸成・体現	25.7% 顧客との重要な対面の会議・商談があ るため	21.2%	社内の重要な対面の会議があるため
6位	17.6%	人材の育成	25.2% 会社が出社を必須または推奨している ため	19.6%	重要な守秘性の高い書類を扱うため
7位	16.9%	アイデア創出のための空間	23.0% 重要な守秘性の高い書類を扱うため	18.7%	社内の業務システムがオフィスからしかアク セスできないため
8位	16.2%	機密性の高い情報など重要資産の保全	20.3% 社内の情報収集のため	17.7%	顧客との重要な対面の会議・商談があるため
9位	11.8%	顧客とのリレーション強化	19.8% 社内の業務システムがオフィスからし かアクセスできないため	16.5%	社内の情報収集のため
10位	10.3%	従業員のウェルビーイングの向上	14.9% 部下や新人の教育のため	10.0%	部下や新人の教育のため

主催 日本経済新聞社イベント・企画ユニット 調査:日経リサーチ 調査協力: CBRE「オフィスの利用状況に関する調査」2024年7月

~ Make the entire area into a workplace ~

Provide a platform for urban development to "maximize the time value of the company" (What cannot be realized just inside the exclusive area of a company or by the efforts of a single company is supported by the "entire urban area")

A space that has a combination of the two extremes of "collaboration" and "improved operational efficiency"



It is difficult to deal with unless there is a certain amount of office floorspace

(About 80% of the tenant companies in Mitsubishi Estate's buildings in Marunouchi have less than 1,000 m² of floorspace)

Common use space that contributes to promoting collaboration





After its relocation in 2018 and getting through the COVID-19 pandemic, Mitsubishi Estate carried out largescale repair work on its offices as well



Facilities for online communication





Unique platform that can be provided only by urban areas as a whole

(What cannot be realized just inside the exclusive area of a company or by the efforts of a single company is supported by the "entire urban area")

1 Diverse workplaces



2 Open innovation



(3) Common use space and support for workers in urban areas



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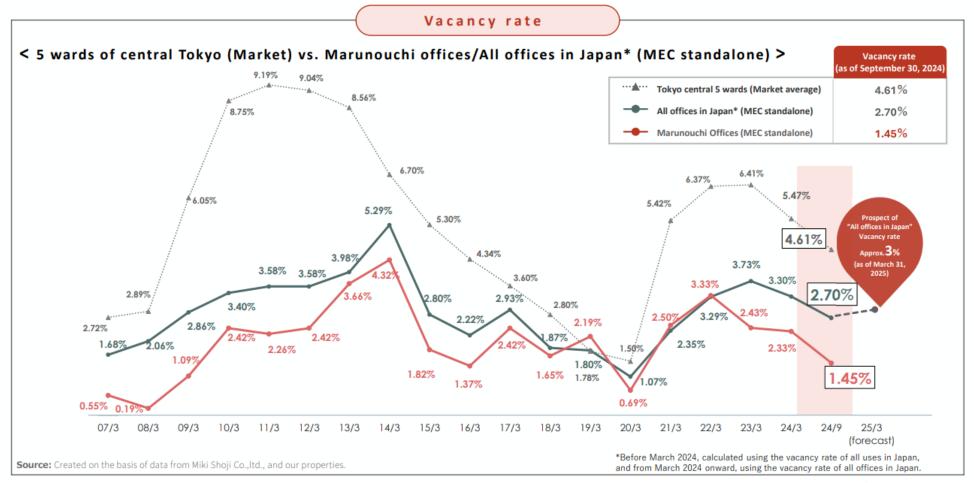
(4) Wellness and health management in urban development



(5) Sustainability of urban development

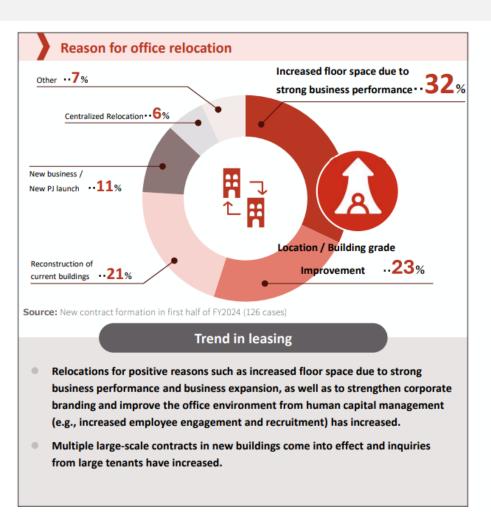


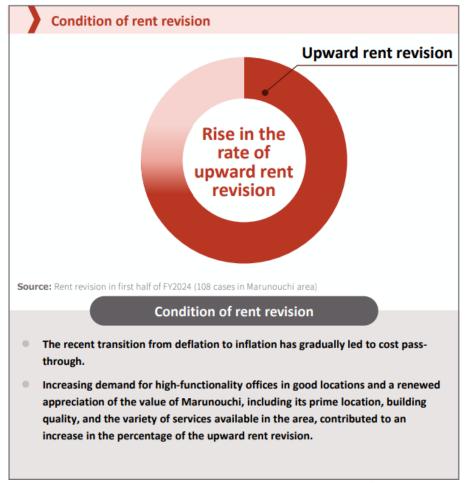
The Company's measures related to Marunouchi succeeded, becoming a tailwind to improve the rental market, resulting in vacancy rates for offices in Marunouchi decreasing to 1.45%



The trend of reconsidering the office as "an investment" and not as a "cost" has been especially conspicuous in recent cases of relocation as well

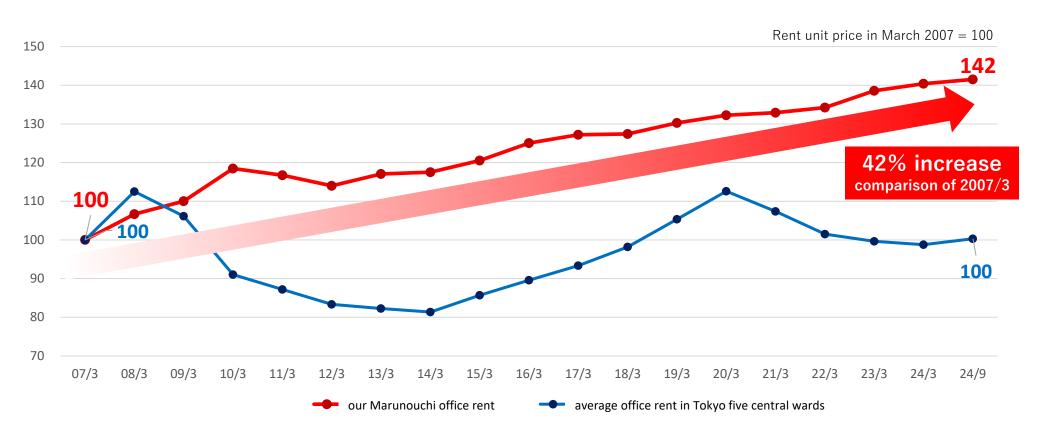
A tight supply and demand environment, inflation, etc., were behind the increase in the rate of upward revision



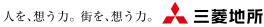


Even in a declining market, our Marunouchi office has achieved sustained rent increases Even though the rent is higher than the market, the rate and extent of rent increases greatly exceed the market.

our Marunouchi office rent vs. average office rent in Tokyo five central wards*



*Source: Miki Shoji Office Market Data



Contents 3. Strategies for Marunouchi (Work styles that are possible because it is Marunouchi ~ Making the entire area into a workplace)

3. Strategies for Marunouchi ~ Making the entire area into a workplace

Concept of [The entire Marunouchi area is an office] is based on

[Unique Point A] "Unique convenience and concentration" X [Unique Point B] "Platform for the entire urban area"

Unique Point A of Marunouchi

Strength of unique convenience and concentration accumulated through 130 years of urban development





Consolidated



Number of





Network

headquarters of companies listed sales

offices Previously 4,300

workers Previously 280,000 Railway network

within the region

Approx. 120ha

135₁

¥155 trillion*2

5.000*2

350,000°2

28 lines 13 stations

Entire length of underpass 18 km Free loop-line bus



Unique platform that can be provided only by urban areas as a whole

(What cannot be realized just inside the exclusive area of a company or by the efforts of a single company)

Unique **Point B** of Marunouchi

(1) Diverse workplaces



2 Open innovation



Common use space and support for workers in urban areas



(4) Wellness and health management in urban areas as a whole



5 Sustainability of urban areas



3. Making the entire area into a workplace: Basic strategies for workplaces (related to (1)(2))



Unique Point B of Marunouchi

Unique platform that can be provided only by urban areas as a whole

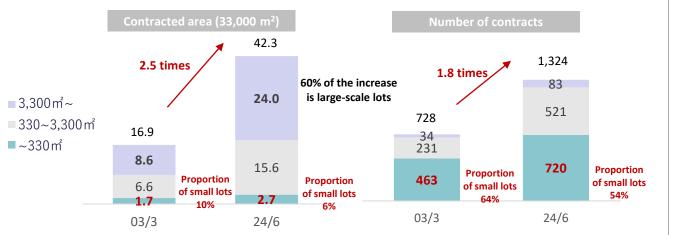
- 1 Diverse workplaces
- 2 Open innovation
- 3 support for workers
- Wellness and health
- Sustainability

Changes of the scale of areas of general offices in Marunouchi

Points · Strategies

- Area expanded 2.5 times larger and the number of contracts increased 1.8 times as a result of carrying forward redevelopment
- Promote effective leasing as a result of an increase of large-scale contracts
- While the total volume of contracts for small lots of less than 330 m² increased, the proportion that such contracts account for of all contracts has decreased

(Should the proportion be the same as in previous years, there would be room for expansion of small lots by approx. 49,500 m²)



Plan to achieve high rent and sustainable growth through the preparation of different types of high added-value service offices

1 Type with added specifications and services

(24,800 m² at present)

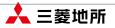
Service offices that achieve higher rent than those of general offices by differentiation of services and specifications, implementation of flexible contract terms, holding down initial costs with regard to tenant companies, etc.

growth.

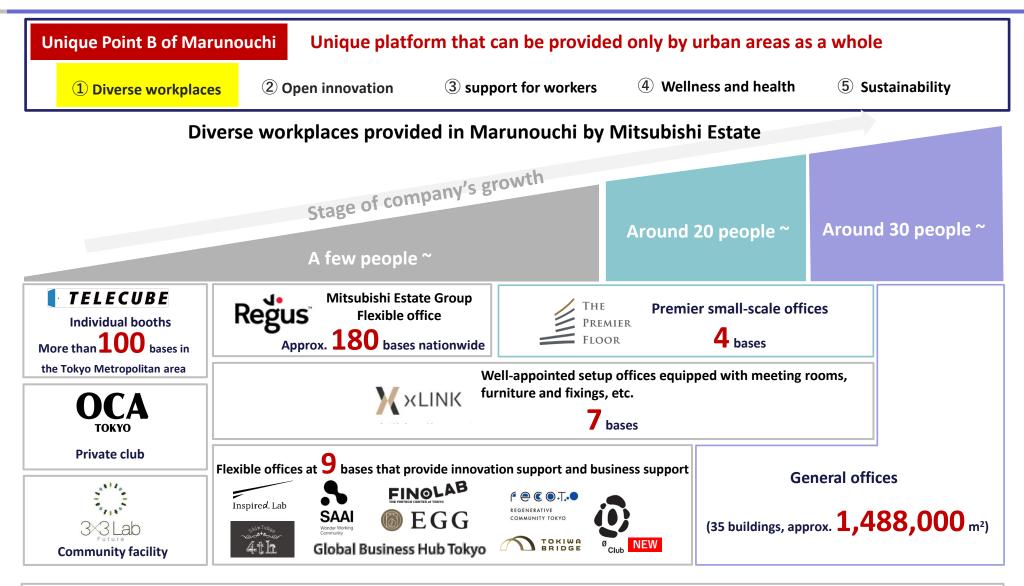
2 Open innovation

(14,500 m² at present)

Offices with support for innovation and business. Plans call for collaboration among tenant companies, as well as with major companies, and the facility at the core, aiming to build a cycle to create companies that achieve sustainable



3. Making the entire area into a workplace: ① Diverse workplaces





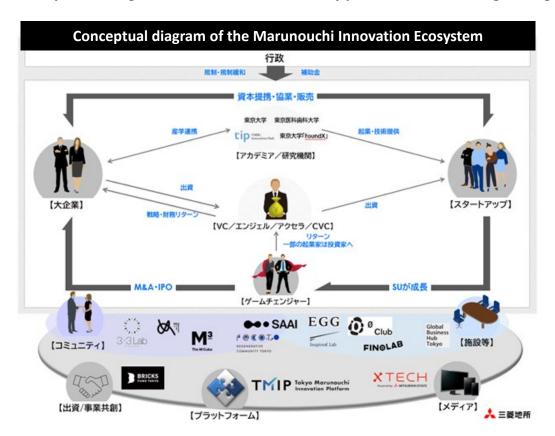
3. Making the entire area into a workplace: 2 Open innovation

Unique Point B of Marunouchi

Unique platform that can be provided only by urban areas as a whole

- 1 Diverse workplaces
- 2 Open innovation
- 3 support for workers
- Wellness and health
- Sustainability

- Multiple locations of serviced offices for startups in Marunouchi
- Parties involved in ecosystem: Partnership with academia, venture capital, acceleration programs, etc., and cooperation through investment
- · Carry out management of TMIP, the community platform for facilitating the organic connection of all stakeholders





3. Making the entire area into a workplace: 3 Comprehensive support for workers

Unique Point B of Marunouchi

Unique platform that can be provided only by urban areas as a whole

22 facilities

7 hotels

57 rooms

12 venues

- 1 Diverse workplaces
- (2) Open innovation
- 3 support for workers
- Wellness and health
- Sustainability

Employees lounge, cafeteria, external space

MY Shokudo Dining & Sakaba, GARDEN (TOKYO TORCH Tokiwabashi Tower)



Otemachi SKY LAB Yurakucho SLIT PARK (Otemachi Building) (Shin-Kokusai Building)





Marunouchi









MICE facilities, restaurants, service providers

Halls • Conference rooms

5-star hotels

Banquet halls

Unique venues

AreaVision

105 places



Urban area inviting MICE

Restaurants

562 restaurants

Shops

321 shops

Service providers

357 shops

68 facilities

Medical service providers

5 institutions

Museums, etc.

Reopen Mitsubishi Ichigokan Museum

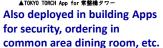
Systems and services to support business

Transmit information utilizing websites, Apps related to transmission of information about events and benefits for employees, etc.















Employee services to provide help in business scenes









(Sales of lunch bento) (Gift delivery)

(Shared office for working with children)



furniture)





(Elevator media)

(Shared resting room)



3. Making the entire area into a workplace: 4 Promoting well-being and health management

Unique Point B of Marunouchi

Unique platform that can be provided only by urban areas as a whole

- 1 Diverse workplaces
- 2 Open innovation
- 3 support for workers
- 4 Wellness and health
- 5 Sustainability

Social gathering for employees (TOKYO TORCH Tokiwabashi Tower)

* Held in common use cafeteria inside the building



Athletic meet between companies (TOKYO TORCH Tokiwabashi Tower) * Held in TOKYO TORCH Park



Otemachi & Marunouchi & Yurakucho Naka-dori Ave. Tug of war Meet



Marunouchi Radio Calisthenics



Marunouchi YOGA (Otemachi SKY LAB)



Marunouchi Long-Distance Relay Road Race

Five members per team, a total of 100 teams take part



Marunouchi de Uchimizu



Will Conscious Marunouchi **Marunouchi Dispensary**

Project supporting the health of women of working age



3. Making the entire area into a workplace: (5) Sustainability of urban areas

Unique Point B of Marunouchi

Unique platform that can be provided only by urban areas as a whole

- **1** Diverse workplaces
- 2 Open innovation
- 3 support for workers
- 4 Wellness and health
- **5** Sustainability

◆ Promote "making Marunouchi a smart city" through collaboration of public and private sectors



Safe and secure Marunouchi

Disaster-resistant

Rated as "Rank 1," the lowest overall level of risk, with a low level of risk for collapse and earthquake-related fire

Area-wide disaster prevention measures

Regularly hold "emergency response drill"
Preparation of emergency situations manual

Anticipation of measures to deal with various types of disasters

Concluded agreements with authorities for providing accommodation for stranded people

High business continuity

Stable supply of electricity from multiple lines Install large-volume oil tanks (72 hours)

Preparation of local heating and cooling network

Multiplexing of fuels for use in emergency generators









 All of the company's buildings are compliant with RE100 (renewable electricity)

RE100

- → Capable of pursuing environmental value (using renewable electricity) without imposing additional burdens
- ◆ Carry forward measures for Circular City Marunouchi

Waste recycling rate

2030 Target

Otemachi & Marunouchi &

Yurakucho area

Waste disposal per 3.3 m²

2030 Target

20% reduction

(Compared with March 2019)

(Cases of initiatives to date)

- "MARUNOUCHI TO GO" food loss reduction project
- "Bottle to Bottle" horizontal recycling of PET bottles
- Recycling used cooking oil into SAF

Sustainable bases

[3 x 3 Lab Future] Community for the environment and urban development

[0 Club] Innovation base specializing in Climate Tech

[Regenerative Community Tokyo] A community of sustainable regions



REGENERATIVE

Various environmental certifications

Saving energy, reducing waste, recycling
Comprehensive environmental certifications (CASBEE, LEED, DBJ, WELL and BELS)
Bio-related certification (ABNIC)



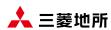












3. Making the entire area into a workplace: Marunouchi's overwhelming differentiation and increased profitability

Overwhelmingly differentiate Marunouchi by "Making the entire area into a workplace"

Receive an equivalent value for the service provided, while raising customer satisfaction

Aim to increase profits by more than 10% through existing assets for achieving our KPI targets

Unique Point A of Marunouchi

Strength of unique convenience and concentration accumulated through 130 years of urban development



Unique Point B of Marunouchi

Unique platform that can be provided only by urban areas as a whole

Receive an equivalent value for the service provided, while raising customer satisfaction



Aim to increase profits by more than 10% through existing assets

- **1** General office
- Increase rent unit price by raising customer satisfaction
- Pass on inflation to the prices
- Continue the trend of rising rents when renewing contracts

- **②** Service offices
- Achieve high unit prices by adding value
- Improve profitability by ascertaining the appropriate volume of small lots and increasing the volume
- 3 Commercial facilities, etc.
- Increase profits from commercial facilities, which are achieving annual sales of ¥100 billion for the area as a whole
- Increase tenant sales by utilizing point program applications, measures for inbound tourists, etc.
- Increase profits from halls and conference rooms, hotels, parking lots, etc.

• Management costs

- Management cost control by making use of concentration of owned assets in the same area
- Optimization of management costs by sophisticated operational efficiency and know-how for ordering, etc.
- Improve management efficiency by using technologies, such as AI and robots

Contact Information

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