

FY2022 – 2Q
(For the Year Ending March 31, 2022)
IR Presentation



For details of the "Long-Term Management Plan 2030", which began from April 2020, please refer to the following link.
https://www.mec.co.jp/e/investor/plan/pdf/plan200124_e.pdf

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Financial Overview

<FY2022-2Q Financial Results>

- Revenues and profits increased YoY due to higher capital gains and contribution from new buildings
- Earnings from retail properties and hotels improved YoY despite the impact of the 3rd and 4th SOE

<FY2022 Forecasts >

- No changes from the forecasts announced on May 13, 2021.

< Recent Highlights >

- Participated in “One Sydney Harbour Residences Two,” a large-scale residential development project in Sydney (July 2021)
- “Trinity Tower,” the first project completed in Indonesia, began operations (July 2021)
- Switched the use of electricity in the “Dai Nagoya Building” to renewable electricity (August 2021)
- AwardedGRESB Real Estate “5 Star” rating and was selected as a “Sector Leader” for the first time (October 2021)
- Participated in “Parkline Place,” a premium office development project in Sydney (November 2021)

Summary of FY2022-2Q Results

1. Income Statement Results for FY2022-2Q

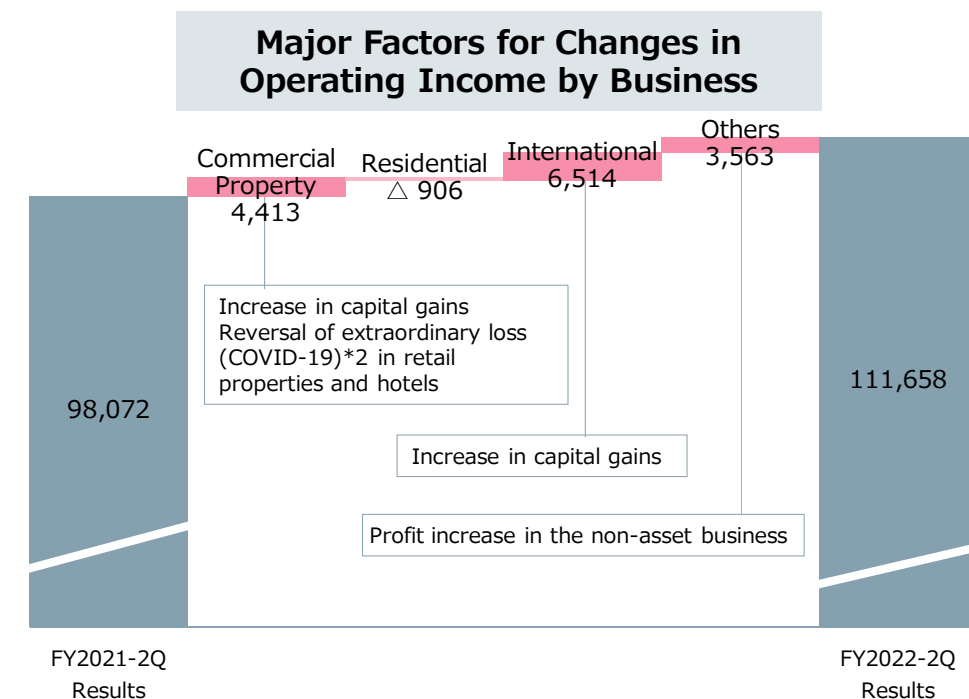
Revenues and profits increased YoY due to higher capital gains and contribution from new buildings

Millions of yen (rounded down)			
<New Segment>	FY2022-2Q	FY2021-2Q	Change
Revenue from Operations	579,023	527,312	51,711
Commercial Property Business	371,445	325,885	45,560
Residential Business	135,293	142,741	△7,447
International Business	44,038	34,478	9,559
Investment Management Business	12,544	10,106	2,438
Other*	28,684	26,987	1,697
Elimination	△12,983	△12,886	△96
Operating Income	111,658	98,072	13,586
Commercial Property Business	97,070	92,656	4,413
Residential Business	5,665	6,571	△906
International Business	18,548	12,033	6,514
Investment Management Business	4,097	2,140	1,956
Other* ¹	△2,436	△3,478	1,042
Eliminations or corporate	△11,285	△11,851	565
Non-Operating Revenue (of affiliates' equity in earnings)	7,784	10,218	△2,433
	277	198	79
Non-Operating Expense	24,811	16,671	8,139
Income before Taxes and Special Items	94,631	91,618	3,012
Extraordinary Income	8,087	-	8,087
Extraordinary Loss	11,569	9,307	2,261
Profit Attributable to Owners of Parent	55,287	50,939	4,348

Millions of yen (rounded down)			
	FY2022-2Q	FY2021-2Q	Change
Business profits	111,936	98,270	13,666
EBITDA	162,220	145,354	16,866
Interest-bearing debt	2,753,754	2,591,971	161,783

*¹Architectural Design & Engineering / Real Estate Service Business and Other businesses

Millions of yen (rounded off to the nearest billion)			
Capital Gains included in Operating Income			
	FY2022-2Q	FY2021-2Q	Change
Total	36,000	23,000	13,000
Commercial Property Business	24,000	17,000	7,000
Residential Business	5,000	6,000	△1,000
International Business	7,000	0	7,000
Investment Management Business	-	-	-
Other	-	-	-
Eliminations or corporate	-	-	-

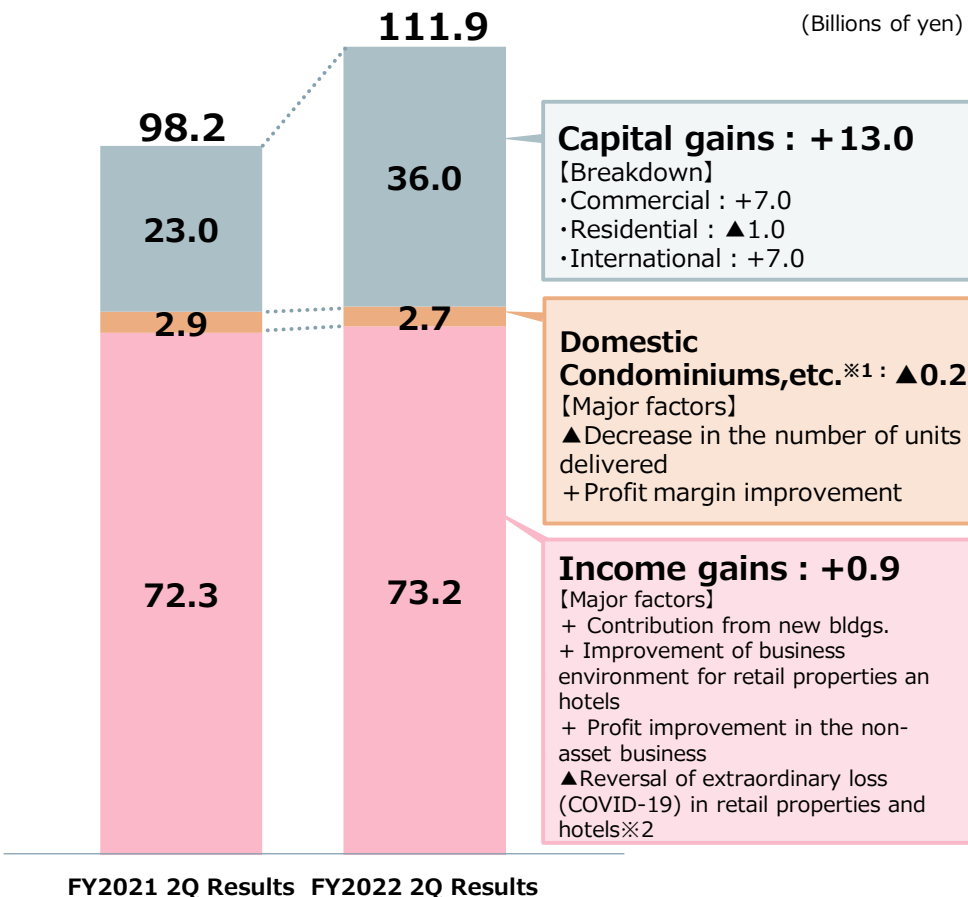


※² In the previous fiscal year, a portion of the expenses during the closure was recorded as an extraordinary loss.

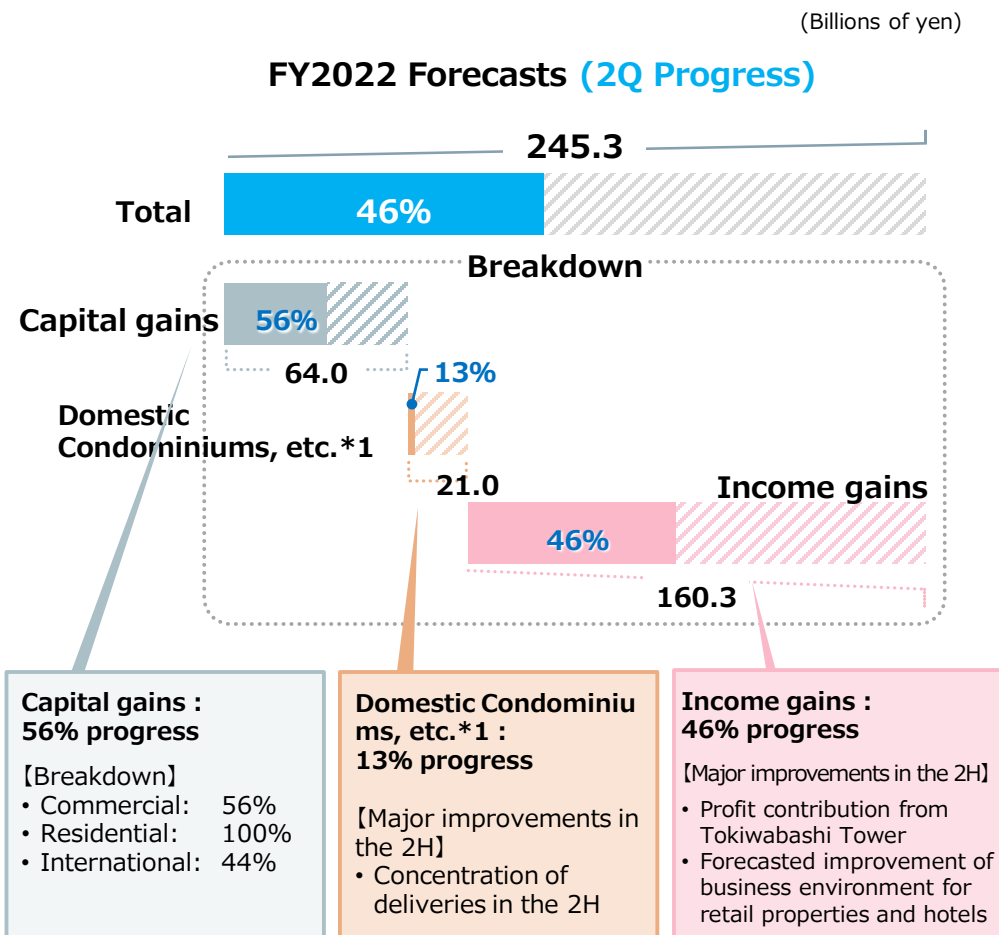
2. 2Q Results Summary and Highlights

Profit increased YoY due to increase in capital gains. In-line progress to the full-year forecasts.

YoY Change in Business Profits



Progress to the Full-year Forecasts

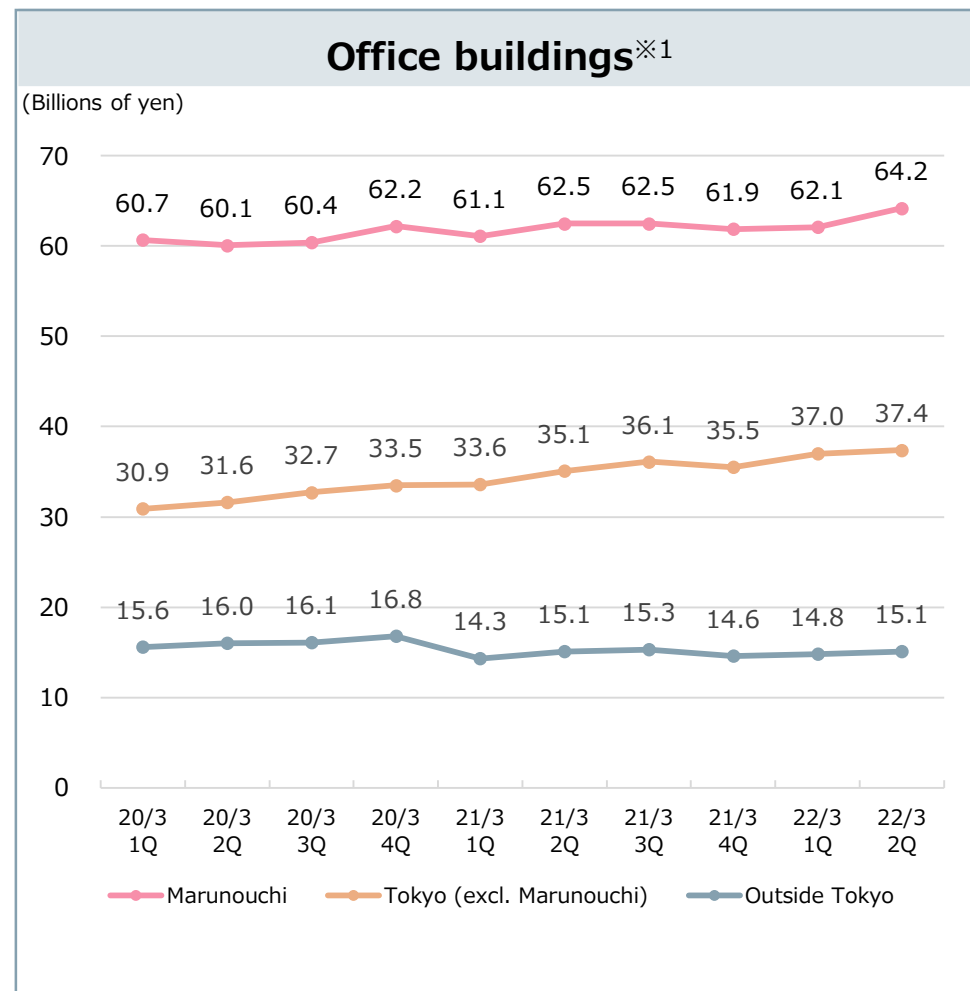


*1 Excluding capital gains, etc. from the Mitsubishi Estate Residence's operating income

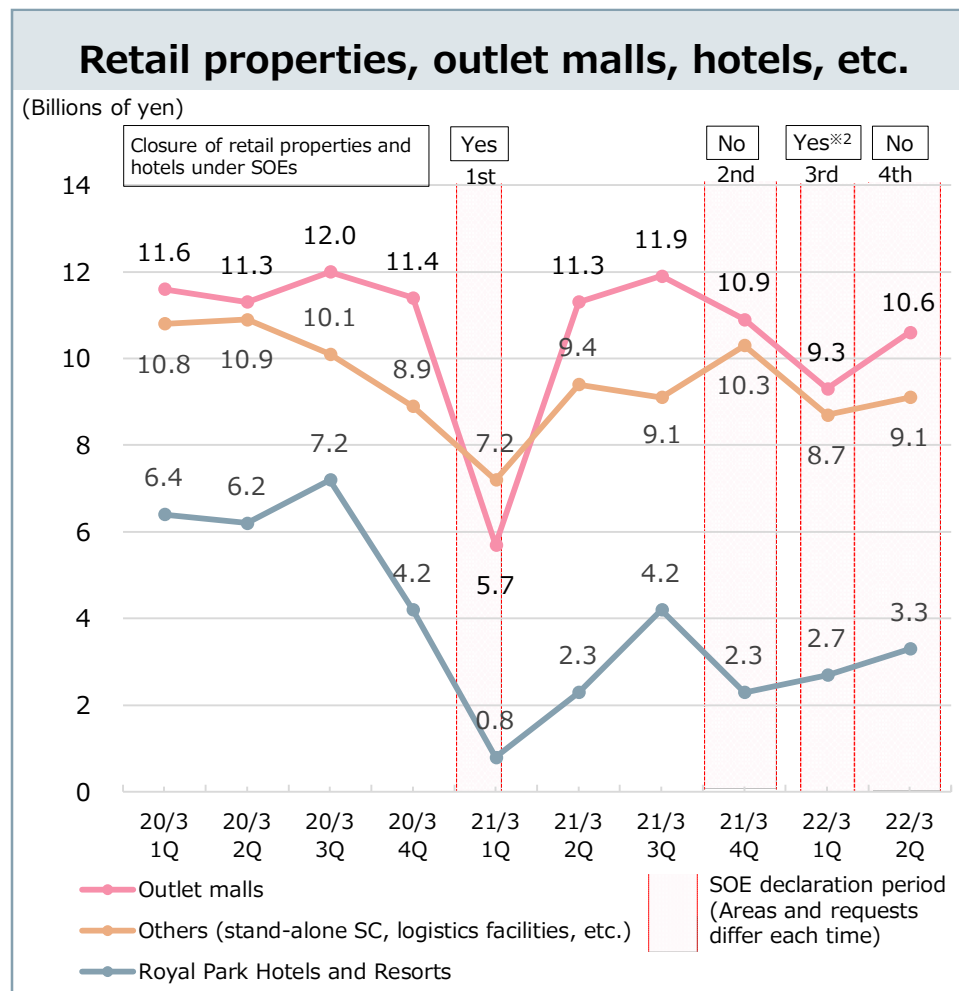
*2 In the previous FY, part of the expenses during the closure was recorded as an extraordinary loss (approx. ¥5.7 billion)

3. Changes in Revenue from Operations by Asset Type (Japan)

Earnings from retail properties and hotels improved YoY despite the impact of 3rd and 4th SOE



※1 Incl. revenue from office complexes and retail properties



※2 Some outlet malls and retail properties only.

Summary of FY2022 Forecasts

※No changes from the forecasts announced on May 13, 2021

1. Income Statement Forecasts for FY2022 (vs FY2021 Results)

※No changes from the forecasts announced on May 13, 2021.

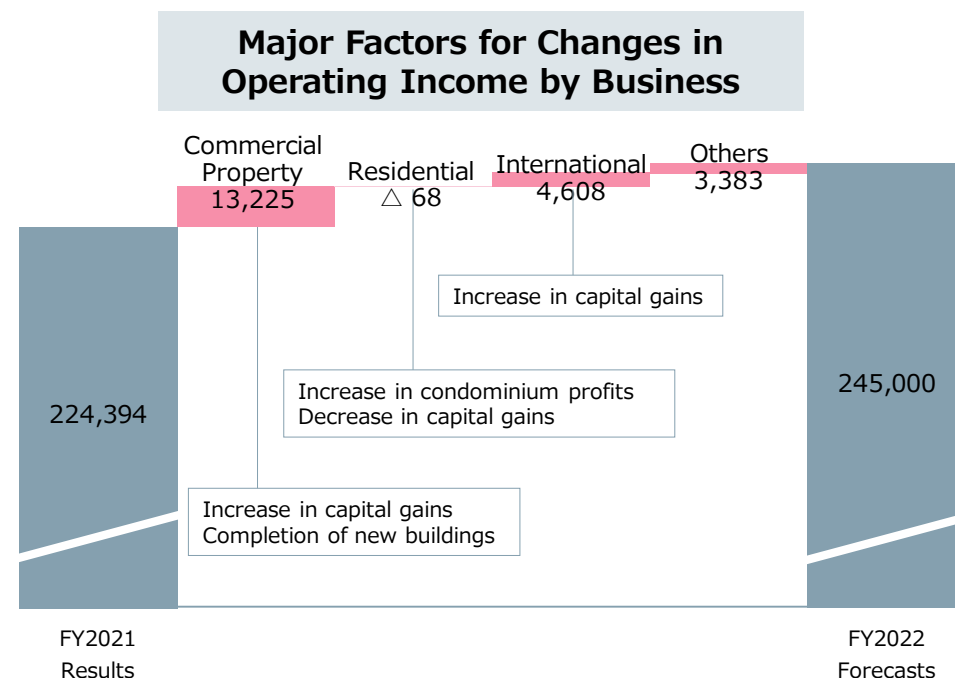
Due to the completion of new buildings and increases in capital gains, operating income is expected to reach its highest numbers.

Millions of yen (rounded down)			
<New Segment>	FY2022 Forecasts	FY2021 Results	Change
Revenue from Operations	1,326,000	1,207,594	118,406
Commercial Property Business	787,000	672,441	114,559
Residential Business	373,000	362,755	10,245
International Business	96,000	114,457	△ 18,457
Investment Management Business	23,000	22,199	801
*Other	72,000	65,119	6,881
Elimination	△ 25,000	△ 29,378	4,378
Operating Income	245,000	224,394	20,606
Commercial Property Business	194,000	180,775	13,225
Residential Business	24,000	24,068	△ 68
International Business	42,000	37,932	4,068
Investment Management Business	7,000	5,966	1,034
*Other	2,000	△ 130	2,130
Eliminations or corporate	△ 24,000	△ 24,219	219
Non-Operating Revenue (of affiliates' equity in earnings)	11,000	26,292	△ 15,292
Non-Operating Expense	300	307	△ 7
Non-Operating Expense	36,000	39,720	△ 3,720
Income before Taxes and Special Items	220,000	210,965	9,035
Extraordinary Income	15,000	16,603	△ 1,603
Extraordinary Loss	17,000	26,304	△ 9,304
Profit Attributable to Owners of Parent	142,000	135,655	6,345

Millions of yen (rounded down)			
	FY2022 Forecasts	FY2021 Results	Change
Business profits	245,300	224,701	20,599
EBITDA	344,000	331,821	12,179
Interest-bearing debt	2,680,000	2,526,142	153,858

*Architectural Design & Engineering / Real Estate Service Business and Other businesses

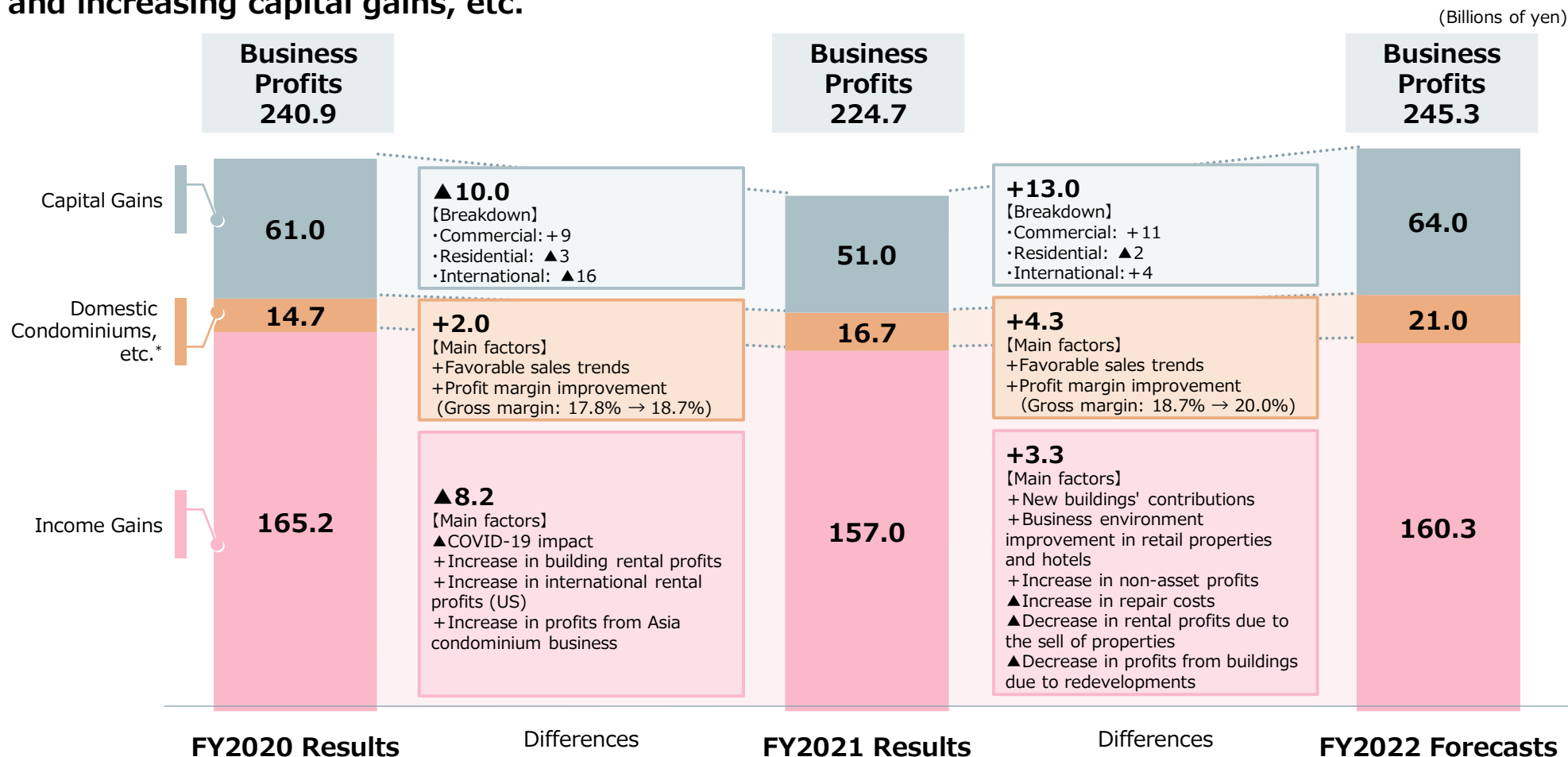
Millions of yen (rounded off to the nearest billion)			
Capital Gains included in Operating Income			
	FY2022 Forecasts	FY2021 Results	Change
Total	64,000	51,000	13,000
Commercial Property Business	43,000	32,000	11,000
Residential Business	5,000	7,000	△ 2,000
International Business	16,000	12,000	4,000
Investment Management Business	-	-	-
Other	-	-	-
Eliminations or corporate	-	-	-



2. Breakdown of Business Profits for the FY2022 (Changes from FY2020)

※No changes from the forecasts announced on May 13, 2021.

Expecting improved profit levels than FY2020 due to improving business environment and increasing capital gains, etc.



* Excluding capital gains, etc. from the Mitsubishi Estate Residence's operating income

Progress of the Long-Term Management Plan

For details of the "Long-Term Management Plan 2030", please refer to the following link.
https://www.mec.co.jp/e/investor/plan/pdf/plan200124_e.pdf

1. Actions for BS Management ①

Promoting various measures for BS management steadily

<BS Management>

① Capital recycling business optimized for market conditions

- ◆ In seller's market: expedite asset sales
- ◆ Investment in promising PJs to enhance corporate value

② Long-term development and asset holdings (core focus: Marunouchi redevelopment)

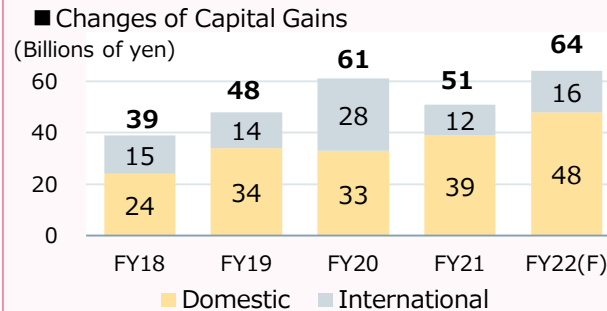
- ◆ Steady capital investment in core business enables stable, cycle-proof rental cashflow
- ◆ Timely asset sales judged by expected yields and external environment

③ Sale of underperforming properties and strategic-holding stocks

- ◆ Disposal of underperforming assets, including core asset
- ◆ Ongoing disposal of strategic-holding stocks

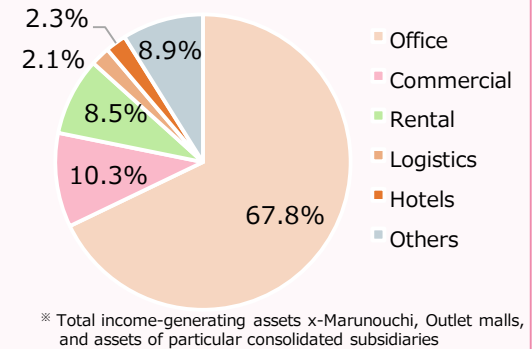
④ Expansion of Non-asset Business

- **Expedited asset sales** by capturing the active market
- **Book value of domestic assets** in capital recycling business **increased to approx. ¥1.2 trillion**



- Book value of domestic assets* in capital recycling business

¥1.2 tn at the end FY2021

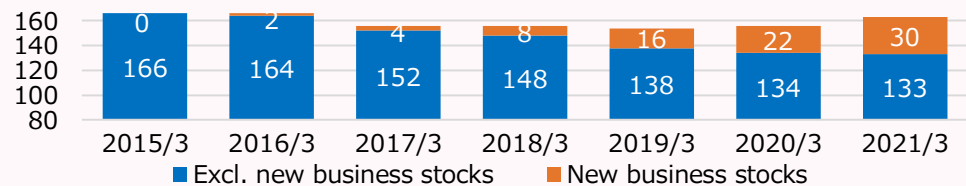


- See **page 14** for major pipelines.

- Selling interests in Otemachi Park Building and Grand Front Osaka, underperforming assets and businesses (villa business in Atagawa), and continuing to reduce strategic-holdings to achieve KPIs.



- Changes in the Number of Stocks Held (Total of Listed and Unlisted Companies)
Number of stocks held **decreased by approx. 20% over the past 6 years**
(excluding new business stocks)



- Investment management business: **AUM grew to ¥4 tn** (Increase of ¥0.9 tn from ¥3.1 tn at the announcement of the Long-Term Management Plan)
- Implemented a variety of initiatives in new fields, including those described on **page 15**.

2. Actions for BS Management ②

Increased shareholder returns in an active market while maintaining investment capacity to capture expanding opportunities

<Shareholder's equity and Liability Management>

① Maintaining Financial Stability

- ◆ Financial reserves for seizing buyer's market opportunities
- ◆ High credit rating enables long-term and low-cost financing
- ◆ In sellers' market, use asset sale proceeds for shareholder returns and to maintain financial stability

② Capital Efficiency Improvement

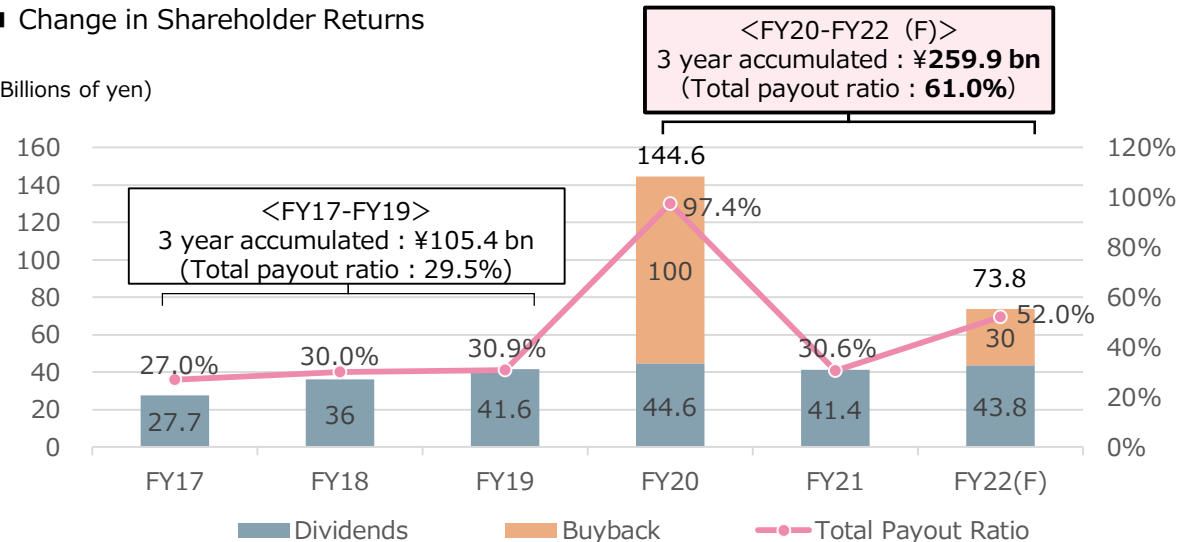
- ◆ Targets: ROA 5%, ROE 10%, EPS ¥200
- ◆ Increase numerator (net income) and decrease denominator (shareholders' equity)
- ◆ Choose measures to manage shareholders' equity according to market conditions

- **Maintain the credit rating level** at the announcement of the Long-Term Management Plan
- **Maintain investment capacity** to capture expanding opportunities (FY2021 Net debt/EBITDA: 7.1x)
- **Lengthen the average duration of debt and lower the average interest rate** in the current interest rate environment (interest rate on bonds issued in June 2021: 0.610% for 20-year bonds and 0.260% for 10-year bonds)
- **Signed sustainability linked loans** as part of ESG initiatives (¥11.5 bn, May 2020)

- Announced a **share buyback of ¥30 bn** in April 2021
- **Expect shareholder returns of approx. ¥260 bn for FY20-FY22** in an active market (Actual results for the previous 3 years: ¥105.4 bn)

■ Change in Shareholder Returns

(Billions of yen)



3. Progress of Domestic & International Asset Business (Major Future Pipelines)

Focused on overseas and regional properties in early 20s, and on large-scale redevelopment projects such as Marunouchi in the late 20s. Total NOI at stable occupancy is ¥85-90 bn (40% of which will be at stable occupancy by the mid-20s)

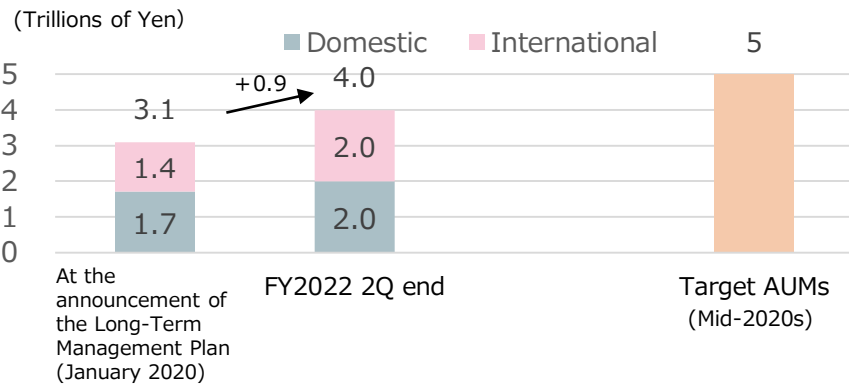
Category	Property Name (including tentative name) ^{※1}	Total Floor Area ^{※2}	FY2022	FY2023	FY2024	FY2025	FY2026	~	2030	Estimated NOI (Stable operation)	Estimated Investment	
Domestic	Marunouchi	Tokiwabashi Tower (Bldg. A)	146,000㎡	●						Approx. ¥60-65 bn	Approx. ¥1 tn	
		Uchikanda 1-chome Project	84,500㎡		★			●				
		Yurakucho Building, Shin-Yurakucho Building Reconstruction Project	※3 10,700㎡					Under consideration				
		Torch Tower (Bldg. B)	544,000㎡				★		●			
	Mixed Use・ Office	Minami-Aoyama 3-chome project	14,700㎡	★			●					
		Osaka Mitsubishi Building reconstruction project	67,000㎡	★				●				
		Toyosu 4-2 development project	※3 19,500㎡		★			●				
		IMS Reconstruction Project	※3 4,600㎡			★		Under consideration				
		Umekita Second Zone Development Project (Rental Property)	378,450㎡					Gradual completion and opening				
		Former Hotel Grand Palace site redevelopment project	※3 6,600㎡					Under consideration				
		Kokusai Shin-Akasaka Building and others Redevelopment Project	※3 14,200㎡				★		●			
	Outlet Mall	FUKAYA HANAZONO PREMIUM OUTLETS	34,500㎡	★		●						
		KYOTO JOYO PREMIUM OUTLETS	※3 245,000㎡					●				
	Large-scale Logistics (100,000㎡ ⁺)	Tokyo Ryutsu Center Distribution A Building	※4 173,000㎡		★		●					
Logicross Zama		183,900㎡		★		●						
Sagamihara-shi Chuo-ku Fuchinobe Project		173,000㎡		★		●						
International	Asia	Trinity Tower (Indonesia)	143,200㎡	●						Approx. ¥25 bn	Approx. ¥300 bn	
		ALPHA PARK (China)	233,600㎡		●							
		CapitaSpring (Singapore)	93,400㎡		●							
		Yoma Central (Myanmar)	212,700㎡					Under consideration				
		180 George Street (Australia)	※5 60,000㎡				●					
		One City Centre (Thailand)	116,000㎡				●					
		Parkline Place (Australia)	65,900㎡			★		●				
		Oasis Central Sudirman (Indonesia)	307,000㎡				★		●			
	Europe	Warwick Court (London, Renovation)	29,000㎡			●						
		8 Bishopsgate	85,000㎡				●					
		Cristóbal de Moura 121-125 (Spain)	※5 11,000㎡				●					
		Fyrkanten 11 (Sweden, Renovation)	※5 7,800㎡			★		●				
		60-72 Upper Ground	※3 10,400㎡						●			
	US	Virginia Data Center (Building1)	※6 51,000㎡		★		●					
Virginia Data Center (Building2)					★		●					
★...Start Construction										Total	Approx. ¥85-90 bn	Approx. ¥1.3 tn
●...Completion												
	... Project announced after the Long-Term Management Plan											

※1 Includes properties expected to be sold by 2030 ※2 Total floor area unless otherwise noted. ※3 Site area ※4 Total floor area before reconstruction ※5 Leasable area ※6 Total of the 2 bldgs.

4. Non-asset (Fee-based) Business

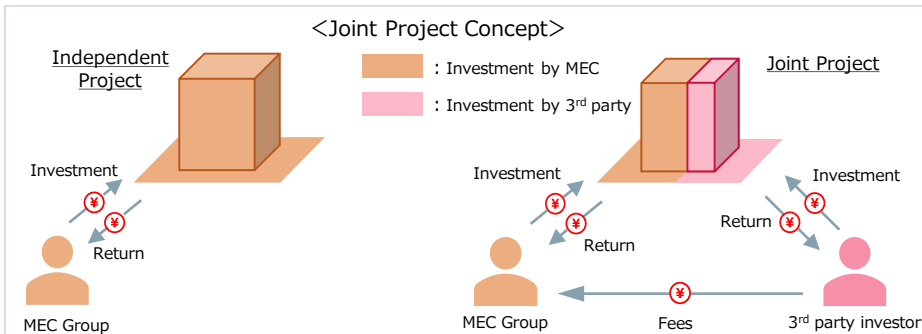
Steady Growth in Existing Businesses

■ AUM ※1 Trends and Target in the Investment Management Business



■ Acquire fee-based business via promotion of joint projects

- Aiming to improve investment efficiency through fee-based business
- Received approx. ¥5 bn in development-related fees after the announcement of the Long-Term Management Plan (total of Japan and overseas)



※1 AuM = Assets Under Management

Initiatives to Create New Businesses

- ◆ Aiming to develop new business opportunities by investing in domestic and overseas start-up companies, venture capital, etc. (Actual investment: approx. ¥20 bn*3)
- ◆ Set up 7 focus areas and aims to secure new revenue streams through collaboration with investees and new businesses of the company

Focus Area	Investee	New Business
Agriculture	SARA	MEC アグリ
Renewable energy	clean planet	
Infrastructure/P PP/PFI	Hokkaido Airports*	富士山静岡空港, 高松空港, みやこ地下島空港ターミナル
Real estate related services	SKY FARM, SPACEE, サマリーポケット, Li Linough, SEQSENSE, b8ta, spacemotion	MEC Industry, NINJA SPACE, hmlet
Contents/ Entertainment/S ports	JAPAN CYCLE LEAGUE, JCC, ぴあ	GYM, 1 TICKET FITNESS, NO MONTHLY BASIS NO ADMISSION FEES, ぷらごる
Tourism/ Inbound/Regional development	上川大雪酒造	膝栗毛 HIZAKURIGE
Healthcare/Food	FiNC, 羽田市場	Medicha Aoyama Tokyo

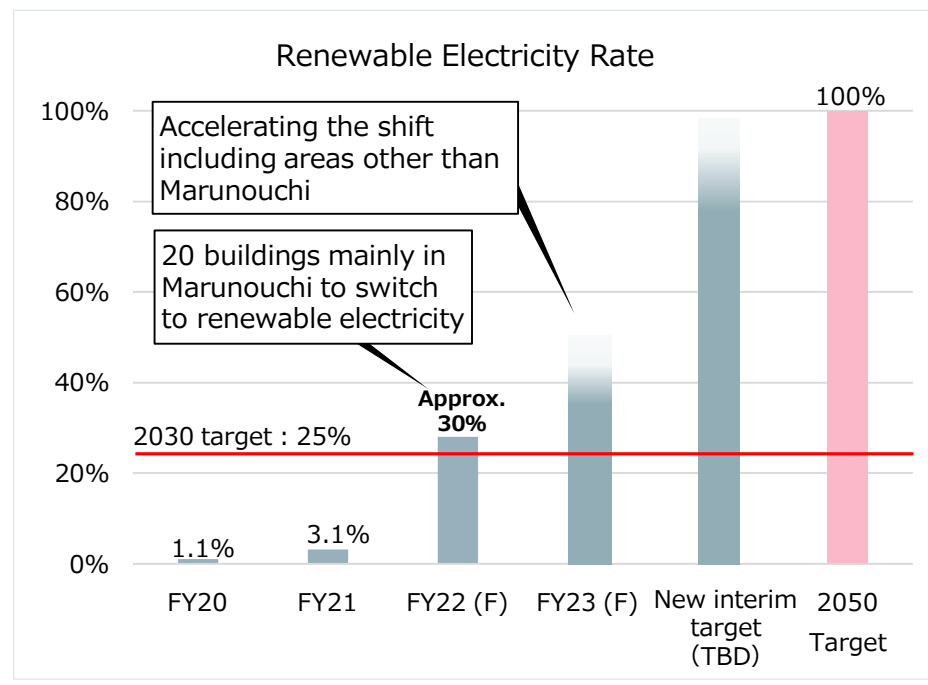
※2 Including commitments

5. Efforts to Improve Social Value

Renewable electricity rate is on track to meet the 2030 target well ahead of schedule, and GHG emissions reduction measures are being promoted

Increase in the Renewable Electricity Rate

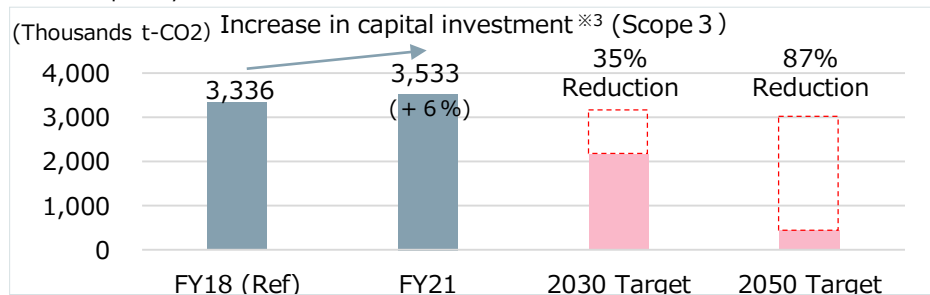
- ◆ Accelerating the transition to renewable electricity in large-scale buildings, mainly in Marunouchi
- ◆ Expect to exceed the 2030 target of 25% in FY22 and to reach more than half of the overall electricity consumption in FY23*¹
- ◆ New interim target is being considered for the end of FY22



*¹ Current forecast based on FY2021 results, and may change in the future. *² Approved by SBTi in April 2019 *³ Calculation: Floor space sold x Emissions per m² in the previous year (Scope 1+2) X 50 years

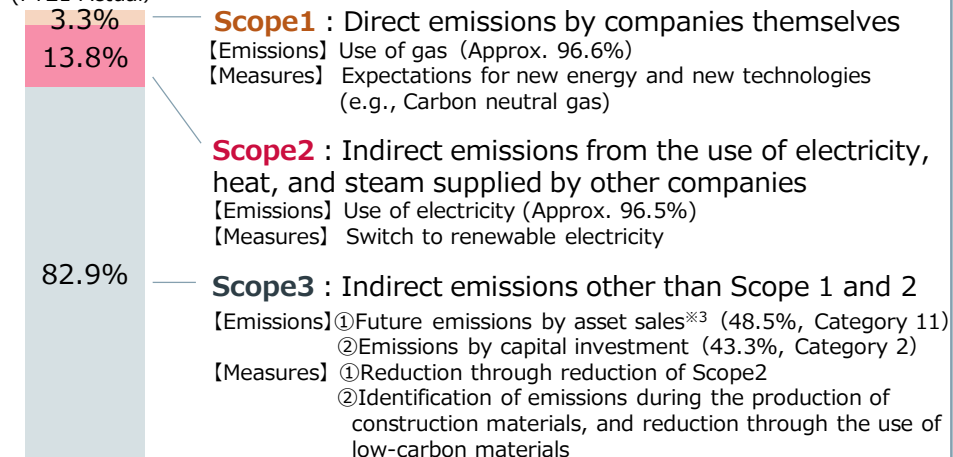
Reduction of GHG Emissions

- GHG emission reduction targets*² and actual results (Scope 1+2+3)
- ◆ Reviewing targets toward the end of FY22 in line with the net-zero standard being developed by SBTi



Breakdown of GHG emissions and major reduction policies

(FY21 Actual)

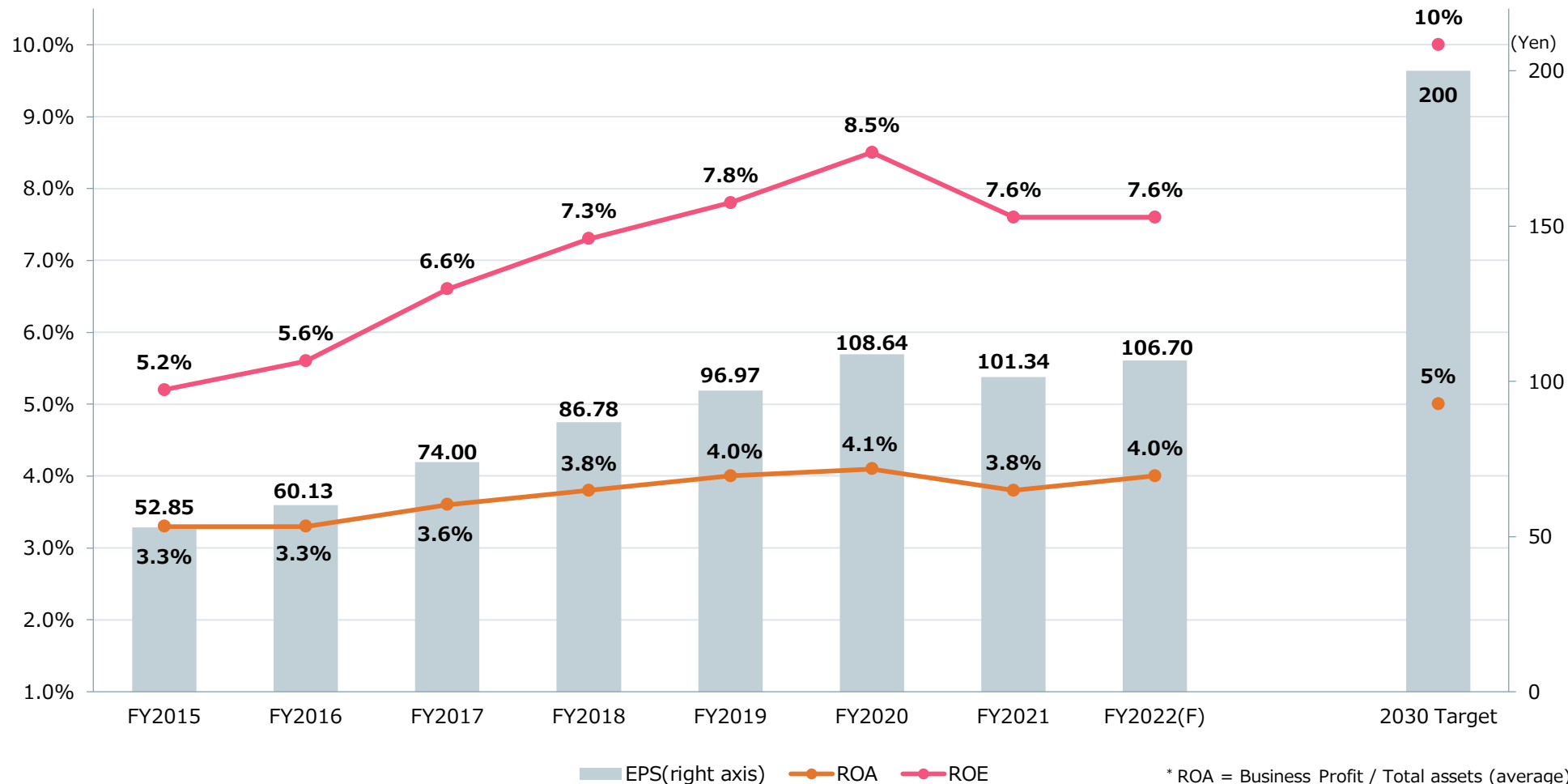


Financial Supplemental Data

1. Changes in ROA/ROE/EPS

※Re-posting of IR Presentation for FY2021 (disclosed on May 13, 2021)

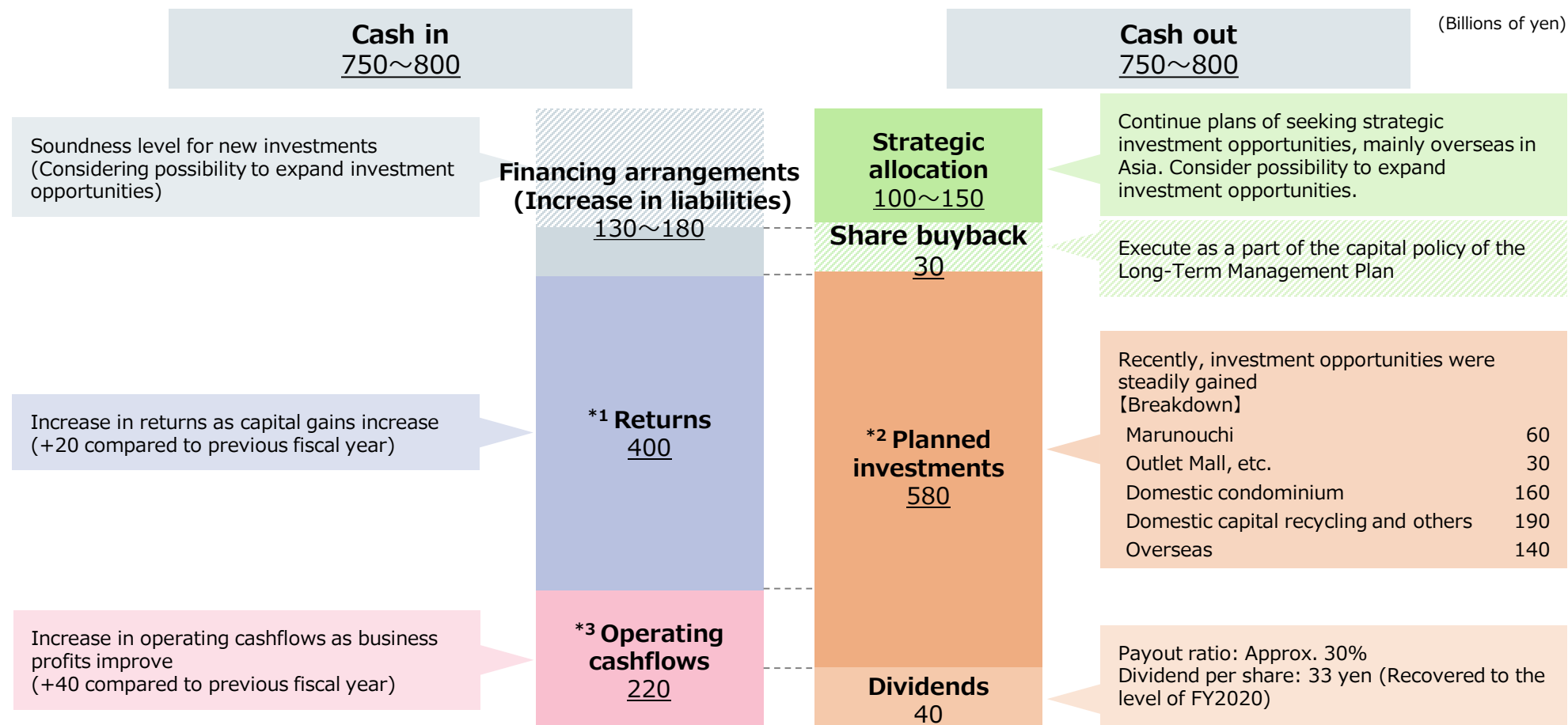
Although the first fiscal year (FY2021) of the Long-Term Management Plan was impacted by COVID-19, strategies for the 2030 goal have been steadily executed.



2. Capital Policy #1: Cashflow of FY2022 (Forecasts)

※Re-posting of IR Presentation for FY2021
(disclosed on May 13, 2021)

Increase cash inflow due to recovered profits and increased collections. Expand investment opportunities in order to achieve goals set in the Long-Term Management Plan.



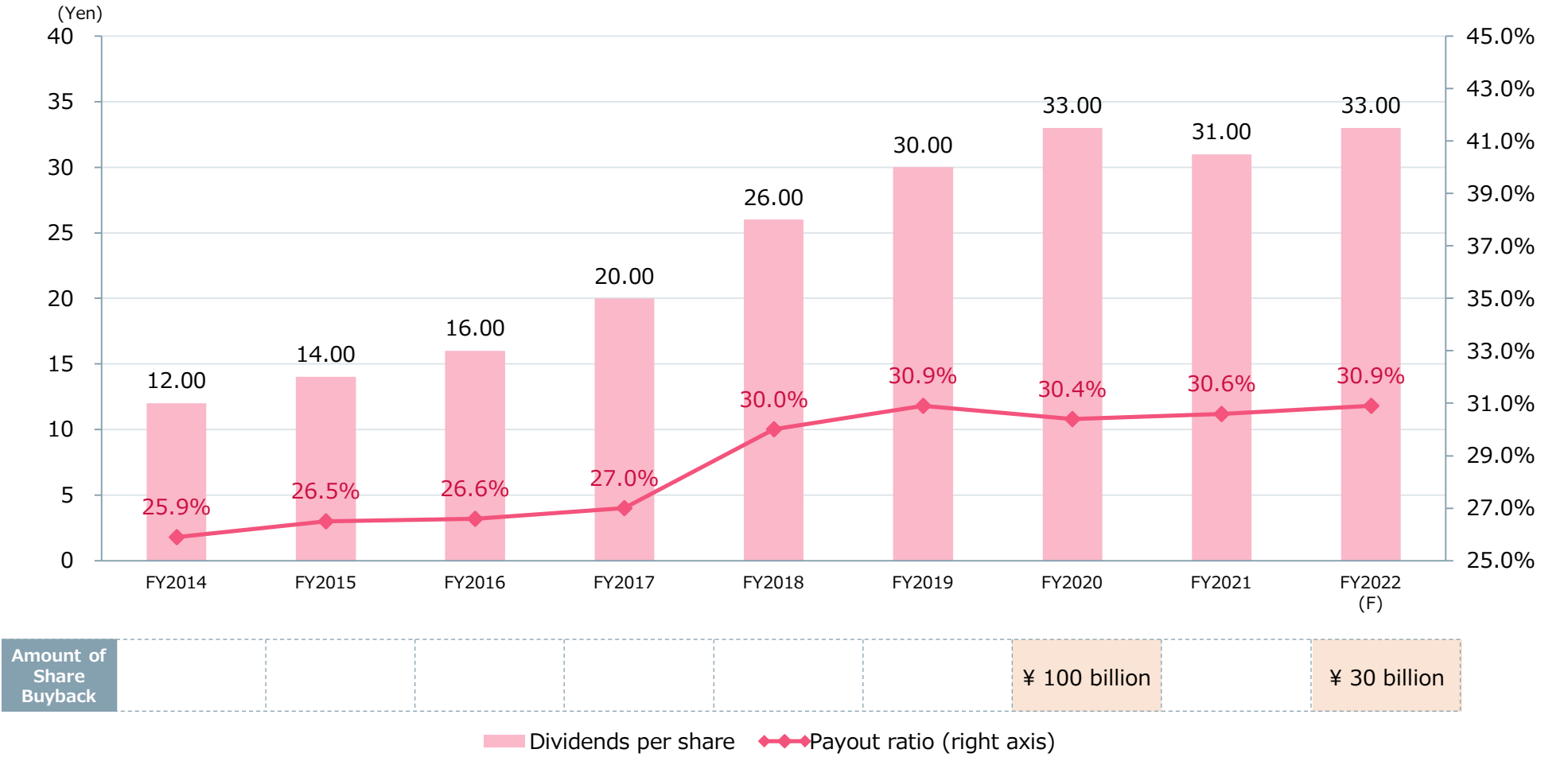
*1 Collection amount of book values from sale proceeds of properties *2 Investment amount for approved investment projects (partly incl. expected approvals)

*3 Operating cashflows, excl. change in inventories and change in equity investments

3. Capital Policy #2: Shareholders Returns

※Re-posting of IR Presentation for FY2021 (disclosed on May 13, 2021)

Decided share buyback of 30 billion yen as a part of the capital policy in the Long-Term Management Plan.
As financial performance recovers, expected dividend payouts during FY2022 will rise to the level of FY2020.



4. Management Indicators

	Previous Management Plan Period			Current Management Plan Period		
	FY2018	FY2019	FY2020	FY2021	FY2022 (Forecasts)	2030 Target
* ¹ Business Profits	¥ 213.4 bn	¥ 229.4 bn	¥ 240.9 bn	¥ 224.7 bn	¥ 245.3 bn	¥ 350-400 bn
* ² ROA	3.8%	4.0%	4.1%	3.8%	4.0%	5%
ROE	7.3%	7.8%	8.5%	7.6%	7.6%	10%
EPS	¥ 86.78	¥ 96.97	¥ 108.64	¥ 101.34	¥ 106.70	¥ 200

*¹ Business Profit = Operating Income + Equity in Net Earnings/Loss (for unconsolidated subsidiaries and affiliates)

*² ROA = Business Profit / Total Asset (average of opening / closing balances)

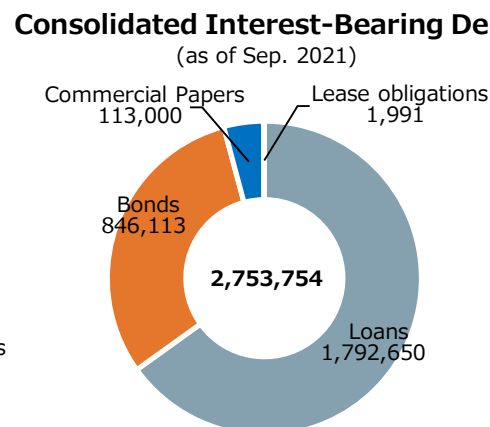
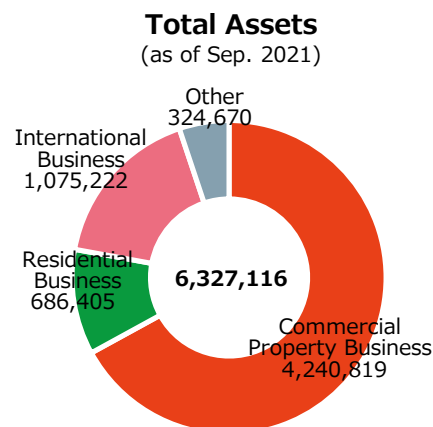
5. Balance Sheet As of September 30, 2021

Millions of yen (rounded down)

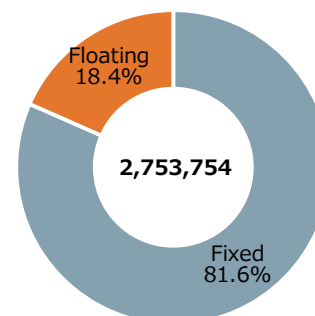
	At September 30, 2021	At March 31, 2021	Change
Current assets	1,281,270	1,164,037	117,233
Cash	221,463	170,040	51,423
Trade notes accounts receivable, and contract assets	43,754	52,031	△ 8,277
Property for sale	56,586	88,116	△ 31,529
Property for sale in progress	313,106	267,563	45,542
Property for development	724	975	△ 250
Equity investments	549,683	496,182	53,500
Other	95,951	89,126	6,824
Fixed assets	5,045,846	4,908,481	137,364
Tangible assets	4,279,239	4,179,893	99,346
Intangible assets	101,322	101,095	226
Investment securities	293,772	281,996	11,775
Other	371,510	345,494	26,014
Total assets	6,327,116	6,072,519	254,597

Millions of yen (rounded down)

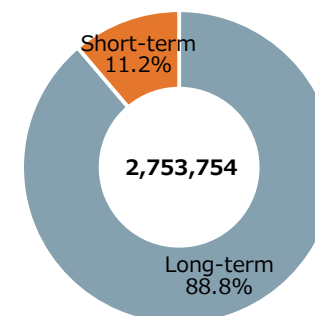
	At September 30, 2021	At March 31, 2021	Change
Liabilities	4,205,087	4,011,071	194,015
Current liabilities	721,240	662,437	58,802
Notes and accounts payable-trade	35,320	60,507	△ 25,186
Short-term borrowings	196,084	141,785	54,298
Current portion of long-term debt	84,718	127,643	△ 42,924
Commercial Papers	113,000	50,000	63,000
Bonds due within one year	100,000	65,000	35,000
Other	192,115	217,500	△ 25,384
Long-term liabilities	3,483,846	3,348,634	135,212
Bonds	746,113	745,759	354
Long-term debt	1,511,847	1,393,858	117,988
Other	1,225,882	1,209,011	16,870
Net assets	2,122,029	2,061,447	60,582
Shareholders' equity	1,275,140	1,259,887	15,252
Other accumulated comprehensive income	639,142	592,011	47,131
Stock acquisition rights	231	231	-
Non-controlling interests	207,515	209,316	△ 1,800
Total liabilities and net assets	6,327,116	6,072,519	254,597



Consolidated Interest-Bearing Debt Fixed/Floating Rate Ratio
(as of Sep. 2021)



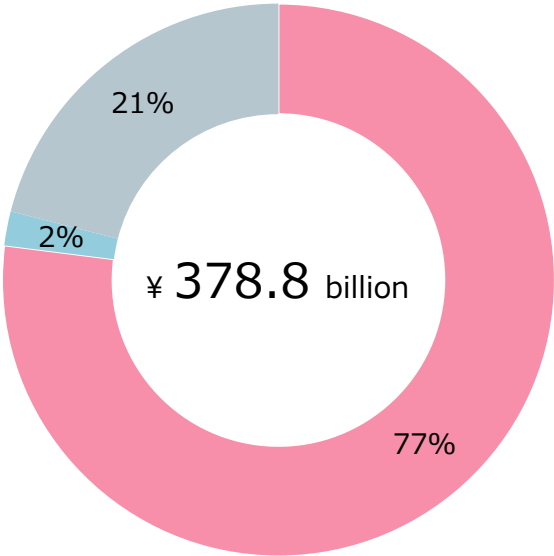
Consolidated Interest-Bearing Debt Long-term/Short-term Ratio
(as of Sep. 2021)



6. Asset Compositions

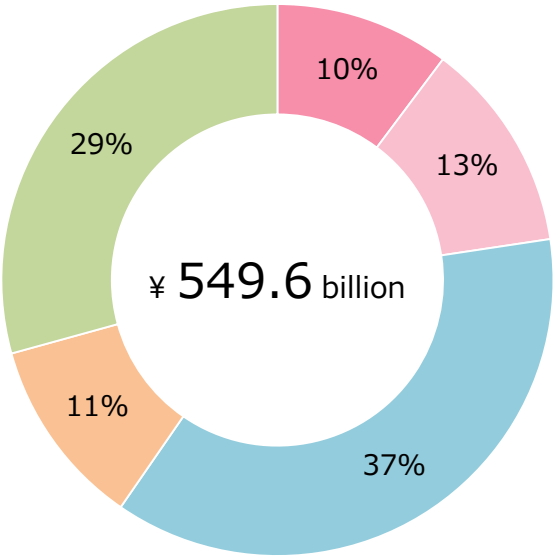
(End of September 2021)

Inventories



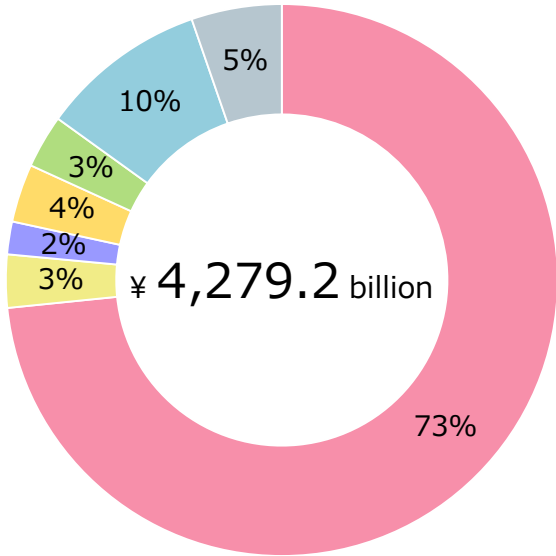
- Domestic Condominiums
- US
- Others

Equity Investments



- Domestic (office buildings)
- Domestic (others)
- US
- Europe
- Asia

Tangible Fixed Assets



- Office Buildings
- Logistics Facilities
- Rental Apartments
- Others
- Outlet Malls
- *Retail Properties
- Overseas

* Excluding outlet malls

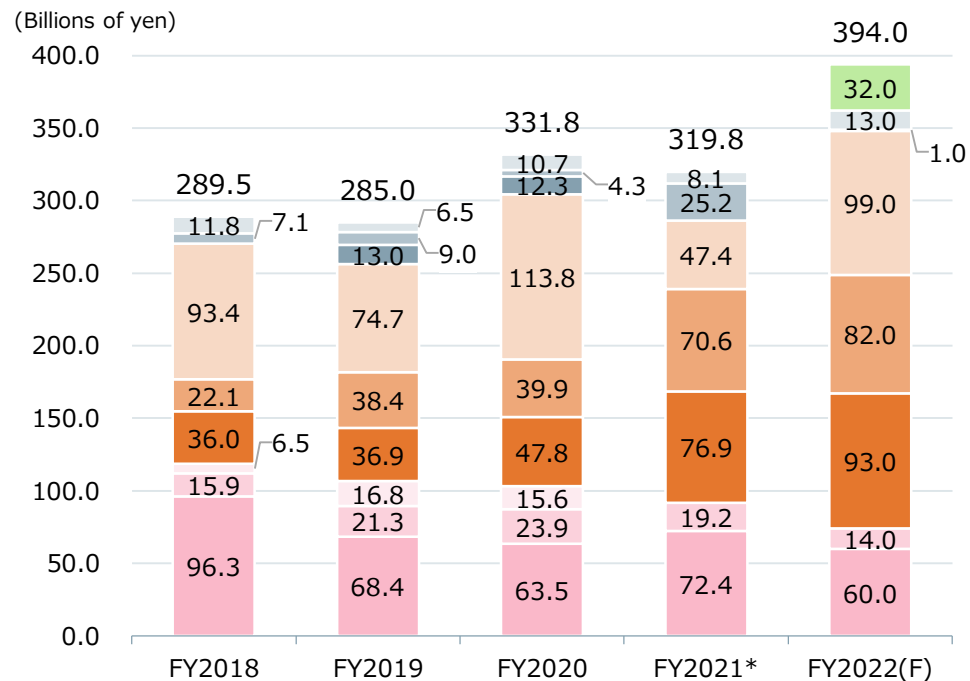
7. Consolidated Cash Flow

Millions of yen (rounded down)

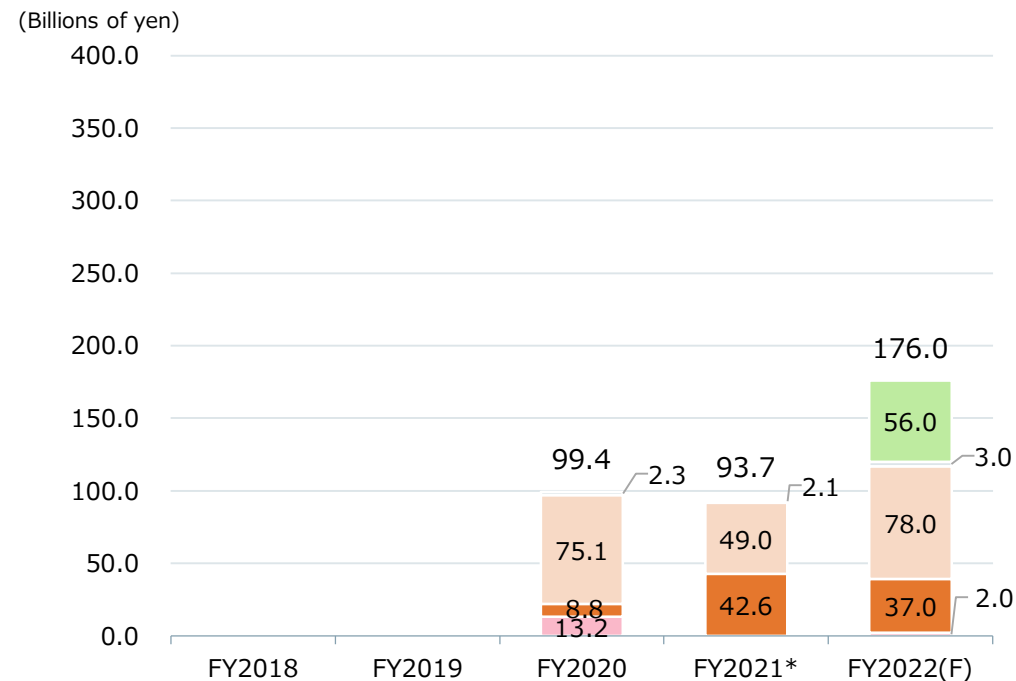
	①FY2021- 2 Q Results	②FY2022- 2 Q Results	Change (② – ①)	③FY2021 Results	④FY2022 Forecasts	Change (④ – ③)
Cash Flows From Operating Activities	60,101	61,935	1,834	207,414	187,000	△ 20,414
Depreciation and amortization	43,231	44,965	1,733	89,107	90,000	893
Change in Inventories	23,663	31,924	8,260	56,443	96,000	39,557
Change in Equity Investment	17,480	△ 7,649	△ 25,129	△ 21,048	△ 131,000	△ 109,952
Cash Flows From Investing Activities	△ 142,146	△ 174,465	△ 32,318	△ 297,303	△ 352,000	△ 54,697
Proceeds from sales of investment securities	10,079	6,119	△ 3,960	14,186	17,000	2,814
Capital Investment	△ 133,967	△ 170,903	△ 36,935	△ 319,841	△ 394,000	△ 74,159
Cash Flow From Financing Activities	142,703	159,435	16,731	50,425	145,000	94,575
Cash and Cash Equivalents at End of Year	271,598	224,084	△ 47,513	172,307	152,000	△ 20,307
Free Cash Flow	△ 82,044	△ 112,529	△ 30,484	△ 89,889	△ 165,000	△ 75,111

8. Investment Data

Major Breakdown of Capital Investments



Major Breakdown of Equity Investments



*Classifications have been changed below from FY2021

<Legend for FY2018 - FY2020>

- Office Building(MEC: New/Redevelopment)
- Office Building(MEC: Refurbishment)
- Office Building(Subsidiaries)
- Lifestyle Property
- Residential
- International
- Hotel & Airport
- Special Purpose Vehicle
- Other(including consolidated eliminations)
- New Investments

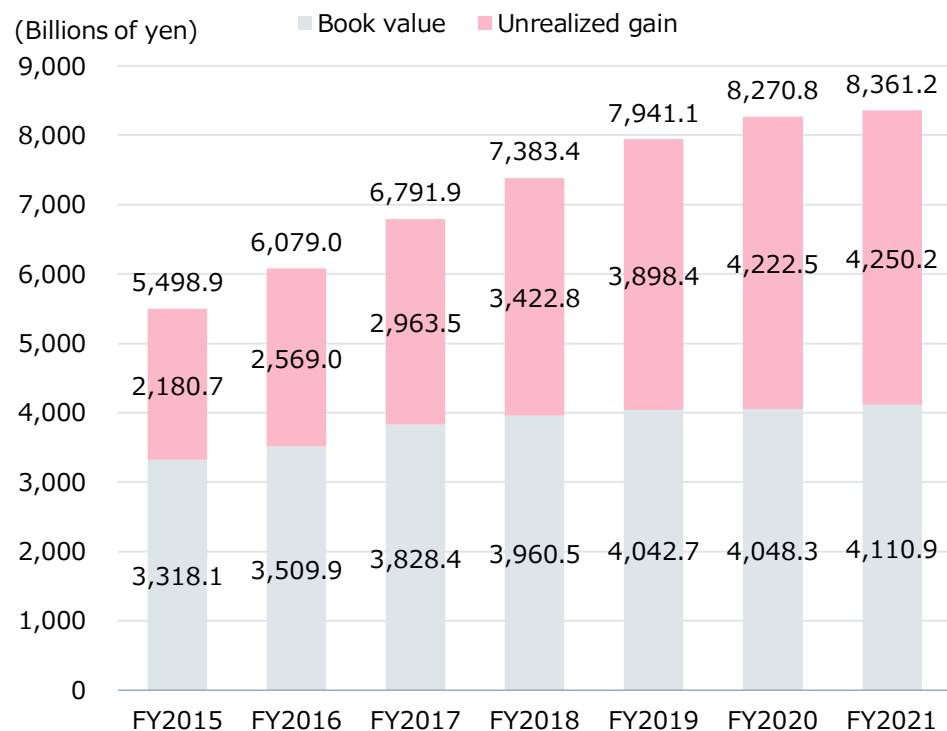
<Legend for FY2021 - >

- Office(MEC: New / Redevelopment)
- Office(MEC: Refurbishment)
- Commercial Property(excluding MEC office)
- Residential
- International
- Special Purpose Vehicle
- Others(including consolidated eliminations)
- New Investments

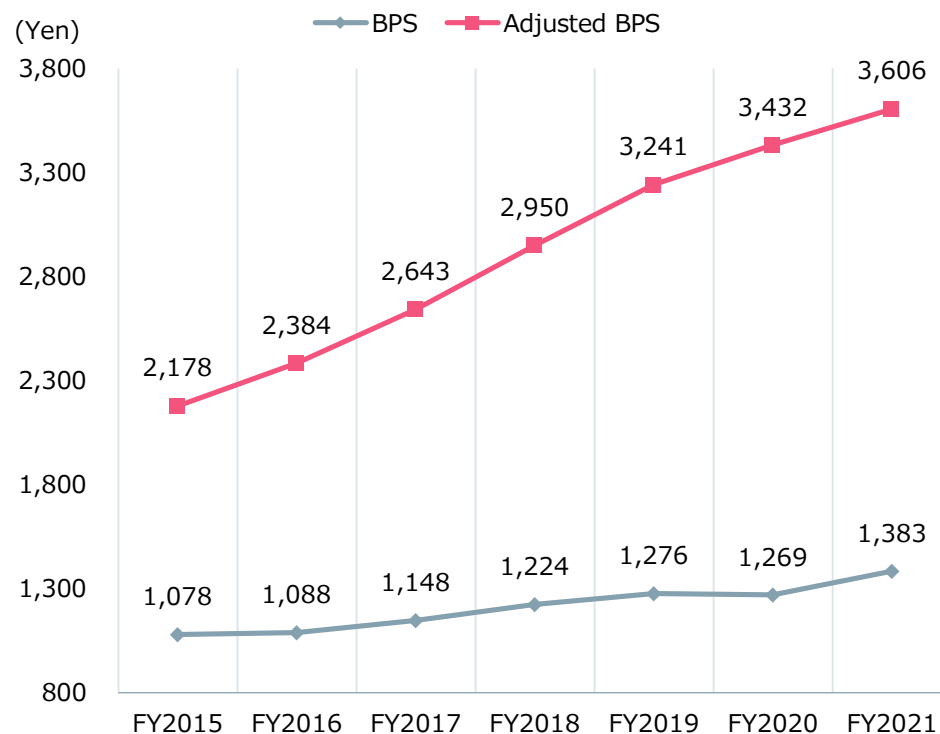
9. Income Generating Assets Unrealized Gains: Current Status #1

Steady caprate and a slight increase in unrealized gains. Decrease in average number of shares and increase in BPS and revised BPS due to an increase in net worth.

Income Generating Assets Unrealized Gain



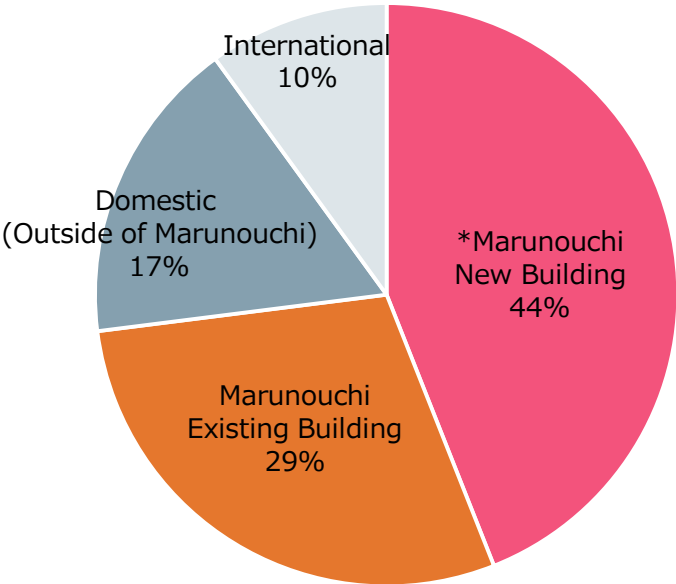
*BPS and Adjusted BPS



* BPS including unrealized gains (after tax)

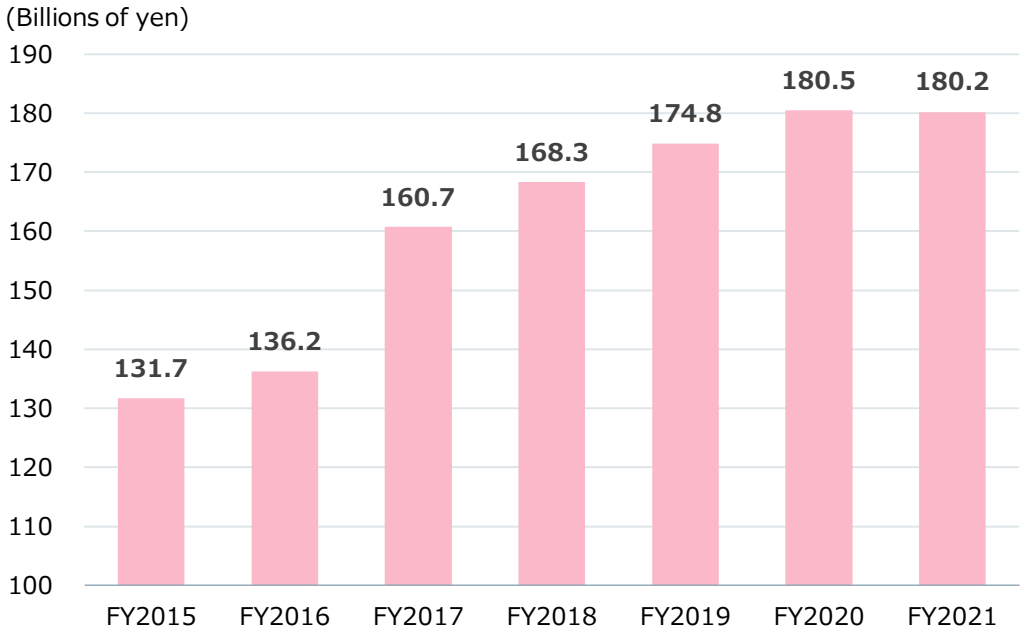
10. Income Generating Assets Unrealized Gains: Current Status #2

Unrealized Gain Breakdown



*Redeveloped properties after the completion of Marunouchi Building
FY2021 Results

Rental Profits



ESG Initiatives (Sustainability Initiatives)

For details of ESG initiatives in the "Long-term Management Plan 2030", please refer to the following link.
https://www.mec.co.jp/e/investor/plan/pdf/plan200124_e.pdf

1. Materialities / Material Issues for Sustainability Management

Mitsubishi Estate Group Sustainability Vision 2050

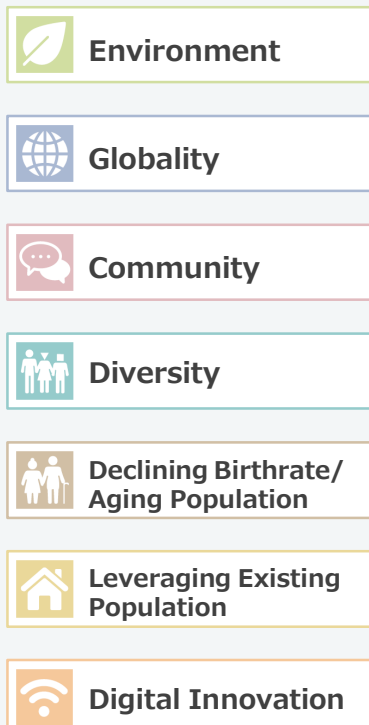
Be the Ecosystem Engineers

We aspire to be a corporate group (=engineers) that provides spaces and infrastructure (=ecosystems) where all actors (individual, corporations, and more) are able to coexist sustainably and thrive together economically, environmentally, and socially.

Backcasting



'Materialities'



Formulation of key themes and KPIs based on our materiality

Mitsubishi Estate Group 2030 Goals for SDGs

① Environment

Sustainable urban development that proactively addresses climate change and environmental issues

- Reduce GHG emissions (Scope 1 + Scope 2 + Scope 3) by 35% by 2030 (compared with FY2018) (87% reduction by 2050 approved by SBTi in April 2019)
- Renewable electricity rate: 25% (100% by 2050) (joined RE100 in January 2020)
- Waste recycling rate: 90%, Waste disposal: 20% reduction (compared with FY2020, per m2)
- Promote sustainable timber use



② Diversity & Inclusion

Urban development that responds to lifestyle and human resource trends and facilitates active participation for all

- Strengthen hospitality and realize stress-free cities
- Respect different lifestyles, local customs, religions, and sexual orientation
- Establish traceability of timber to be used in business activities



③ Innovation

Innovative urban development that continuously renews society

- Innovate business models and maximize performance
- Support the creation of new ideas and businesses from the perspective of urban development and contribute to the growth of cities and industries



④ Resilience

Dynamic, flexible urban development that builds disaster-resilient communities and prioritizes safety and security

- Enhance disaster preparedness to minimize functional stagnation during disasters
- Enhance BCP function through hardware measures and strengthen neighborhood communication



2. 2030 KPIs and Progress (The “E” & “S” in ESG)

1 Environment

Benchmarks	2030 KPIs	2020 Actual
GHG emissions	vs. FY2018 35% reduction	3,533 thousand t (Reference value: 3,336 thousand t)
Renewable electricity rate	25%	3.1%
per m ² Waste disposal	vs. FY2020 20% reduction	5.0kg (Reference value: 7.1kg)
Waste recycling rate	90%	60.5%

3 Innovation

Benchmarks	<ul style="list-style-type: none"> Maximize performance by innovating business models Support the creation of new ideas and businesses from the perspective of urban development and contribute to the growth of cities and industries
Initiatives	See page 15 and 33 for details.

2 Diversity & Inclusion

Benchmarks	2030 KPIs	2020 Actual
Percentage of female managers	Over 10%	7.1%
Percentage of female new graduate hires	30% every year	37.8%
Rate of use of male employees taking childcare leave of absence	100%	42.4%

4 Resilience

Benchmarks	2030 KPIs	2020 Actual
Percentage of employees with first aid provider qualification	100%	63.0%
Percentage of buildings that are to take in stranded commuters ※	—	92.3%

※Large properties completed in 2002 or later are eligible

3. Recent Highlights (The “E” in ESG)

1 Environment

GRESB Real Estate Assessment Awarded highest “5-Star” rating and named as a sector leader for the first time

- Received a “5 Star rating^{※1}” in the “GRESB Standing Investments Benchmark,” an evaluation of the existing property portfolio (for the second consecutive year).
- Obtained a “5 Star rating^{※1}” in the “GRESB Development Benchmark,” an evaluation of the new development and major renovation portfolio for the first time. In addition, the company was selected as a “Sector Leader” for the first time in the Asia region and office buildings.

※1 The highest rating given to the top 20% of the global ranking of the overall score.

※2 The title given to the participant with the highest overall score (and the participant whose score difference is within one point) in each region and property use.



GRESB

An organization that provides and operates annual benchmark assessments to measure the ESG considerations of real estate companies and funds. It is the only ESG survey that specializes in the real estate sector, and is also unique in that it conducts ESG assessments on a company/fund basis, rather than certifying individual properties.

Obtained ZEB Ready certification for several logistics facilities completed this fiscal year

Logicross Kasukabe and Logita・Logicross Ibaraki Saito B Building, completed in May 2021, obtained a 5 Star rating and ZEB Ready certification under BELS, a third-party certification system in accordance with the “Guidelines concerning the labeling of building energy consumption performance” (Logita・Logicross Ibaraki Saito A Building received 5-Star rating).



▲Logicross Kasukabe

Started development of ZEH condominiums with virtually zero CO2 emissions from electricity

“The Parkhabio Bunkyo Edogawabashi” is the first rental condominium to adopt ZEH-M (High-rise ZEH-M Oriented).

Improved thermal insulation to drastically reduce primary energy consumption.

Also, by using solar power generation and non-fossil certified electricity, annual CO2 emissions are reduced by approximately 63% compared to the conventional The Parkhabio.

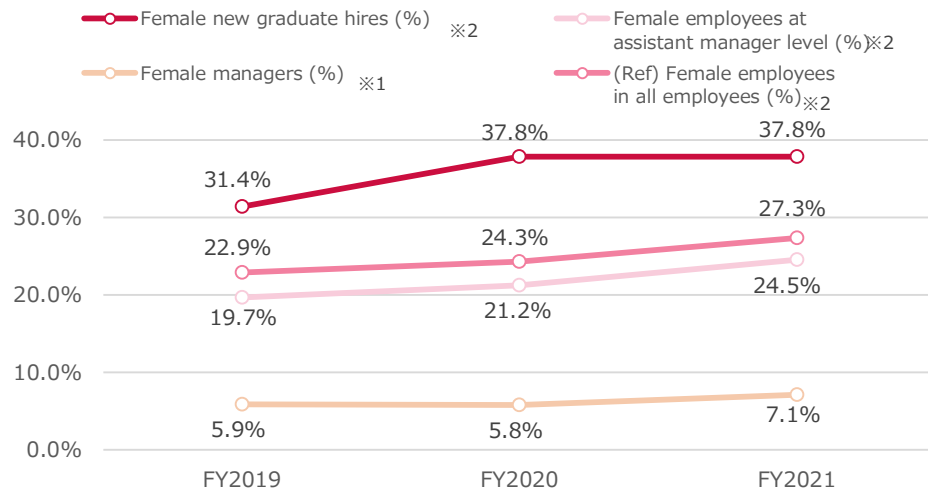


▲“The Parkhabio Bunkyo Edogawabashi” (Image)

4. Recent Highlights (The “E” & “S” in ESG)

2 Diversity & Inclusion

Changes in targets and numbers for improvements in female participation rate.



- KPI**
- ① Percentage of female managers*¹: Over 10% by FY2031
 - ② Ratio of female employees at the assistant manager level (candidates for management positions)*²: 30% by FY2026
 - ③ Ratio of female new graduate hires*²: 30% annually

■ Initiatives

- Enhancing personnel systems to create a better working environment for women
- Strengthening mid-career recruitment of female employees at the assistant manager level and candidates for assistant manager level
- Increasing the dissemination of information on the activities of female employees and their working environment
- Holding in-house roundtable discussions with female employees and having employees speak at seminars for women

※1 Average of Mitsubishi Estate, Mitsubishi Jisho Property Management, Mitsubishi Estate Residence, Mitsubishi Jisho Sekkei, Mitsubishi Real Estate Service ※2 Mitsubishi Estate

Addressing human rights and supply chain issues

KPI Most of the "concrete form panels" used in construction in Japan are made from South Seas lumber, and the human rights violations (child labor, taking of Indigenous peoples' land, etc.) in the lumber production process has been pointed out. To address this issue, we have set a target of achieving a 100% use rate of lumber that complies with the "Sustainable Sourcing Code*¹" (Certified Wood and Domestically Produced Wood) for concrete form panels by FY2031.

■ Initiatives

In new condominiums for sale, Mitsubishi Estate Residence uses concrete form panels that meet the sustainable sourcing code for procuring timber in consideration of sustainability, and ensure traceability (to trace where and how the timber was produced).

"The Parkhouse Takanawa Matsugaoka," FSC*² certified materials are used for concrete form panels. This is the world's first attempt*³ to acquire project certification based on FSC criteria for concrete form panels.



▲ "The Parkhouse Takanawa Matsugaoka" (Image)

※1 Criteria and operational methods for sustainability-oriented procurement, with reference to international agreements and codes of conduct in various fields related to sustainability.

※2 FSC (Forest Stewardship Council®) An independent NPO that aims to promote responsible forest management worldwide and operates an international forest certification system. (Source: Website of FSC)

※3 According to our research

5. Recent Highlights (The “E” and “G” in ESG)

3 Innovation

Implementing SDGs-related projects that go beyond corporate boundaries

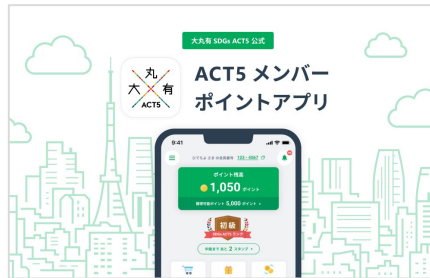
OMY SDGs ACT5 is a project based in the Otemachi, Marunouchi, and Yurakucho areas through which various activities for contributing to the accomplishment of the SDGs. These activities are based on the five SDG themes (Acts) of sustainable food, climate change and resource recycling, well-being, diversity and inclusion, and communication.

- In FY2021, the number of participating companies were 45 and the aggregate number of participants in the events and seminars surpassed 8,000.
- In FY2022 an app that allows users to accrue “ACT5 member points” by taking action to contribute to the accomplishment of the SDGs was launched. Through this project, Mitsubishi Estate looks to encourage changes in the behavior of individuals to create a framework which leads to future SDG-based action.

※See page 15 for initiatives in other new businesses.



Event example:
“SUSTABLE” learning about the social issues behind food*



“ACT5 member points” app

*Combined offline and online events with countermeasures against COVID-19

4 Resilience

Conducting disaster prevention drills and demonstration tests

■ Emergency drills through public and private sector cooperation

Conducted every year and all Mitsubishi Estate executives and employees, Group companies, and relevant external entities participate. In FY2021 and FY2022, consideration was given to avoidance of the infection risk of COVID-19. Initial response, collecting and communicating information using tools such as the safety confirmation system and web conferencing, in line with the actual conditions of the work system with limited personnel under infectious disease countermeasures were conducted.

■ Disaster drills using advanced communication technologies

A verification test of our Disaster Dashboard 4.0 platform was performed with Chiyoda Ward, Tokyo, railroad operators, bus companies, and building operators over the period from January to February 2021. The dashboard platform enables sharing information between disaster response institutions and the provides information to individuals unable to return home.



Disaster response drills (FY2020)
Conducting drills to simulate the use of security robots in the event of an earthquake



Disaster Dashboard 4.0 digital signage

6. Corporate Governance (The “G” in ESG) #1

Establish effective governance that ensures long-term enhancement of corporate values.

(as of Mar. 2021)

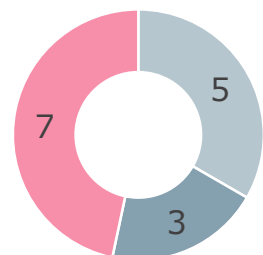
Corporate Structure

- Transitioned to a “Company with Nominating Committee, etc.” in June 2016
- In 2020, an independent evaluation of the effectiveness of the Board was undertaken

Structure of the Board of Directors

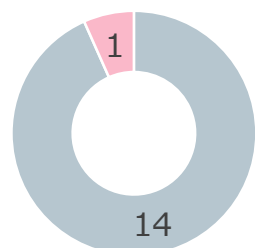
- 15 directors: 8 company directors and 7 independent outside directors (10 of which are non-executive directors)
- 6 of 7 independent outside directors are male and 1 is female

Board Structure



- Company Director (Executive)
- Company Director (Non-executive)
- Independent/Outside Director (Non-executive)

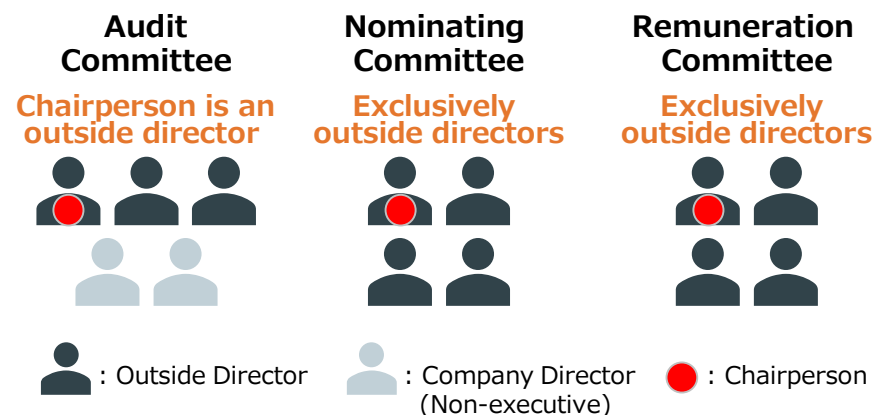
Composition of Male/Female



- Male
- Female

Committee Members

- Chairpersons of all committees are independent outside directors
- Remuneration and Nominating Committees comprised of independent outside directors only
- With regards to the Audit Committee, two non-executive internal directors, who are familiar with the company's business, were appointed to ensure the effectiveness of audits

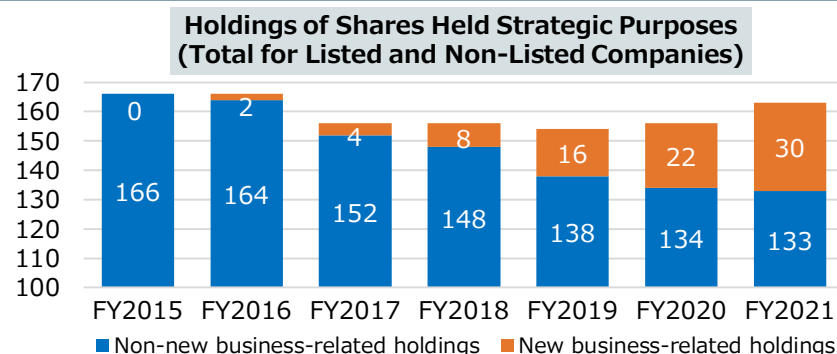


7. Corporate Governance (The “G” in ESG) #2

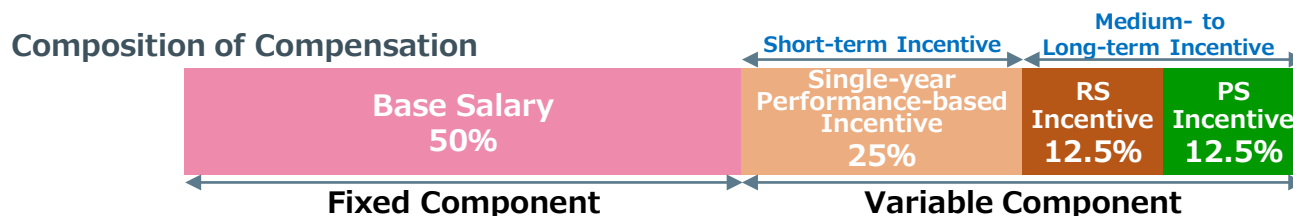
Strategic-Holding Stock Policies

- Sold 20 *entities with a total value of approx. ¥20.7 bn in the past three years (FY2019-FY2021)
- As of March 2021, hold approx. ¥228.5 bn of stock value. Routinely review strategic objectives and dispose of stocks as necessary
- Expect to sell approx. ¥10 bn in FY2022

* Stocks of listed companies only. Including partial sale



The Executive Compensation Plan Aims to Align Shareholders and Executives' Interests



<Single-Year Performance-Based Incentives>

- Form: Cash
- Calculation: "KPIs": Operating profit, ROE, etc., of previous year (quantitative evaluation) as well as levels of contribution to medium- to long-term business results, efforts in ESGs, and other elements (qualitative evaluation)

<Phantom Stock Incentives>

- Form: Cash
- Performance evaluation period: About 3 years
- Calculation: Based on stock price and total shareholder return (TSR) relative to *peer companies

<Restricted Stock Incentives>

- Form: stock
- Lock-up period: About 3 years

* Nomura Real Estate Holdings, Inc., Tokyu Fudosan Holdings Corporation, Mitsui Fudosan Co., Ltd., Tokyo Tatemono Co., Ltd., and Sumitomo Realty & Development Co., Ltd

8. External Evaluations

As of end September 2021

— Not selected

※ Before announcement of results

Category	Benchmarks	2019	2020	2021	Remarks
ESG in General	FTSE4Good Global Index	●	●	●	20 years in a row
ESG in General	FTSE Blossom Japan Index (Adopted by GPIF)	●	●	●	5 years in a row
ESG in General	MSCI Japan ESG Select Leaders Index (Adopted by GPIF)	●	●	●	5 years in a row
ESG in General	Dow Jones Sustainability Asia Pacific Index	—	●	※	
ESG in General	Member of the "S&P Global Sustainability Yearbook"	—	●	※	
ESG in General	SOMPO Sustainability Index	●	●	●	10 years in a row
ESG in General	GRESB Public Disclosure	A	A	A	
ESG in General	GRESB Standing Investment Benchmark	3 Star *1	5 Star	5 Star	
ESG in General	GRESB Development Benchmark	—*2	4 Star	5 Star	
E (Environment)	S&P/JPX Carbon Efficient Index (Adopted by GPIF)	●	●	●	4 years in a row
E (Environment)	CDP Climate Change	A-	A	※	
E (Environment)	CDP Supplier Engagement	—	Leaderboard	※	
S (Society)	MSCI Japan Empowering Women Select Index (Adopted by GPIF)	●	●	●	4 years in a row

For GRESB, the evaluation system differs between before 2019 and after 2020.

*1 Evaluation results in the Real Estate Assessment

*2 Started assigning ratings from 2020



FTSE4Good



FTSE Blossom Japan

2020 CONSTITUENT MSCIジャパン
ESGセレクト・リーダーズ指数2020 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSASustainability Yearbook
Member 2021
S&P Global

Business Overview

1. Mitsubishi Estate Group's Business Segments

Commercial Property Business

<Office Buildings>

Engages in the development, leasing, and operation management of office buildings, mainly in the Marunouchi area and other major Japanese cities.



<Retail Properties>

Develops retail properties and outlet malls nationwide, 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.



Residential Business

<Domestic Residential>

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



International Business

Undertakes office building development and leasing businesses in the United States and the United Kingdom, as well as projects in Asia



Investment Management Business

Provides a wide range of services regarding real estate investment for investors.



Architectural Design & Engineering and Real Estate Service Business

<Architectural Design & Engineering Business>

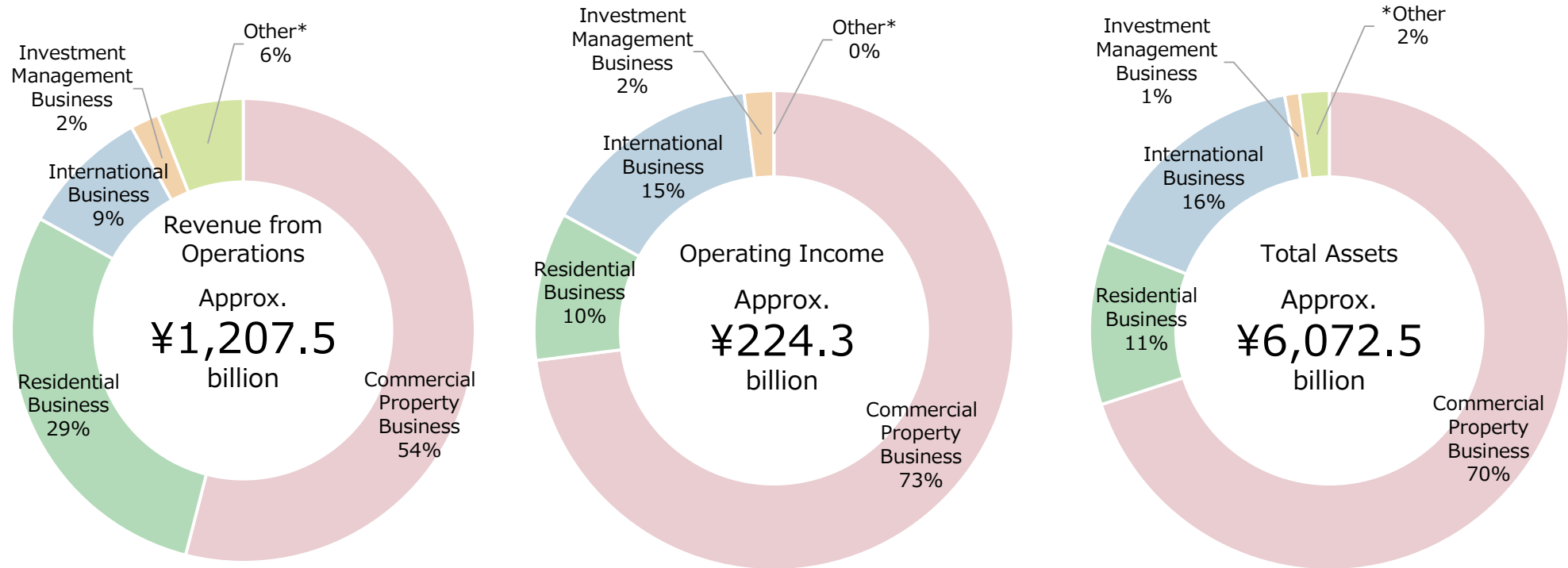
Mitsubishi Jisho Sekkei Inc. provides architectural design and engineering services of construction and civil engineering.



<Real Estate Services Business>
Mitsubishi Real Estate Services Co., Ltd. offers real estate brokerage, parking lot management support, and other services.



2. Business Scale



*Architectural Design & Engineering Business and Real Estate Services Business, Other Business (FY2021 Results)

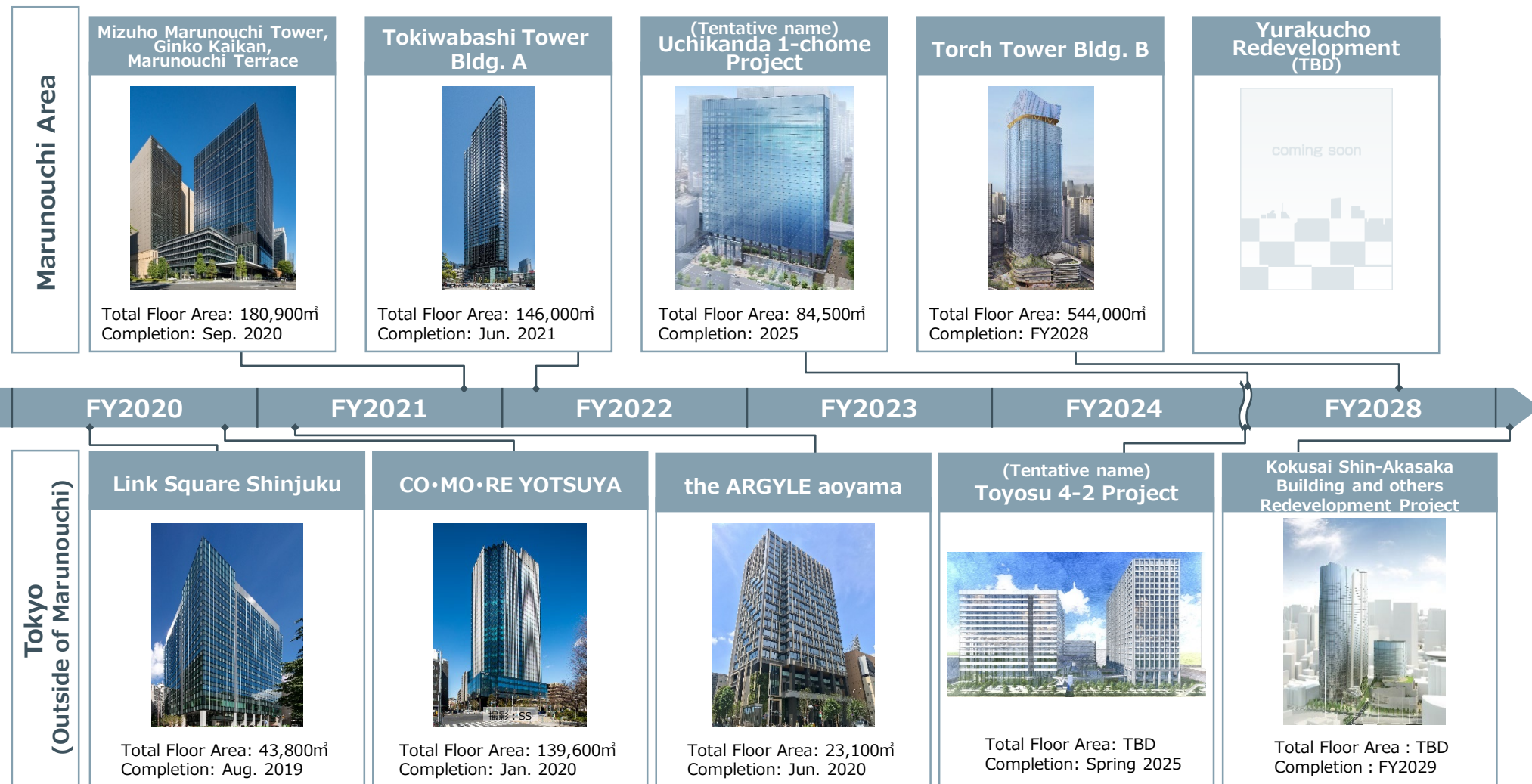
Commercial Property Business

Office Buildings

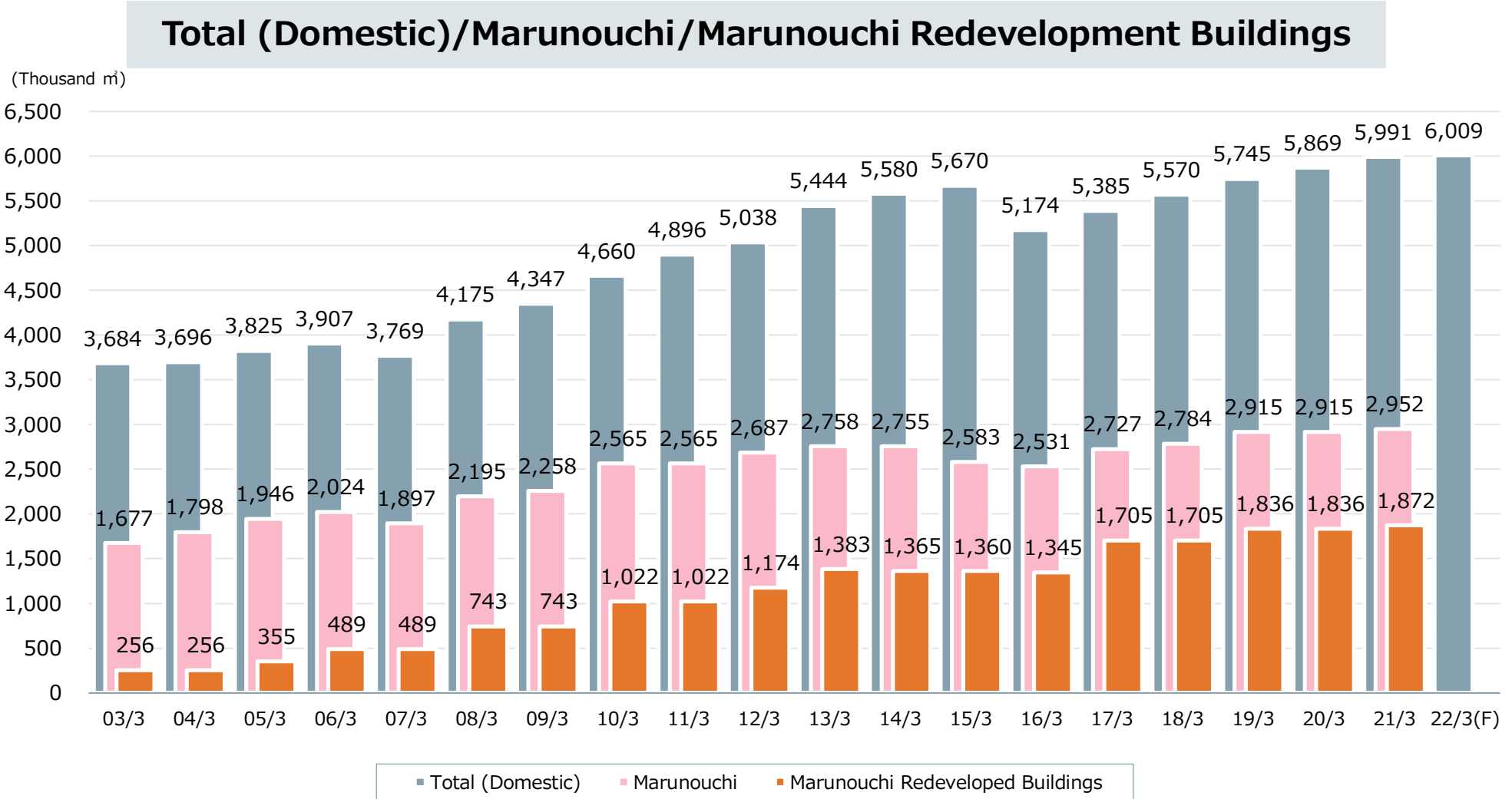
1. Marunouchi Area Map



2. Pipeline



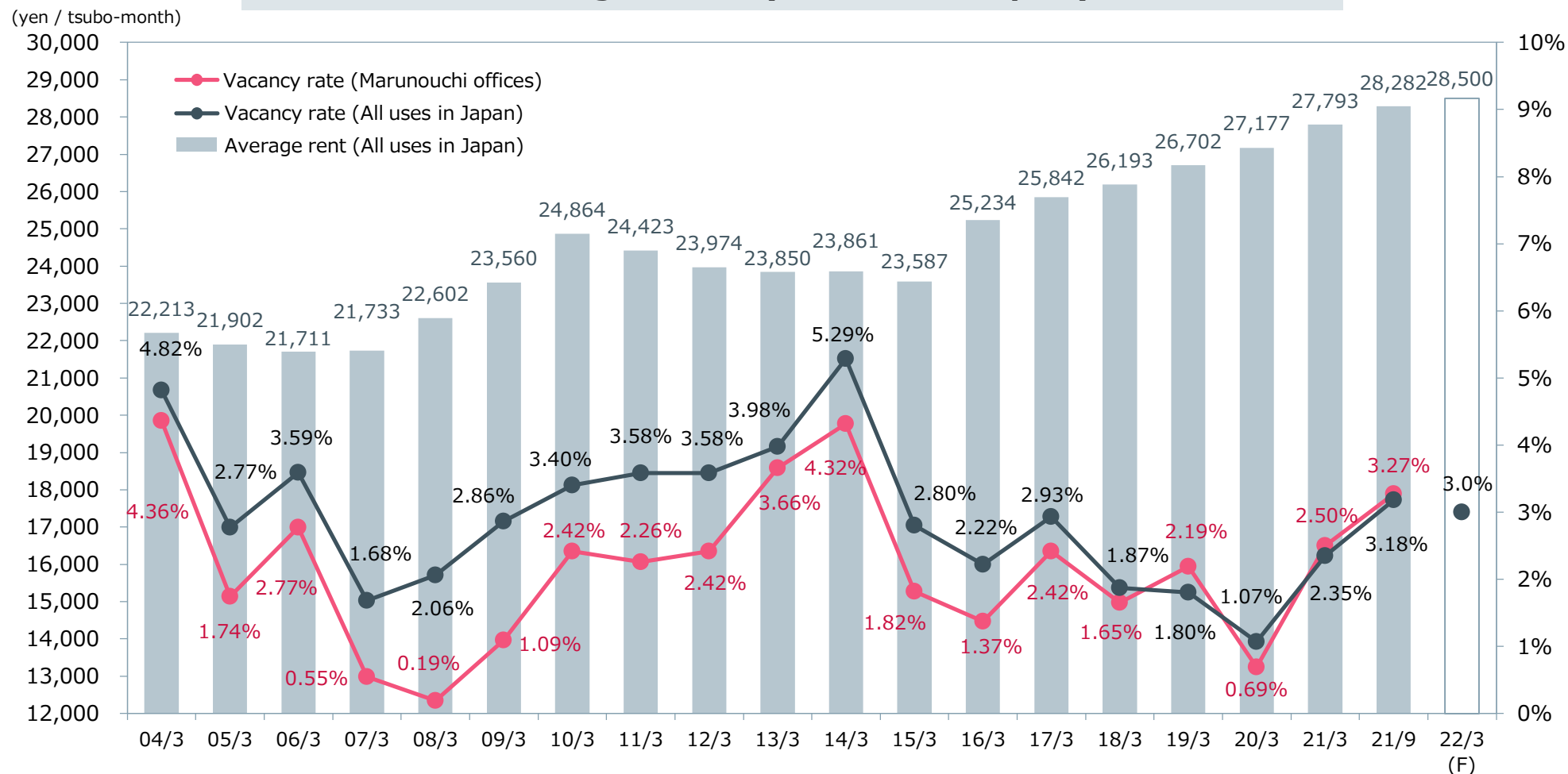
3. Earnings Related Data: Total Operating Floor Space (Unconsolidated)



*Excluding floor space in Lifestyle Property Business from 16/3

4. Earnings Related Data: Vacancy Rates and Average Rents (Unconsolidated)

Vacancy Rates (Marunouchi Offices/All uses in Japan) and Average Rents (All uses in Japan)



5. Earnings Related Data: Office Building Business, Revenue Breakdown^{*1} (Unconsolidated)

(Billions of yen)

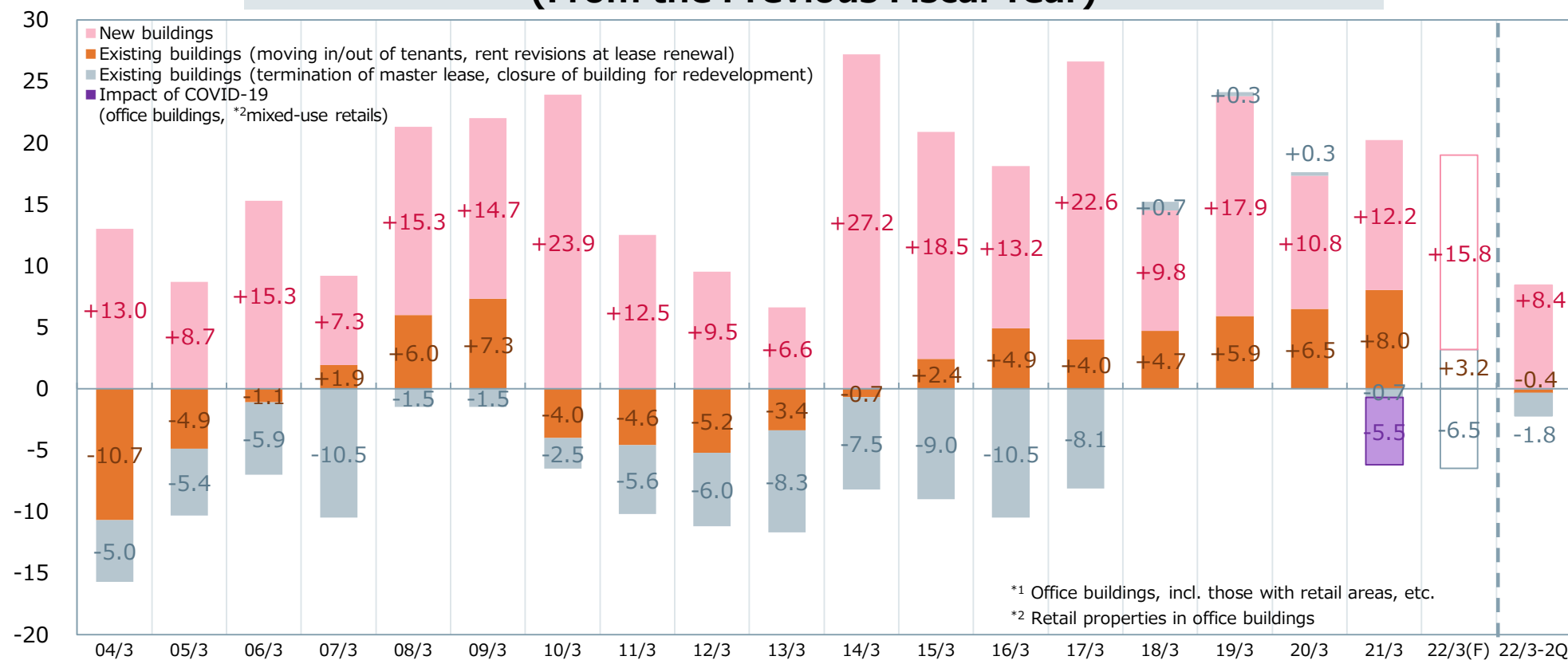
		FY2021-2Q (Results)	FY2021 (Previous Results)	FY2022-2Q (Results)	FY2022 (Forecasts)
Rent revenue from ^{*1} office buildings		208.1	418.0	215.9	428.3
Changes from the previous period		+ 7.8	+ 11.3	+ 7.8	+ 10.2
Rent revenue from new buildings		+ 4.7	+ 12.2	+ 8.4	+ 15.8
Rent revenue from existing buildings		+ 6.5	+ 7.2	△ 2.2	△ 3.3
Termination of master lease, closure of building for redevelopment		△ 0.1	△ 0.7	△ 1.8	△ 6.5
Moving in/out of tenants, Rent revisions at lease renewal		+ 6.7	+ 8.0	△ 0.4	+ 3.2
Impact of COVID-19	Offices	-	△ 0.5		
	^{*2}Mixed-use retail	△ 3.3	△ 5.0		
Supplementary revenue, incl. common area charge		△ 0.0	△ 2.4	+ 1.6	△ 2.2

^{*1} Office buildings, incl. those with retail areas, etc.^{*2} Retail properties in office buildings

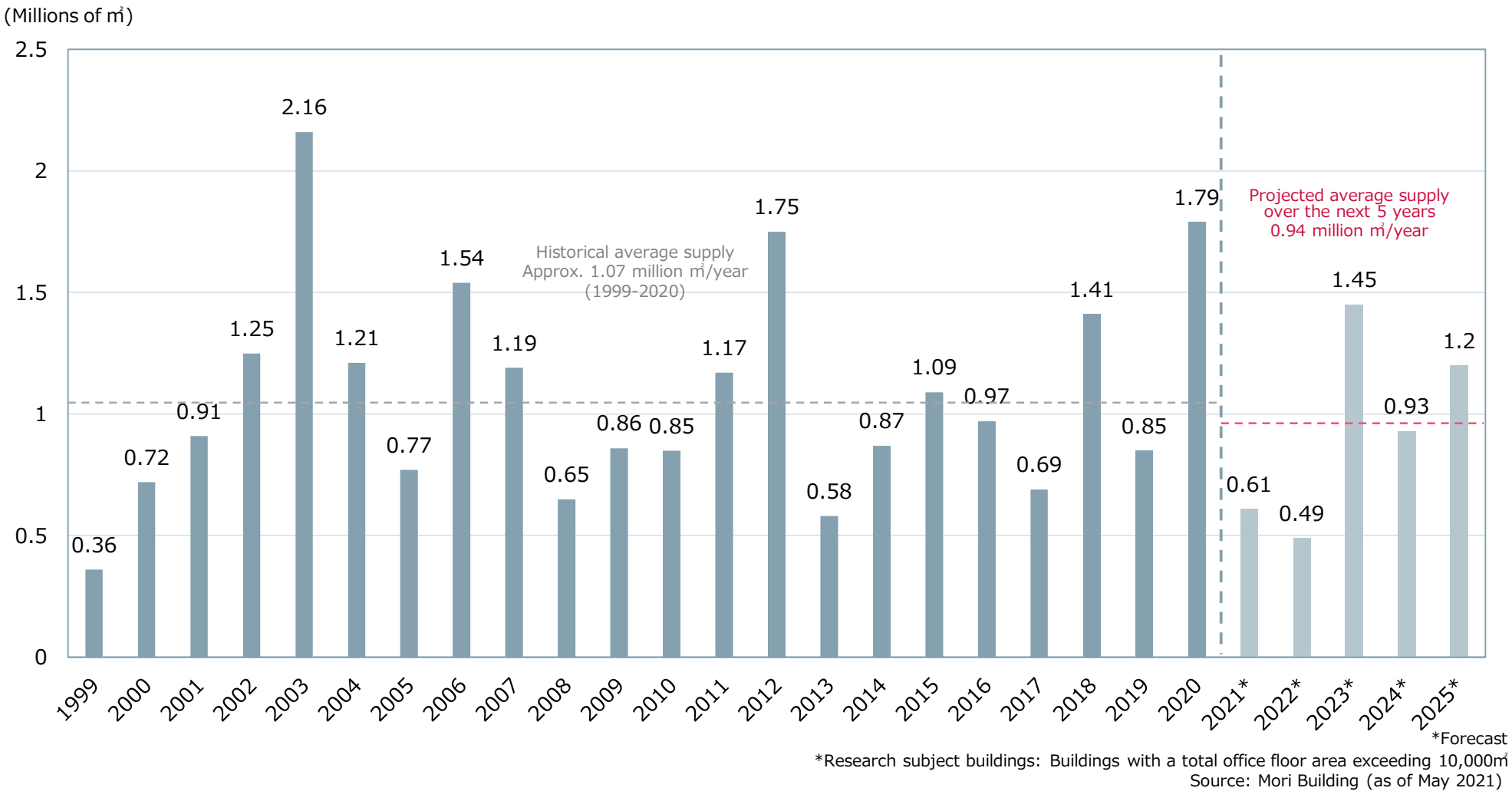
6. Earnings Related Data: Trends in Rent Revenue From Office Buildings*¹ (Unconsolidated)

Increase/Decrease of Rent Revenue from Office Buildings*¹ (From the Previous Fiscal Year)

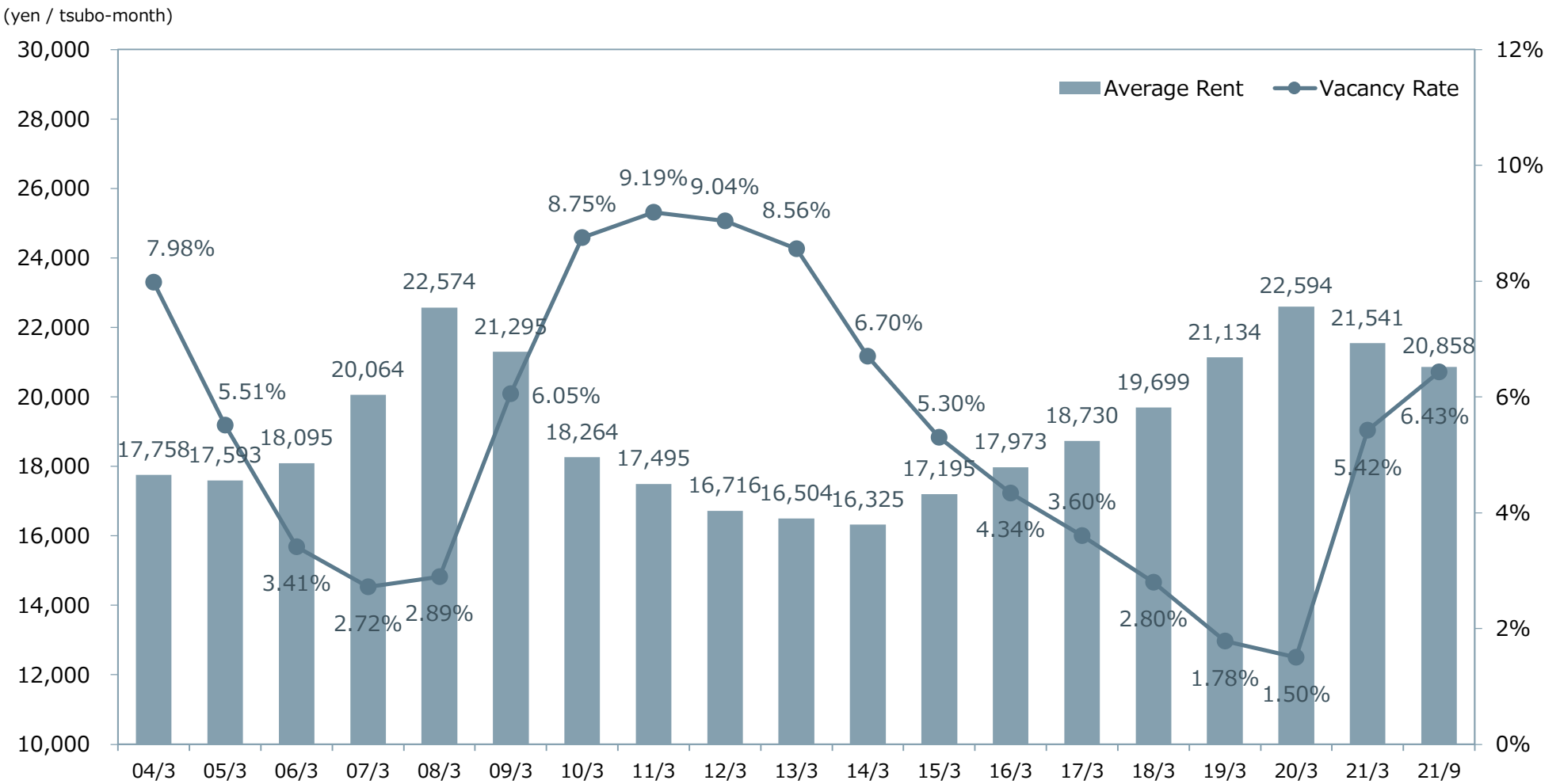
(Billions of yen)

*¹ Office buildings, incl. those with retail areas, etc.*² Retail properties in office buildings

7. Office Building Market Data: New Supply of Large-Scale Office Buildings (23 Wards of Tokyo)



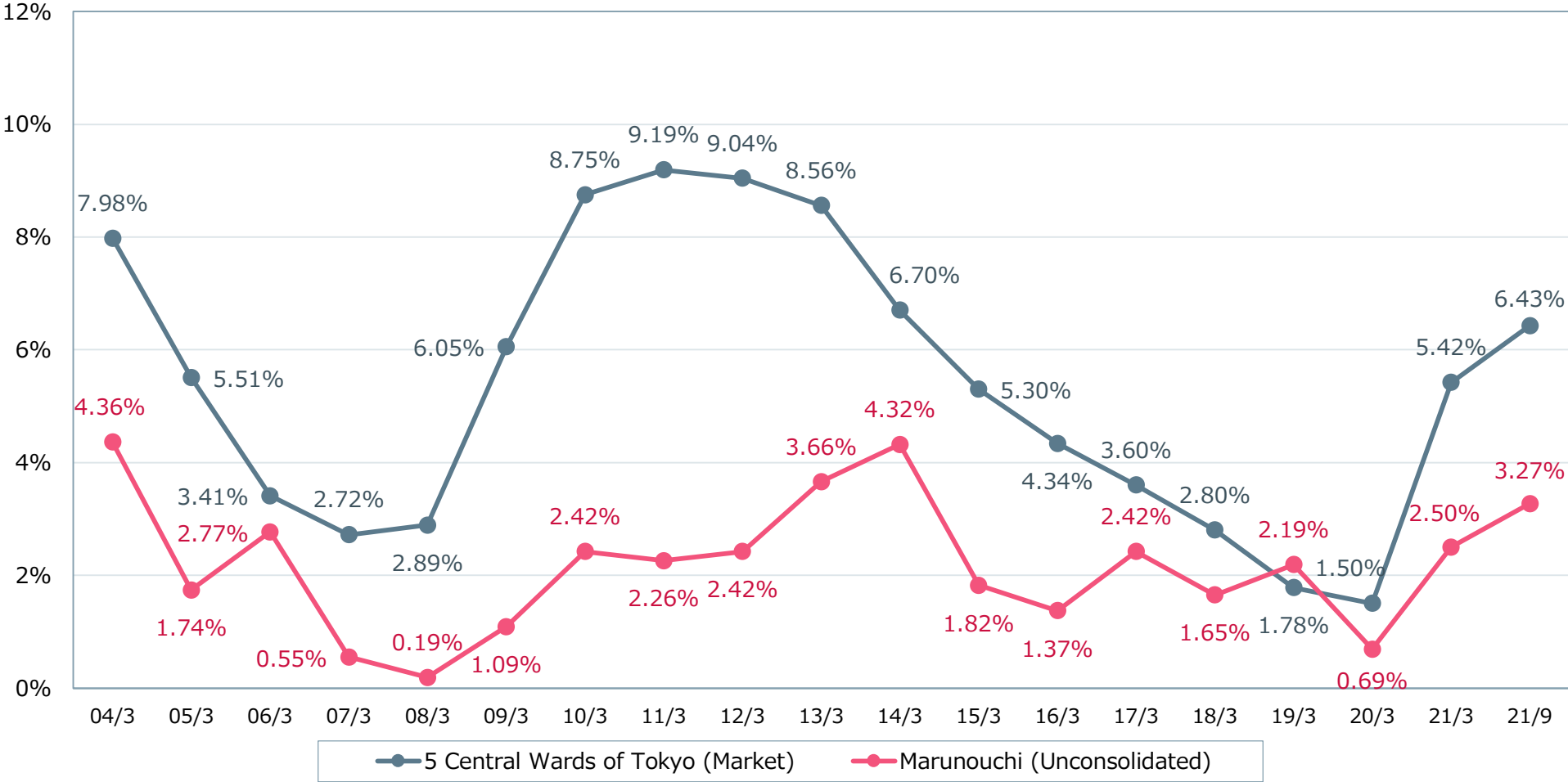
8. Office Building Market Data: Average Rents/Vacancy Rates (5 Central Wards of Tokyo)



Source: Miki Shoji Co., Ltd.



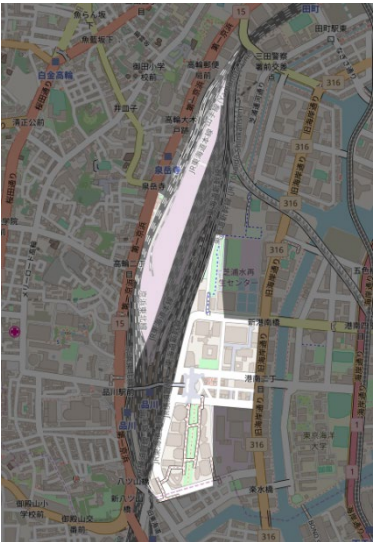
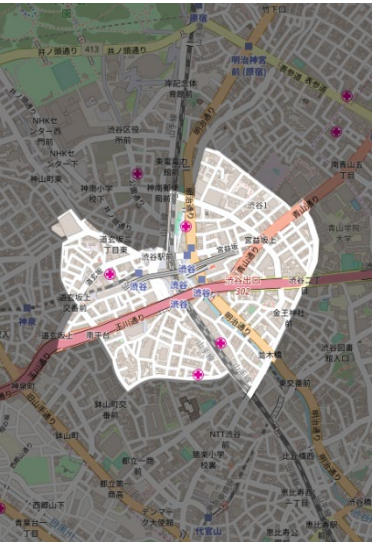
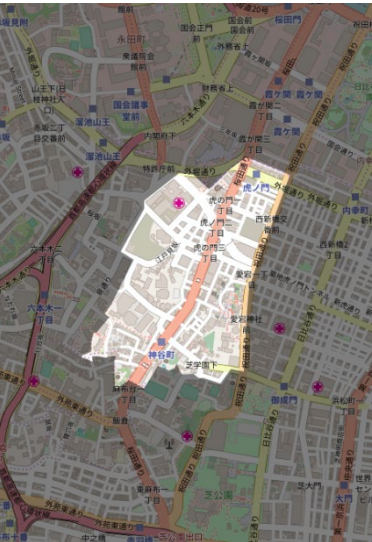
9. Competitive Edge of Marunouchi: Vacancy Rates

5 Central Wards of Tokyo (Market) vs. Marunouchi (Unconsolidated)



Source: Miki Shoji Co., Ltd.

10. Competitive Edge of Marunouchi: Area/Number of Railway Lines

Marunouchi	Nihonbashi	Shinagawa	Shibuya	Toranomon
				
Area: 120ha	Area: 76ha	Area: 49ha	Area: 86ha	Area: 58ha
Railway lines: 28 lines	Railway lines: 5 lines	Railway lines: 9 lines	Railway lines: 8 lines	Railway lines: 2 lines

©Open Street Map

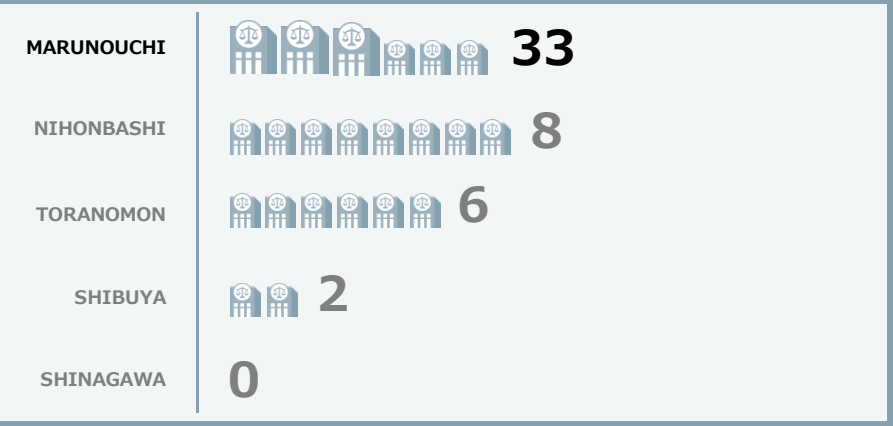
11. Competitive Edge of Marunouchi: Number of Headquarters and Offices

(as of March 2021)

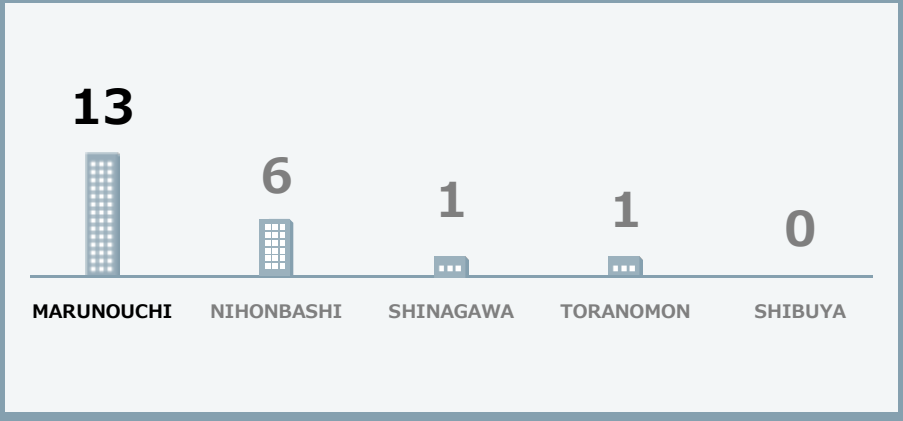
① Fortune Global 500 company headquarters



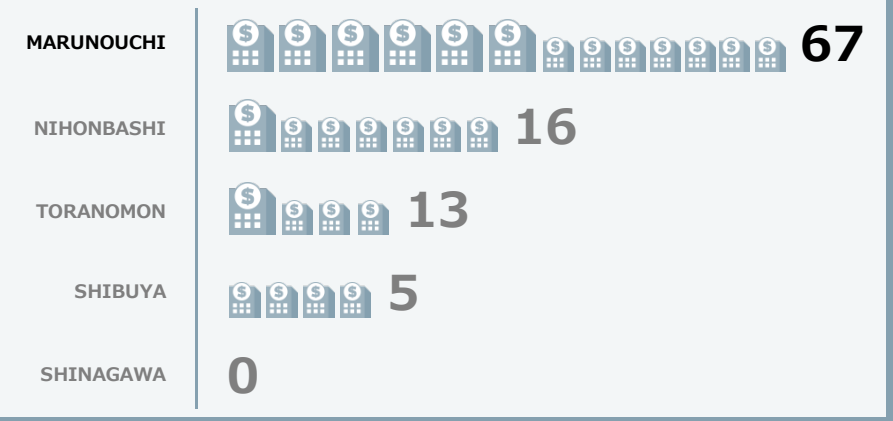
③ Top 100 law firm headquarters and offices



② Top 50 company headquarters in terms of market capitalization



④ Foreign financial company offices

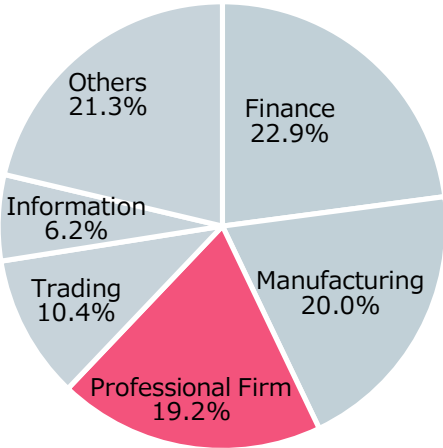
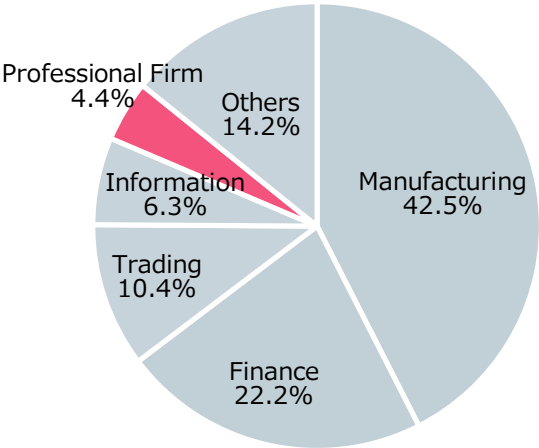


12. Marunouchi Data: Marunouchi Tenant Mix (Unconsolidated)

March 2000	Type of Business	Area ratio
1	Manufacturing	42.5%
2	Finance	22.2%
3	Trading	10.4%
4	Information	6.3%
5	Professional Firm	4.4%
	Others	14.2%



March 2021	Type of Business	Area ratio
1	Finance	22.9%
2	Manufacturing	20.0%
3	Professional Firm	19.2%
4	Trading	10.4%
5	Information	6.2%
	Others	21.3%



13. Marunouchi Data: Approaches for Marunouchi Area Development

Improvement of floor-area-ratio

Improving plot ratio in Marunouchi area by reviewing the use area

1,000% → 1,300% (June 2004)

*1,200% for limited areas

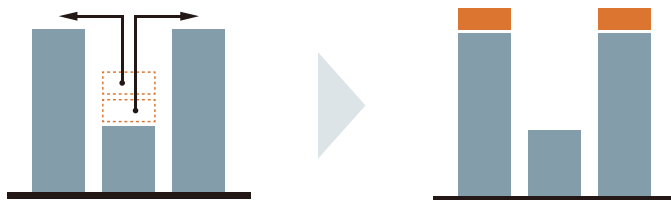
Transfer of plot ratio: Exceptional plot ratio district system

Possible to transfer floor area among several areas meeting a certain conditions

"Exceptional floor-area ratio district" area



◆ Example: Transfer unused floor-area at Tokyo station to other buildings around the station



Relaxation of plot ratio regulations: Special Urban Renaissance Districts

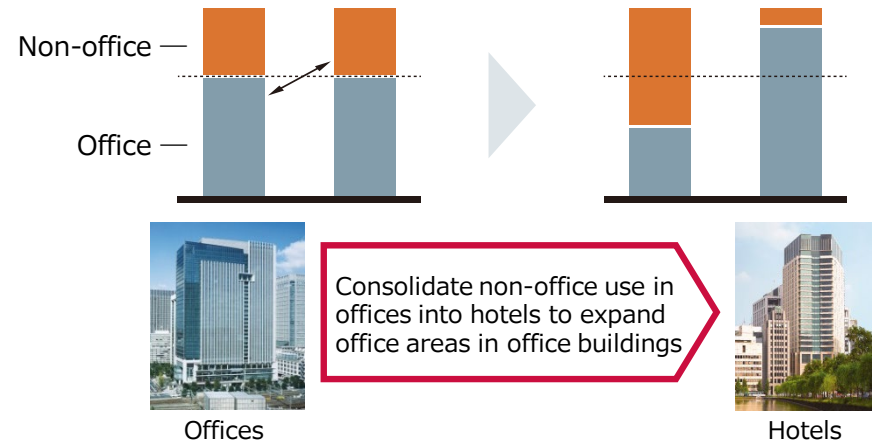
Possible to be permitted for relaxation of floor-area ratio regulation depending on levels of contribution to city regeneration as an exemption of urban planning

Example: International business bases (Global Business Hub Tokyo etc.)
Development of fine urban environment (improvement of water quality of ditch around the Imperial Palace, etc.)
BCP functions (self-reliant electric power, water supply, etc.)

Change of building uses: Consolidation of non-office use

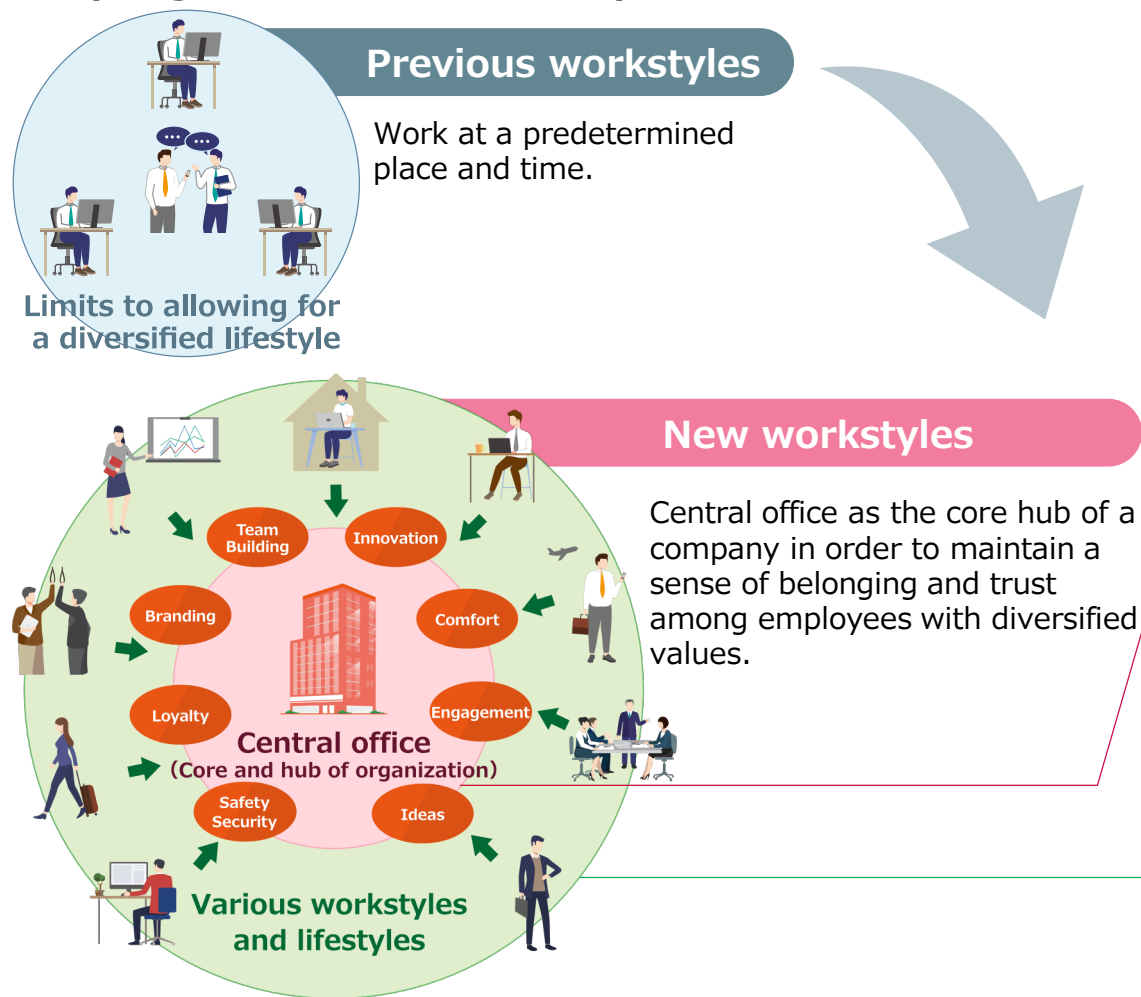
Possible to consolidate and allocate mandated non-office use floor-areas when running several projects simultaneously

◆ Example: Consolidate office and hotel usages



14. Initiatives Looking Ahead to Post-COVID-19

Enhancing value in the office by sophisticating the core functions of the central office and adapting to diversified workstyles.



Sophistication of the Central Office



TOKYO TORCH (Tokiwabashi PJ)

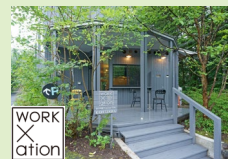
- 2ha outdoor space
- Communal space for workers
- Implementation of contactless securities
- Large hall (2,000 seats)
- World-class hotel (100 rooms)
- Eco-friendly city development (e.g. green bonds)

FINOLAB (renewal)

- Financial support for startups (investing in FINOLAB FUND)
- Renewal and expansion
- Support services for business expansion



Approaches to diversified workstyles



WORK x ation Site (Workation)

- Establishment of a new hub



Telecubes

- Increase installment numbers
- Expand installation spots to condominiums etc.



NINJA SPACE

- To locate workspaces



CIRCLES (Compact office)

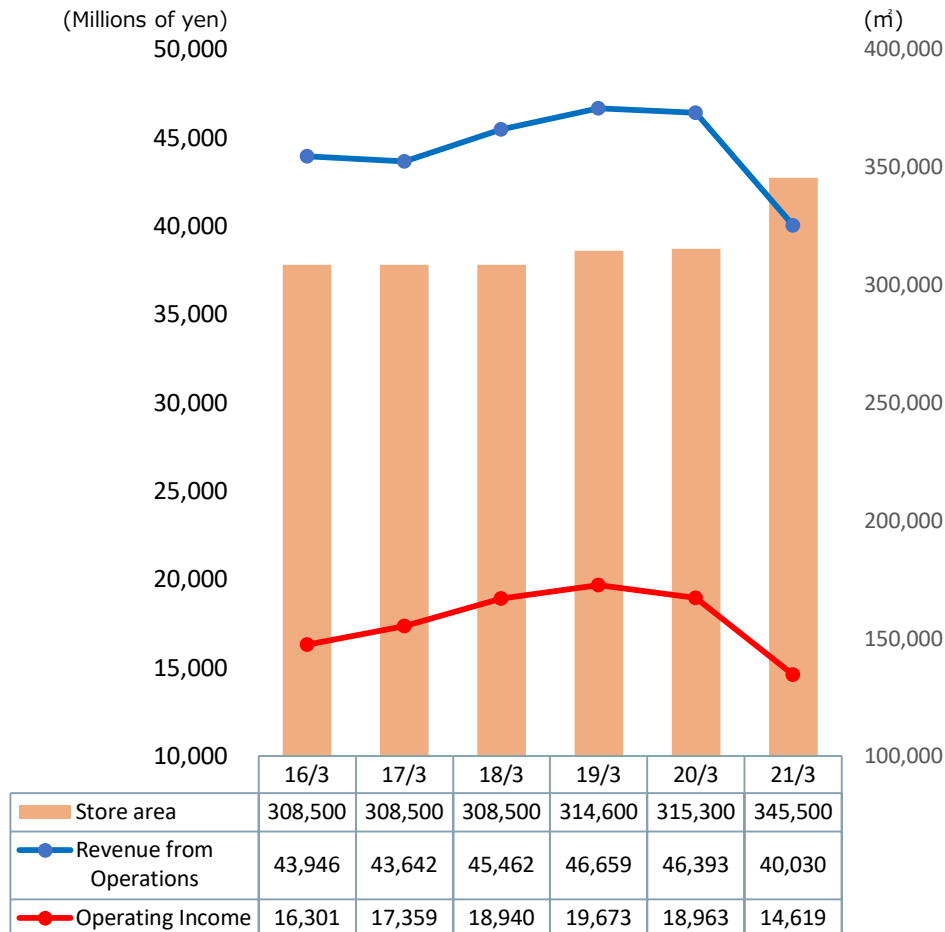
- Aim is to develop 30 buildings by 2024

Commercial Property Business

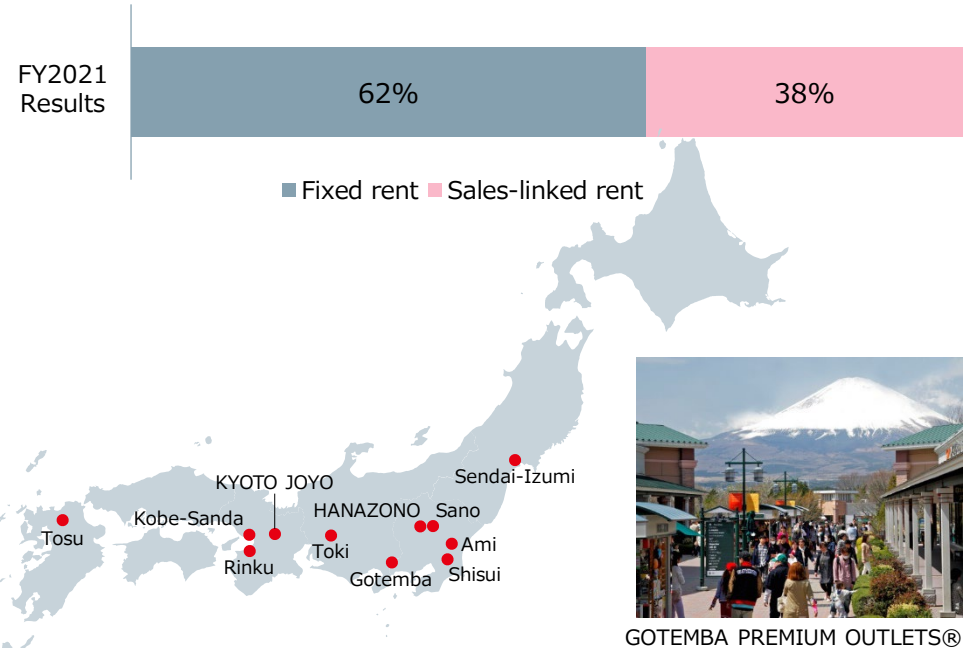
Outlet Malls, Retail Properties, Logistics Facilities, Hotels, and Airports

1. Outlet Mall Business

Change in Store Area, Revenue from Operations, and Operating Income



Average of all Facilities Sales-Linked & Fixed Ratio (Rent Revenue Basis)

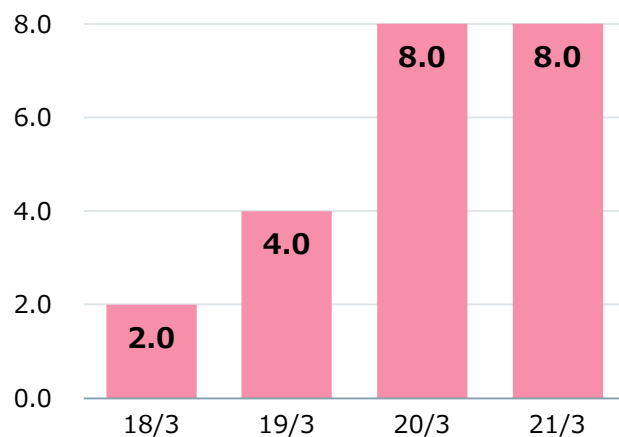


Name	Open	Store Floor Area
Gotemba (Phase 4)	Jun. 2020	Before expansion: Approx. 44,600m ² Currently: Approx. 61,000m ² (+37%)
Rinku (Phase 5)	Aug. 2020	Before expansion: Approx. 39,400m ² Currently: Approx. 50,100m ² (+27%)
Fukaya Hanazono (New)	Fall, 2022	Approx. 27,000m ²
Kyoto Joyo (New)	Spring, 2024	

2. Logistics Facility Business

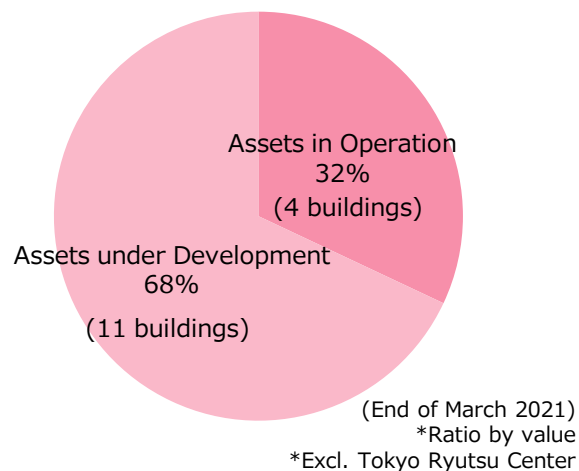
Trends in Gain on Sales

(Billions of yen)



Total Assets

Approx. ¥ **61.0** billion



Operational Logistics Facilities

Total number of developed facilities: **15**

Number of facilities in operation: **4**

Total floor area of facilities in operation: **192,000m²**

(End of March 2021)
*Excl. Tokyo Ryutsu Center



Tokyo Ryutsu Center Distribution Building B



Logicross Hasuda



(Tentative name) Sagamihara-shi Chuo-ku Fuchinobe project

3. Outlet Malls and Logistics Facility Pipelines



4. Hotel (Development/Operations) Business

Hotel Management Business



The Royal Park Canvas Sapporo Odori Park

Name	Location	Number of Rooms	Open
Royal Park Hotel	Chuo, Tokyo	419	Jun. 1989
Yokohama Royal Park Hotel	Yokohama, Kanagawa	603	Sep. 1993
Sendai Royal Park Hotel	Sendai, Miyagi	110	Apr. 1995
The Royal Park Hotel Iconic Tokyo Shiodome	Minato, Tokyo	490	Jul. 2003
Marunouchi Hotel	Chiyoda, Tokyo	205	Oct. 2004
The Royal Park Hotel Fukuoka	Fukuoka, Fukuoka	174	Jul. 2011
The Royal Park Hotel Kyoto Sanjo	Kyoto, Kyoto	172	Oct. 2011
The Royal Park Canvas Nagoya	Nagoya, Aichi	153	Nov. 2013
The Royal Park Hotel Tokyo Haneda	Ota, Tokyo	313	Sep. 2014
The Royal Park Hotel Kyoto Shijo	Kyoto, Kyoto	127	Apr. 2018
The Royal Park Hotel Hiroshima Riverside	Hiroshima, Hiroshima	127	Oct. 2018
The Royal Park Canvas Ginza 8	Chuo, Tokyo	121	Mar. 2019
The Royal Park Canvas Osaka Kitahama	Osaka, Osaka	238	Jun. 2019
The Royal Park Hotel Iconic Osaka Midosuji	Osaka, Osaka	352	Mar. 2020
The Royal Park Canvas Kobe Sannomiya	Kobe, Hyogo	170	Jan. 2021
The Royal Park Hotel Kyoto Umekoji	Kyoto, Kyoto	246	Mar. 2021
The Royal Park Canvas Kyoto Nijo	Kyoto, Kyoto	180	Jun. 2021
The Royal Park Canvas Sapporo Odori Park	Sapporo, Hokkaido	134	Oct. 2021
The Royal Park Hotel Iconic Kyoto	Kyoto, Kyoto	130	Apr. 2022
Ginza 6-chome Hotel Project	Chuo, Tokyo	160	Fall 2022
Nagoya Sakae Hotel Project	Nagoya, Aichi	250	FY2025

Hotel Development Business



Hilton Okinawa Miyakojima Resort

Name	Location	Number of Rooms	Construction Begins	Open
The Royal Park Hotel Kyoto Shijo	Kyoto, Kyoto	127	Jul. 2016	Apr. 2018
MJ HOTEL Asakusa	Taito, Tokyo	166	Mar. 2017	To be determined
The Royal Park Canvas Kobe Sannomiya	Kobe, Hyogo	170	Sep. 2019	Jan. 2021
The Royal Park Hotel Kyoto Umekoji	Kyoto, Kyoto	246	Jun. 2019	Mar. 2021
MJ Hotel Asakusa Kaminarimon	Taito, Tokyo	51	Dec. 2019	Apr. 2021
The Royal Park Canvas Sapporo Odori Park	Sapporo, Hokkaido	134	Mar. 2020	Oct. 2021
MJ HOTEL Kyoto Okazaki	Kyoto, Kyoto	60	Feb. 2020	Spring 2022
(Tentative name) Naha-shi Nishi 1-chome project	Naha, Okinawa	143	Sep. 2020	Spring 2022
(Tentative name) Sendai-shi Aoba-ku Chuo 4-chome Hotel project	Sendai, Miyagi	224	Oct. 2020	Summer 2022
Hilton Okinawa Miyakojima Resort	Miyakojima, Okinawa	329	Feb. 2021	FY2024

Residential Business

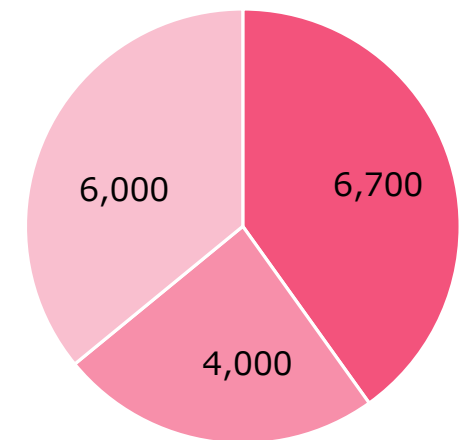
1. Condominium Business Data #1

In FY2022, sales will be flat YoY, but deliveries will be scheduled in the 2nd half.
Gross margin improved and inventories are on a downtrend.

	FY2021-2Q (Results)	FY2021 (Results)	FY2022-2Q (Results)	FY2022 (Forecasts)
Condominiums Sold (millions of yen)	68,307	203,513	52,574	203,000
Condominiums Sold (units)	1,178	3,476	742	2,900
Gross Margin	19.5%	18.7%	21.5%	20.0%
Inventory (units)	298	213	111	-
New Supply of Condominiums (units)	619	2,350	878	1,700

Land Bank Breakdown in Reporting Term

(As of September 30, 2021)



Total: 16,700 units

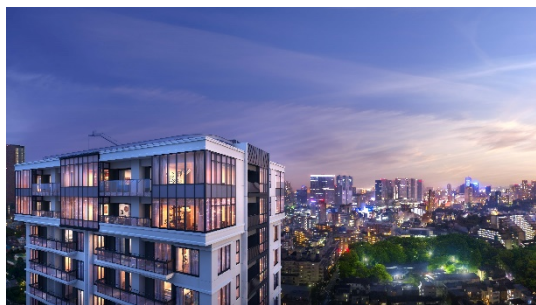
- FY2022 - FY2024
- FY2025 - FY2027
- FY2028 -

2. Residential Condominium Business #2

Scheduled for delivery in FY2022



The Parkhouse Mita Garden Residence & Tower



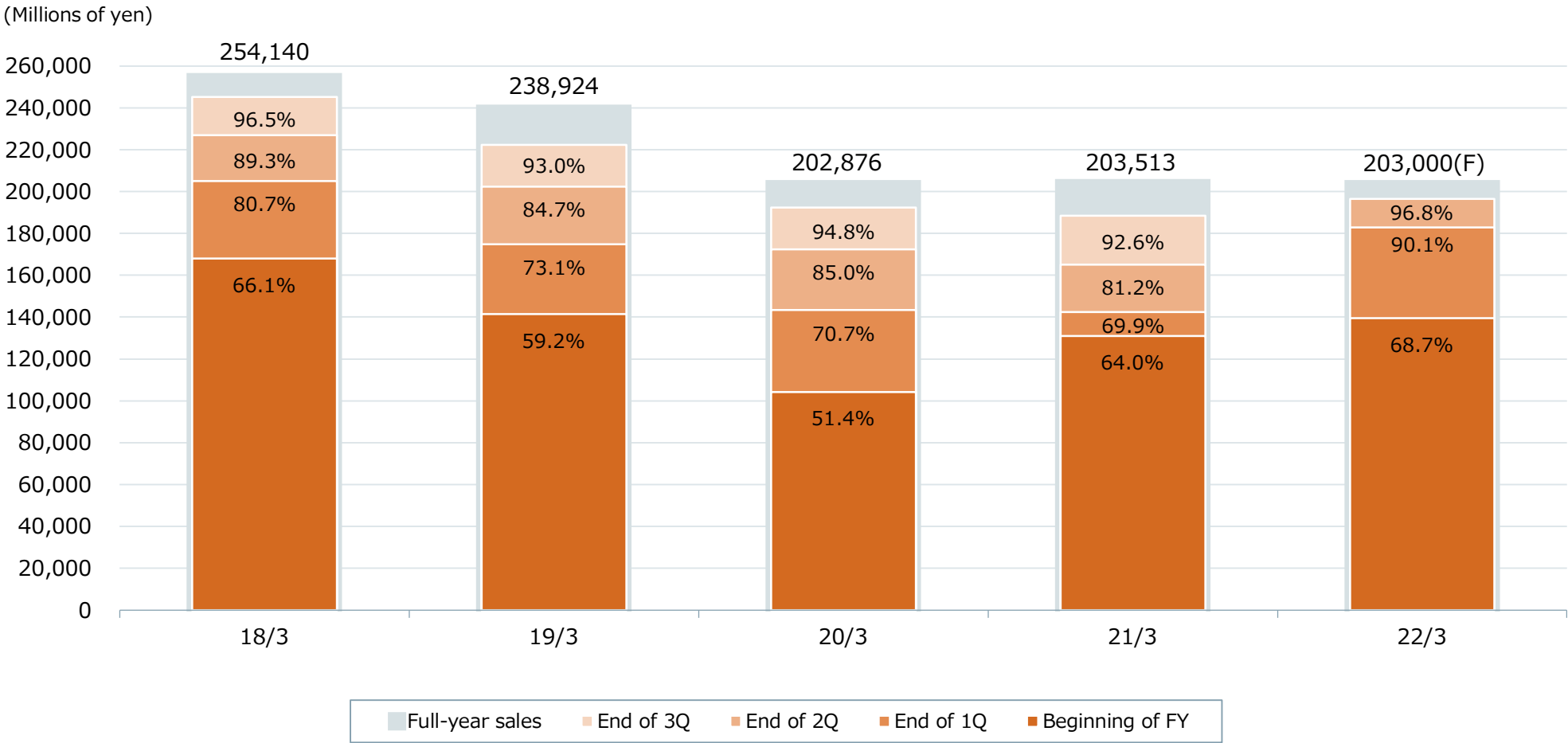
The Parkhouse Takanawa Tower

Name (project name)	Location	Site area	Total units	Scheduled delivery
The Parkhouse Mita Tower	Minato, Tokyo	1,900㎡	111	May 2021
The Parkhouse Ichikawa 2-chome	Ichikawa, Chiba	2,000㎡	57	Nov. 2021
The Parkhouse Ichigaya Kagacho Residence	Shinjuku, Tokyo	5,800㎡	228	Nov. 2021
The Parkhouse Mita Garden Residence & Tower	Minato, Tokyo	5,200㎡	266	Dec. 2021
The Parkhouse Shin-Urayasu Marine Villa(Stage 1)	Urayasu, Chiba	47,100㎡※	234	Jan. 2022
The Parkhouse Takanawa Tower	Minato, Tokyo	2,000㎡	164	Jan. 2022
The Parkhouse Musashino Kyonancho	Musashino, Tokyo	2,700㎡	82	Jan. 2022
The Parkhouse Nagoya(Stage 1)	Nishi, Nagoya	18,100㎡※	314	Jan. 2022
The Parkhouse Asakadai Residence	Asaka, Saitama	2,300㎡	64	Feb. 2022
The Parkhouse Komazawa Residence	Setagaya, Tokyo	2,700㎡	69	Feb. 2022
The Parkhouse Kamakura	Kamakura, Kanagawa	1,100㎡	23	Feb. 2022
The Parkhouse Kyodo Residence	Setagaya, Tokyo	3,200㎡	91	Feb. 2022
The Parkhouse Tokorozawa Place	Tokorozawa, Saitama	2,400㎡	104	Feb. 2022
The Parkhouse Yokohama Shin Koyasu Front	Yokohama, Kanagawa	7,400㎡	180	Mar. 2022
The Parkhouse Miyazakidai	Kawasaki, Kanagawa	4,500㎡	123	Mar. 2022
The Parkhouse Saitama Shin-Toshin	Chuo-ku, Saitama	1,500㎡	109	Mar. 2022

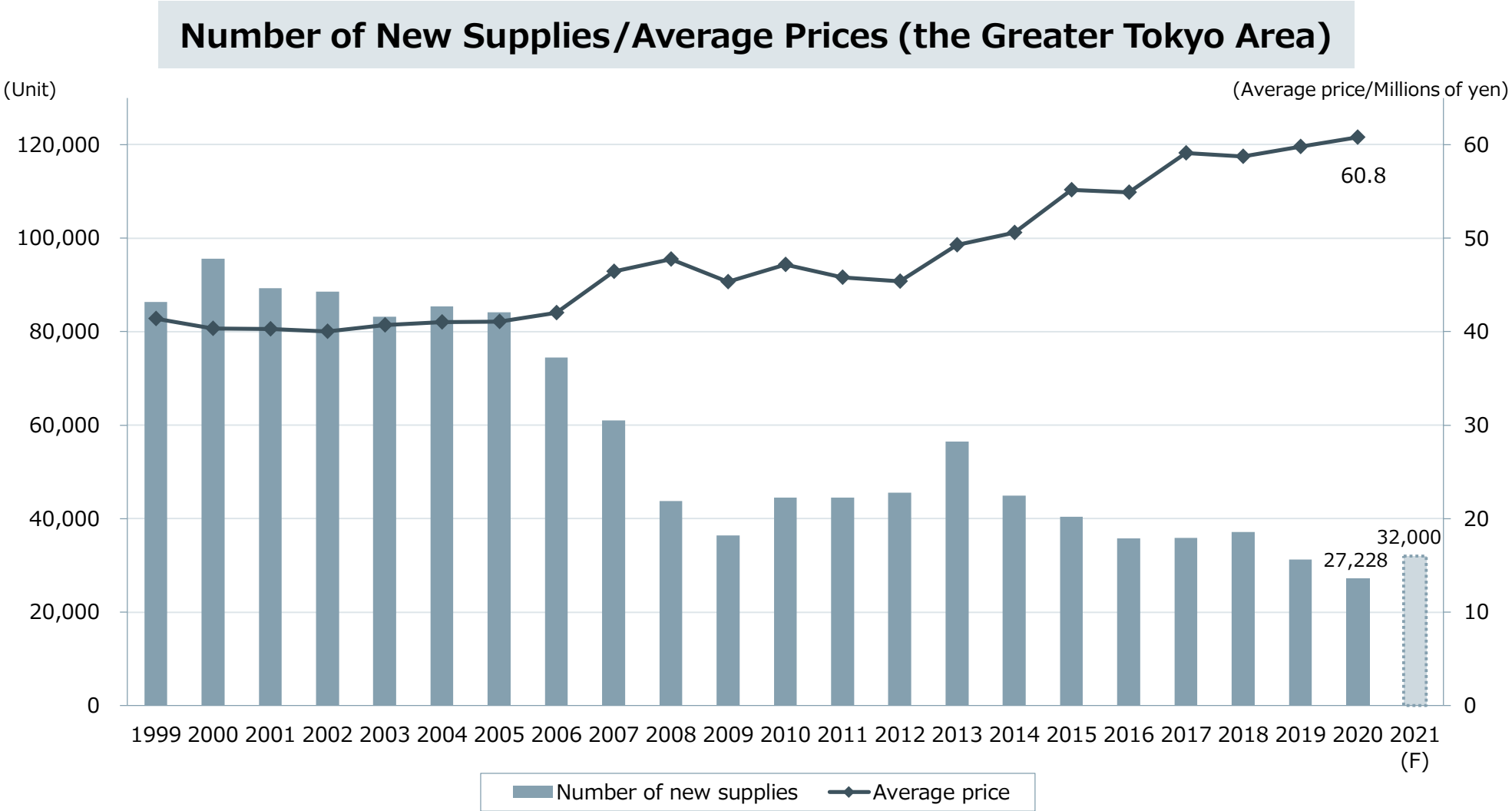
※ Total occupying area

3. Condominium Business Data #3

Quarterly Distribution of Sales by Agreement Date



4. Condominium Market Data



Source: Real Estate Economic Institute Co., Ltd.

5. Redevelopment Projects and Large-scale Development Projects

Redevelopment Projects and Large-scale Development Projects

*Only major projects are listed

Scheduled Delivery	Location	Project Name	Total Units
FY2021	Atsugi, Kanagawa	The Parkhouse Hon-Atsugi Tower	163
FY2021	Chiba, Chiba	Makuhari Bay Park Sky Grand Tower	826
FY2023	Yokohama, Kanagawa	Land Readjustment Project (H block) in West District around Kawawa-cho Station	183
FY2023	Kita, Tokyo	Maintenance project of Kami-Jujo 1-chome 4-banchi Disaster prevention zone	43
After FY2025	Shinagawa, Tokyo	Togoshi 5-chome, 19 District Redevelopment Project	Approx. 240
	Yokosuka, Kanagawa	In Front of Oihama Station Type 1 Urban Zone Redevelopment Project	Approx. 300
	Minato, Tokyo	Mita Koyama-cho Nishi area Type 1n Urban Zone Redevelopment Project	Approx. 1,200
	Chuo, Tokyo	Toyomi area Type 1 Urban Zone Redevelopment Project	Approx. 1,700
	Chiyoda, Tokyo	Kanda-Ogawamachi 3-chome West-side South area Type 1 Urban Zone redevelopment Project	Approx. 110
Total			Approx. 23,300

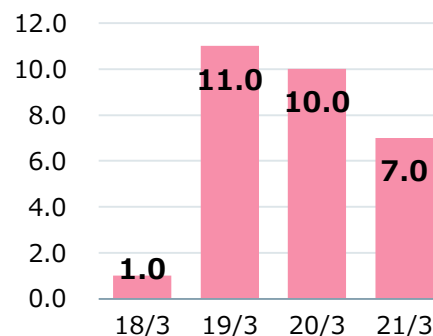


The Parkhouse Hon-Atsugi Tower

6. Rental Apartment Business

Trends in Gain on Sale

(Billions of yen)



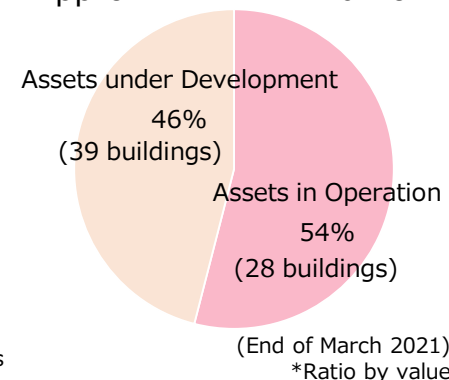
*Trends in capital gains for Residential Business



The Parkhabio Kiba

Total Assets

Approx. ¥ **117** billion

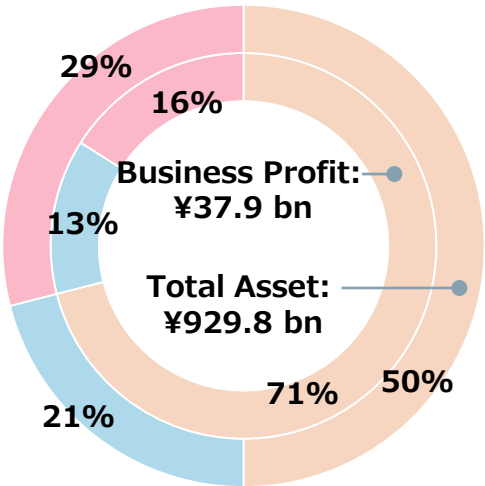


Parkhabio Akasaka Tower

International Business

1. International Business Strategy

FY2021



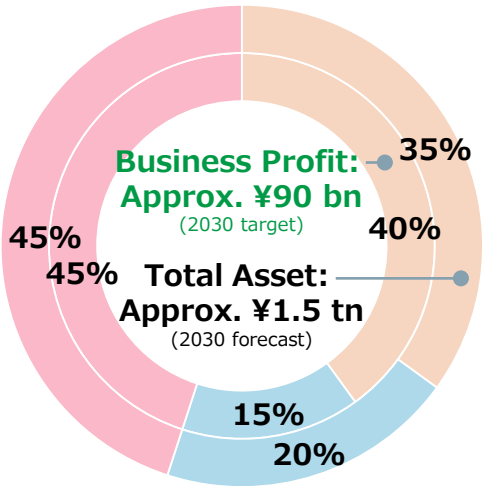
ROA : Approx. 4.2%

Asia Europe US

Towards 2030 Target

- ◆ Expand Asia development business
- ◆ Annual investment: Approx. ¥200–250 bn
- ◆ 1st half of 2020s: Profit increase with asset accumulation
- ◆ 2nd half of 2020s: Balance investment and return

2030 Target



ROA : Approx. 6%

Strategies

①Asia

- ◆ Increase investments, build capital recycling portfolio
- ◆ Two approaches:
 - ①Development with major stakes
 - ②Joint businesses with local partners

<Expected Return from Investment>

IRR	Developed countries	8-10%
	Developing countries	10+%

②Europe

- ◆ Investment and return to optimize profit stability and capital efficiency
- ◆ Advance mainly large-scale*

*8 Bishopsgate, 60-72 Upper Ground

<Expected Return from Investment>

IRR	8-10%
-----	-------

③US

- ◆ Strengthen capital recycling business and capitalize on RGII* know-how
- ◆ Promote joint ventures with local partners

*Rockefeller Group International, Inc.

<Expected Return from Investment>

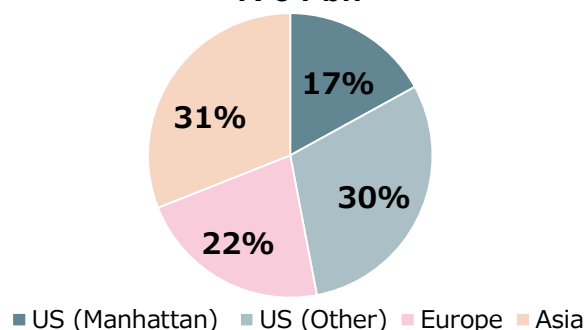
IRR	8-10%
-----	-------

2. International Assets/Ongoing Projects

Many ongoing developments (rentals and condos) are expected to make early profit contributions.

International Assets (at the end FY2021)

***Book Value:
¥764 bn**



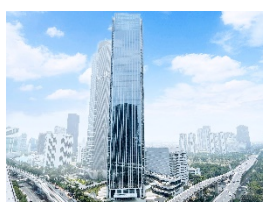
1271 Avenue of the Americas



CapitaSpring



(Tentative name)
8 Bishopsgate project



Trinity Tower

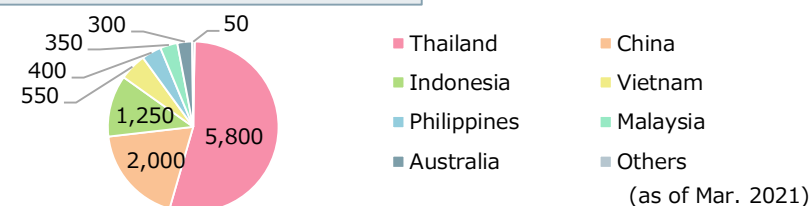
Major Ongoing Projects

	Property Name	Location	Use	Completion	Area / Units* ¹
Asia	CapitaSpring	Singapore	Multi-use	2021	* ² 93,400m ²
	ALPHA PARK (Previous PJ name : Singapore-Hangzhou Science & Technology Park 3rd)	China (Hangzhou)	Office	2021	172,300m ²
	Trinity Tower	Indonesia (Jakarta)	Multi-use	2021	75,000m ²
	Savya Financial Center North Tower	The Philippines (Manila)	Office	2021	* ³ 24,600m ²
	Yoma Central (4 buildings total)	Myanmar (Yangon)	Multi-use	After 2022	* ² 212,700m ²
	180 George Street	Australia (Sydney)	Office	2022	60,000m ²
	One City Centre	Thailand (Bangkok)	Office	2022	61,000m ²
Europe	Warwick Court (Large-scale redevelopment)	UK (London)	Office	2022	19,000m ²
	(Tentative name) 8 Bishopsgate	UK (London)	Office	2022	53,000m ²
	Park Central (Previously: Nine Elms Parks)	UK (London)	Rental apartment	2022	196 units
	60-72 Upper Ground (ITV The London Television Centre)	UK (London)	Multi-use	2020s 2nd half	TBD
US	Middlesex	US (New Jersey)	Logistics facilities	2021	37,200m ²
	Liv Crossroads	US (Arizona)	Rental apartment	2022	356 units
	Virginia Data Center (Bldg.1 & Bldg.2)	US (Virginia)	Data center	2023, 2024	51,000m ²

*¹Leasable area or # of units *²Total floor area *³Area for sale

Land Bank in Asia (Condominiums)

Total: 10,700 units

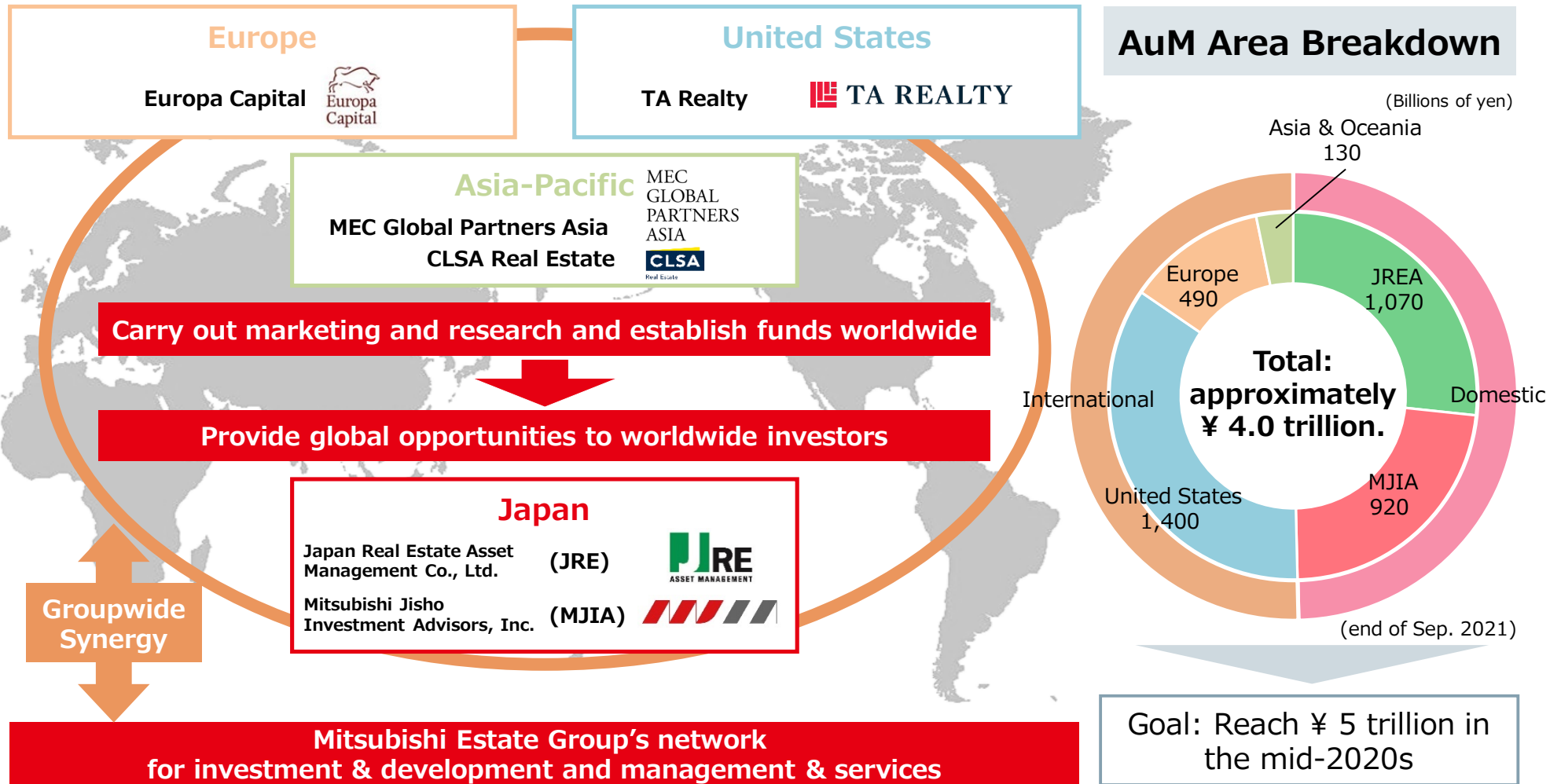


* # of units MEC owns

Other Businesses

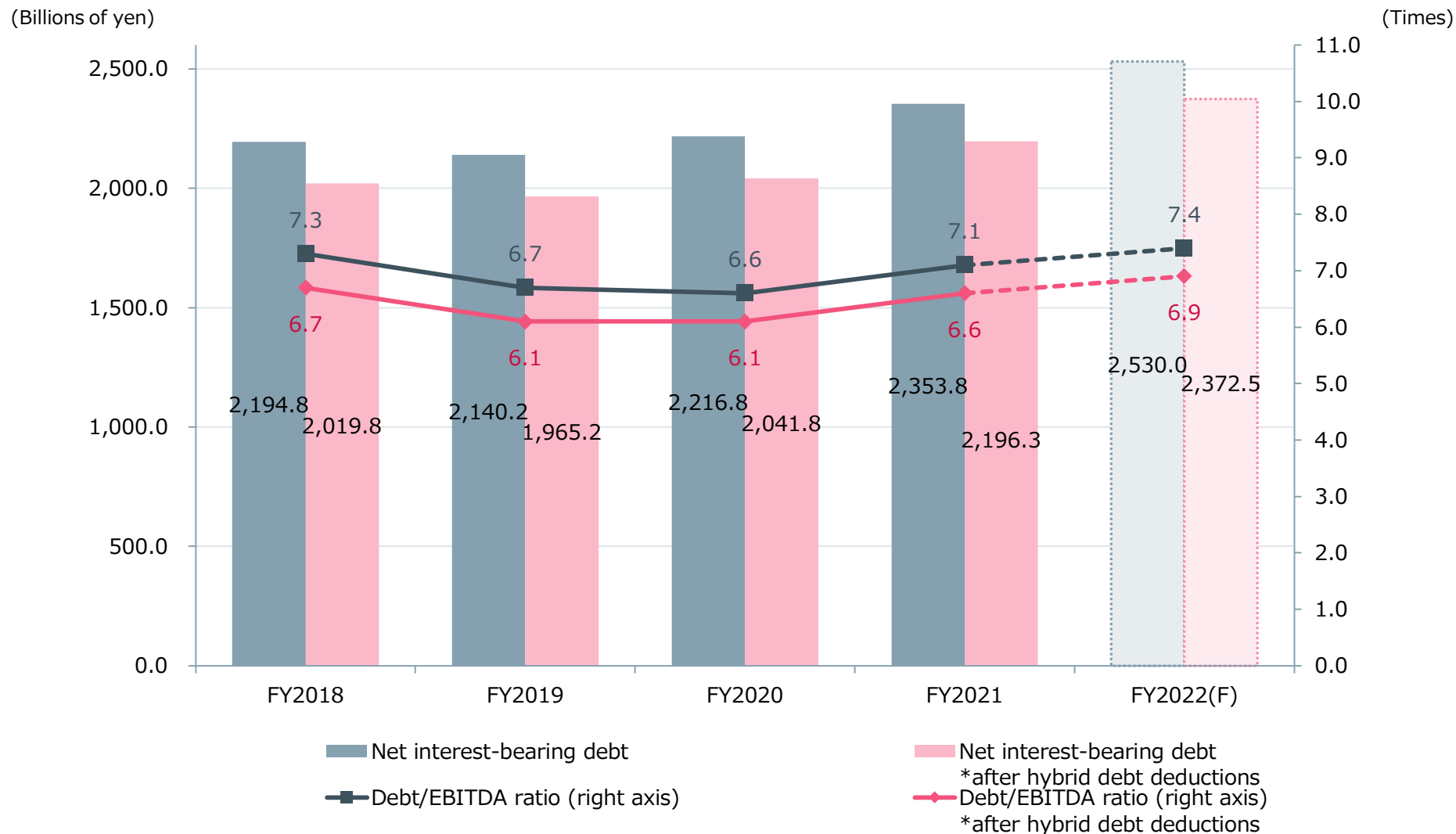
1. Investment Management Business: Global Platform

Globally, we have a combined asset value under management of approx. ¥4.0 trillion.



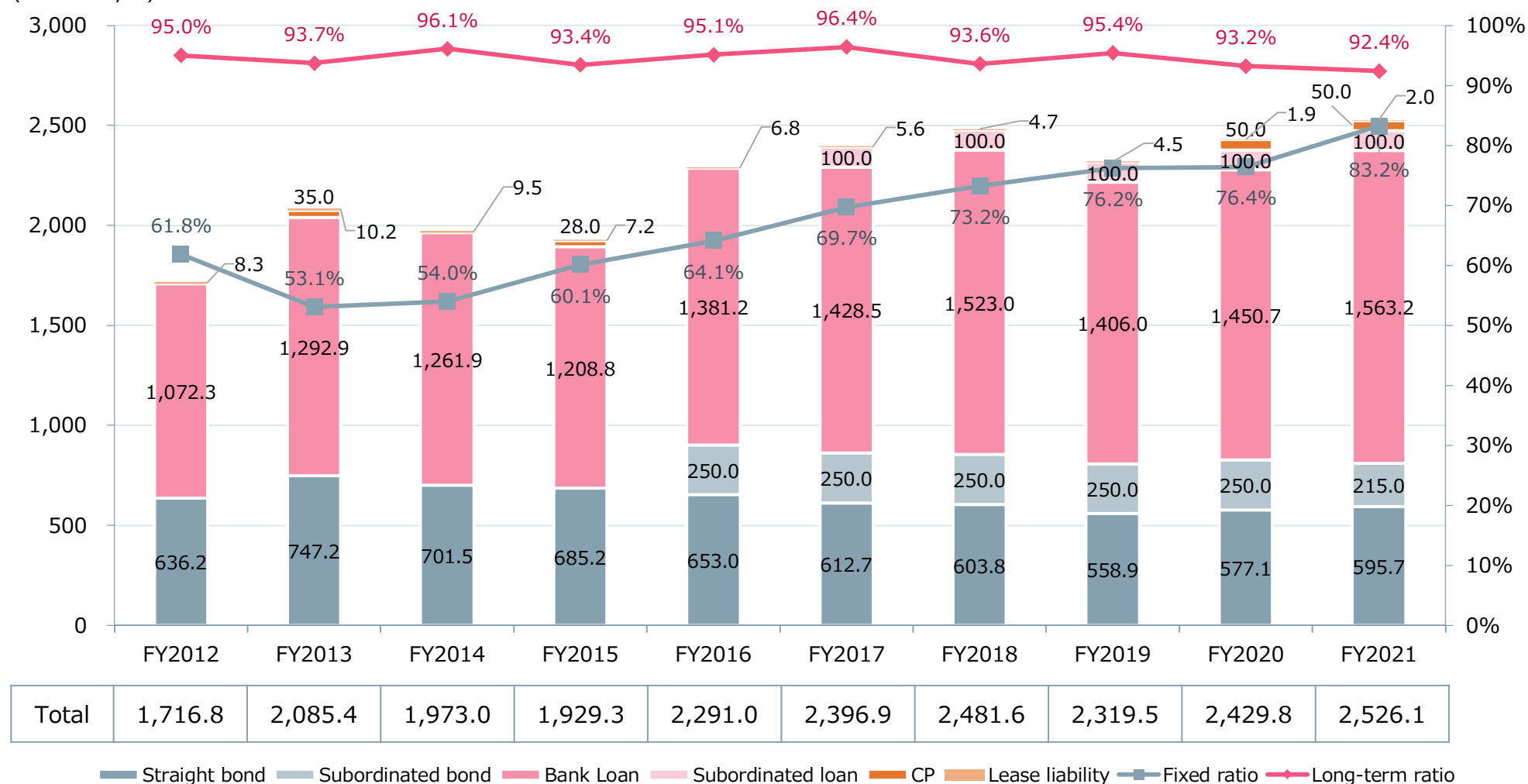
Investment/Financial Data, etc.

1. Net Interest-Bearing Debt/EBITDA Ratio

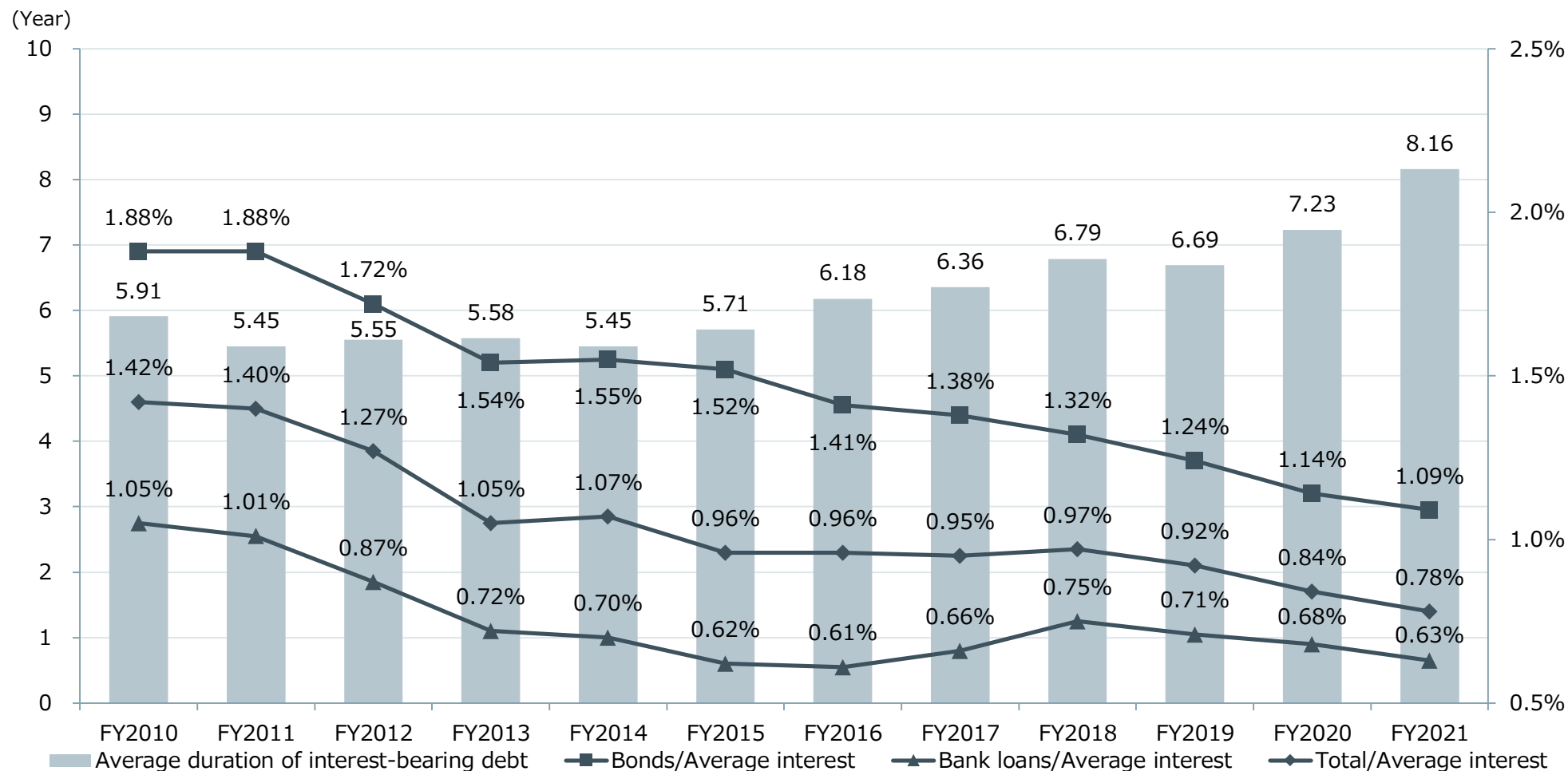


2. Breakdown of Interest-Bearing Debt

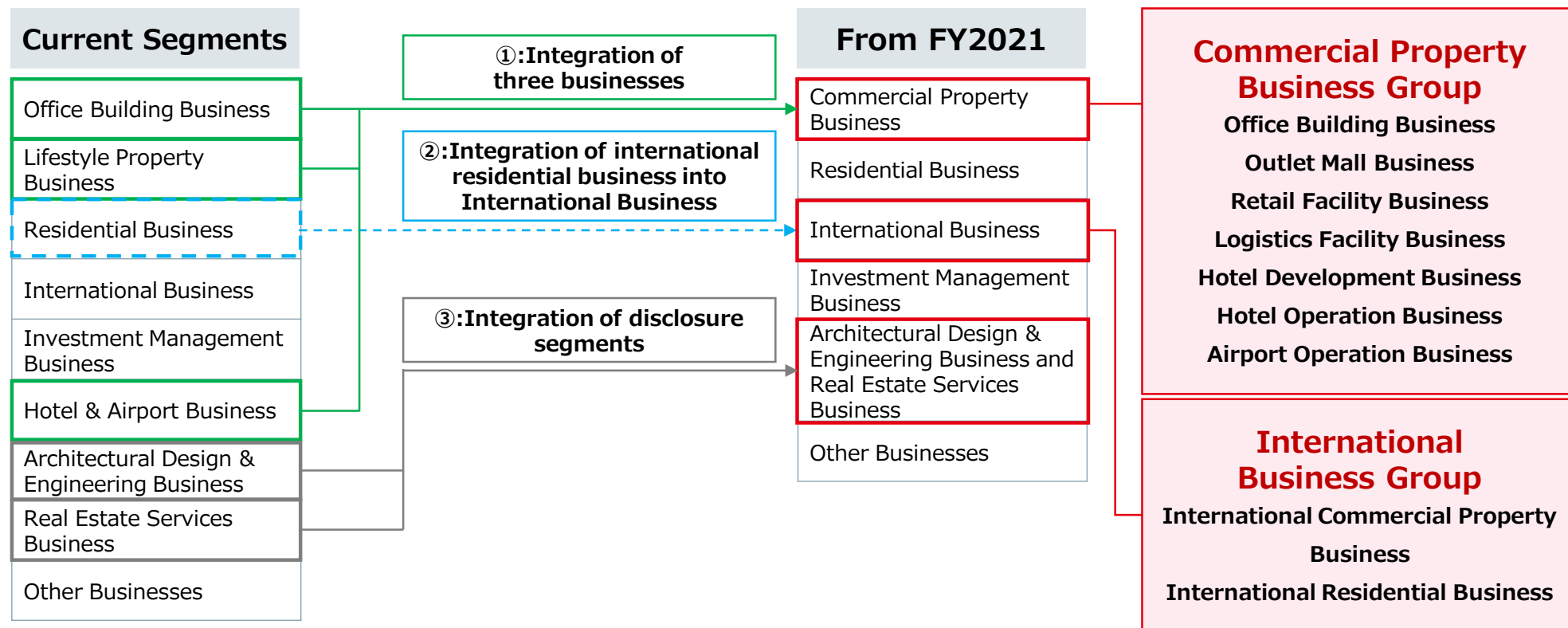
(Billions of yen)



3. Interest-Bearing Debt: Procurement Interest Rates/ Average Duration of Interest-Bearing Debt (Unconsolidated)



4. Segmentation Changes from April 1, 2020



<Purpose of Changes>

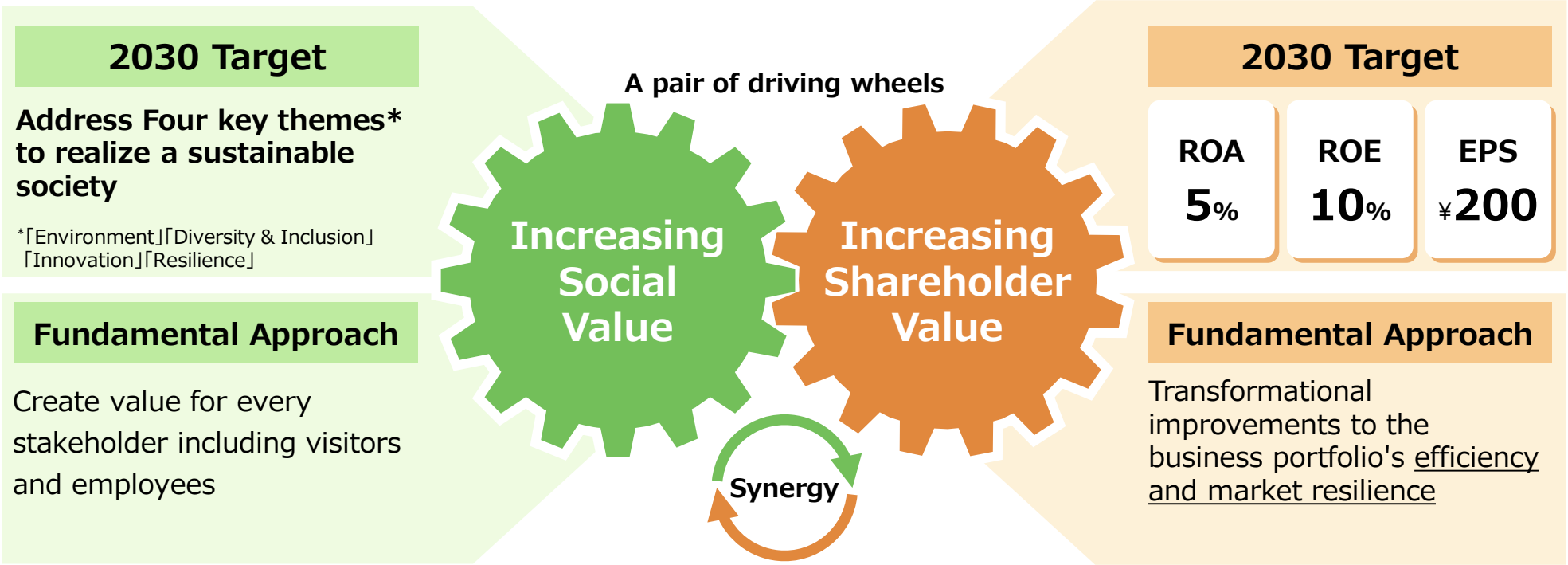
- ① The Office Building, Lifestyle Property, and Hotel & Airport business units will be merged to strengthen capabilities for increasing cross-segment projects.
- ② International Residential business will move from the Residential Business segment to the International Business segment to consolidate international project expertise.
- ③ Architectural Design & Engineering Business, and Real Estate Services Business are integrated as Other Businesses for simplified disclosure.

Overview of the "Long-Term Management Plan 2030"

1. New Management Plan: Objectives

*Repost from the "Long-Term Management Plan 2030"

Mitsubishi Estate Group's Mission:
Creation of a truly meaningful society through urban development



Realize our mission and sustainable growth
by increasing both social value and shareholder value

2. Quantitative Target - 2030 Target

*Repost from the "Long-Term Management Plan 2030"

2030 Target		
ROA* ¹	ROE	EPS
5%	10%	¥200

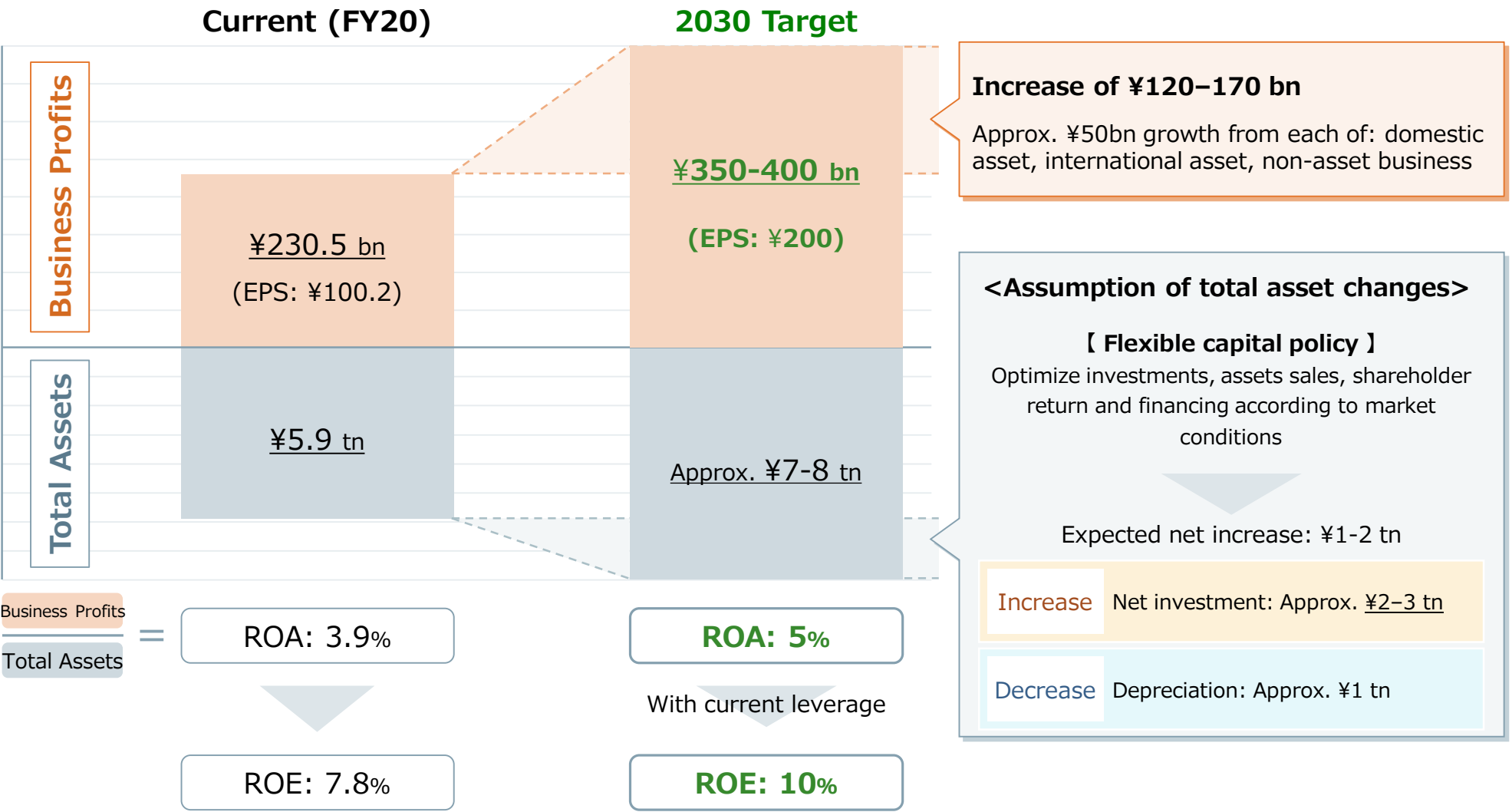
*¹ ROA = Business Profits*² / Total Asset (average of opening/closing balances)

Key Assumptions		
Profit Growth	Shareholders Returns	Financial Stability
Business Profit* ² <u>¥350–400 bn</u>	Current framework* • Payout ratio: Approx. 30% + • Share buybacks (when determined to be an optimal use of funds) ** Will adjust to business conditions	Maintain current level of credit ratings 【Reference】 R&I : AA- S&P : A+ Moody's : A2

*² Business Profit= Operating Income + Equity in earnings (loss) unconsolidated subsidiaries and affiliates

3. 2030 Targets: Realization Plan (ROA·ROE·EPS)

*Repost from the "Long-Term Management Plan 2030"

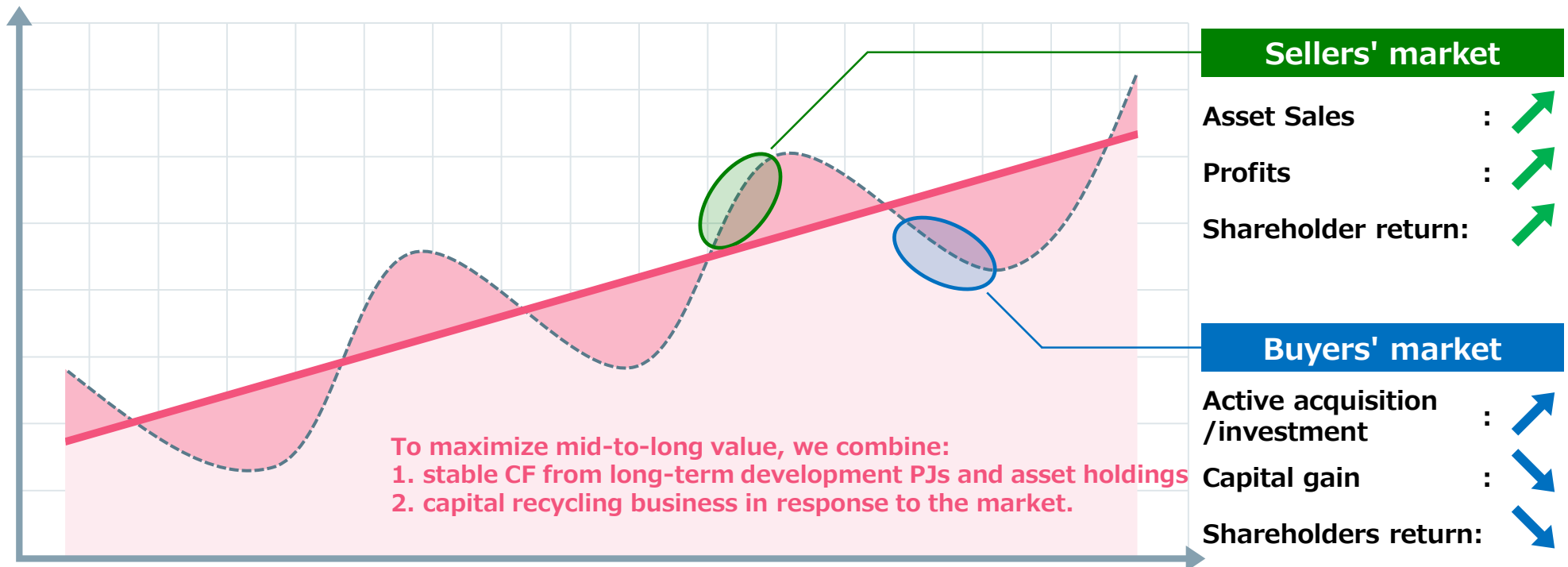


4. Capital Policy - Responsive to Market Conditions

*Repost from the "Long-Term Management Plan 2030"

Flexible capital policy - Responsive to market conditions
(Value creation through BS management)

Optimize mix of investment, asset sales, shareholders returns, and financing in response to the market



5. Value creation through BS management

*Repost from the "Long-Term Management Plan 2030"

Flexible Capital Policy - Responsive to market conditions (Value creation through BS management)

Asset

Capital recycling business optimized for market conditions

- ◆ In seller's market: expedite asset sales
- ◆ Invest in promising PJs to enhance corporate value

Long-term development and asset holdings (core focus: Marunouchi redevelopment)

- ◆ Steady capital investment in core business enables stable, cycle-proof rental cashflow
- ◆ Timely asset sales judged by expected yields and external environment

Sale of underperforming properties and strategic-holding stocks

- ◆ Disposal of underperforming assets, including core asset
- ◆ Ongoing disposal of strategic-holding stocks

Expansion of Non-asset Business

Shareholders' Equity and Liability

Maintaining Financial Stability

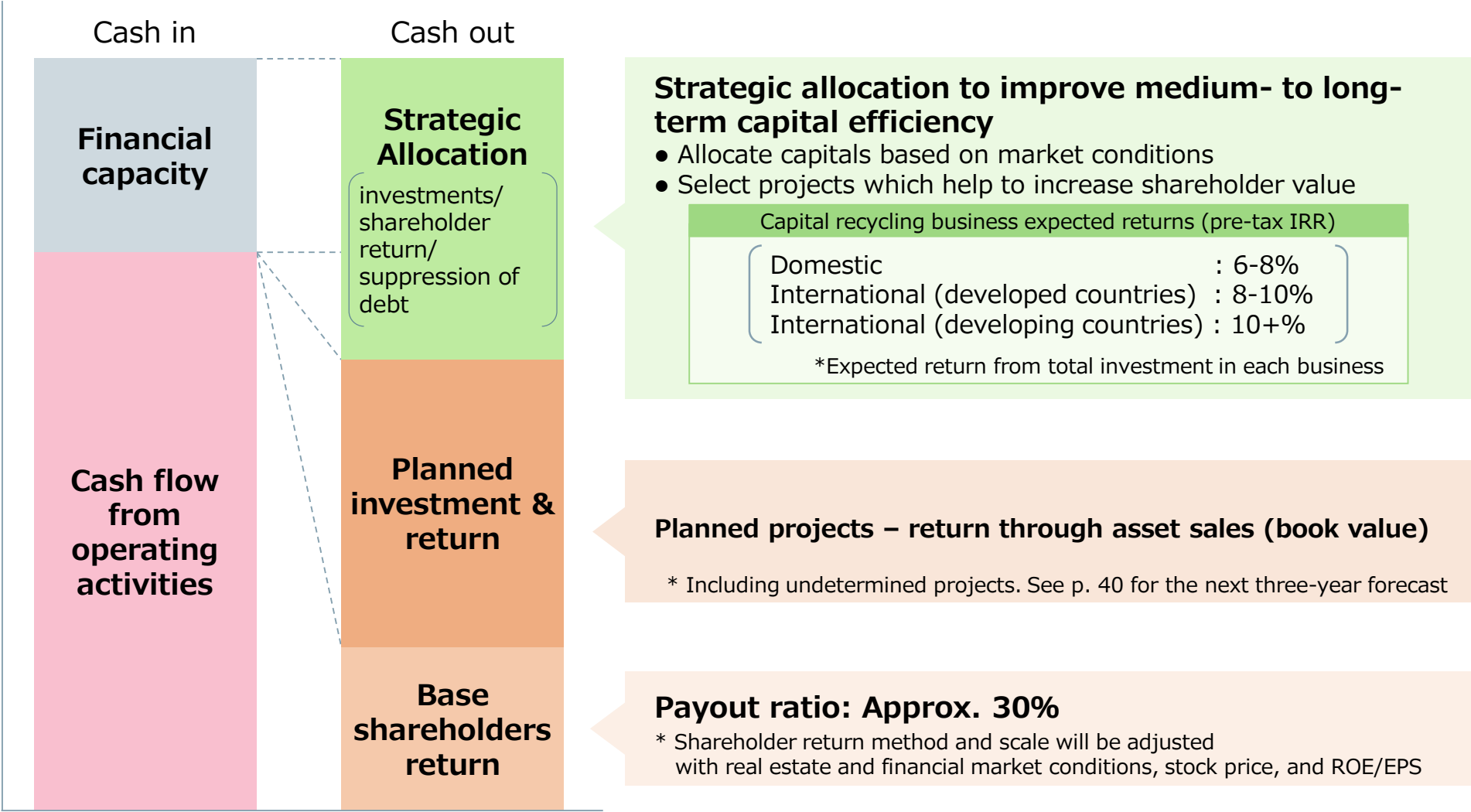
- ◆ Financial reserves for seizing buyer's market opportunities
- ◆ High credit rating enables long-term and low-cost financing
- ◆ In sellers' market, use asset sale proceeds for shareholder returns and to maintain financial stability

Capital Efficiency Improvement

- ◆ Targets: ROA 5%, ROE 10%, EPS ¥200
- ◆ Increase numerator (net income) and decrease denominator (shareholders' equity)
- ◆ Choose measures to manage shareholders' equity according to market conditions

6. Capital Allocation Policy

*Repost from the "Long-Term Management Plan 2030"



7. Profit Growth Strategy - 2030 Vision

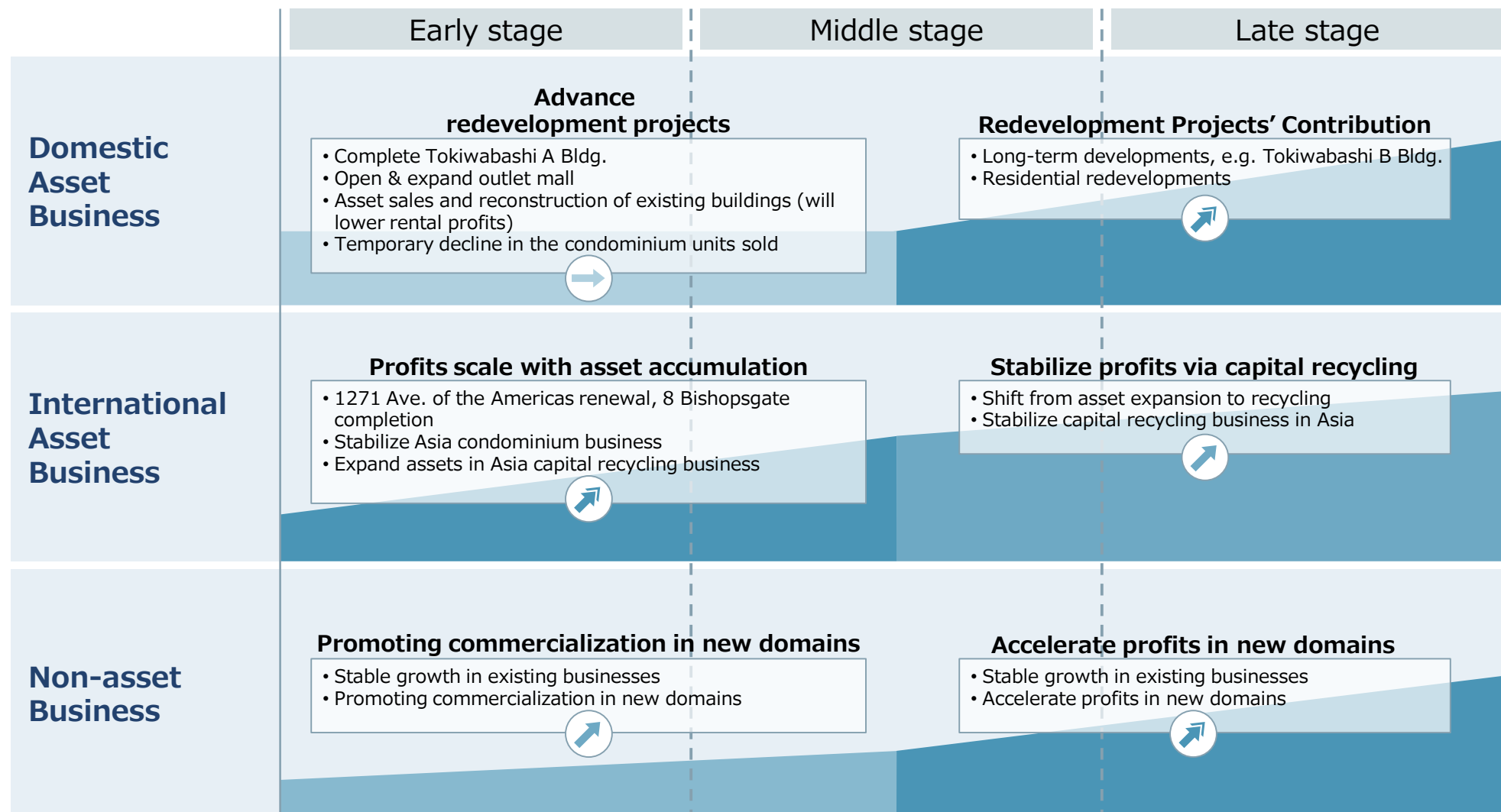
*Repost from the "Long-Term Management Plan 2030"

Profit changes vs FY2020*	Growth Strategy
① Domestic Asset Business Approx. +¥50 bn (FY20E*: Approx. ¥ 201.0 bn)	① Advance "Marunouchi NEXT Stage" project ② Increase NOI with development projects ③ Optimize capital recycling business to market conditions ④ Optimize residential business profit structure
② International Asset Business Approx. +¥50 bn (FY20E*: Approx. ¥ 36 bn)	① Expand development business in Asia ② Enhance development business and revenue base in Europe ③ Enhance and diversify US capital recycling business
③ Non-asset Business Approx. +¥50 bn (FY20E*: Approx. ¥ 16 bn)	① Steady profit growth in existing businesses ② Utilization of technology ③ Provision of service contents focusing on B2C/B2B2C
④ Fluctuation Factors Approx. ±¥20–30 bn	• Asset sales control in response to market conditions • Capital gain and rental profit fluctuation due to investment opportunities

* Composition of FY20 Business Profits = ① Domestic Asset + ② International Asset + ③ Non-asset Business + Eliminations or corporate (round number) (¥ 201.0 bn) (¥ 36 bn) (¥ 16 bn) (▲ ¥ 23 bn)

8. Roadmap for Profit Growth

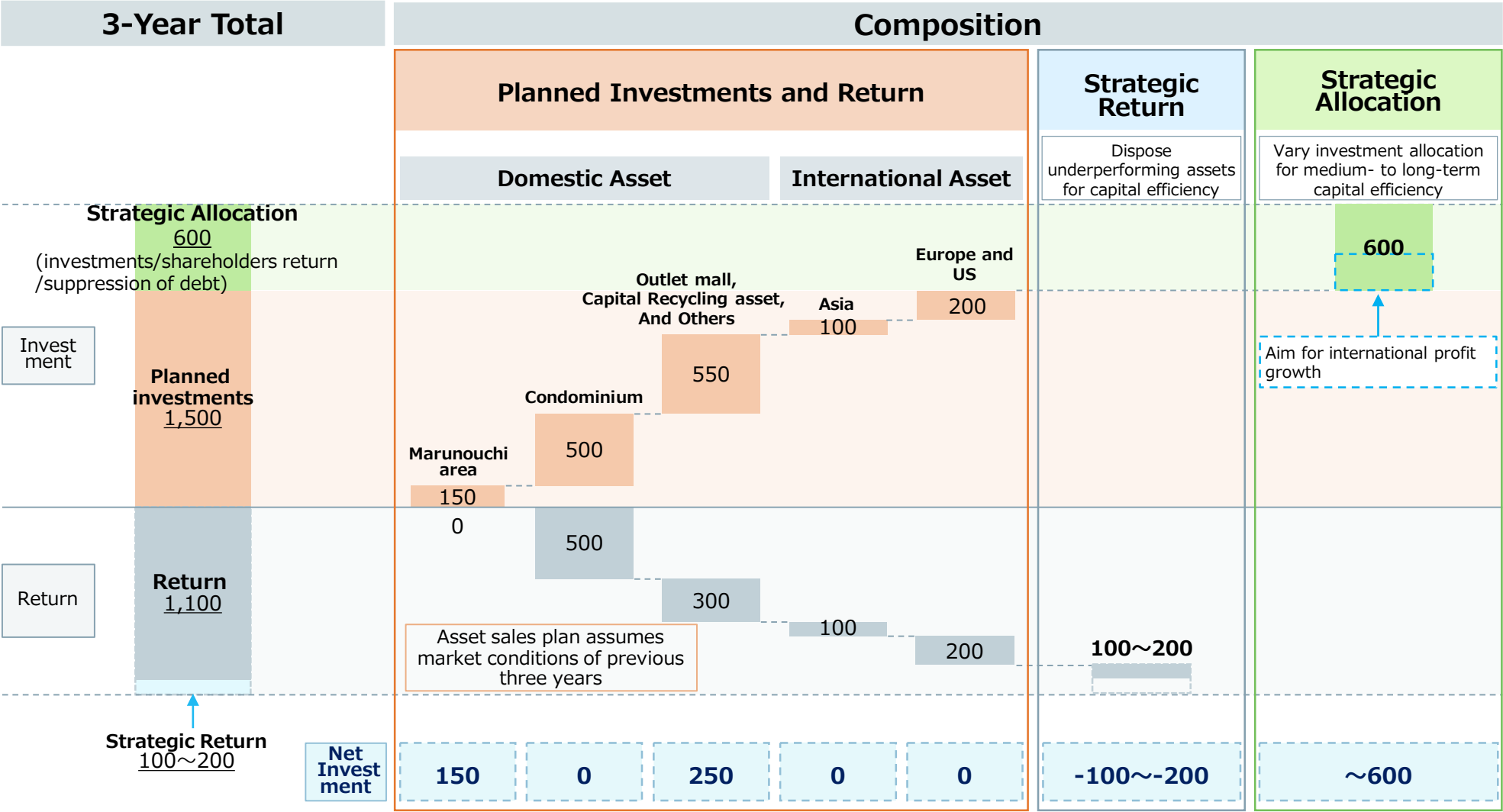
*Repost from the "Long-Term Management Plan 2030"



9. Three Year Investment Return Plan (FY2021-FY2023)

*Repost from the "Long-Term Management Plan 2030"

(Billions of yen)



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