

FY2023 – 3Q  
(The Fiscal Year Ending on March 31, 2023)  
**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/en/ir/plan2030/>

# Contents

---

Financial Overview .....	3
Summary of FY2023-3Q Results .....	4
Summary of FY2023 Forecasts (Revised) .....	10
Progress of Long-Term Management Plan .....	18
ESG Initiatives (Sustainability Initiatives) .....	27
Financial Supplemental Data .....	36
Business Overview .....	43
Commercial Property Business	
Office Building .....	46
Outlet Malls, Retail Properties, Logistics Facilities, Hotels, and Airports .....	57
Residential Business .....	64
International Business .....	69
Investment Management Business .....	75
Investment/Financial Data, etc. ....	81
Overview of the "Long-Term Management Plan 2030" .....	85
Appendix. ....	92

## Financial Overview

### <FY 2023-3Q Financial Results>

- Overall YoY growth in operating revenue, operating profit, ordinary profit, and profit attributable to owners of parents (historical high)
- Main factors are capital gain increases and the reduced impact from COVID-19 in both Retail Properties and Hotels Business
- Main business topics
  - Announced acquisition of shares of Regus Japan Holdings Co., Ltd. (Non-asset business)
  - Completed the tallest office building in Sydney, 180 George Street (International Business)
  - Selected on “DJSI World” for the first time and certified as the top rating of CDP Climate Change A list (ESG)

### <FY2023 Forecasts (revised)>

- Operating profit ( ¥ 291 bn) and profit attributable to owners of parents (¥ 165 bn) remain unchanged
- Segment breakdown of operating profit has been revised (see P.11-P.13)
- Non-operating expense (- ¥ 4 bn) has been revised due to increase in interest expenses etc., and extraordinary income (+ ¥ 4 bn) has been revised due to progress in the sales of strategic holding shares

# Summary of FY2023-3Q Results

---

## 1. Income Statement Results for FY2023-3Q

**Significant increase in profit (historical high) YoY due to increase in capital gains from International Business.**

Millions of yen (rounded down)			
<New Segment>	FY2023-3Q	FY2022-3Q	Change
<b>Operating revenue</b>	<b>906,324</b>	<b>904,570</b>	<b>1,754</b>
Commercial Property Business	516,037	566,929	(50,892)
Residential Business	200,374	214,133	(13,758)
International Business	121,694	73,958	47,736
Investment Management Business	41,127	23,973	17,153
Other*	47,933	45,033	2,899
Elimination	(20,843)	(19,459)	(1,384)
<b>Operating profit</b>	<b>200,012</b>	<b>172,340</b>	<b>27,672</b>
Commercial Property Business	121,913	143,590	(21,676)
Residential Business	10,137	8,218	1,918
International Business	69,178	28,969	40,208
Investment Management Business	19,382	11,099	8,283
Other*	(1,094)	(2,324)	1,232
Eliminations or corporate	(19,506)	(17,212)	(2,294)
Non-operating income	11,771	12,917	(1,145)
(Share of profit of entities accounted for using equity method)	315	354	(38)
Non-operating expenses	28,779	34,496	(5,717)
<b>Ordinary profit</b>	<b>183,004</b>	<b>150,760</b>	<b>32,244</b>
Extraordinary income	8,860	9,609	(748)
Extraordinary losses	23,430	14,060	9,369
Total income taxes	45,458	44,454	1,003
Profit attributable to noncontrolling interests	20,167	14,712	5,455
<b>Profit attributable to owners of parent</b>	<b>102,809</b>	<b>87,142</b>	<b>15,666</b>

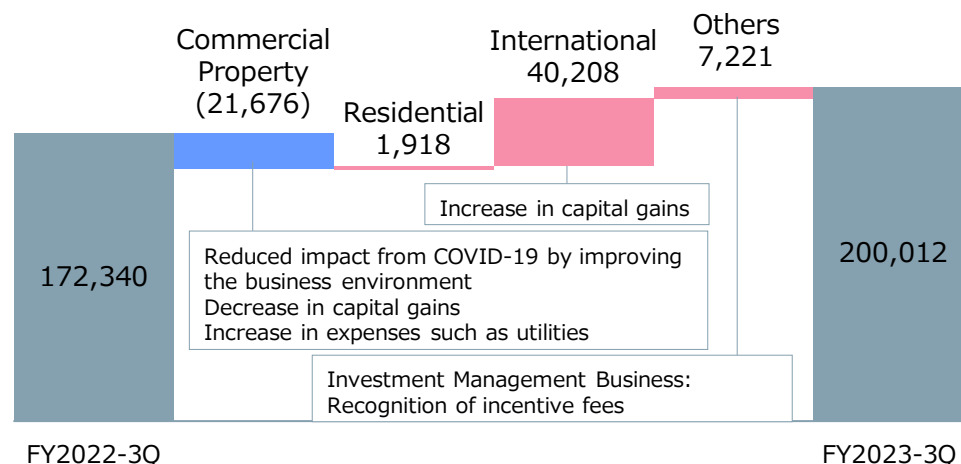
Millions of yen (rounded down)			
	FY2023-3Q	FY2022-3Q	Change
<b>Business profits</b>	<b>200,327</b>	<b>172,694</b>	<b>27,633</b>
<b>EBITDA</b>	<b>280,190</b>	<b>249,580</b>	<b>30,609</b>
<b>Interest-bearing debt</b>	<b>3,019,856</b>	<b>2,747,100</b>	<b>272,755</b>

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

Millions of yen (rounded off to the nearest billion)			
Capital Gains included in Operating Profit			
	FY2023-3Q	FY2022-3Q	Change
<b>Total</b>	<b>70,000</b>	<b>44,000</b>	<b>26,000</b>
Commercial Property Business	11,000	27,000	(16,000)
Residential Business	12,000	5,000	7,000
International Business	47,000	12,000	35,000
Investment Management Business	-	-	-
Other	-	-	-
Eliminations or corporate	-	-	-

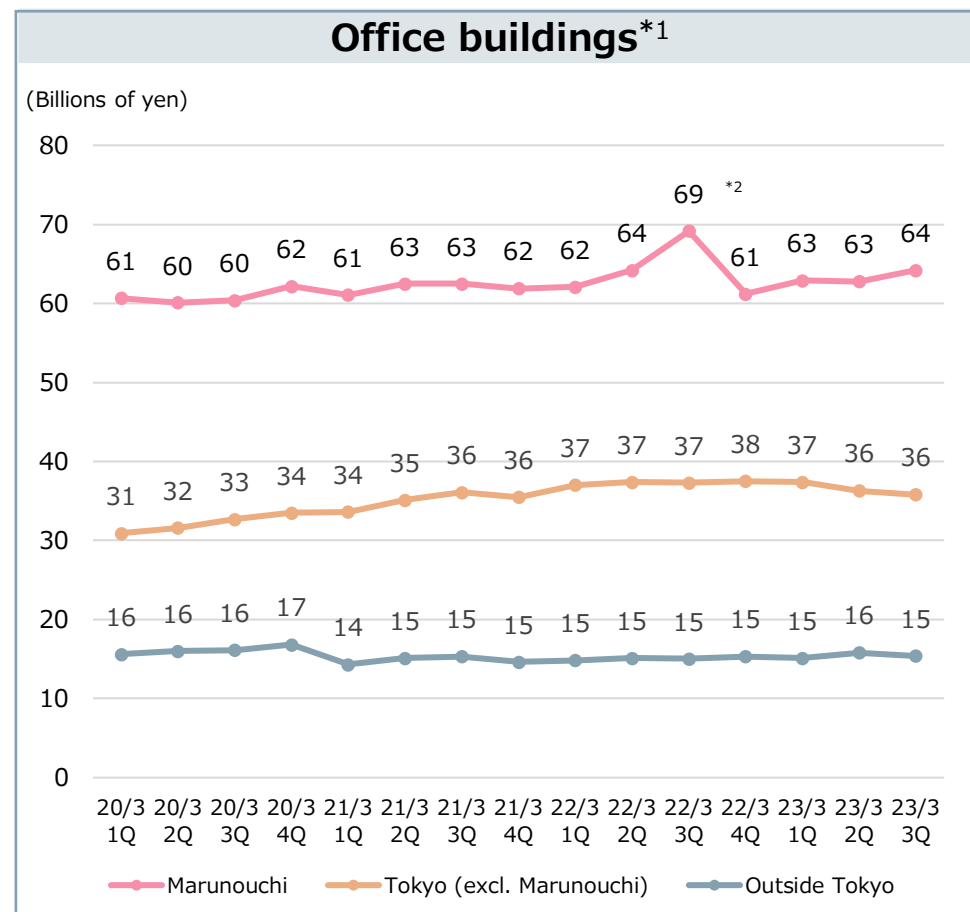
### Major Factors for Changes in Operating Profit by Business

Millions of yen (rounded down)



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

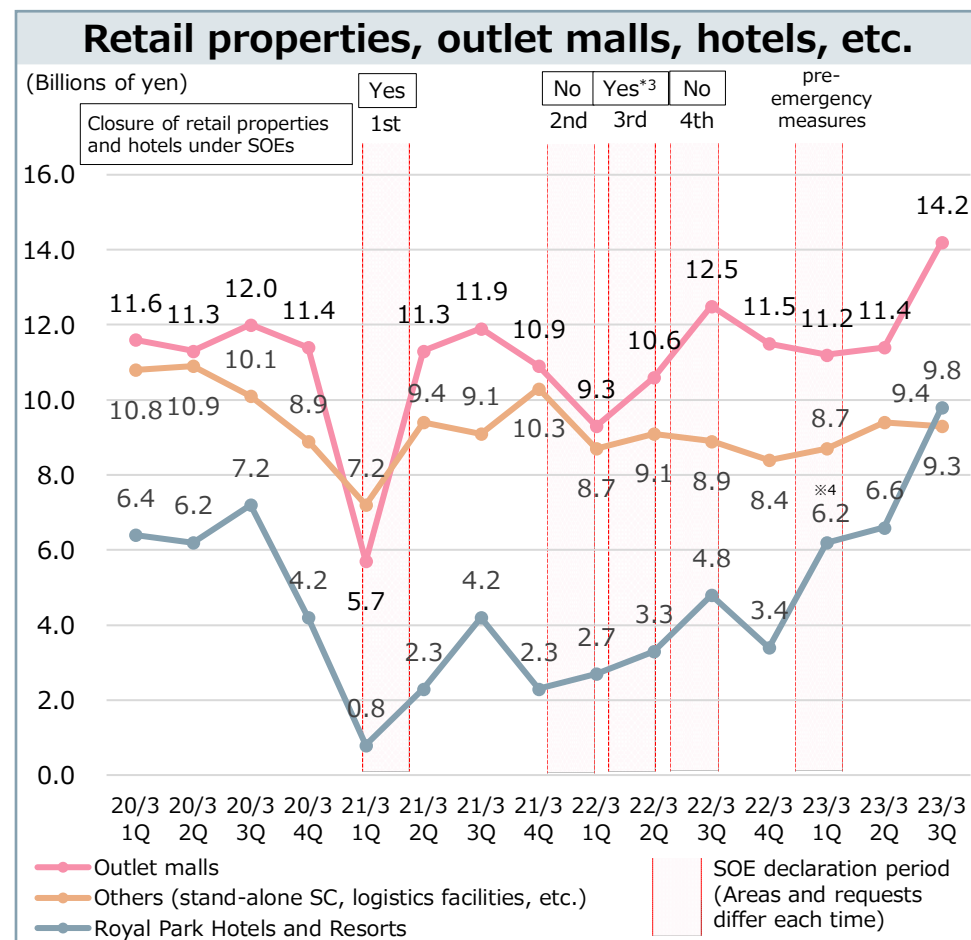
Significant increase in revenue YoY at Hotels and Outlet Malls since entry restrictions were relaxed in October 2022.



\*1 Incl. revenue from office complexes and retail properties

\*2 One-time income from receipt of restoration construction costs, etc.

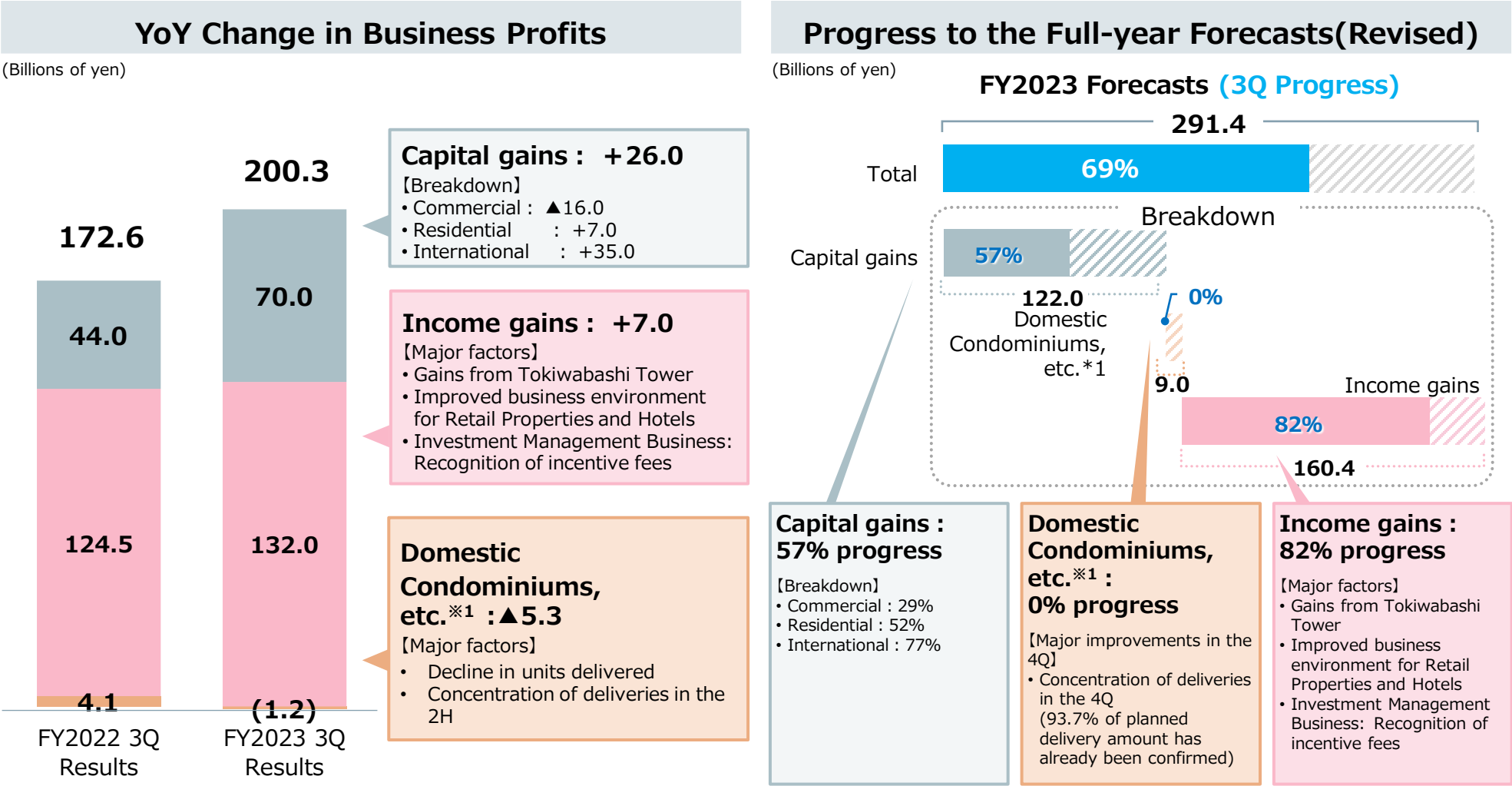
\*4 Incl. operating revenue of Royal Park Hotel Co., Ltd. (former Hakozaki Company), since the Company took over the management business of former Hakozaki Company.



\*3 Some outlet malls and retail properties only.

### 3. 3Q Results Summary and Highlights

YoY increase in capital gains from International Business, etc. In line with full year forecasts.



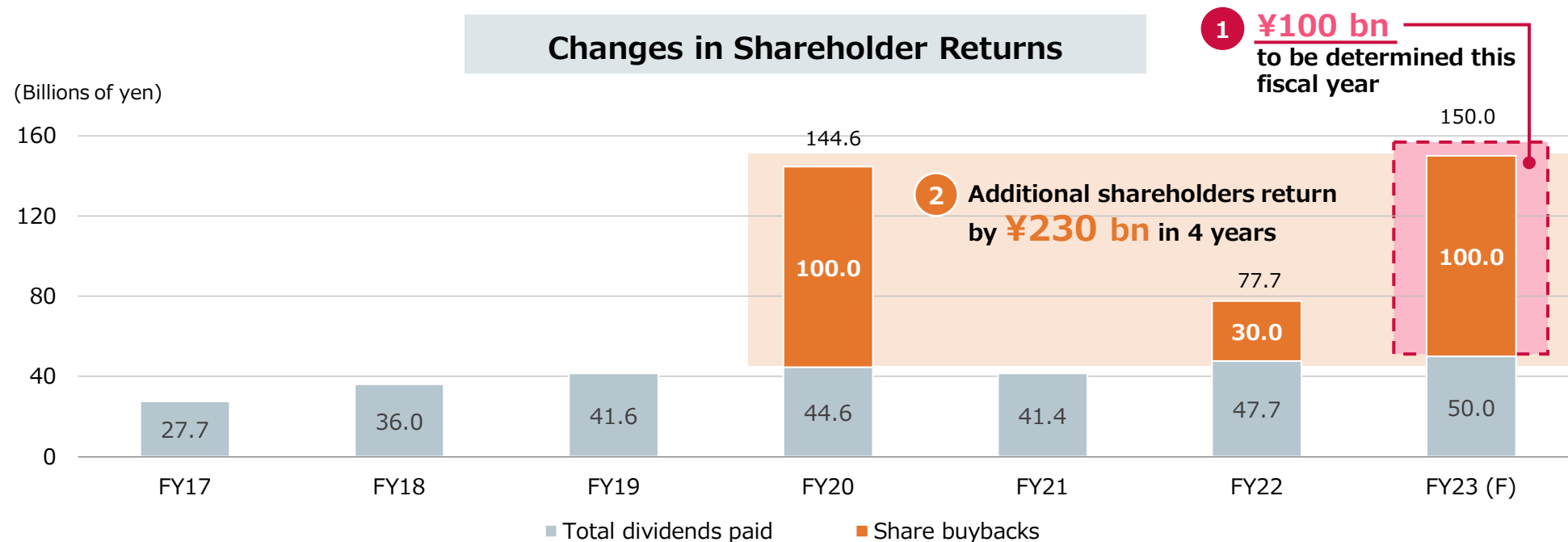
\*1 Excluding capital gains, etc. from the Mitsubishi Estate Residence's operating income

## 4. Capital Policy : Share Buyback

Repost of FY 2023 - 2Q IR Presentation (disclosed November 10, 2022)

### Decided ¥100 bn share buyback as a part of capital policy to enhance shareholder returns

- ◆ Decided ¥100 bn buy back yen to enhance shareholder value, as stated in the Long-Term Management Plan, even in a drastically changing business environment. **(1)**
- ◆ Evaluated steady profit growth, carefully selected investments that will lead to future profit growth, prospects for return, stock price level, and other factors.
- ◆ Consistently enhancing shareholder returns since FY2020, and as a result, bought back ¥230 bn shares in 4 years. **(2)**
- ◆ The share buyback of approx. ¥130 bn conducted in FY2020 and FY2022 was cancelled at the end of November 2022.





Repost of FY 2023 2Q IR Presentation (disclosed November 10, 2022)

## 5. Impact on businesses due to external environmental changes

**Optimize business impact of drastic changes in external environment through portfolio diversification and skilled management.**

Risk factors	Business impact
<b>COVID-19</b>	<ul style="list-style-type: none"> <li>+ Recent policies to ease restrictions on entry into Japan and the "National Travel Support Program" may lead to a further recovery in demand for inbound travel (hotels, outlet malls, and retail properties) and domestic travel.</li> <li>– Re-spreading of the infection or more severe cases, requiring restrictions on activities, could have an impact on retail properties and hotels businesses.</li> </ul>
<b>Exchange rate fluctuations (rapid depreciation of yen)</b>	<ul style="list-style-type: none"> <li>+ If yen depreciates more, positive impact on the yen-based consolidated PL is expected.</li> <li>– Price hikes of imported products may affect business profitability.</li> </ul>
<b>Inflation</b>	<ul style="list-style-type: none"> <li>+ Inflows of funds into the real estate market may increase as an asset that can withstand inflation.</li> <li>+ Inflation may lead to higher rents and improved asset value in the future.</li> <li>– Increased construction costs due to higher material and labor costs as well as increased energy costs may affect the business feasibility.</li> </ul>
<b>Rising interest rates</b>	<ul style="list-style-type: none"> <li>– Interest payments may increase as interest rates hike to curb inflation, mainly overseas.</li> <li>– Interest rate hikes, especially overseas, could have an impact on CAP rates for assets with poor market competitiveness.</li> </ul>

# **Summary of FY2023 Forecasts (Revised)**

# 1. FY2023 Income Statement Forecasts (vs Previous)

Revised segment breakdown etc. of operating profit. No change in total operating profit and profit attributable to owners of parent. \*Exchange rates used in IS forecasts: ¥131/\$, ¥162/£ (2022 yearly average)

Millions of yen (rounded down)			
<New Segment>	2023/3 Revised Forecast	2023/3 Previous Forecast	Change
<b>Operating revenue</b>	<b>1,393,000</b>	<b>1,416,000</b>	<b>(23,000)</b>
Commercial Property Business	793,000	788,000	5,000
Residential Business	350,000	345,000	5,000
International Business	175,000	205,000	(30,000)
Investment Management Business	32,000	35,000	(3,000)
Other*	73,000	73,000	0
Elimination	(30,000)	(30,000)	0
<b>Operating profit</b>	<b>291,000</b>	<b>291,000</b>	<b>0</b>
Commercial Property Business	182,000	182,000	0
Residential Business	32,000	27,000	5,000
International Business	90,000	94,000	(4,000)
Investment Management Business	10,000	13,000	(3,000)
Other*	4,000	2,000	2,000
Elimination or corporate	(27,000)	(27,000)	0
Non-operating income (Share of profit of entities accounted for using equity method)	12,000	12,000	0
Non-operating expenses	36,000	32,000	4,000
<b>Ordinary profit</b>	<b>267,000</b>	<b>271,000</b>	<b>(4,000)</b>
Extraordinary income	10,000	6,000	4,000
Extraordinary losses	22,000	22,000	0
Total income taxes	76,000	76,000	0
Profitable attributable to non-controlling interests	14,000	14,000	0
<b>Profit attributable to owners of parent</b>	<b>165,000</b>	<b>165,000</b>	<b>0</b>

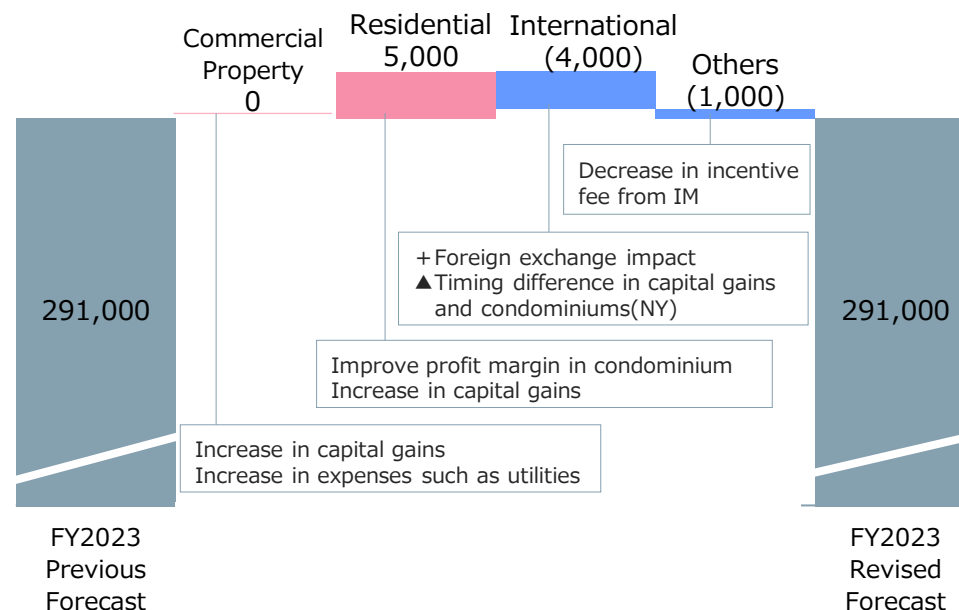
Millions of yen (rounded down)			
	2023/3 Revised Forecast	2023/3 Previous Forecast	Change
<b>Business profits</b>	<b>291,400</b>	<b>291,400</b>	<b>0</b>
<b>EBITDA</b>	<b>395,000</b>	<b>395,000</b>	<b>0</b>
<b>Interest-bearing debt</b>	<b>2,820,000</b>	<b>2,820,000</b>	<b>0</b>

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

## Capital Gains included in Operating Profit

Millions of yen (rounded off to the nearest billion)			
	2023/3 Revised Forecast	2023/3 Previous Forecast	Change
<b>Total</b>	<b>122,000</b>	<b>122,000</b>	<b>0</b>
Commercial Property Business	38,000	35,000	3,000
Residential Business	23,000	22,000	1,000
International Business	61,000	65,000	(4,000)
Investment Management Business	-	-	-
Other	-	-	-
(Eliminations or corporate)	-	-	-

## Major Factors for Changes in Operating Profit by Business



## 2. FY2023 Income Statement Forecasts (vs FY2022 Results)

**Record-high profits expected from significant increases in capital gains in the International Business.**

\*Exchange rates used in IS forecasts: ¥131/\$, ¥162/£ (2022 yearly average)

Millions of yen (rounded down)			
<New Segment>	2023/3 Forecast	2022/3 Result	Change
<b>Operating revenue</b>	<b>1,393,000</b>	<b>1,349,489</b>	<b>43,511</b>
Commercial Property Business	793,000	760,658	32,342
Residential Business	350,000	380,959	(30,959)
International Business	175,000	121,234	53,766
Investment Management Business	32,000	46,702	(14,702)
Other*	73,000	67,914	5,086
Elimination	(30,000)	(27,979)	(2,021)
<b>Operating profit</b>	<b>291,000</b>	<b>278,977</b>	<b>12,023</b>
Commercial Property Business	182,000	189,909	(7,909)
Residential Business	32,000	30,173	1,827
International Business	90,000	55,816	34,184
Investment Management Business	10,000	26,537	(16,537)
Other*	4,000	1,119	2,881
Elimination or corporate	(27,000)	(24,578)	(2,422)
Non-operating income	12,000	16,319	(4,319)
(Share of profit of entities accounted for using equity method)	400	332	68
Non-operating expenses	36,000	41,586	(5,586)
<b>Ordinary profit</b>	<b>267,000</b>	<b>253,710</b>	<b>13,290</b>
Extraordinary income	10,000	20,189	(10,189)
Extraordinary losses	22,000	20,120	1,880
Total income taxes	76,000	70,889	5,111
Profitable attributable to non-controlling interests	14,000	27,718	(13,718)
<b>Profit attributable to owners of parent</b>	<b>165,000</b>	<b>155,171</b>	<b>9,829</b>

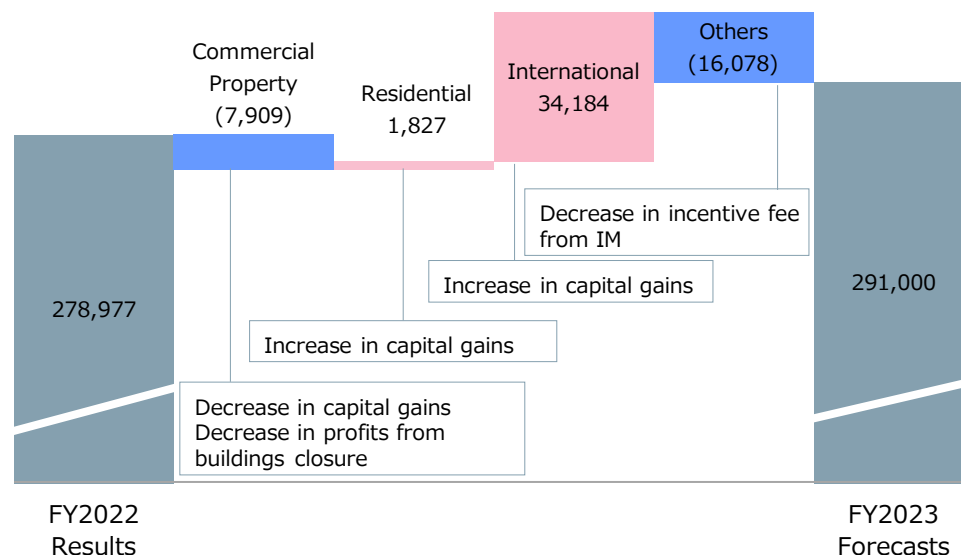
Millions of yen (rounded down)			
	2023/3 Forecast	2022/3 Results	Change
<b>Business profits</b>	<b>291,400</b>	<b>279,310</b>	<b>12,090</b>
<b>EBITDA</b>	<b>395,000</b>	<b>381,434</b>	<b>13,566</b>
<b>Interest-bearing debt</b>	<b>2,820,000</b>	<b>2,738,632</b>	<b>81,368</b>

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

### Capital Gains included in Operating Profit

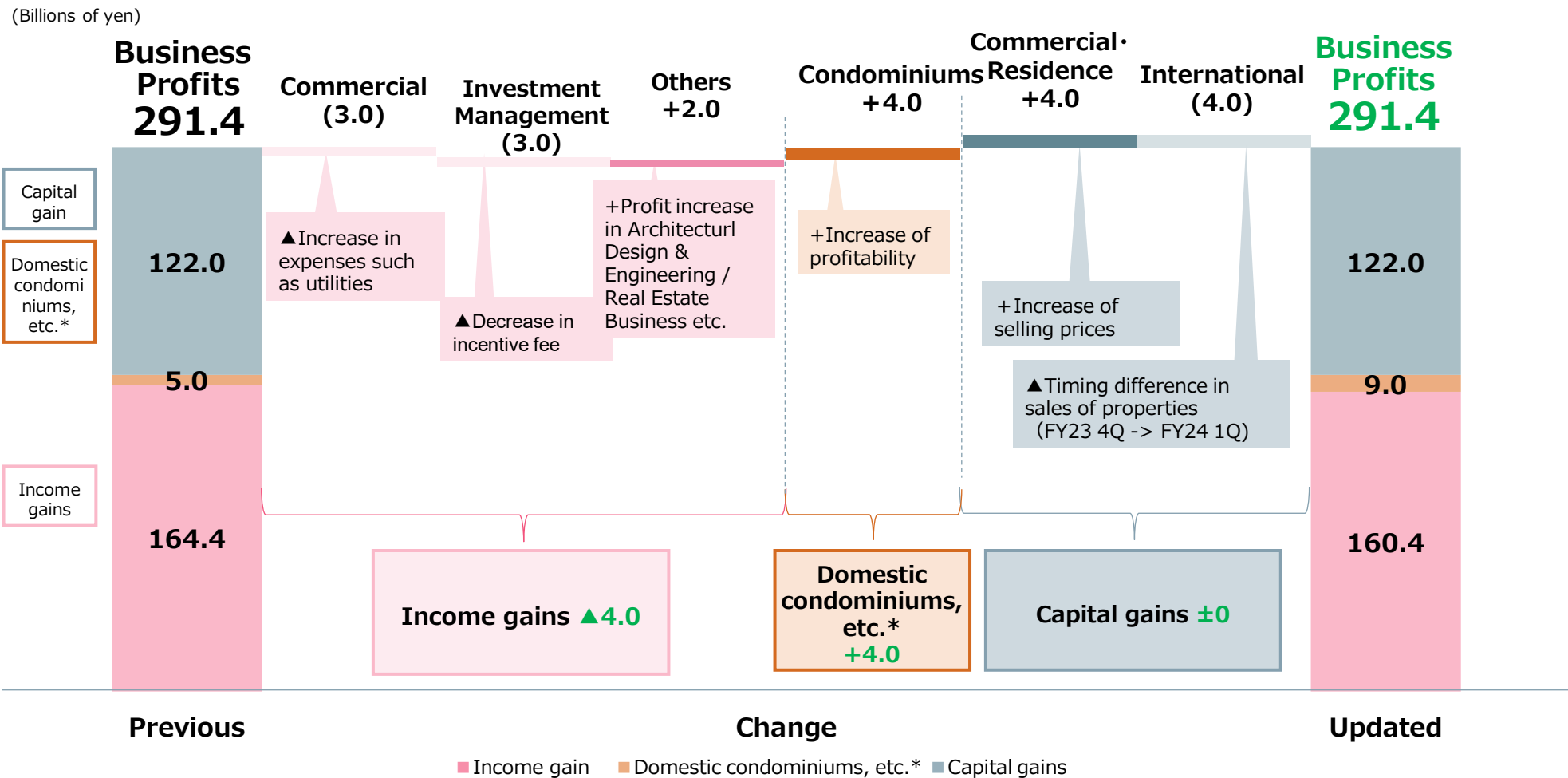
Millions of yen (rounded off to the nearest billion)			
	2023/3 Forecast	2022/3 Results	Change
<b>Total</b>	<b>122,000</b>	<b>76,000</b>	<b>46,000</b>
Commercial Property Business	38,000	42,000	(4,000)
Residential Business	23,000	5,000	18,000
International Business	61,000	29,000	32,000
Investment Management Business	-	-	-
Other	-	-	-
Eliminations or corporate	-	-	-

### Major Factors for Changes in Operating Profit by Business



### 3. FY2023 Revised Forecasts (Main factors of change in Business Profits)

FY2023 Business Profit forecasts remain unchanged.



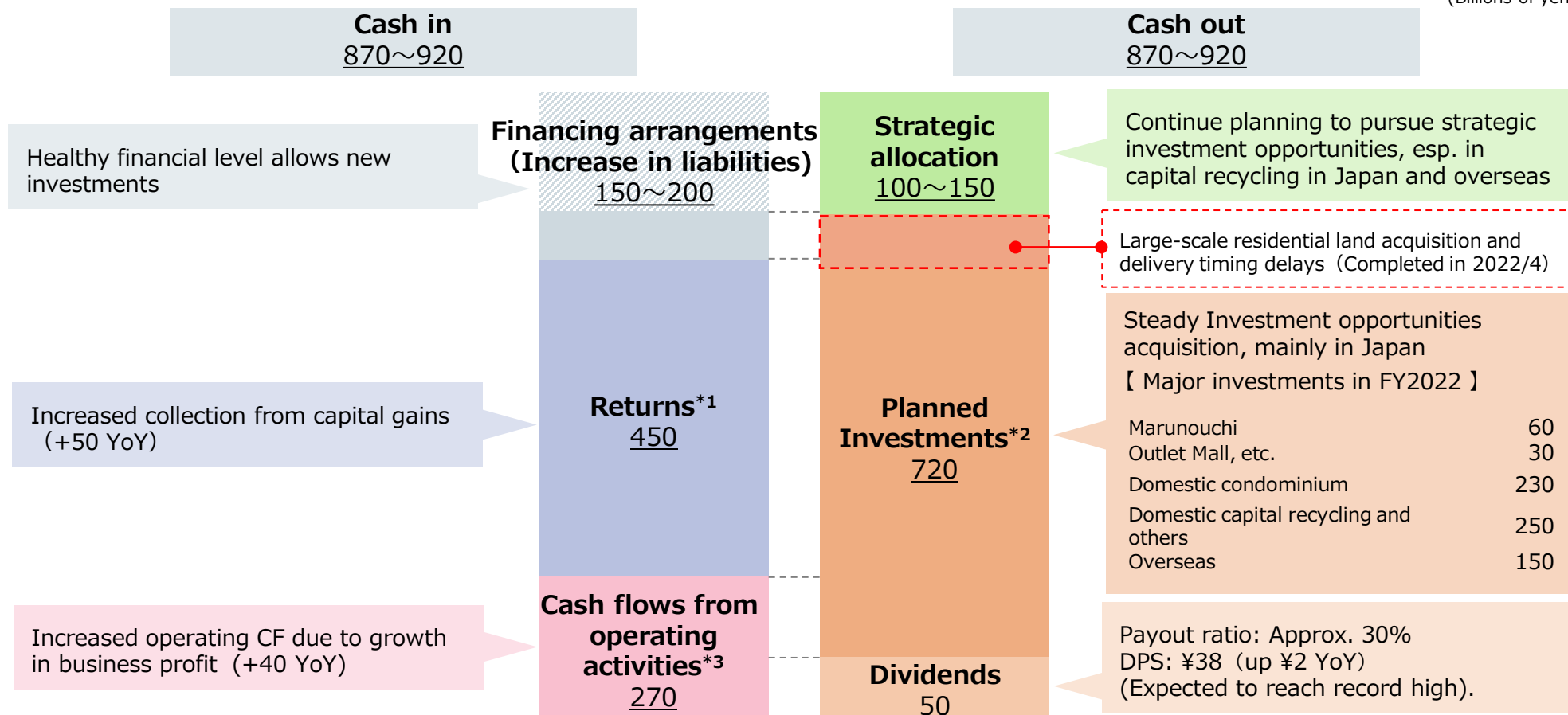
\* Excluding capital gains, etc. from the Mitsubishi Estate Residence's operating income

## 4. Capital Policy #2: FY2023 Cashflow Forecast

※Unchanged from the forecast announced on May 12, 2022

**Increased cash inflows from profit growth and increased collections.**  
**Aiming for accumulating solid planned investments and new investment opportunities.**

(Billions of yen)



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

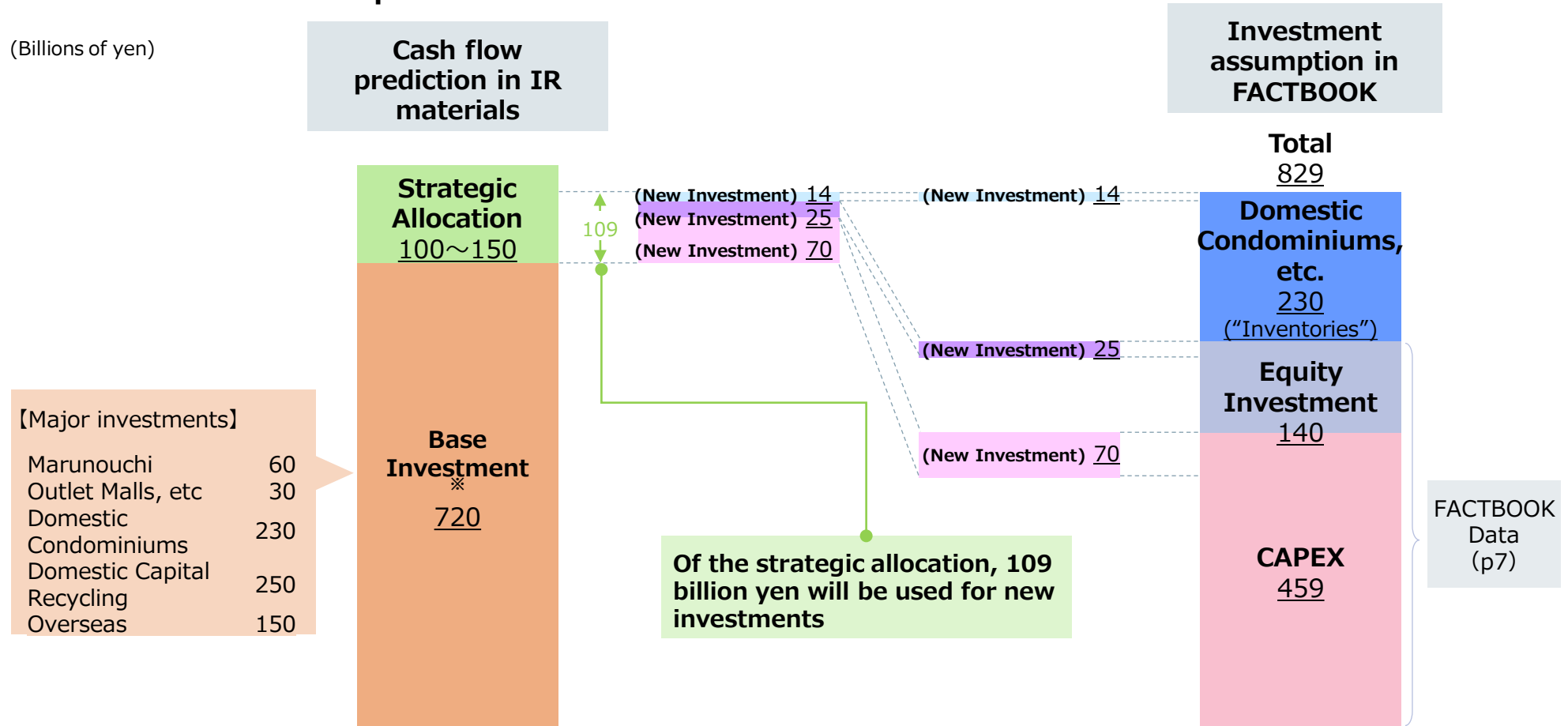
\*<sup>3</sup> Operating cashflows, excl. Change in inventories and change in equity investments \*<sup>4</sup> Sale of low-performing assets to improve capital efficiency

## ※Ref. Supplementary information on investment assumption

(as of May 12, 2022)

Consistency between cash flow prediction on the previous page and FACTBOOK investment data (p7) is as follows. Of the strategic allocation, 109 billion yen will be used for new investments under the initial assumption.

(Billions of yen)

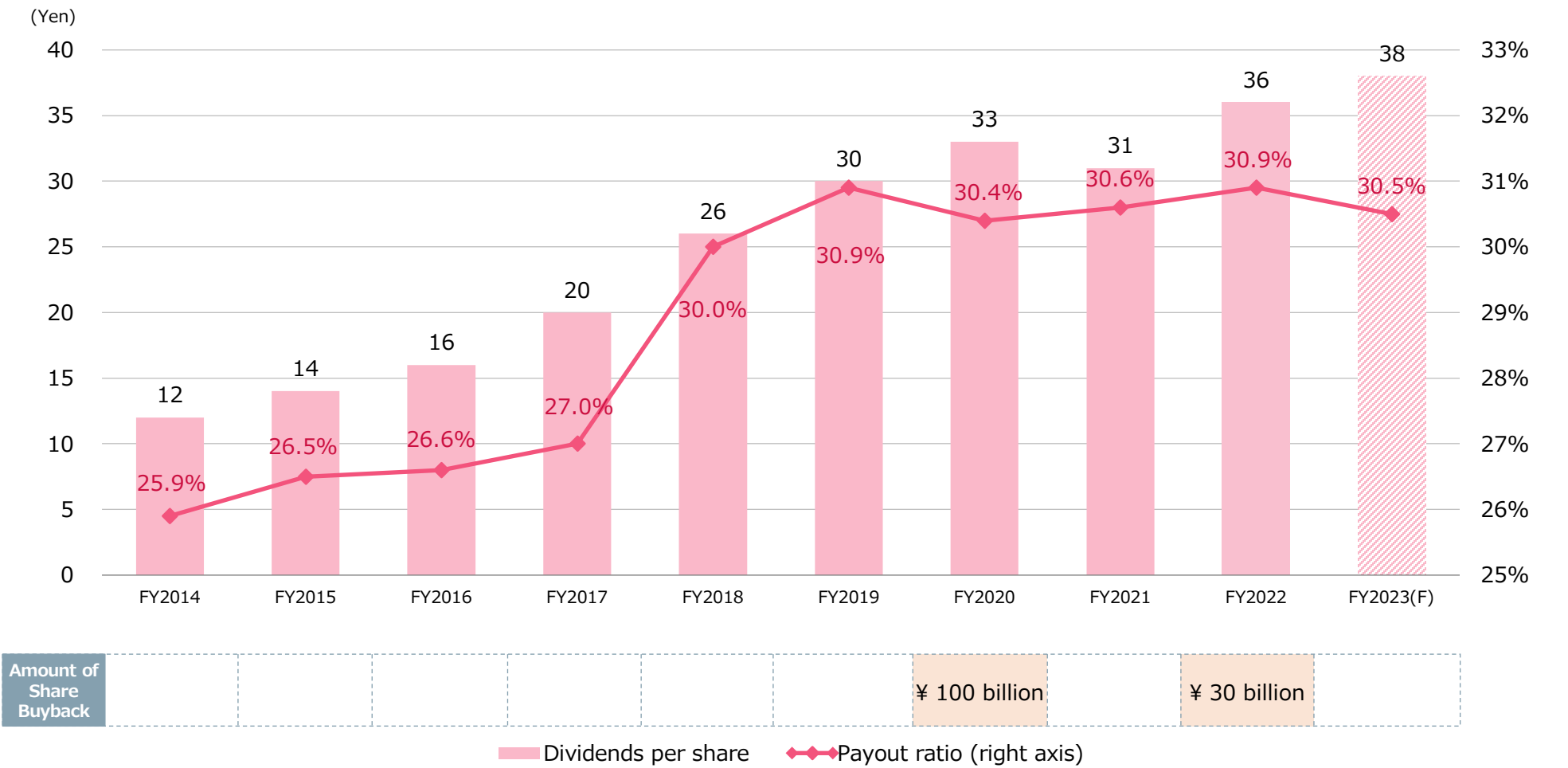


※ Investment in confirmed projects (included potential investments)

5. Shareholders Returns

※Unchanged from the forecast announced on May 12, 2022

The dividend forecast is ¥38 (up ¥2 YoY). Expect record-high DPS for the second consecutive year.

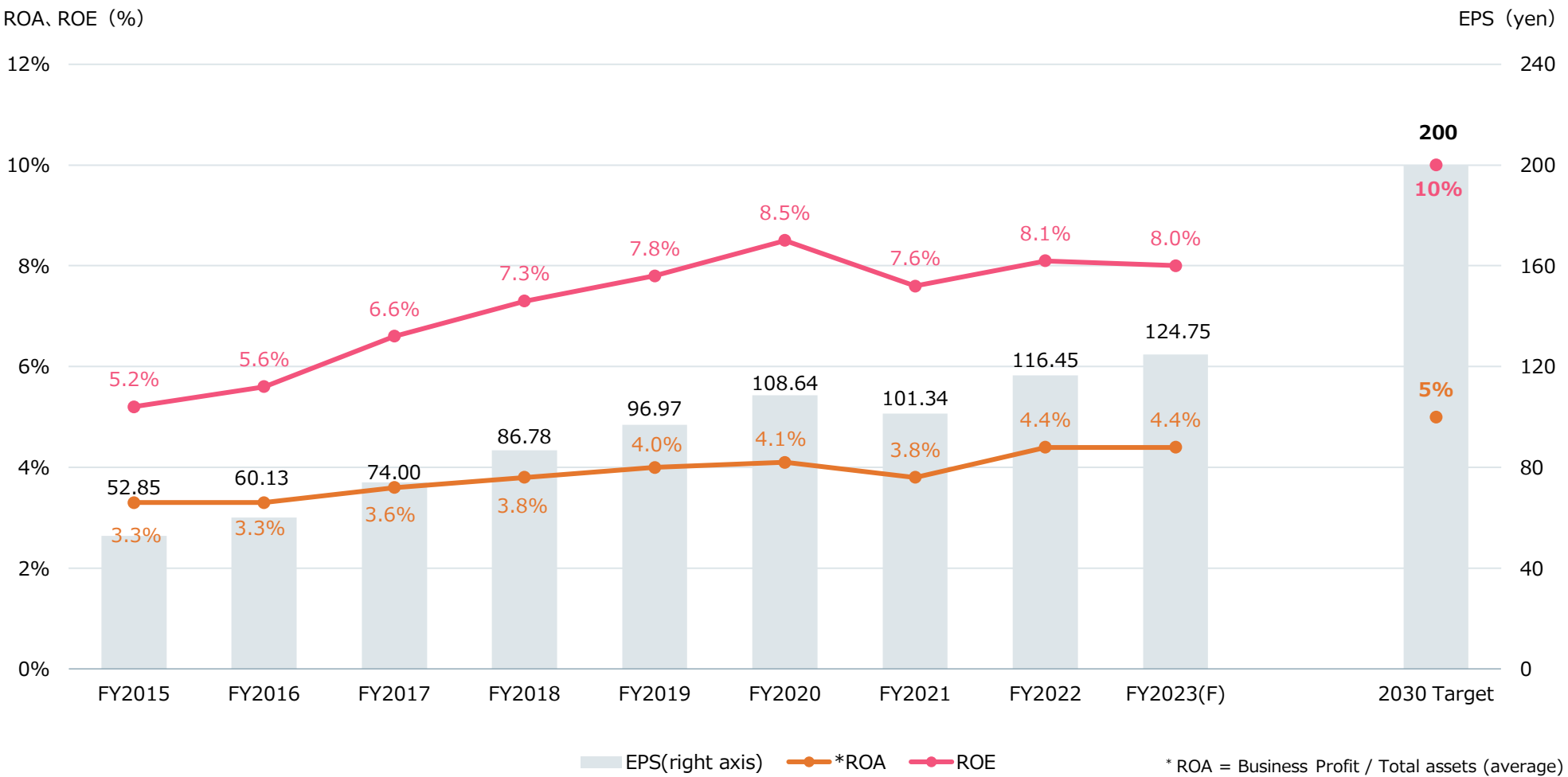




6. Changes in ROA/ROE/EPS

※Unchanged from the forecast announced on May 12, 2022

For FY2023, EPS is expected to reach record high with ROE maintaining the 8% level.



# **Progress of the Long-Term Management Plan**

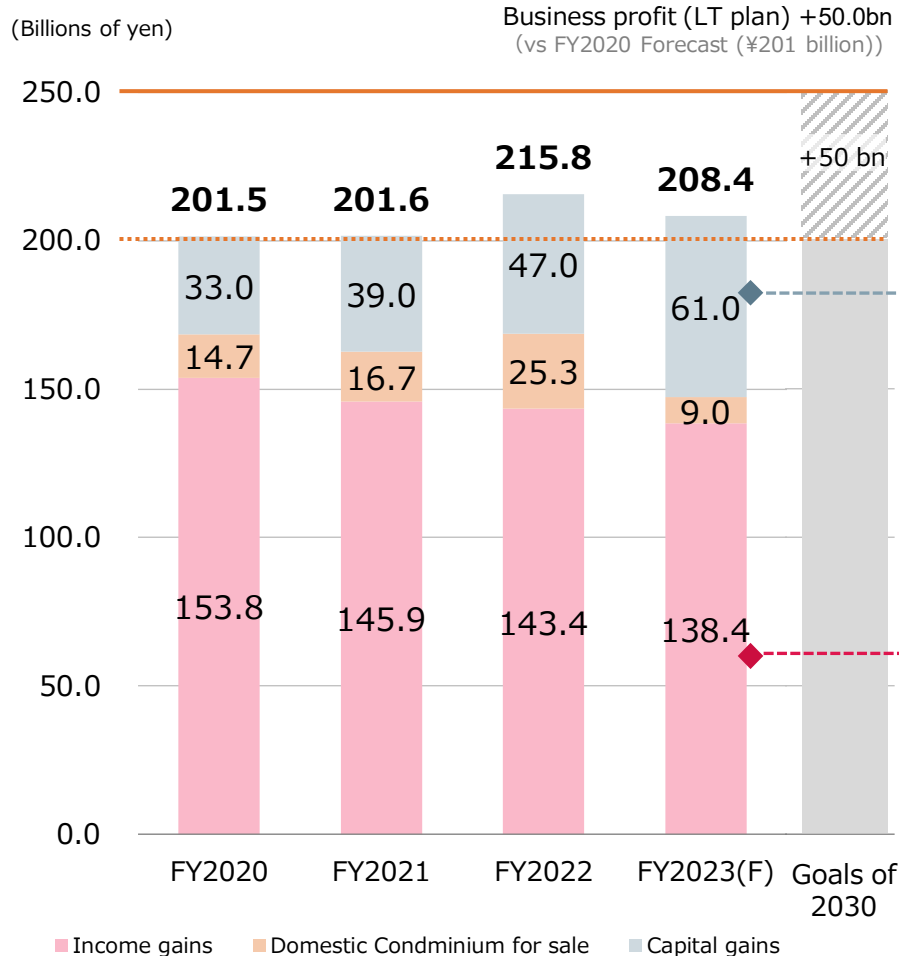
---

For details of the "Long-Term Management Plan 2030", please refer to the following link.  
<https://www.mec.co.jp/en/ir/plan2030/>

# 1. Domestic Asset Business #1 : Profit Trends

\*Revised FY2023 full-year forecast

Capital gain returns exceeded expectations in each asset, while income gain growth was affected by COVID-19.




## Capital gains

- Continuous capital gains mainly from offices, logistics facilities, and rental apartment.

FY2021	FY2022
<b>¥39 billion</b>	<b>¥47 billion</b>
Office : ¥ 24.0 bn Logistics : ¥ 8.0 bn Residential : ¥ 7.0 bn	Office : ¥ 35.0 bn Logistics : ¥ 7.0 bn Residential : ¥ 5.0 bn

### Main Properties for Sale


- Link Square Shinjuku (partial ownership)**  
 Use : Office  
 Total floor area : Approx. 44,000m<sup>2</sup>
- LOGIPORT KAWASAKI BAY**  
 Use : Logistics facilities  
 Total floor area : Approx. 297,000m<sup>2</sup>



**[Residential Business]**  
Sold 6 properties

### Main Properties for Sale

- Toyosu Front (partial ownership)**  
 Use : Office  
 Total floor area : Approx. 107,000m<sup>2</sup>



**[Residential Business]**  
Sold 4 properties

- Steadily disposed of inefficient assets  
 FY2020: Otemachi Park Building (partial ownership), Atagawa Villa Project  
 FY2021: Corowa Koshien, FY2022: Grand Front Osaka (partial equity interest)

## Income gains

- New building operations contributed to profit, whereas profit loss derived from redevelopment of buildings, etc.
- Outlets and commercial facilities significantly affected by COVID-19 from FY2021, but gradually recovering

## 2. Domestic Asset Business #2

### Progress in capital recycling business investment further expands pipeline.

	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 (Building A)	146,000㎡	●							
		Uchikanda 1-chome Project	85,200㎡		★			●			
		Yurakucho Building・Shin-Yurakucho Building Redevelopment Project	※3 10,700㎡						Under consideration		
		Torch Tower (Building B)	544,000㎡			★		●			
		Kokusai Building・Teigeki Building Redevelopment Project	※3 9,400㎡						Under consideration		
	Mixed Use・Office	3rd MINAMI AOYAMA	14,700㎡	★		●					
		Osaka Mitsubishi Building Reconstruction Project	67,000㎡	★			●				
		Toyosu 4-2 Development Project	136,500㎡		★			●			
		Tenjin 1-7 Redevelopment Project (Fukuoka)	74,000㎡			★		●			
		Umekita Second Zone Development Project (Rental Property)(Osaka)	378,450㎡						Gradual completion and opening		
		Nishiki 3-25 Development Project(Nagoya)	109,700㎡		★			●			
		Dogenzaka 2-chome South Redevelopment Project	87,100㎡			★		●			
		Iidabashi Station East Redevelopment Project	46,500㎡			★		●			
		Sannomiya Kumoidori 5-chome Redevelopment Project(Kobe)	98,570㎡		★			●			
		Former Hotel Grand Palace site Redevelopment Project	※3 6,600㎡						Under consideration		
		Akasaka 2・6-chome Development Project	210,000㎡				★		●		
	Outlet Mall	FUKAYA HANAZONO PREMIUM OUTLETS®	34,500㎡	★		●					
		KYOTO JOYO PREMIUM OUTLETS®	※3 245,000㎡						Under consideration		
	Large-scale Logistics (100,000㎡+)	Tokyo Ryutsu Center Distribution A Building	※4 205,000㎡	★		●					
		Logicross Zama	178,700㎡		★		●				
		Sagamihara-shi Chuo-ku Fuchinobe Project	170,900㎡		★		●				
		Misato-shi Hikoito Project	※3 54,000㎡						Under consideration		
		Kyoto Joyo Next-Generation Core Logistics Facilities Project	277,000㎡				★				

...Project announces after the Long-term Management Plan
 ★ ...Start Construction
● ...Completion

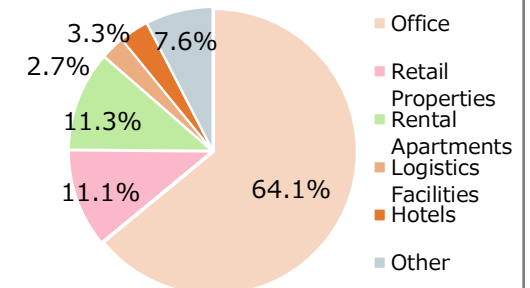
Red ... Project added this quarter

※1 Includes properties expected to be sold by 2030

※2 Total floor area unless otherwise noted.

※3 Site area

■ Book value of domestic assets\* in capital recycling business  
 Approx.¥1.25 tn. at the end FY2022



\*Domestic Income Generating Assets excluding Marunouchi Outlet mall and assets of certain consolidated subsidiaries.

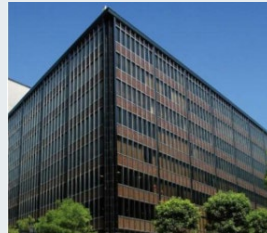
## 3. Domestic Asset Business #3

### Advance redevelopment projects in Marunouchi

#### ■ Joint Redevelopment Project - Kokusai Building and Teigeki Building

##### Overview of the Kokusai Building

Location	: 1-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
Structure and scale	: Steel-framed reinforced concrete structure (6 floors below ground, 9 floors above ground, 3 roof structures)
Site area	: 5,623.30 m <sup>2</sup>
Floor area	: 76,918.25m <sup>2</sup>
Completion	: Sep. 1966
Owners	: Mitsubishi Estate Co., Ltd., General Incorporated Association Nihon Club



##### Overview of the Teigeki Building

Location	: 1-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
Structure and scale	: Steel-framed reinforced concrete structure (6 floors below ground, 9 floors above ground, 3 roof structures)
Site area	: 3,825.05m <sup>2</sup>
Floor area	: 39,419.80m <sup>2</sup>
Completion	: Sep. 1966
Owners	: Toho Co., Ltd., Idemitsu Museum of Arts



#### Project Features

- The second redevelopment project in the Yurakucho area, following the Yurakucho Building and Shin-Yurakucho Building
- Further develop the buildings as a base for culture and the arts in the Yurakucho area, and contribute to improvement of the international competitiveness of Tokyo by developing an attractive town
- Scheduled to close by 2025

### Capture business opportunities in areas of Japan

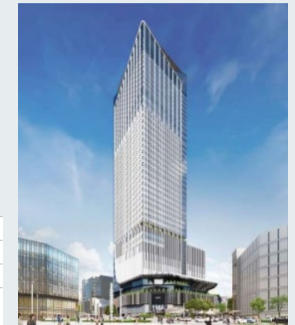
#### ■ Nishiki 3-25 Development Project

##### Project Features

- Nagoya's new landmark tower
- Enhance international competitiveness and create vibrant community in hotels, office buildings, and multiplex cinemas
- Conrad Hotels and Resorts scheduled to open

##### Project Overview

Location	: Nishiki 3-chome, Naka-ku, Nagoya City
Site area	: 4,866.40 m <sup>2</sup>
Floor area	: Approx. 109,700m <sup>2</sup>
Number of floors	: 41 floors above ground (211m), 4 floors below ground, 1 roof structure
Schedule	: Construction began in Jul. 2022, to be completed in Mar. 2026



▲ Image of the building

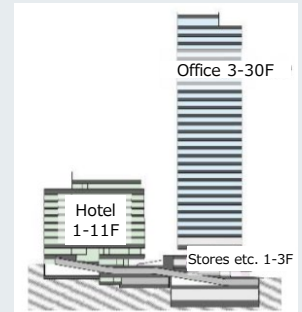
#### ■ Dogenzaka 2-chome South District Redevelopment Project

##### Project Features

- Large-scale multi-use development directly connected to Shibuya Station on the Inokashira Line
- Enhance livelihood through the development of plazas and retail properties along the Dogenzaka street
- TRUNK (HOTEL) scheduled to open

##### Project Overview

Location	: Dogenzaka 2-chome, Shibura-ku
Site area	: 6,720m <sup>2</sup>
Floor area	: Approx. 87,100m <sup>2</sup>
Number of floors	: Office building/ 30 floors above ground, 3 floors below ground, 2 roof structures Hotel building/ 11 floors above ground, 2 floors below ground, 1 roof structure
Schedule	: Construction scheduled to begin in FY 2024, to be completed in FY 2027



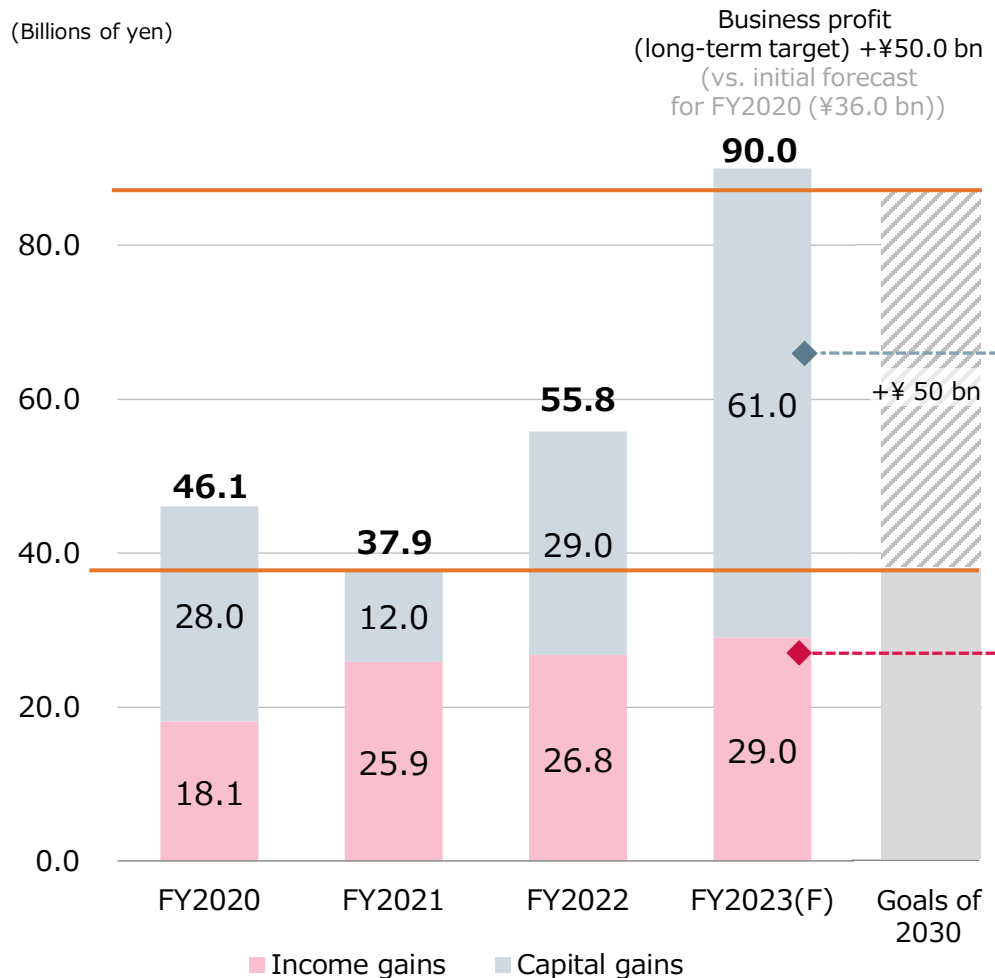
▲ Cross-sectional view

## 4. International Asset Business #1 : Profit Trends

\*Revised FY2023 full-year forecast

**Steady profit growth in both income and capital gains. ¥54.0 bn growth expected in FY2023 compared to FY2020 forecast (¥36.0 bn), driven by large capital gains.**

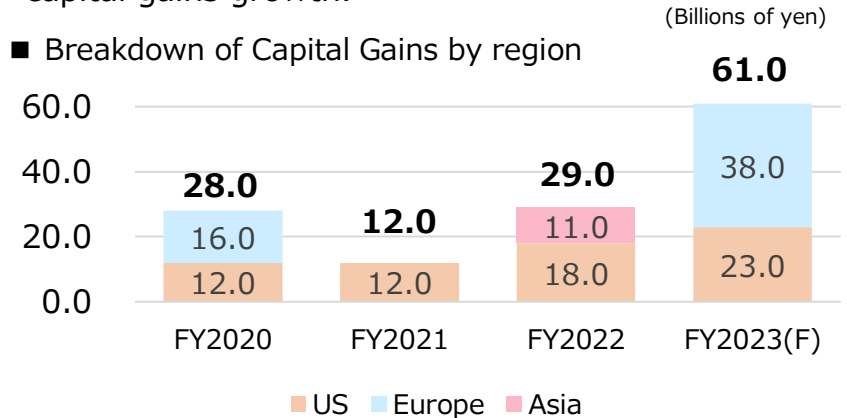
(Billions of yen)



### Capital Gains

- Basis on U.S. capital recycling business (¥10-20 bn/year)
- Continued contribution from capital recycling in Europe and portfolio expansion in Asia to achieve capital gains growth.

#### ■ Breakdown of Capital Gains by region



### Income Gains

- **Achieved ¥10.0 bn growth in FY2020 through area strategies**

U.S.A Renewal of 1271AoS, hybrid model investment contribution  
Europe Rich pipeline despite of reductions from sales and renovations  
Asia Expansion of residential business and development promotion in each area

## 5. International Asset Business #2

Rich pipelines in each area. Turn into profit at the right time.

	Property Name+ Country <sup>※1</sup>	Type	Total Floor Area <sup>※2</sup>	FY2022	FY2023	FY2024	FY2025	FY2026	~	2030	Estimated NOI <sup>□</sup> (Stable)	Estimated Investment <sup>□</sup>
Asia	Trinity Tower (Indonesia)	Office, Commercial	143,200m <sup>2</sup>	●								
	ALPHA PARK (China)	Office	233,600m <sup>2</sup>	●								
	Capita Spring (Singapore)	Mixed Use	93,400m <sup>2</sup>	●								
	180 George Street (Australia)	Office, Commercial	※3 55,000m <sup>2</sup>			●						
	One City Centre (Thailand)	Office, Commercial	116,000m <sup>2</sup>			●						
	The Grand Outlet (Indonesia)	Outlet	49,000m <sup>2</sup>		★		●					
	Parkline Place (Australia)	Office, Commercial	65,900m <sup>2</sup>		★		●					
	Suzhou New District Business Park (China)	Office	220,400m <sup>2</sup>		★		●					
	One Circular Quay (Australia)	Hotel, etc.	86,800m <sup>2</sup>		★				●			
Europe	Oasis Central Sudirman (Indonesia)	Mixed Use	307,000m <sup>2</sup>			★				●		
	Warwick Court (London)	Renovation	29,000m <sup>2</sup>		●							
	8 Bishopsgate (London)	Office, Commercial	85,000m <sup>2</sup>		●							
	dMoura1 (Spain)	Office	※3 11,000m <sup>2</sup>		●							
	Fyrkanten 11 (Sweden)	Renovation	※3 7,800m <sup>2</sup>		★		●					
US	60-72 Upper Ground (London)	Office Commercial	※4 10,400m <sup>2</sup>							●		
	Stateline 77 Building1・2 (South Carolina)	Logistics	※3 93,600m <sup>2</sup>			●						
	Hanover (Pennsylvania)	Logistics	※3 42,200m <sup>2</sup>		●							
	55 Paradise (New York)	Logistics	※3 16,700m <sup>2</sup>		★		●					
	Virginia Data Center Building (Building1)	Data Center				★			●			
	Virginia Data Center Building (Building2)	Data Center	※5 51,000m <sup>2</sup>			★				●		
	Liv Crossroads (Arizona)	Rental Apartment	356 Units		●							
	Liv Laveen (Arizona)	Rental Apartment	360 Units		★		●					
	1158 Delaware (Colorado)	Rental Apartment	250 Units		★		●					
	1072 West Peachtree (Georgia)	Mixed Use	※3 49,300m <sup>2</sup>		★				●			
	600 Fifth Street NW (Washington, D.C.)	Office	※3 37,000m <sup>2</sup>			★				●		

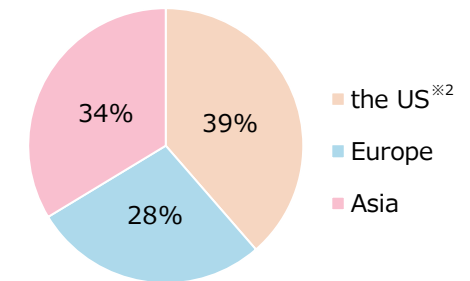
 ...Project announced after the Long-Term Management Plan
  ...Start Construction
  ...Completion

Red...Project added this quarter

※1 Includes properties expected to be sold by 2030 ※2 Total floor area unless otherwise noted.

※3 Leasable area ※4 Site area ※5 Total of two buildings

Book value of international assets<sup>※1</sup>  
 in capital recycling business  
 ¥847bil. at the end FY2022



※1 Inventories+ equity + fixed assets

※2 Excluding CORE Assets (Manhattan), subject to ownership

## 6. International Asset Business #3

### Completion of a large-scale office building in London

#### ■ Warwick Court (completed in Jul. 2022)

##### Project Features

- First major renovation project in the U. K.
- Increased revenues from renovation of existing properties
- Propose to enhance wellbeing and amenity facilities, and to comply with environmental and diversity requirements

##### Project Overview

Location	: London, the U. K.
Use	: Offices, retail properties
Floor area	: Approx. 29,000m <sup>2</sup>
Number of floors	: 8 floors above ground, 2 floors below ground
Schedule	: Completed in 2003, renovation began in Dec. 2020, completed in Jul. 2022



▲Exterior photo  
(Jul. 2022)

#### ■ 8 Bishopsgate (To be completed in 2023)

##### Project Features

- High-rise office development in the central area of London
- Achieved nearly 2.8 times the leasable floor area of the previous building with 40 years of experience in the London market

##### Project Overview

Location	: London, the U. K.
Use	: Offices, retail properties, observation gallery, etc.
Site area	: Approx. 3,460m <sup>2</sup>
Floor area	: Approx. 85,000m <sup>2</sup>
Number of floors	: 51 floors above ground (204m), 3 floors below ground, 1 roof structure
Schedule	: Construction began in Mar. 2019, to be completed in 2023



▲Exterior phot  
(Jul. 2022)

### Development of various asset types in Australia

#### ■ One Circular Quay



▲Image of the building

##### Project Features

- Our project share is 66.7%. Large-scale project with sales of approximately ¥285 bn.
- Rare location overlooking the Opera House and Harbor Bridge
- Development of superb luxury residential tower and five-star hotel
- Hilton's premier brand, the Waldorf Astoria, to open in Australia for the first time
- Increasing investment in various assets, including offices, residences, and hotels in Australia

##### Project Overview

Location	: Sydney, Australia
Site area	: Approx. 4,100m <sup>2</sup>
Floor area	: Approx. 86,800m <sup>2</sup>
Number of floors	: Residential building/ 59 floors above ground, 6 floors below ground Hotel building/ 26 floors above ground, 6 floors below ground
Schedule	: Construction to begin in early 2023, to be completed in 2027



#### Special Movie

▶ Our main projects in Australia

Introducing development projects in Australia



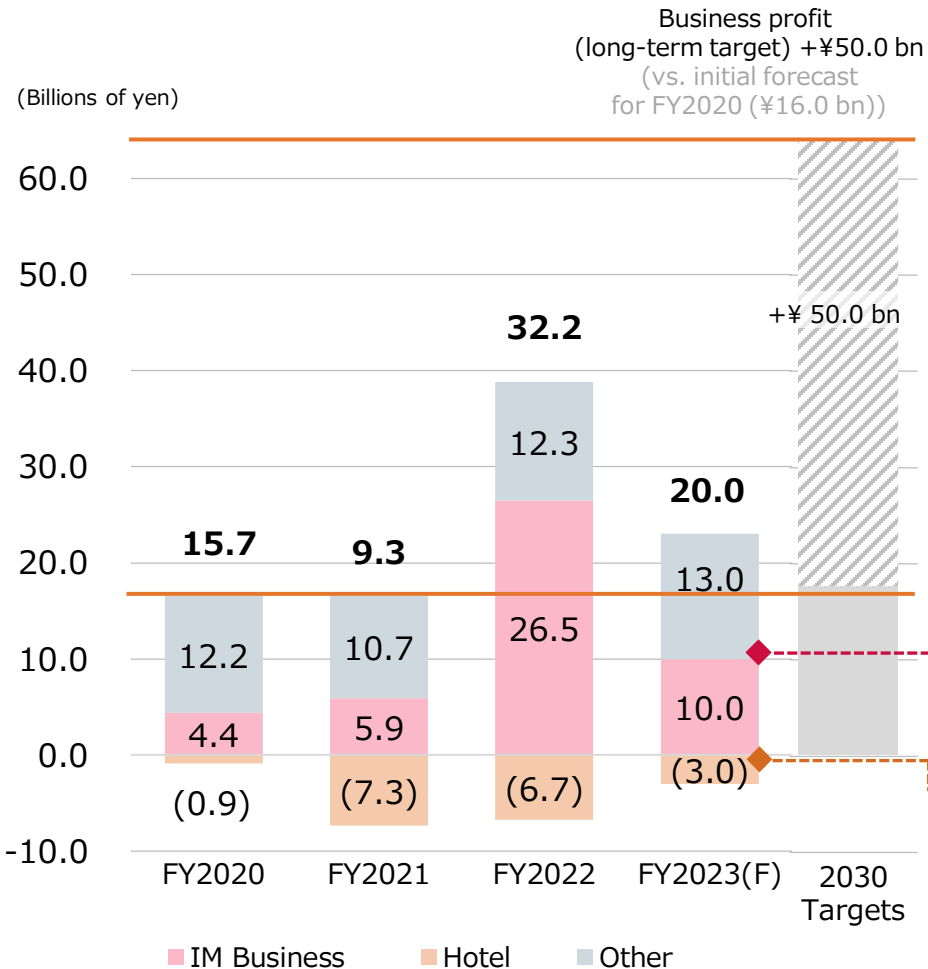
<https://youtu.be/zRFGkPY4mUE>



## 7. Non-asset (Fee-based) Business

\*Revised FY2023 full-year forecast etc.

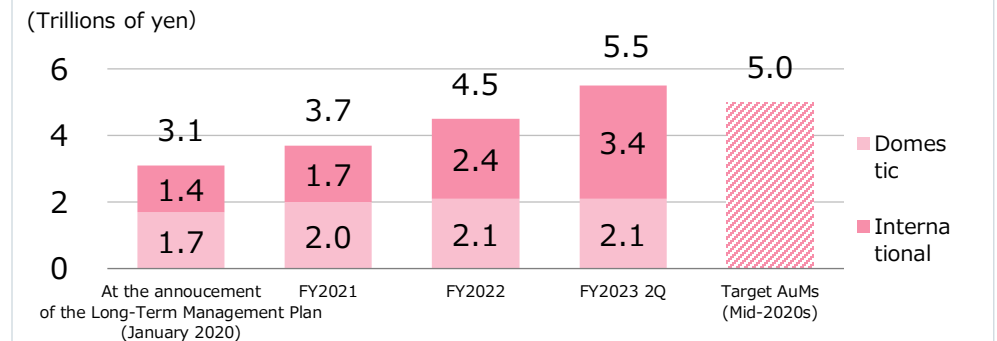
**Significant growth led by increased profits from investment management business despite the large impact of COVID-19 to hotel business.**



### Investment Management Business

#### ■ Base income increase from AuM expansion

- Base fee income increased from AuM expansion, and business profit reached ¥10.0 bn scale
- Achieved AuM ¥5.5 tn by 2Q 2023 and earlier achieved the mid-2020s targets by 2Q 2023



#### ■ Includes incentive fees to receive in the future from value-added funds

- A ¥18.5 bn incentive fees associated with real estate market valuation increase of value-added funds in the U.S. etc. in FY2022

### Hotels Business

- Heavily impacted by COVID-19 but gradual recovery is expected, though it takes time.**

FY2021-FY2022 Increased deficit due to COVID-19  
FY2023 Management reforms and a certain level of domestic demand recovery expected

## 8. Efforts to Improve Social Value #2

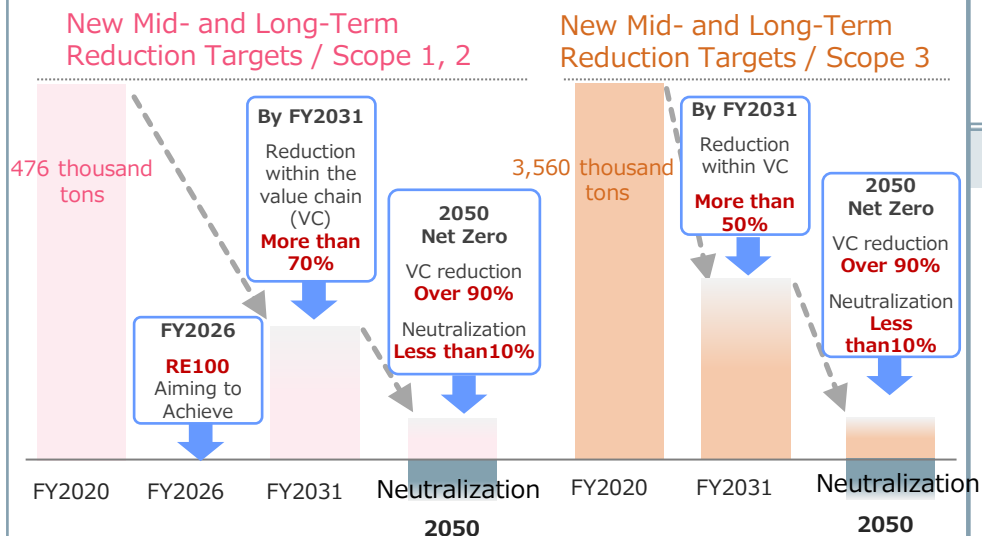
### Set new GHG emission reduction targets(Declaration of Net Zero) Substantially accelerated RE100 achievement timeline.

#### Overview of GHG reduction targets

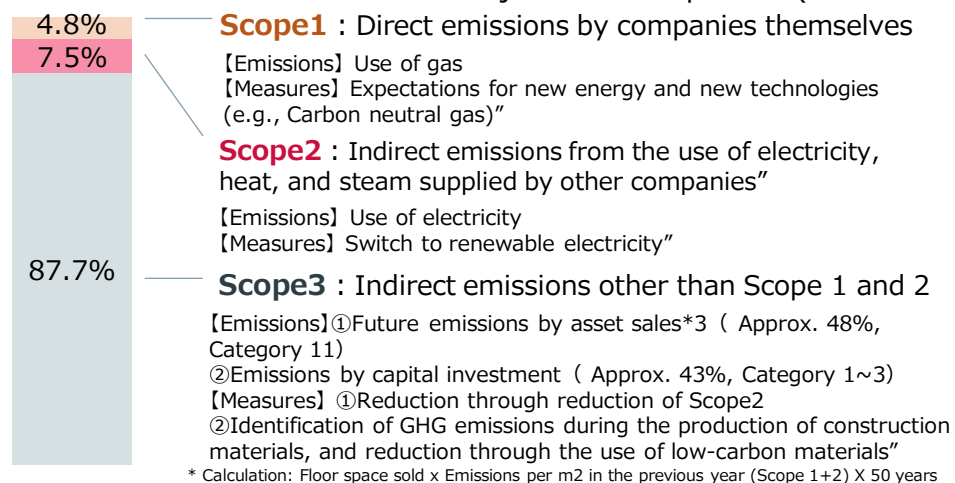
◆Meet the 1.5°C scenario of SBTi (The Science Based Targets initiative) and review in accordance with the new net-zero standard announced by SBTi. Certified as the first company in Japan by SBTi in June 2022.

“New Mid- and Long-Term Reduction Targets: relative to base year (FY 2020) emissions,  
**FY2031: Reduce the sum of Scope 1 and 2 by at least 70% and Scope 3 by at least 50%.**  
**2050: Achieving Net Zero.**”

Compliant with new SBT net zero standard (1.5°C scenario)



◆Breakdown of GHG emissions and major reduction policies (FY22 Actual)



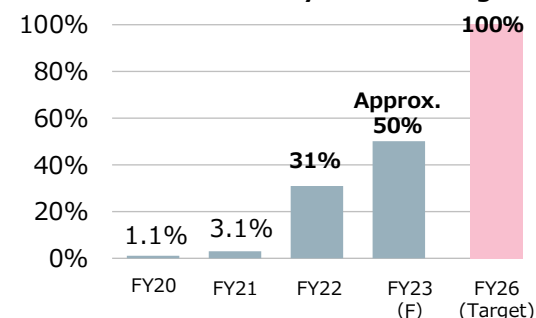
#### Accelerate introduction of renewable energy to achieve RE100

◆Following Otemachi, Marunouchi, and Yurakucho areas, switch to renewable energy-derived power for office buildings and retail properties, owned in Tokyo and Yokohama (including plans).

◆Introduced in approximately 50 buildings by FY2023.

◆Renewable electricity rate is expected to increase to 50% by FY2023. Aiming to achieve RE100 by 2025.

#### Renewable electricity rate and targets



# 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/en/ir/plan2030/>

# 1. Materialities / Material Issues for Sustainability Management

## Mitsubishi Estate Group Sustainability Vision 2050

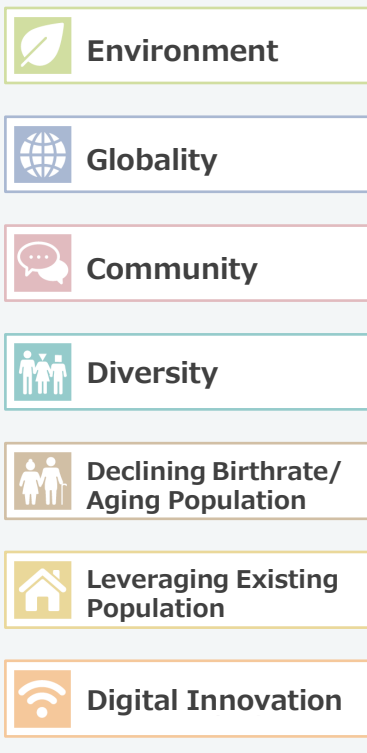
### Be the Ecosystem Engineers

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

- CO2 emissions reduction (compared to FY2020)  
2030 : Reduce Scope 1+2 by at least 70% and Scope 3 by at least 50%  
(2050 : Net zero achieved (Certified first in Japan by SBTi in June 2022.))
- Renewable electricity rate: 25% (100% by 2025) (joined RE100 in January 2020)
- Waste recycling rate: 90%, Waste disposal: 20% reduction (compared with FY2020 /m)
- Promote sustainable timber use



### ② Diversity & Inclusion

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

- Female managers: over 20% by FY2031, over 30% by FY2041, over 40% by FY2051
- 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	FY2022 Actual
GHG emissions	Scope1,2 : <b>70% or more</b> Scope3 : <b>50% or more</b> (vs FY2020)*	2,534 thousand t (Reference value: 4,038 thousand t)
Renewable electricity rate	<b>100%</b> (FY2026)*	31%
per m <sup>2</sup> Waste disposal	vs. FY2020 20% reduction	5.1kg (Reference value: 7.1kg)
Waste recycling rate	90%	58.4%

### 3 Innovation

Benchmarks	<ul style="list-style-type: none"> <li>Maximize performance by innovating business models</li> <li>Support the creation of new ideas and businesses from the perspective of urban development and contribute to the growth of cities and industries</li> </ul>
Initiatives	See page 32 for details.

### 2 Diversity & Inclusion

\*New targets due to KPI review in FY2022

Benchmarks	2030 KPIs	FY2022 Actual
Percentage of female managers	<b>Over 20%*</b>	6.6%
Percentage of female new graduate hires	40% every year	38.3%
Rate of use of male employees taking childcare leave of absence	100%	75.5%

### 4 Resilience

Benchmarks	2030 KPIs	FY2022 Actual
Percentage of employees with first aid provider qualification	100%	72.4%
Percentage of buildings that are to take in stranded commuters *	—	100%

\*Large properties completed in 2002 or later are eligible

### 3. Recent Highlights (The “E” in ESG)

#### 1 Environment

**All electricity at owned buildings in Tokyo, Yokohama to be derived from renewables.**

In FY2023, all of our office buildings and commercial facilities\* in Tokyo and Yokohama will be powered by renewables. Annual estimated CO<sub>2</sub> reduction is approx. 340,000 tons (equiv. about 120,000 average households).

\*Over 50% owned buildings and commercial facilities excluding turnover-type and redeveloping properties.



▲ MARK IS Minatomirai



▲ Toyosu Foresia



▲ Tokiwabashi Tower

**First The Park House to meet "ZEH-M Ready" standards**

The Park House Shin-Urayasu Marine Villa completed its first section in October 2021, the first The Park House to meet "ZEH-M (Zetch Mansion) Ready" standards. Improving building "energy-saving" together with "energy creation" by solar power etc. aiming 50% reduction of primary energy consumption. Aim to make all properties to be sold or offered for lease ZEH-M Oriented or higher by FY2026.



▲ The Park House Shin-Urayasu Marine Villa

**Issued first Sustainability Linked Bond**  
**Accelerate the use of ESG finance to meet society's needs**

- Raised ¥60 bn with its first issuance of Sustainability Linked Bonds in July 2022. Japan's first credit to set targets based on SBTi's new net-zero standards and to concurrently set targets for both environment (E) and diversity (S) in a single framework

#### Overview of Sustainability Linked Bonds

Issue date	Issue amount	Interest rate	Targets
5 years	¥ 20.0 bn	0.360%	FY2026: Renewable electricity rate: 100%
10 years	¥ 20.0 bn	0.644%	FY2031 : Scope1,2 Reduce by over 70% Reduce by over 50 % in Scope 3
30 years	¥ 20.0 bn	1.543%	2050 : Achieve net zero FY2051 : Achieve 40% of female managers

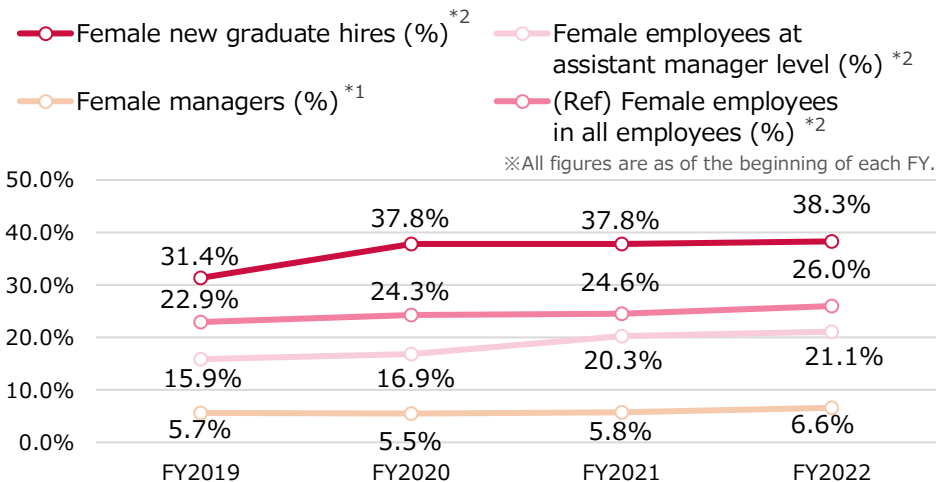
#### Financing results using ESG finance

Issue Date	Bond type	Amount financed
Jun. 2018	Green Bonds (publicly-offered bonds)	¥ 20.0 bn
May 2020	Sustainability Linked Loan	¥ 11.5 bn
Nov. 2021	Positive Impact Financing	¥ 5.0 bn
Jul. 2022	Sustainability Linked Bonds	¥ 60.0 bn
Oct. 2022	Sustainability Linked Loan	¥ 50.0 bn

## 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<sup>\*1</sup>: over 20% by FY2031, over 30% by FY2041, over 40% by FY2051
- ② Ratio of female new graduate hires<sup>\*2</sup>: 40% annually

#### ■ Initiatives

- Enhancing personnel systems to create a better working environment for women
- Enhanced mid-career recruitment at the section manager level
- Launched woman empowerment working group
- Conducted social events for female employees
- Conducted seminars on women's health in management training programs.

\*1 Scope of targets changed to Mitsubishi Estate in conjunction with their upward in FY2022.

\*2 Mitsubishi Estate

#### Supplier Code of Conduct

Established the Mitsubishi Estate Group Supplier Code of Conduct on April 1, 2022 to promote sustainability and ESG-related initiatives throughout our supply chain. As challenges like human rights, labor and climate change grow serious, the code clearly states compliance requirements in our group's operations toward our mission "Realizing Sustainable and Profound Valuable Society."

Conducting a survey using interview sheets to check the status of Supplier Code of Conduct compliance. For time being, the survey will cover "contractors" and "cleaning companies" which tend having higher sustainability risks\* in our supply chain," and will be extended further in the future.

Conduct surveys not only of primary suppliers (direct suppliers) but also of secondary and subsequent suppliers (subcontractors of suppliers), identify potential risks, and invite relevant suppliers for improvement initiatives.

\*Criteria for determining that there is a strong tendency to increase sustainability risk

1. The employment of foreign workers, technical intern trainees, and other workers whose positions tend to be weak is assumed.
2. Businesses with high environmental impact
3. There are cases where it is difficult to identify and identify risks due to the multiple outsourcing structure.



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

### 3 Innovation

#### New business creation through open innovation with startups

##### ■ New startup investment fund launch

Launched "BRICKS FUND TOKYO by Mitsubishi Estate" to invest in startups working to create a mid-to-long term social impact by solving social challenges and industrial restructuring. About ¥10 bn investment in the next 5 years with an expected cumulative total investment in startups and venture capital to reach ¥50 bn (including confirmed investment) by mid-2020s.



#### Online training platform and DX human resource development for all employees

##### ■ Online training platform "MEC ACADEMY"

Established a new online training platform, MEC ACADEMY, to share corporate-wide collective knowledge of real estate and other businesses. Encouraged employees to explore new challenges through cross-organizational knowledge, skills, and experience sharing, including in the real estate business.

##### ■ Established "MEDiA (MEC Digital Academy)," a DX human resources development program

DX human resource development program "MEDiA" on "MEC. ACADEMY" Conducted largely-enhanced programs in the digital domain for all Group employees of approx.10,000.

**Content: Five courses ranging from "Basic," "Practical," and "Advanced"**

**STEP1** ① Digital marketing (Digima) training (Basic)

**STEP2** ② Digima training (Practical), ③ Data analysis program, ④ DX online program

**STEP3** ⑤ Boot camp

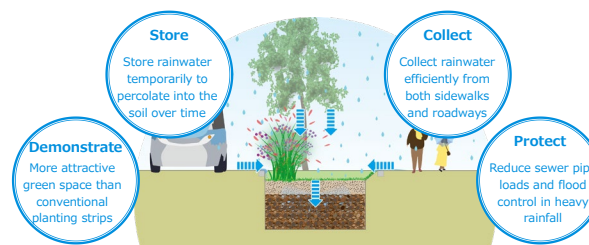
### 4 Resilience

#### Conducted the 96th Emergency Drills

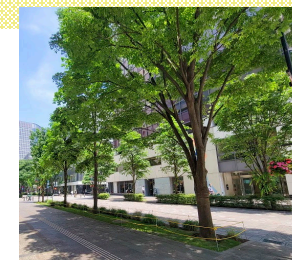
Annual emergency drill conducted with public and private sectors, involving all executives and employees of Mitsubishi Estate, group companies, and external parties. FY2023 emergency drill and practical exercises held first time in three years, participated by Chiyoda Medical Association and Marunouchi Fire Station. Information gathering in times of disaster using the next-generation multiple-camera control system installed in the Marunouchi area, firefighting exercises held at the first time such as ladder truck rescue drill and simultaneous water discharges at Tokiwabashi Tower completed in June 2021 .

#### Rain Garden demonstration experiment on Marunouchi Naka-dori Ave.

Rain Garden demonstration experiment as part of green infrastructure initiatives, using roadside planting strips on Marunouchi Naka-dori Ave. Rain Garden is a project to temporarily store rainwater and allow it to percolate underground over time. This study verifies the possibility of solving various urban issues such as reducing the risk of flooding, heat island, and contributing to biodiversity.



▲ Effect of rain gardens



▲ Photo of maintenance work



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

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

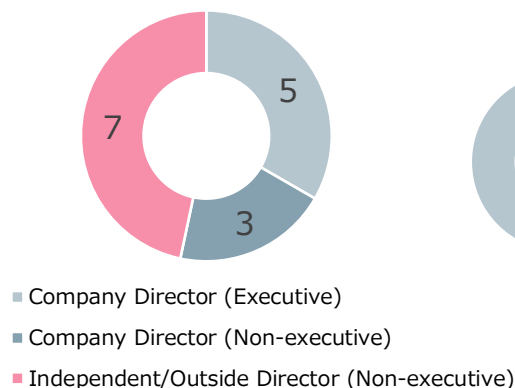
### Corporate Structure

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

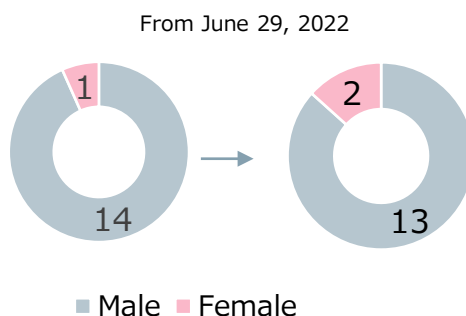
#### Structure of the Board of Directors

- 15 directors: 8 company directors and 7 independent outside directors (10 of which are non-executive directors)
- 5 of 7 independent outside directors are male and 2 are female

Board Structure



Composition of Male/Female

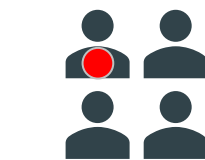


#### Committee Members

- 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

##### Nominating Committee

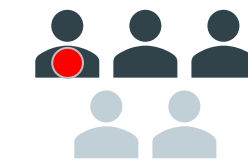
Exclusively outside directors



■ : Outside Director

##### Audit Committee

Chairperson is an outside director



■ : Company Director (Non-executive)

##### Remuneration Committee

Exclusively outside directors



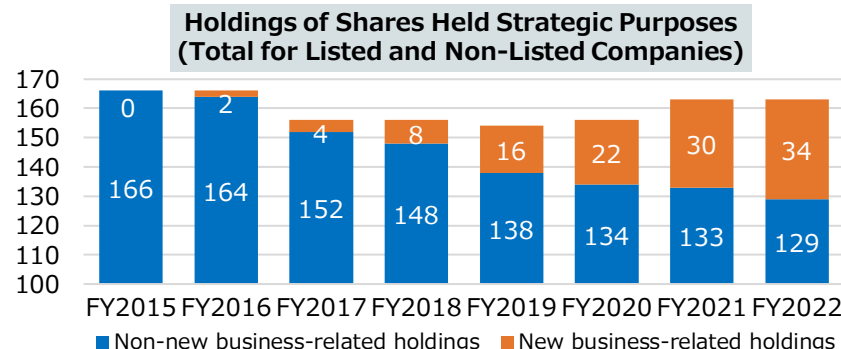
● : Chairperson

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

### Strategic-Holding Stock Policies

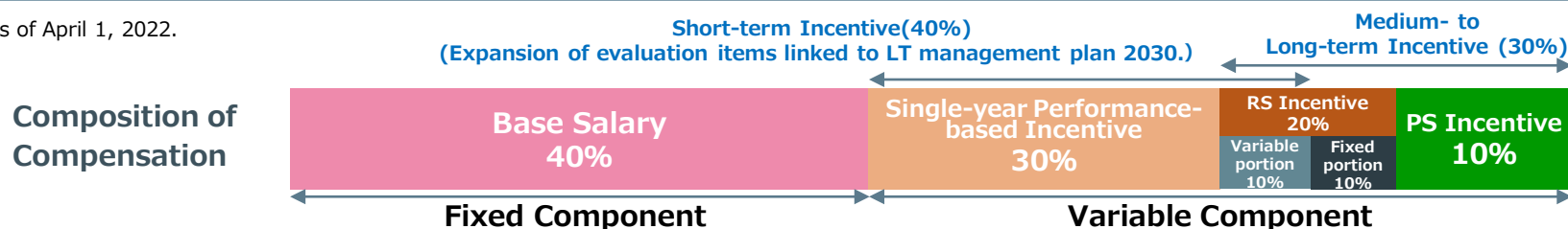
- Sold 25 \*entities with a total value of approx. ¥29.1 bn in the past four years (FY2019-FY2022)
- Approx. ¥244.2 bn (market value) of listed stock as of March 31, 2022. Routinely review strategic objectives and dispose of stocks as necessary

\* Stocks of listed companies only. Including partial sale



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

\*Revised as of April 1, 2022.



#### <Single-Year Performance-Based Incentives : 30%>

- Form: Cash
- Calculation: "KPIs" : Business profit, EPS, ROA, 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 : 10%>

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

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

#### <Restricted Stock Incentives : 20%>

- Form : Stock
- Lock-up period : Up to the time of retirement of a director or officer
- \*The evaluation method for the variable portion is the same as for performance-linked cash compensation.

## 8. External Evaluations

As of December 2022

— Not selected

Category	Benchmarks	2020	2021	2022	Remarks
ESG in General	FTSE4Good Global Index	●	●	●	21 years in a row
ESG in General	FTSE Blossom Japan Index (Adopted by GPIF)	●	●	●	6 years in a row
ESG in General	MSCI Japan ESG Select Leaders Index (Adopted by GPIF)	●	●	●	6 years in a row
ESG in General	Dow Jones Sustainability World Index	—	—	●	
ESG in General	Dow Jones Sustainability Asia Pacific Index	●	●	●	3 years in a row
ESG in General	Member of the "S&P Global Sustainability Yearbook"	●	●	●	3 years in a row
ESG in General	SOMPO Sustainability Index	●	●	●	11 years in a row
ESG in General	GRESB Public Disclosure	A	A	A	6 years in a row
ESG in General	GRESB Standing Investment Benchmark	5 Star	5 Star	5 Star	
ESG in General	GRESB Development Benchmark	4 Star	5 Star	4 Star	
E (Environment)	S&P/JPX Carbon Efficient Index (Adopted by GPIF)	●	●	●	5 years in a row
E (Environment)	CDP Climate Change	A	A-	A	
E (Environment)	CDP Water Security	—	A-	A-	
S (Society)	MSCI Japan Empowering Women Select Index (Adopted by GPIF)	●	●	●	5 years in a row



2022 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

Member of  
Dow Jones  
Sustainability Indices  
Powered by the S&P Global CSA

Sustainability Yearbook  
Member 2022  
S&P Global

2022  
Sompo Sustainability Index



2022 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

# Financial Supplemental Data

---

## 1. Management Index, etc.

### ① KPI for 2030 Target

	2019/3	2020/3	2021/3	2022/3	2023/3 (F)	2030 (Target)
ROA <sup>*1</sup>	4.0%	4.1%	3.8%	4.4%	4.4%	5%
ROE	7.8%	8.5%	7.6%	8.1%	8.0%	10%
EPS	¥ 96.97	¥ 108.64	¥ 101.34	¥ 116.45	¥ 124.75	¥ 200

### ② Business Profits

	2019/3	2020/3	2021/3	2022/3	2023/3 (F)	2030 (Target)
Business profits <sup>*2</sup>	¥ 229.4 bn	¥ 240.9 bn	¥ 224.7 bn	¥ 279.3 bn	¥ 291.4 bn	¥ 350.0~ 400.0 bn
Domestic Asset Business	-	¥ 201.5 bn	¥ 201.6 bn	¥ 215.8 bn	¥ 208.4 bn	Approx. ¥50 bn+ <sup>*3</sup>
International Assets Business	-	¥ 46.1 bn	¥ 37.9 bn	¥ 55.8 bn	¥ 90.0 bn	Approx. ¥50 bn+ <sup>*3</sup>
Non-asset Business	-	¥ 15.7 bn	¥ 9.3 bn	¥ 32.2 bn	¥ 20.0 bn	Approx. ¥50 bn+ <sup>*3</sup>
Eliminations or corporate	-	(¥ 22.4 bn)	(¥ 24.2 bn)	(¥ 24.5 bn)	(¥ 27.0 bn)	-

<sup>\*1</sup> ROA = Business Profit / Total assets (average) <sup>\*2</sup> Business Profit = Operating Profit + Equity in Net Earnings/Loss (for unconsolidated subsidiaries and affiliates)

<sup>\*3</sup> vs FY2020

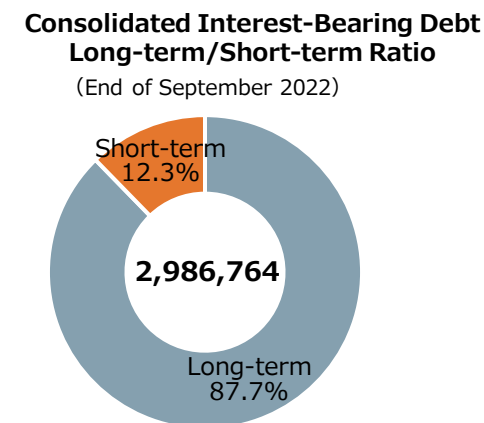
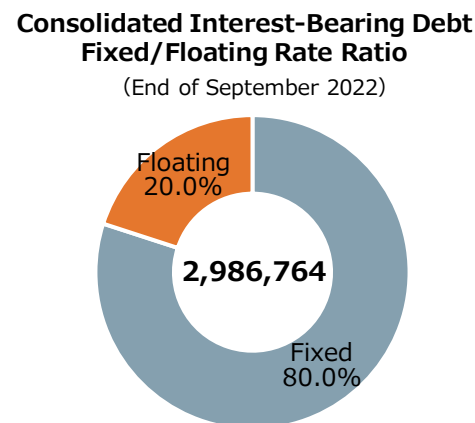
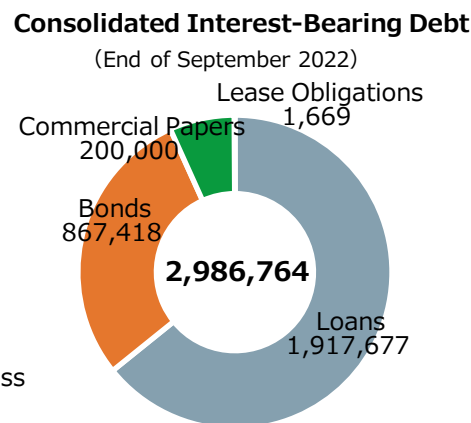
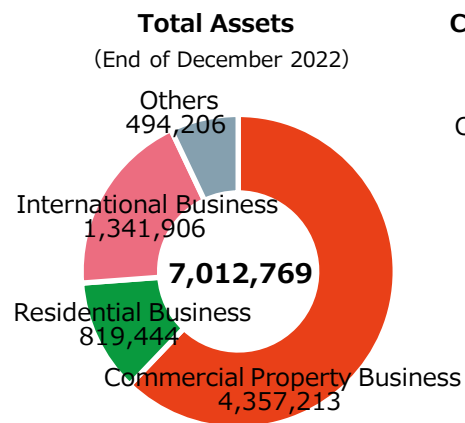
## 2. Balance Sheet : End of December 2022

Millions of yen (rounded down)

	End of December 2022	End of March 2022	Change
<b>Current assets</b>	<b>1,830,977</b>	<b>1,356,789</b>	<b>474,188</b>
Cash and deposits	276,112	233,117	42,995
Trade notes, accounts receivable and contract assets	49,019	60,645	(11,625)
Real estate for sale	130,527	41,239	89,288
Real estate for sale in progress	472,080	299,532	172,548
Real estate for development	719	724	(5)
Equity investments	770,672	624,521	146,151
Other	131,843	97,009	34,834
<b>Non-current assets</b>	<b>5,181,791</b>	<b>5,137,127</b>	<b>44,664</b>
Total property, plant and equipment	4,356,763	4,345,989	10,774
Total intangible assets	108,219	108,092	126
Investment securities	296,199	299,617	(3,417)
Other	420,607	383,426	37,181
<b>Total assets</b>	<b>7,012,769</b>	<b>6,493,917</b>	<b>518,852</b>

Millions of yen (rounded down)

	End of December 2022	End of March 2022	Change
<b>Liabilities</b>	<b>4,597,163</b>	<b>4,257,484</b>	<b>339,679</b>
<b>Current liabilities</b>	<b>881,379</b>	<b>631,043</b>	<b>250,336</b>
Trade notes and accounts payable	45,139	60,516	(15,377)
Short-term borrowings	207,348	182,052	25,296
Current portion of long-term borrowings	90,551	79,928	10,622
Commercial Papers	200,000	-	200,000
Current portion of bonds payable	30,000	90,000	(60,000)
Other	308,339	218,544	89,795
<b>Non-current liabilities</b>	<b>3,715,784</b>	<b>3,626,441</b>	<b>89,342</b>
Bonds payable	827,824	786,335	41,489
Long-term borrowings	1,662,912	1,598,562	64,350
Other	1,225,043	1,241,539	(16,497)
<b>Net assets</b>	<b>2,415,605</b>	<b>2,236,432</b>	<b>179,173</b>
Shareholders' equity	1,368,666	1,335,024	33,641
Accumulated other comprehensive income	803,801	668,200	135,600
Share acquisition rights	193	201	(8)
Non-controlling interests	242,945	233,005	9,939
<b>Total liabilities and net assets</b>	<b>7,012,769</b>	<b>6,493,917</b>	<b>518,852</b>



### 3. Consolidated Cash Flow

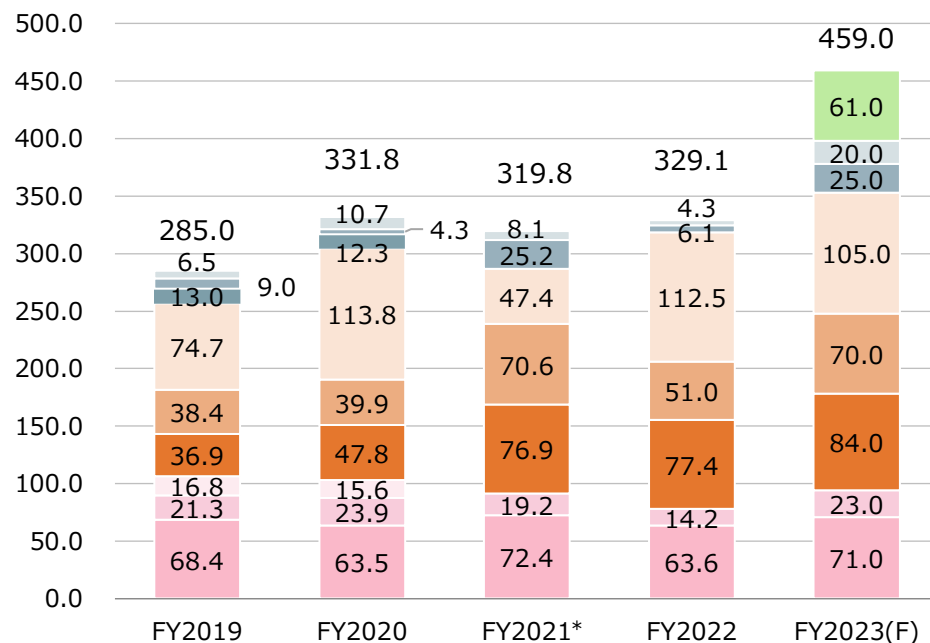
Millions of yen (rounded down)

	①FY2022- 3Q Results	②FY2023- 3Q Results	Change (② – ①)	③FY2022 Results	④FY2023 Forecasts	Change (④ – ③)
<b>Cash Flows From Operating Activities</b>	<b>174,848</b>	<b>40,236</b>	<b>(134,611)</b>	<b>280,090</b>	<b>370,000</b>	<b>89,910</b>
Depreciation	67,933	69,775	1,841	91,581	94,000	2,419
Decrease (Increase) in inventories	71,409	(122,862)	(194,271)	116,993	102,000	(14,993)
Decrease (Increase) in equity investments	(15,858)	3,343	19,201	(30,267)	(66,000)	(35,733)
<b>Cash Flows From Investing Activities</b>	<b>(223,410)</b>	<b>(200,909)</b>	<b>22,501</b>	<b>(313,778)</b>	<b>(480,000)</b>	<b>(166,222)</b>
Proceeds from sales of investment securities	8,398	5,847	(2,551)	9,562	2,000	(7,562)
Purchase of property, plant and equipment	(217,833)	(205,278)	12,555	(329,115)	(459,000)	(129,885)
<b>Cash Flows From Financing Activities</b>	<b>118,105</b>	<b>198,654</b>	<b>80,548</b>	<b>90,973</b>	<b>15,000</b>	<b>(75,973)</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>245,875</b>	<b>279,384</b>	<b>33,508</b>	<b>234,244</b>	<b>140,000</b>	<b>(94,244)</b>
<b>Free Cash Flow</b>	<b>(48,561)</b>	<b>(160,672)</b>	<b>(112,110)</b>	<b>(33,687)</b>	<b>(110,000)</b>	<b>(76,313)</b>

## 4. Investment Data

### Major Breakdown of Purchase of Property, Plant and Equipment

(Billions of yen)



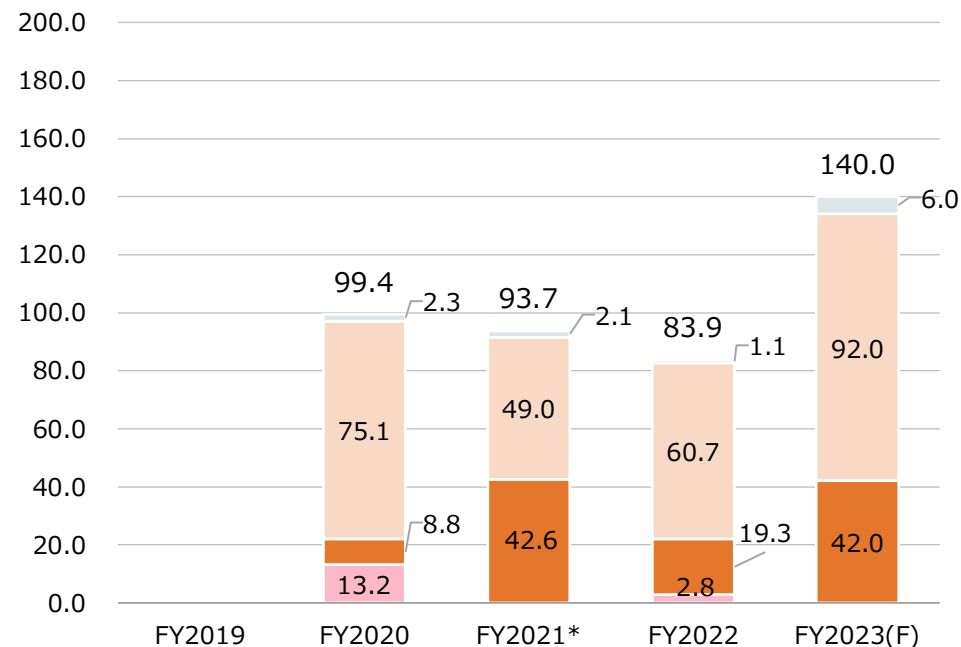
\*Classifications have been changed below from FY2021

#### <Legend for FY2018 – FY2020>

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

### Major Breakdown of Equity Investments

(Billions of yen)



#### <Legend for FY2021 - >

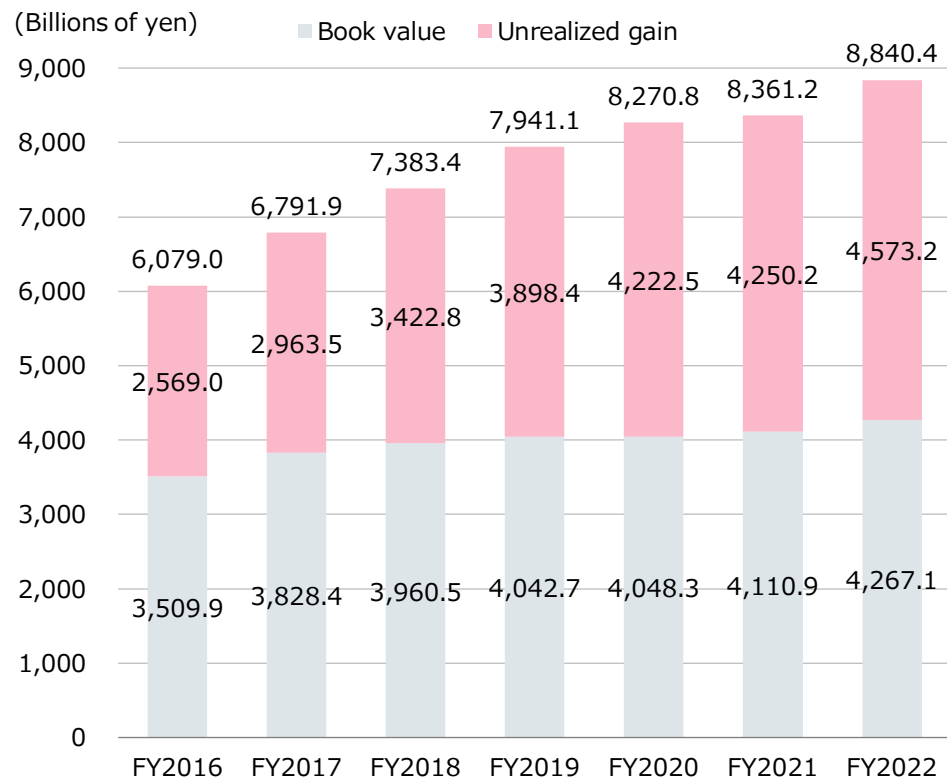
- Office( MEC: New / Redevelopment)
- Office( MEC: Refurbishment)
- Commercial Property(excluding MEC office)
- Residential
- International
- Special Purpose Vehicle
- Others(including consolidated eliminations)
- New Investments



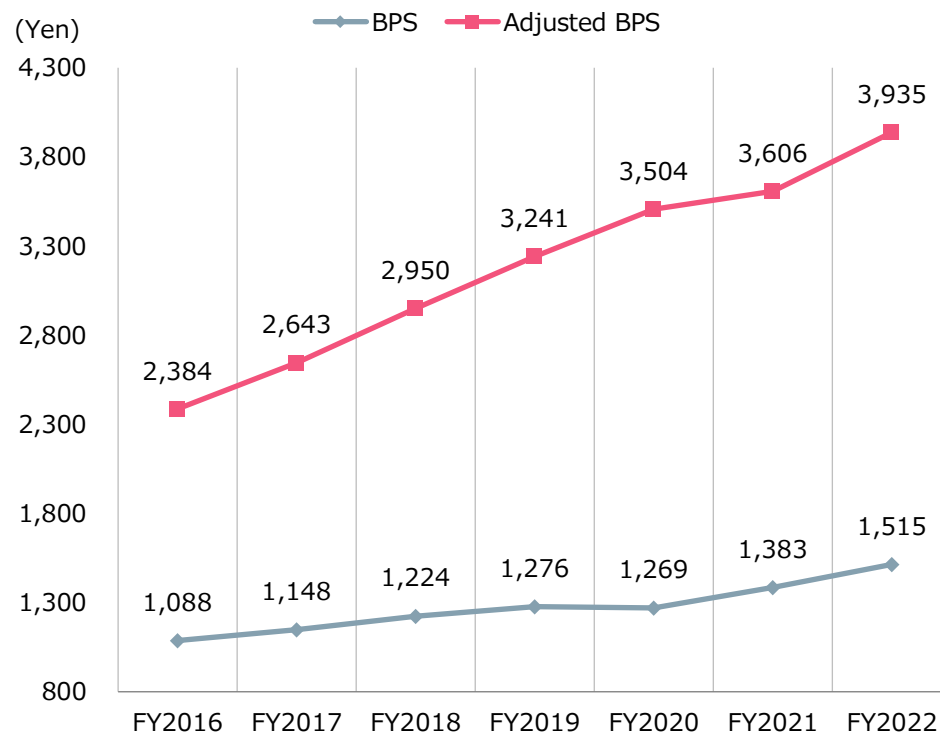
## 5. Income Generating Assets Unrealized Gains: Current Status #1

Increased unrealized gains from new buildings, lower cap rates for overseas assets and domestic rental housing, and foreign exchange rates.

### Income Generating Assets Unrealized Gain



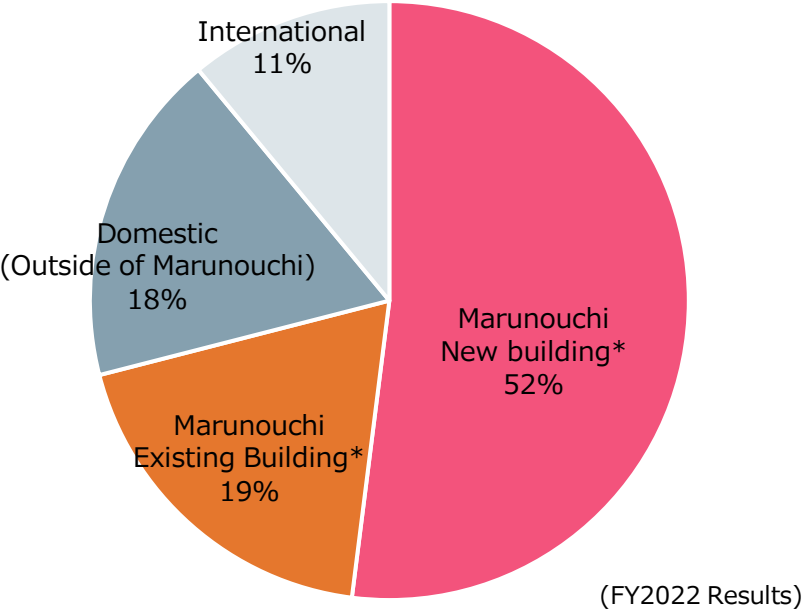
### BPS and Adjusted BPS\*



\* BPS including unrealized gains (after tax)

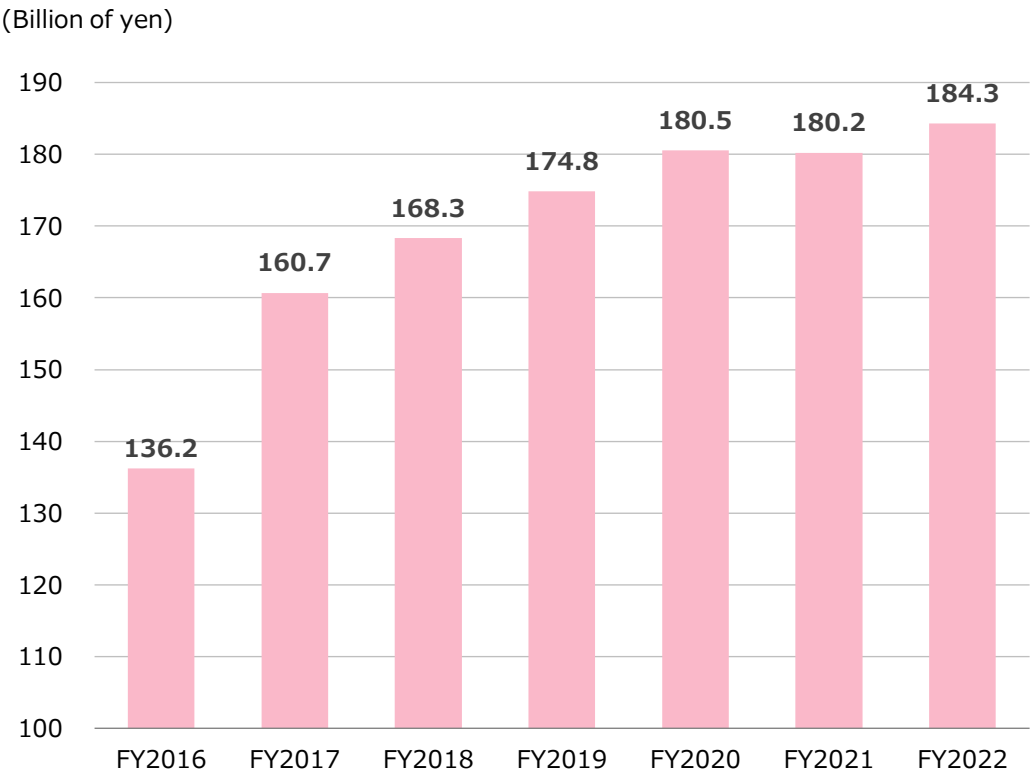
## 6. Income Generating Assets #2

Unrealized Gain Breakdown



\*Redeveloped properties after the completion of Marunouchi Building  
Since the fiscal year ended March 2022, the entire TOKYO TORCH PJ has been counted as a new Marunouchi building.

Profit Trends



# 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>

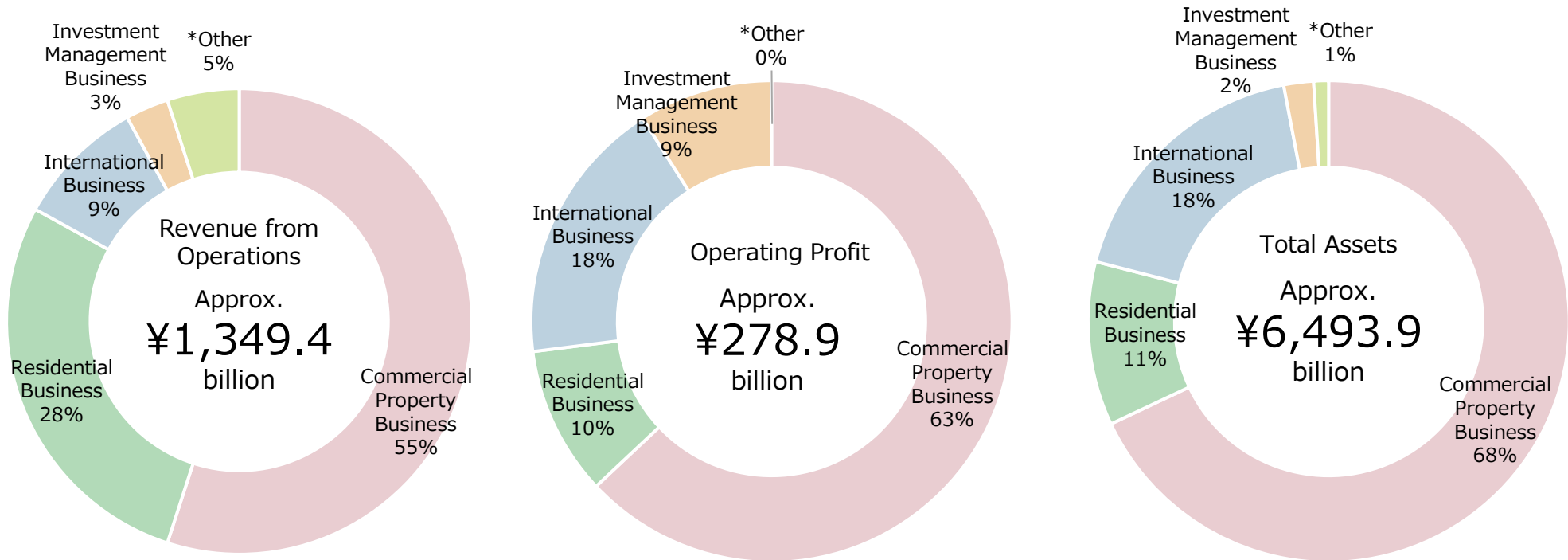
Mitsubishi Jisho Sekkei Inc. provides architectural design and engineering services of construction and civil engineering.

 Mitsubishi Jisho Design

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

 MITSUBISHI REAL ESTATE SERVICES

## 2. Business Scale



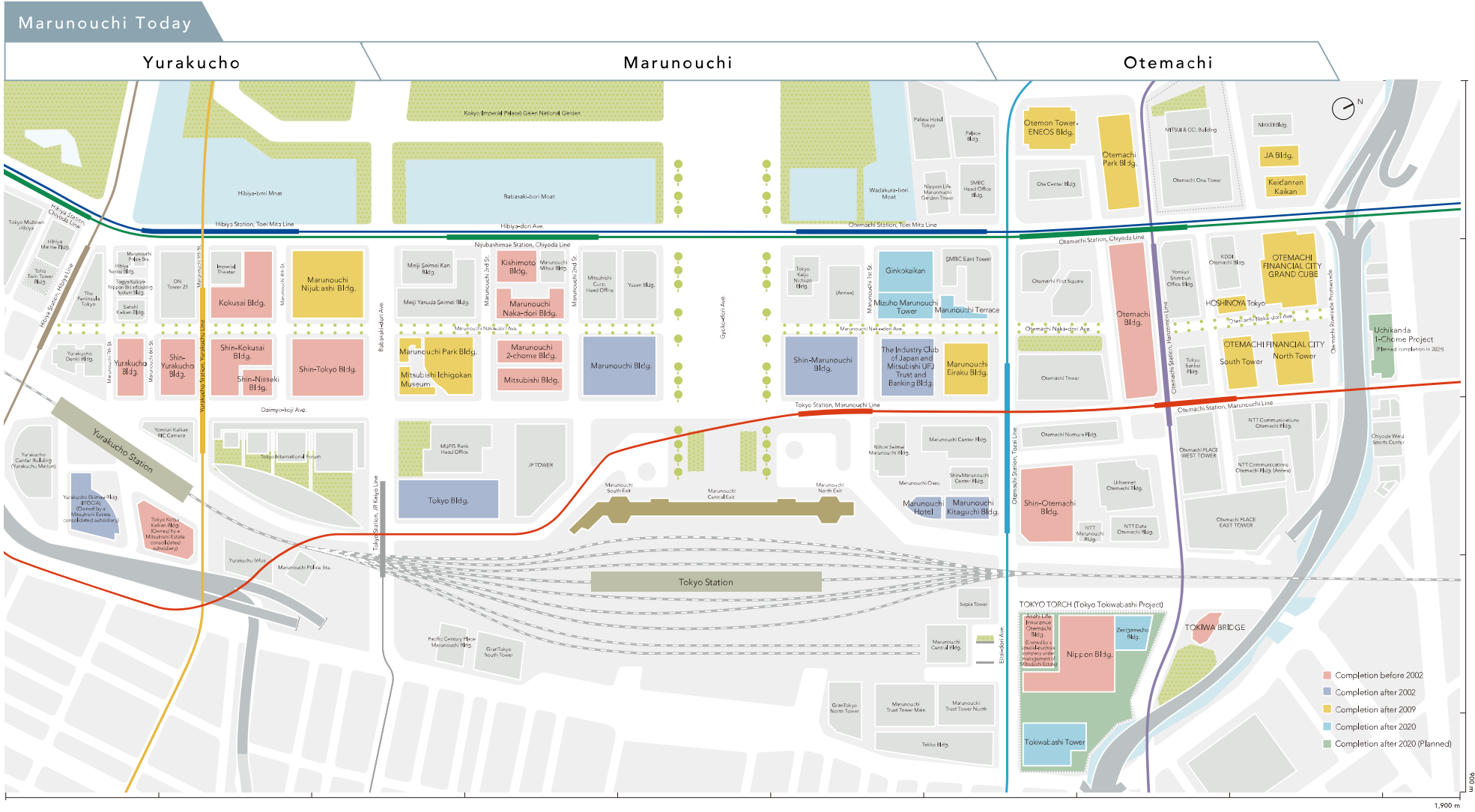
\*Architectural Design & Engineering Business and Real Estate Services Business, Other Business (FY2022 Results)

# Commercial Property Business

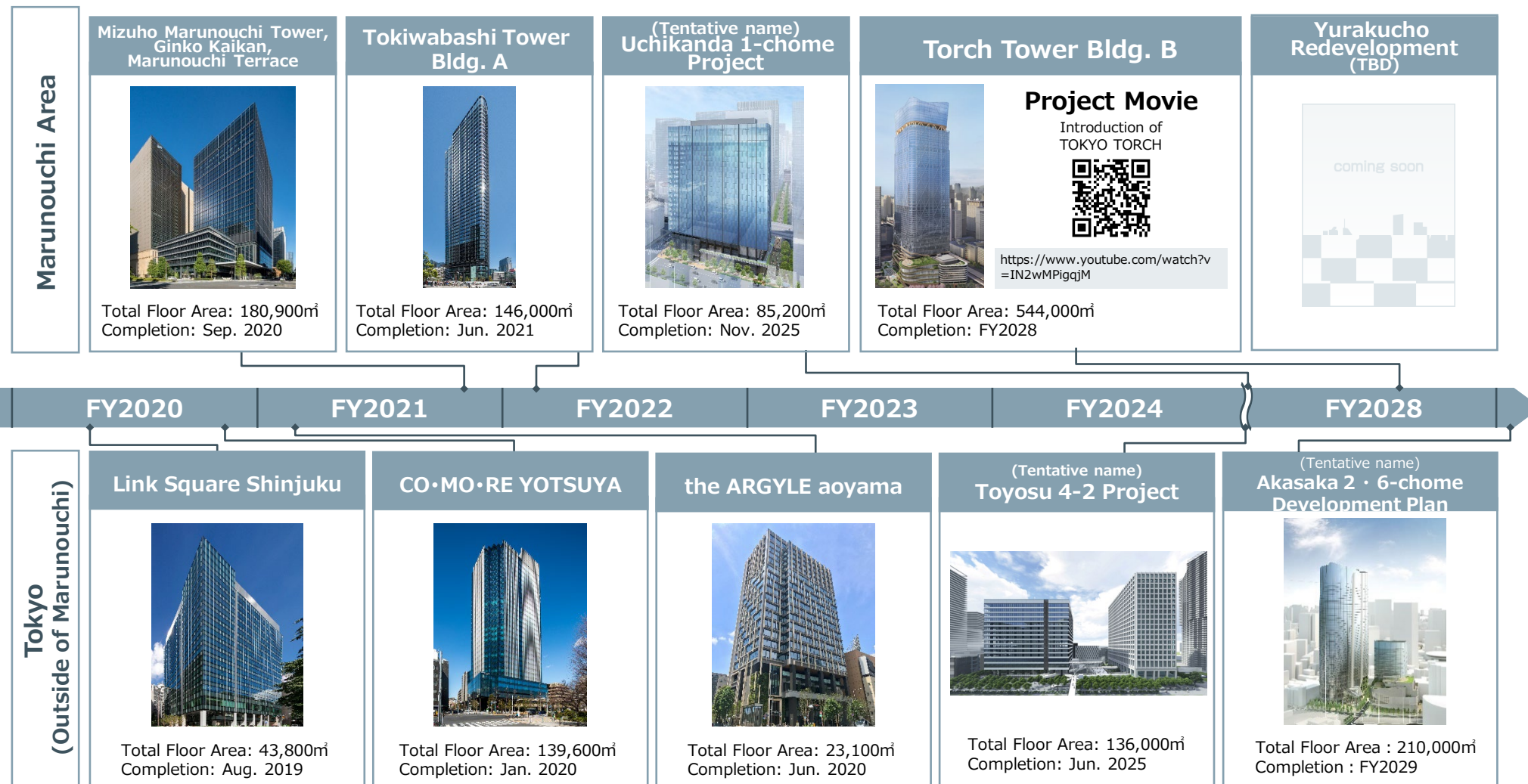
---

## Office Buildings

1. Marunouchi Area Map



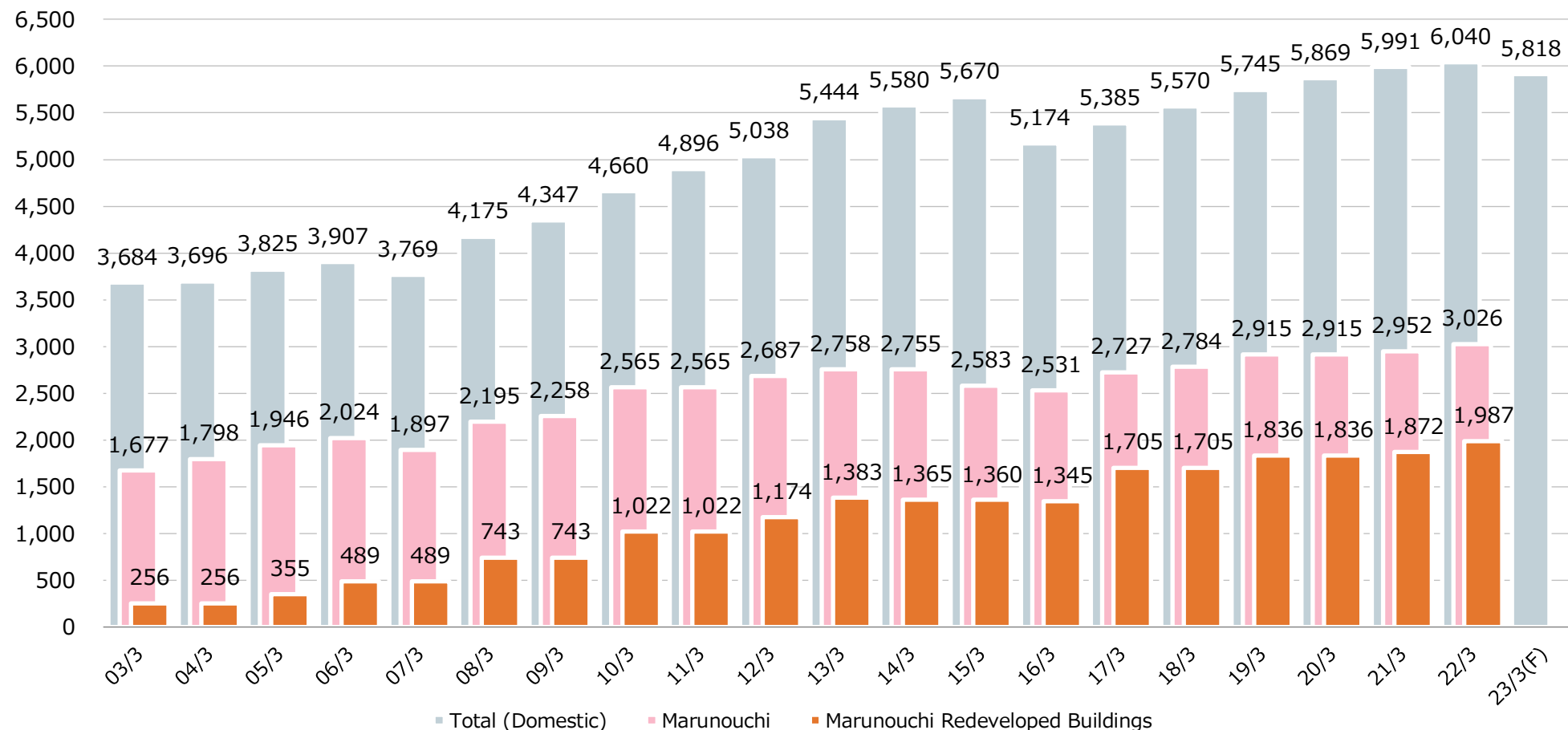
## 2. Pipeline





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

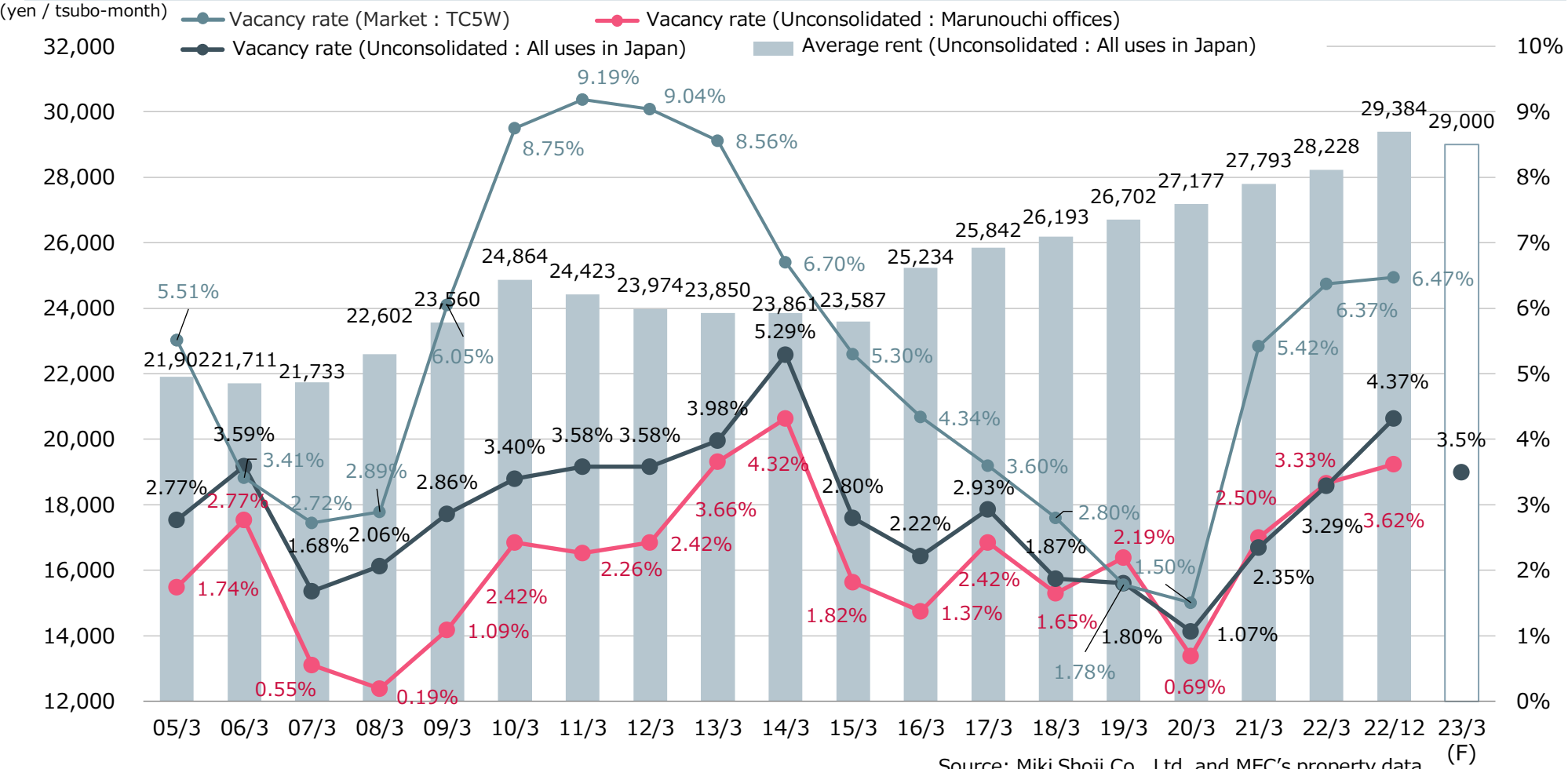
#### Total (Domestic)/Marunouchi/Marunouchi Redevelopment Buildings

(Thousand m<sup>2</sup>)

\*Excluding floor space in Lifestyle Property Business from FY2016

4. Earnings Related Data: Vacancy Rates and Average Rents

Vacancy Rates (Tokyo central 5 wards (Market) vs. Marunouchi Offices & All uses in Japan (Unconsolidated)) and Average Rents (All uses in Japan) (Unconsolidated)



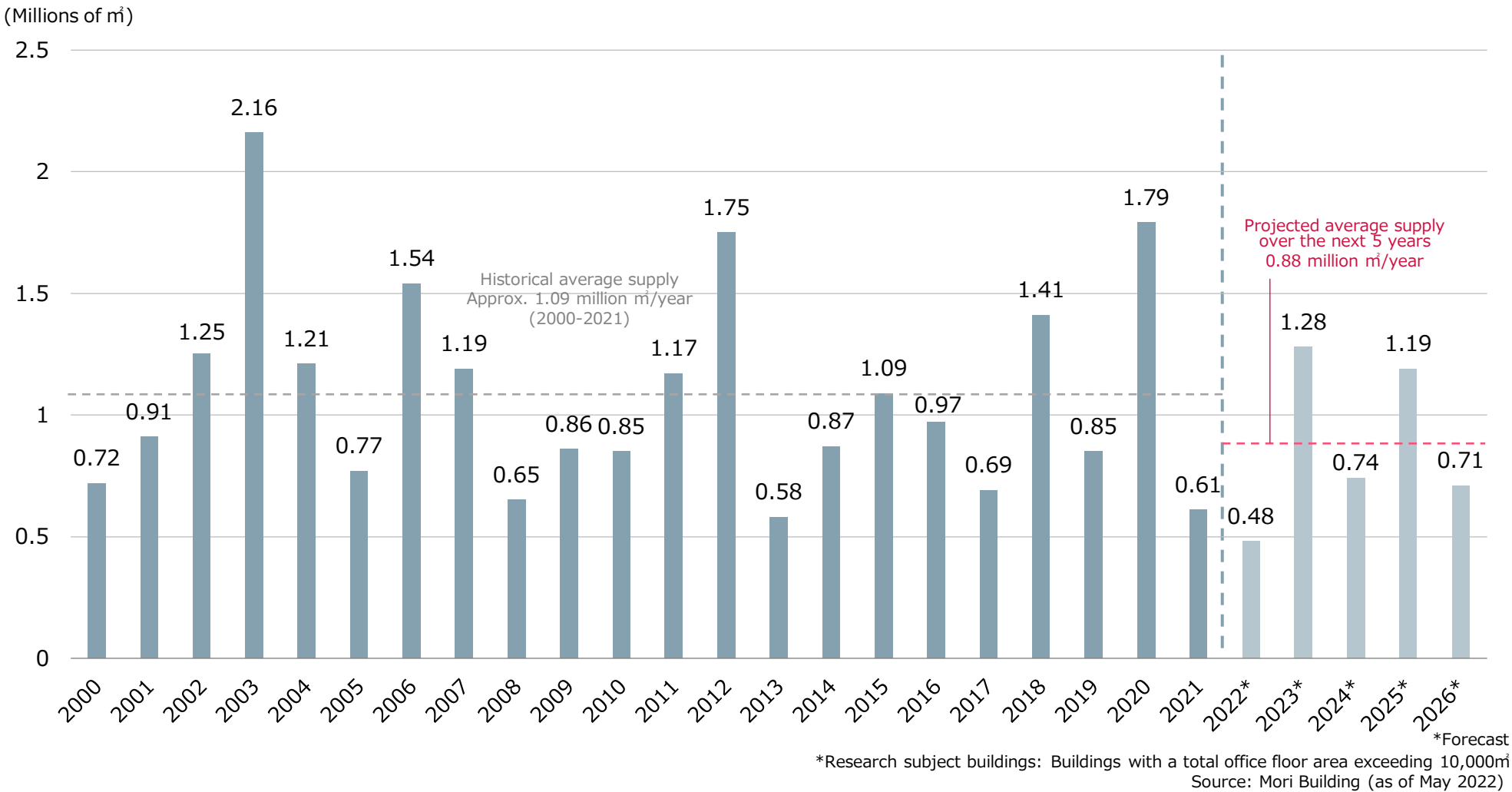
## 5. Earnings Related Data: Office Building Business, Revenue Breakdown\* (Unconsolidated)

(Billions of yen)



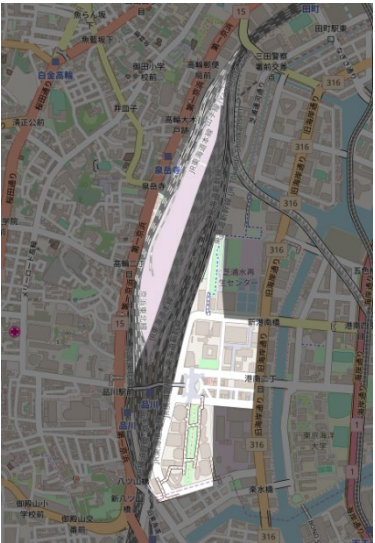
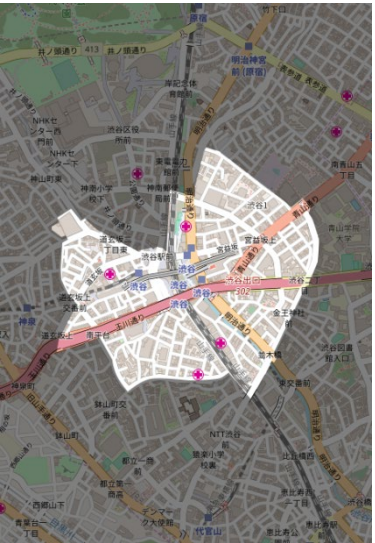
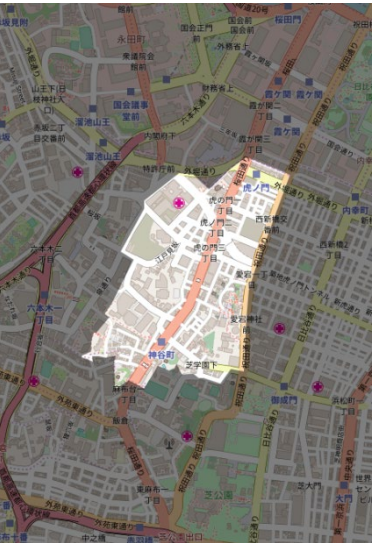
	FY2022-3Q Results	FY2022 Results	FY2023-3Q Results	FY2023 Previous Forecasts	FY2023 Revised Forecasts
Rent revenue from office buildings*	<b>329.5</b>	<b>435.2</b>	<b>320.9</b>	<b>423.7</b>	<b>425.0</b>
Changes from the previous period	<b>+ 15.7</b>	<b>+ 17.1</b>	<b>(8.6)</b>	<b>(11.4)</b>	<b>(10.2)</b>
Rent revenue from new buildings	+ 12.6	+ 16.0	+ 4.8	+ 6.2	+ 6.2
Rent revenue from existing buildings	(4.8)	(6.7)	(7.9)	(6.7)	(9.4)
Termination of master lease, closure of building for redevelopment	(2.8)	(3.4)	(5.3)	(8.4)	(8.4)
Moving in/out of tenants, Rent revisions at lease renewal	(2.0)	(3.3)	(2.6)	+ 1.7	(1.0)
Supplementary revenue, incl. common area charge・Others	+ 7.9	+ 7.8	(5.4)	(10.9)	(7.0)

\* Office buildings, incl. those with retail areas, etc.

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



# 7. Competitive Edge of Marunouchi: Area/Number of Railway Lines

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

©Open Street Map

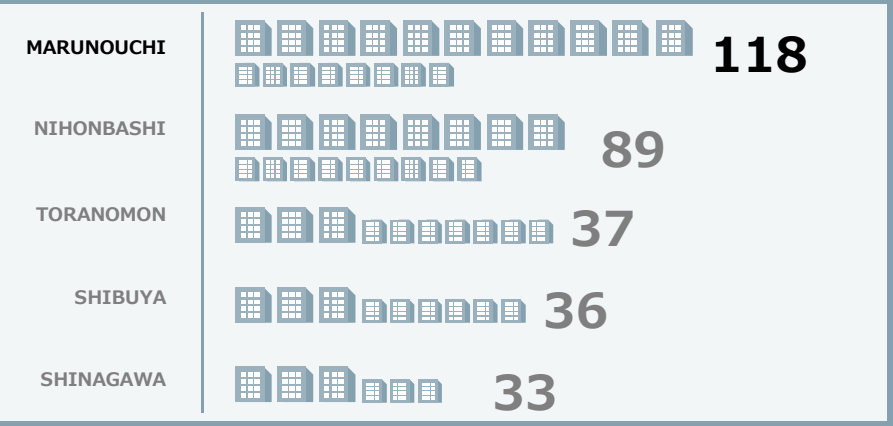
# 8. Competitive Edge of Marunouchi: Number of Headquarters and Offices

(as of March 2022)

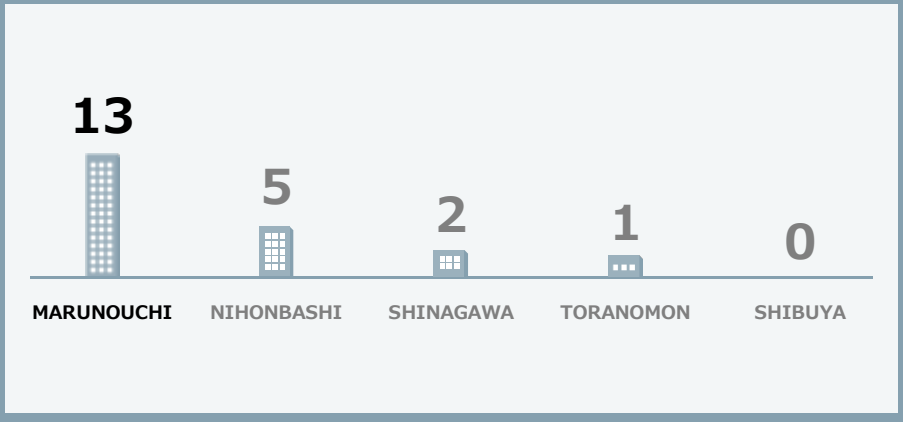
① Fortune Global 500 company headquarters



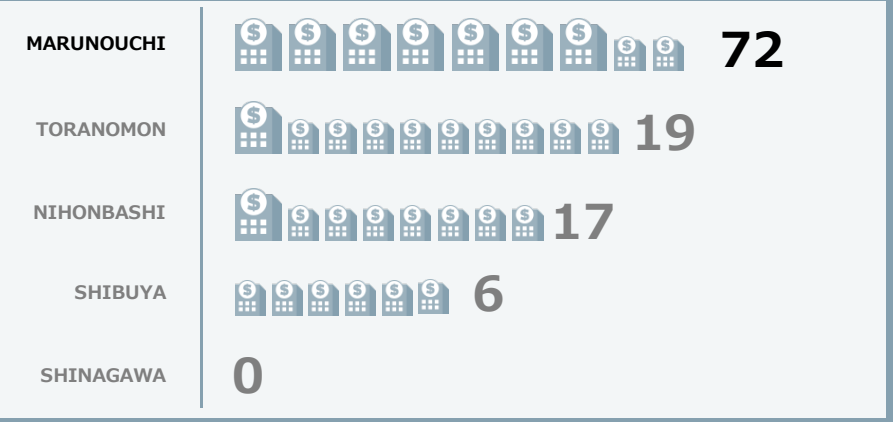
③ Number of Companies Listed on the First Section of the Tokyo Stock Exchange



② Top 50 company headquarters in terms of market capitalization



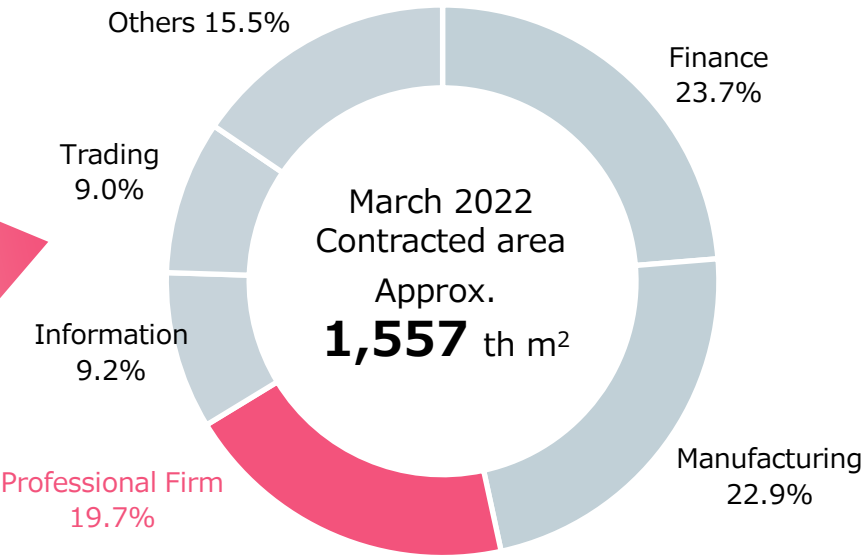
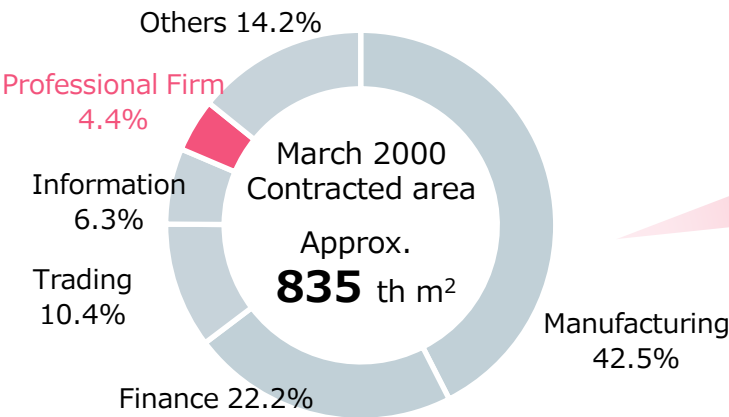
④ Foreign financial company offices



# 9. Marunouchi Data: Marunouchi Office 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%
Contracted area (office)		Approx. 835 th m <sup>2</sup>

March 2022	Type of Business	Area ratio
1	Finance	23.7%
2	Manufacturing	22.9%
3	Professional Firm	19.7%
4	Information	9.2%
5	Trading	9.0%
	Others	15.5%
Contracted area (office)		Approx. 1,557 th m <sup>2</sup>





## 10. 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

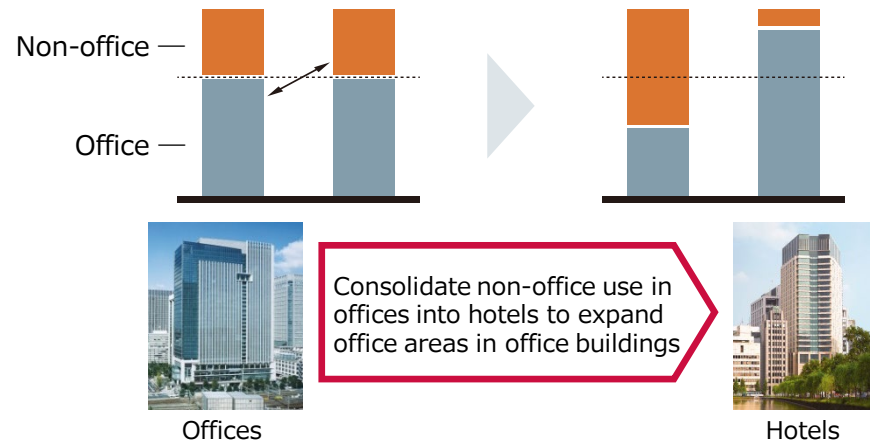
Possible to be permitted for relaxation of floor-area ratio regulation depending on levels of contribution to city regeneration as an exemption of urban planning

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





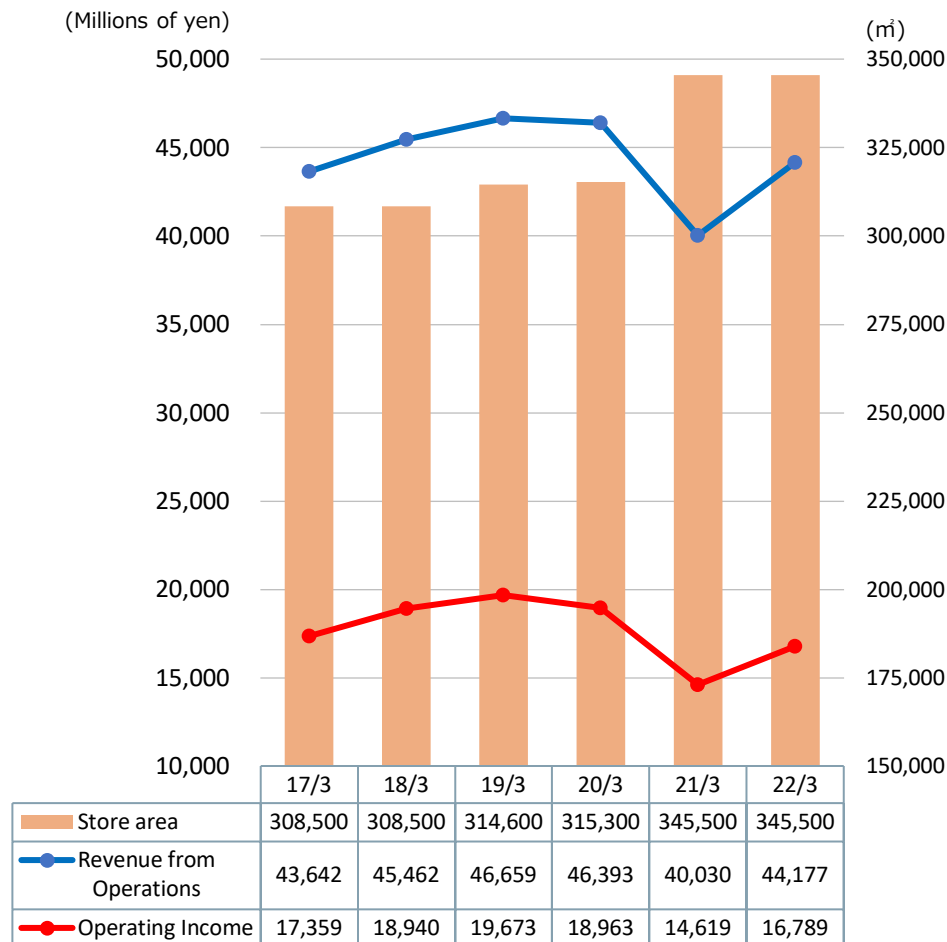
# **Commercial Property Business**

---

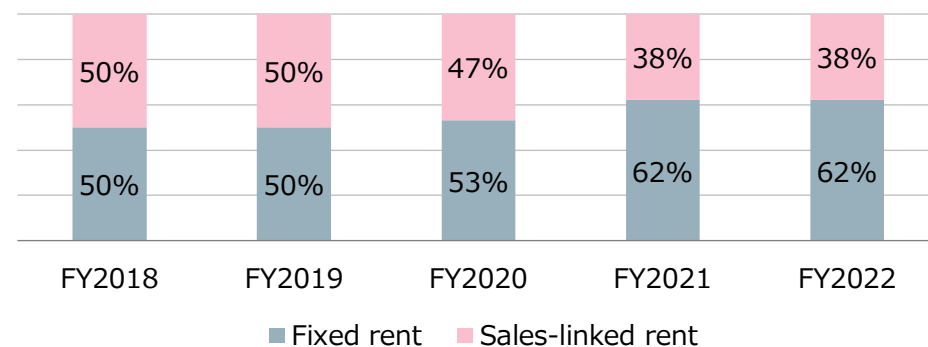
**Outlet Malls, Retail Properties, Logistics  
Facilities and Hotels**

## 1. Outlet Mall Business #1

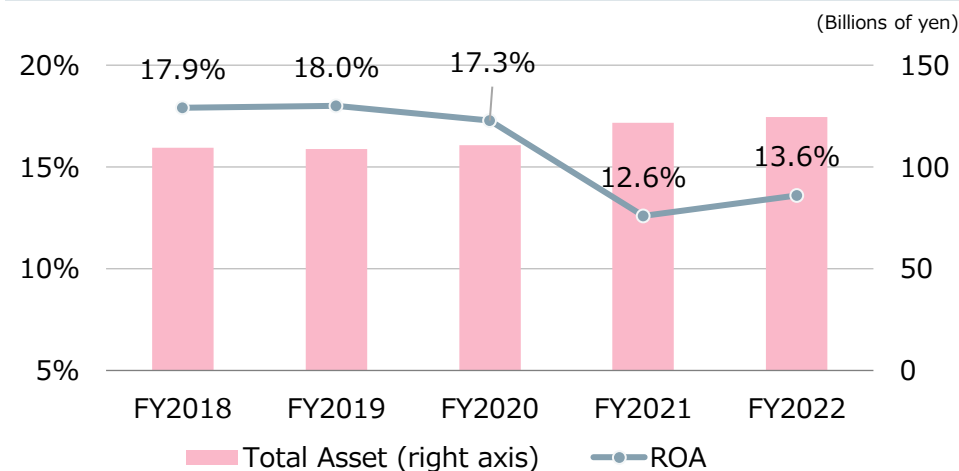
### Change in Store Area, Revenue from Operations, and Operating Income



### Changes in sales-linked & fixed ratio (average for all facilities)



### Changes in ROA・Total Assets



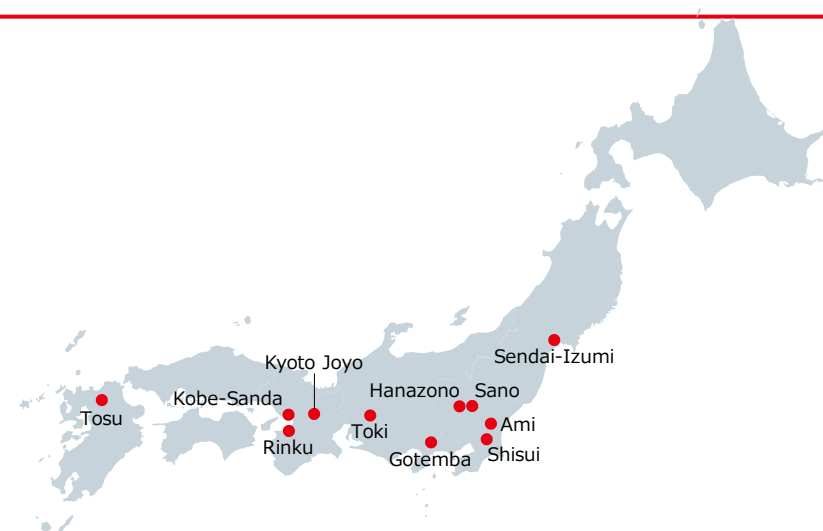
## 2. Outlet Mall Business #2



GOTEMBA PREMIUM OUTLETS®



FUKAYA - HANAZONO PREMIUM OUTLETS®

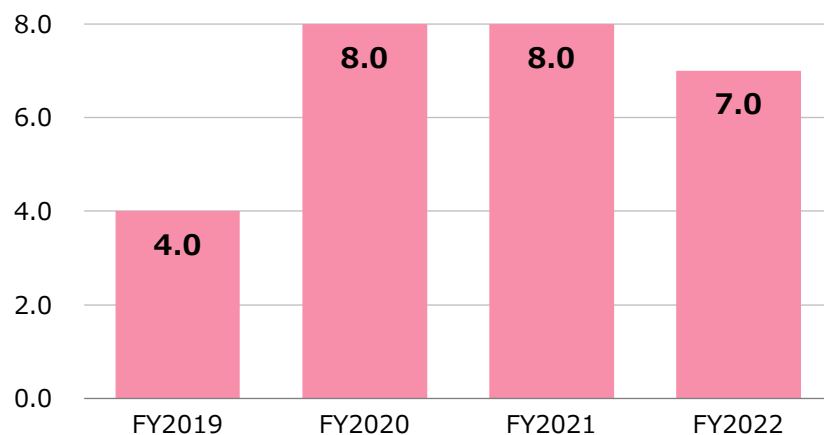


Name	Location	Site Area	Total Floor Area	Store Floor Area	Number of Stores	Schedule
GOTEMBA PREMIUM OUTLETS®	Gotemba, Shizuoka	419,200㎡	70,400㎡	61,300㎡	290	Open: Jul. 2000, Phase2 expansion: Jul. 2003, Phase3 expansion: Mar. 2008, Phase4 expansion: Jun. 2020
RINKU PREMIUM OUTLETS®	Izumisano, Osaka	130,300㎡	64,900㎡	50,200㎡	250	Open: Nov. 2000, Phase2 expansion: Mar. 2002, Phase3 expansion: Dec. 2004, Phase4 expansion: Jul. 2012, Phase5 expansion: Aug. 2020
SANO PREMIUM OUTLETS®	Sano, Tochigi	174,600㎡	39,900㎡	37,300㎡	180	Open: Mar. 2003, Phase2 expansion: Jul. 2004, Phase3 expansion: Mar. 2006, Phase4 expansion: Jul. 2008
TOSU PREMIUM OUTLETS®	Tosu, Saga	134,200㎡	36,800㎡	31,700㎡	170	Open: Mar. 2004, Phase2 expansion: Dec. 2007, Phase3 expansion: Jul. 2011, Phase4 expansion: Nov. 2019
TOKI PREMIUM OUTLETS®	Toki, Gifu	284,600㎡	41,300㎡	35,100㎡	180	Open: Mar. 2005, Phase2 expansion: Oct. 2006, Phase3 expansion: Jul. 2010, Phase4 expansion: Nov. 2014
KOBE-SANDA PREMIUM OUTLETS®	Kobe, Hyogo	316,800㎡	49,600㎡	42,100㎡	210	Open: Jul. 2007, Phase2 expansion: Dec. 2009, Phase3 expansion: Dec. 2012
SENDAI-IZUMI PREMIUM OUTLETS®	Sendai, Miyagi	43,700㎡	20,300㎡	15,200㎡	80	Open: Oct. 2008
AMI PREMIUM OUTLETS®	Inashiki, Ibaraki	211,100㎡	34,700㎡	30,600㎡	160	Open: Jul. 2009, Phase2 expansion in Dec. 2011
SHISUI PREMIUM OUTLETS®	Inba, Chiba	421,000㎡	47,300㎡	42,100㎡	220	Open: Apr. 2013, Phase2 expansion: Apr. 2015, Phase3 expansion: Sep. 2018
FUKAYA-HANAZONO PREMIUM OUTLETS®	Fukaya, Saitama	176,800㎡	34,600㎡	27,500㎡	130	Open: Oct. 2022
(Tentative name) KYOTO JOYO PREMIUM OUTLETS® Project	Joyo, Kyoto	245,000㎡	-	-	-	Scheduled to open at the same time as the opening of the neighboring roads.

### 3. Logistics Facility Business #1

#### Trends in Gain on Sales

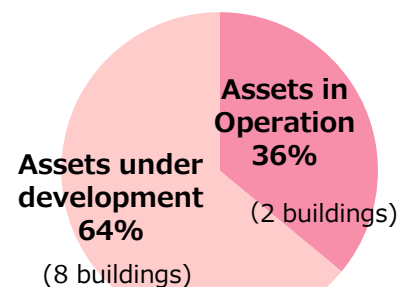
(Billions of yen)



#### Total Assets

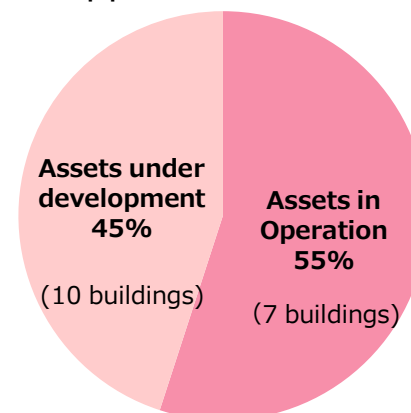
<End of March 2020>

Approx. ¥ **27 bn**



<End of March 2022>

Approx. ¥ **84 bn**



\*Ratio by value

\*Excl. Tokyo Ryutsu Center



Tokyo Ryutsu Center Distribution Building B



Logicross Zama Komatsubara



Logicross Zama

## 4. Logistics Facility Business #2

### Completed properties

Name	Location	Site Area	Total Floor Area	Construction Start Date	Completion Date
Tokyo Ryutsu Center Distribution B Building	Ota, Tokyo	-	171,300m <sup>2</sup>	-	Jun. 2017
Logicross Ebina	Ebina, Kanagawa	30,100m <sup>2</sup>	61,900m <sup>2</sup>	Nov. 2019	Nov. 2020
Logicross Hasuda	Hasuda, Saitama	49,500m <sup>2</sup>	78,600m <sup>2</sup>	Feb. 2020	Mar. 2021
Logista・Logicross Ibaraki Saito A Building	Ibaraki, Osaka	51,000m <sup>2</sup>	116,000m <sup>2</sup>	Feb. 2020	May 2021
Logista・Logicross Ibaraki Saito B Building	Ibaraki, Osaka	15,800m <sup>2</sup>	31,200m <sup>2</sup>	May 2020	May 2021
Logicross Zama Komatsubara	Zama, Kanagawa	21,900m <sup>2</sup>	44,300m <sup>2</sup>	Nov. 2020	Mar. 2022
Logicross Osaka Katano	Katano, Osaka	10,200m <sup>2</sup>	20,800m <sup>2</sup>	Nov. 2021	Nov. 2022

### Projects under development

Name	Location	Site Area	Total Floor Area	Construction Start Date	Completion Date
Tokyo Ryutsu Center Distribution Building New Bldg. A	Ota, Tokyo	-	205,000m <sup>2</sup>	Dec. 2021	Aug. 2023
Logicross Zama Project	Zama, Kanagawa	80,900m <sup>2</sup>	178,700m <sup>2</sup>	Apr. 2022	Nov. 2023
Logicross Sagamihara	Sagamihara, Kanagawa	78,100m <sup>2</sup>	170,900m <sup>2</sup>	Jun. 2022	Dec. 2023
(Tentative name) Kyoto Joyo Core Logistics Facility	Joyo, Kyoto	119,000m <sup>2</sup>	277,000m <sup>2</sup>	2025	2026



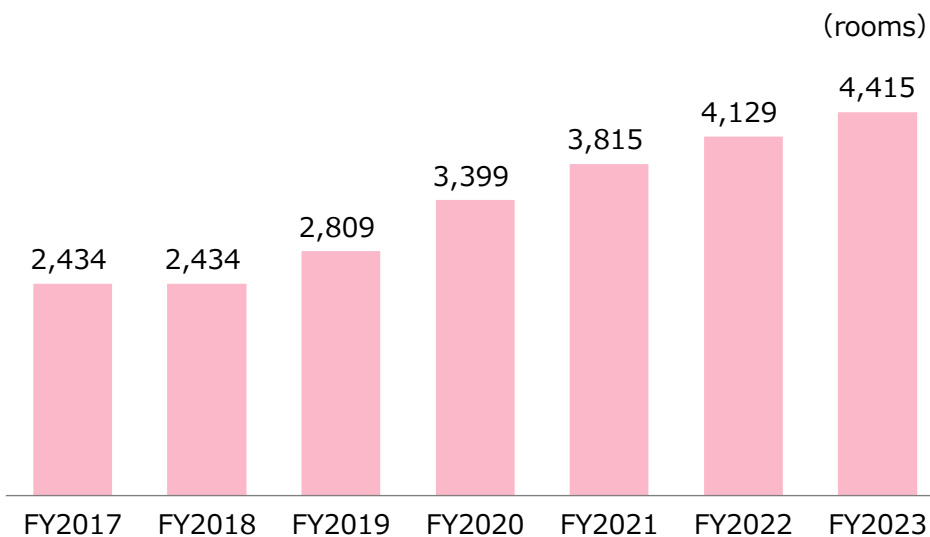
Tokyo Ryutsu Center Distribution Building New Bldg. A



Logicross Sagamihara

## 5. Hotel (Development/Operations) Business #1 (Non-asset Business)

**Royal Park Hotels Number of Rooms  
(published projects)**

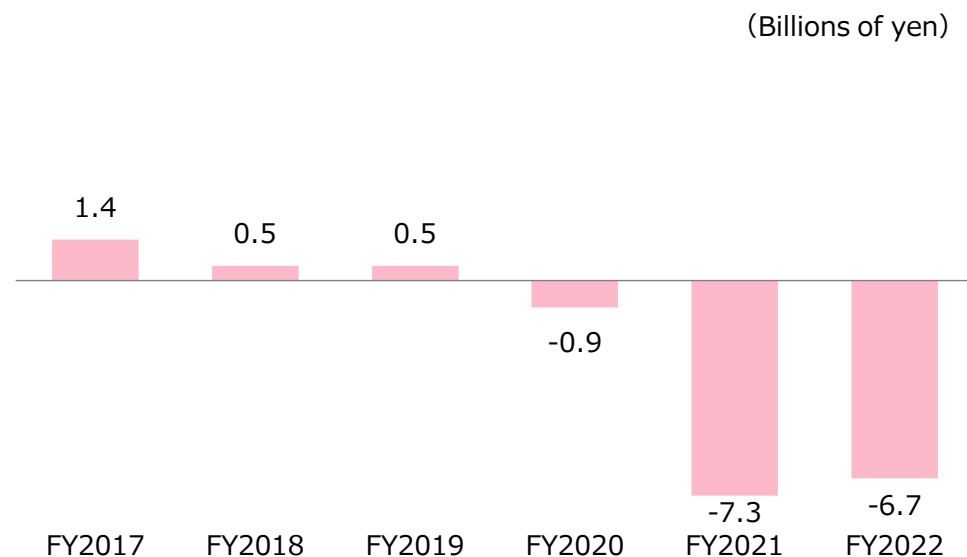


The Royal Park Canvas Sapporo Odori Park



The Royal Park Hotel Iconic Kyoto

**Royal Park Hotels and Resorts  
Changes in operating profit**



**Hotels opened in each period**

FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
0 bldgs	0 bldgs	3 bldgs	2 bldgs	2 bldgs	2 bldgs
		Kyoto Shijo Hiroshima RS Ginza 8	Osaka Kitahama Osaka Midosuji	Kobe Sannomiya Kyoto Umekoji	Kyoto Nijo Sapporo Odori Park



## 6. Hotel (Development/Operations) Business #2

**Information Movie**  
Guidance Video Of Royal Park Hotels




<https://www.youtube.com/watch?v=pMD89uhfPbg>



The Royal Park Canvas Sapporo Odori Park



Hotel Okura Kyoto Okazaki Bettei

### Hotel Management Business (Non-asset Business)

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	125	Apr. 2022
The Royal Park Hotel Canvas Ginza Corridor	Chuo, Tokyo	161	Nov. 2022
The Royal Park Hotel Canvas Fukuoka Nakasu	Fukuoka, Fukuoka	255	Aug. 2023
Nagoya Sakae Hotel Project	Nagoya, Aichi	250	FY2025

### Hotel Development Business (Domestic Asset Business)

Name	Location	Number of Rooms	Construction Begins	Open
The Royal Park Hotel Kyoto Shijo (MJ HOTEL Kyoto Shijo)	Kyoto, Kyoto	127	Jul. 2016	Apr. 2018
MJ HOTEL Asakusa	Taito, Tokyo	166	Mar. 2017	To be determined
The Royal Park Hotel Canvas Kobe Sannomiya (MJ HOTEL Kobe Sannomiya)	Kobe, Hyogo	170	Sep. 2019	Jan. 2021
The Royal Park Hotel Kyoto Umekoji (MJ HOTEL Kyoto Umekoji)	Kyoto, Kyoto	246	Jun. 2019	Mar. 2021
MIMARU TOKYO ASAKUSA STATION (MJ HOTEL Asakusa Kaminarimon)	Taito, Tokyo	51	Dec. 2019	Apr. 2021
The Royal Park Canvas Sapporo Odori Park (MJ HOTEL Sapporo Odori Park)	Sapporo, Hokkaido	134	Mar. 2020	Oct. 2021
Hotel Okura Kyoto Okazaki Bettei (MJ HOTEL Kyoto Okazaki)	Kyoto, Kyoto	60	Feb. 2020	Jan. 2022
Nest Hotel Nara Nishi (MJ HOTEL Naha Nishi)	Naha, Okinawa	143	Sep. 2020	Mar. 2022
Sotetsu FRESA INN Sendai (MJ HOTEL Sendai Chuo)	Sendai, Miyagi	224	Oct. 2020	Jul. 2022
Hilton Okinawa Miyakojima Resort	Miyakojima, Okinawa	329	Feb. 2021	Jun. 2023
Rosewood Miyakojima	Miyakojima, Okinawa	55	Mar. 2022	2024

# Residential Business

---



## 1. Condominium Business Data #1

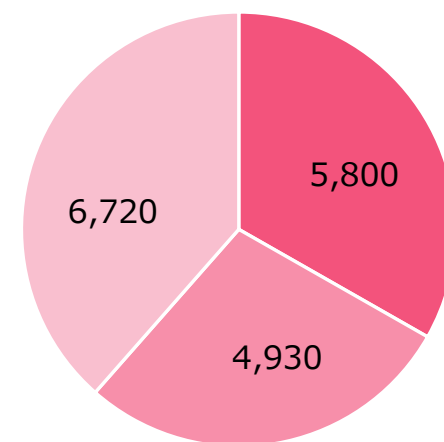
Due to a decline in the land bank, sales and profits in FY2023 were significantly lower YoY. Shift the immediate profit focus of the Residential Business to capital gains (e.g., rental apartments.).

	FY2022-3Q (Results)	FY2022 (Results)	FY2023-3Q (Results)	FY2023 (Forecasts)
Condominiums Sold (millions of yen) *1 *3	95,440	216,231	54,759	117,000
Condominiums Sold (units)	1,353	3,046	696	1,600
Gross Margin *2 *3	20.8%	22.5%	25.5%	25.2%
Inventory (units)	62	62	33	-
New Supply of Condominiums (units)	1,475	2,131	1,498	1,900
Contract Progress* 4	97.7%	-	93.7%	-

- \*1 Sales = Sales of new condominiums + supplementary revenue relating to condominiums  
 \*2 Gross profit = Sales - COGS (land acquisition and development costs, building construction costs, etc.)  
 Gross profit margin = Gross profit ÷ Sales  
 \*3 From FY2022, the definition of sales has been changed (supplementary revenue relating to condominiums is added), and the changed figures are shown, including the results of previous years. \*4 Against the sales

### Land Bank Breakdown in Reporting Term

(As of December 31, 2022)



Total: 17,450 units

- FY2023 - FY2025
- FY2026 - FY2028
- FY2029 -

## 2. Condominium Business Data #2

### Scheduled for delivery in FY2023

Name (Project Name)	Location	Site Area	Total Units	Scheduled Delivery
The Parkhouse Jiyugaoka Diana Garden	Meguro, Tokyo	3,600m <sup>2</sup>	44	Aug. 2022
The Parkhouse Shin-Urayasu Marine Villa (2 construction areas)	Urayasu, Chiba	47,100m <sup>2</sup> *	294	Nov. 2022
The Parkhouse Nagoya (2 construction areas)	Nishi, Nagoya	18,100m <sup>2</sup> *	148	Feb. 2023
The Parkhouse Takanawa Matsugaoka	Minato, Tokyo	2,300m <sup>2</sup>	73	Mar. 2023
The Parkhouse Fuchu	Fuchu, Tokyo	2,800m <sup>2</sup>	182	Mar. 2023

\*Total occupying area

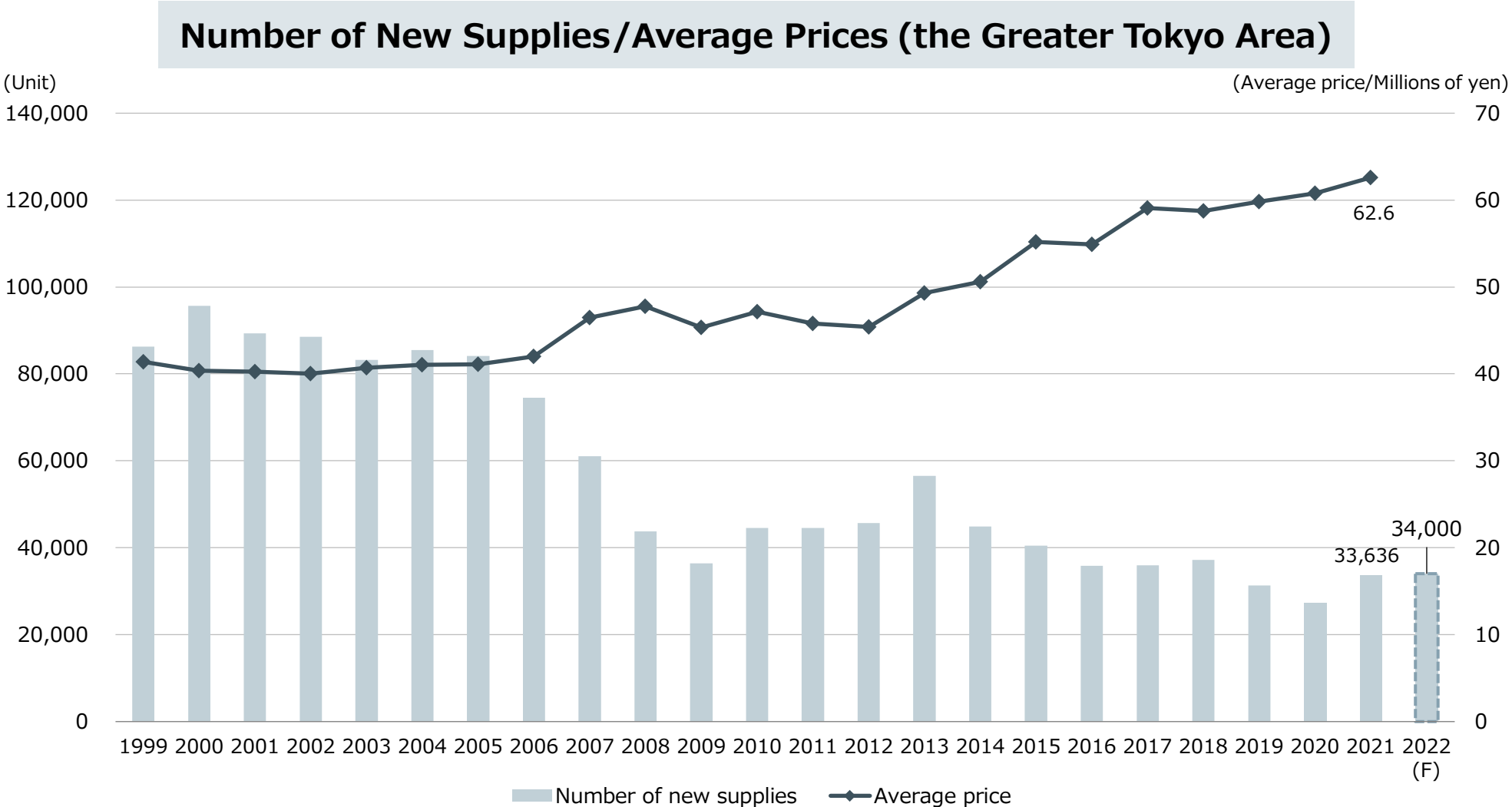


The Parkhouse Jiyugaoka Diana Garden



The Parkhouse Nagoya

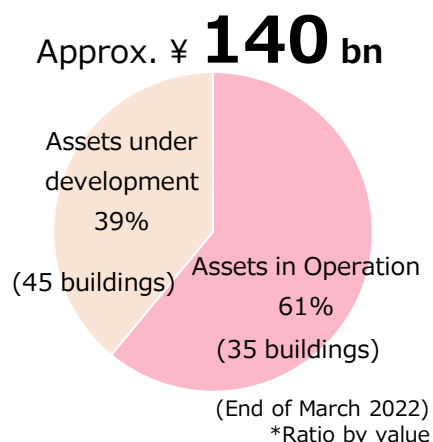
3. Condominium Market Data



Source: Real Estate Economic Institute Co., Ltd.

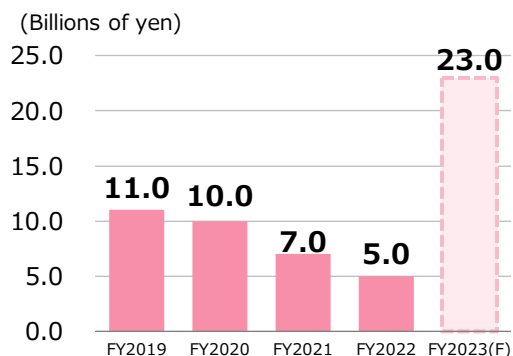
## 4. Rental apartments business

### Total Assets

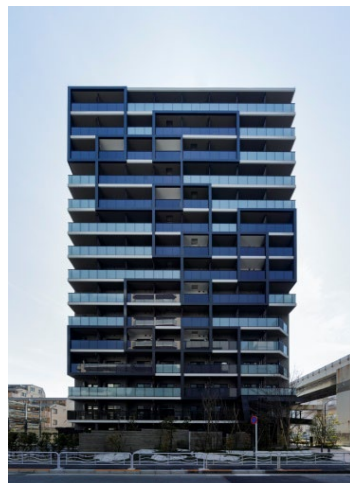


Parkhabio Akasaka Tower

### Trends in Gain on Sale



\*Trends in capital gains for Residential Business



The Parkhabio Kiba

### Property list

Name	Location	Total Units	Completion Date
Parkhabio Monzen Nakacho	Koto, Tokyo	129	Mar. 2014
Parkhabio Iidabashi	Chiyoda, Tokyo	113	Feb. 2015
Parkhabio Akasaka Tower	Minato, Tokyo	212	Mar. 2015
Parkhabio Akihabara Est	Taito, Tokyo	54	Mar. 2015
The Parkhabio Ueno Okachimachi	Taito, Tokyo	72	Sep. 2016
The Parkhabio Shinagawa Togoshi	Shinagawa, Tokyo	36	Nov. 2016
The Parkhabio Nihonbashi Kodenmacho	Chuo, Tokyo	44	Nov. 2017
The Parkhabio Nihonbashi Hakozaicho	Chuo, Tokyo	50	Feb. 2018
The Parkhabio Waseda	Shinjuku, Tokyo	99	Mar. 2018
The Parkhabio Sugamo	Toshima, Tokyo	188	May 2018
The Parkhabio Ebisu Place	Shibuya, Tokyo	71	Sep. 2018
The Parkhabio Nishiyokohama	Yokohama, Kanagawa	81	Nov. 2018
The Parkhabio Meguro Fort	Meguro, Tokyo	27	Jan. 2019
The Parkhabio Kiba	Koto, Tokyo	223	Feb. 2019
The Parkhabio Nihonbashi Bakurocho	Chuo, Tokyo	110	May 2019
The Parkhabio Kagurazaka Kazuki	Shinjuku, Tokyo	77	May 2019
The Parkhabio Sangenjaya	Setagaya, Tokyo	63	Jun. 2019
The Parkhabio Akabane	Kita, Tokyo	39	Sep. 2019
The Parkhabio Kamata	Ota, Tokyo	60	Feb. 2020
The Parkhabio Komagome	Kita, Tokyo	42	Feb. 2020
The Parkhabio Sumiyoshi	Sumida, Tokyo	63	Mar. 2020
The Parkhabio Kagurazaka	Shinjuku, Tokyo	54	Mar. 2020
The Parkhabio Himonya	Meguro, Tokyo	44	Mar. 2020
The Parkhabio Nishiioi	Shinagawa, Tokyo	85	Apr. 2020
The Parkhabio Shin-okachimachi	Taito, Tokyo	93	Oct. 2020
The Parkhabio Yoyogi Hatsudai	Shibuya, Tokyo	78	Mar. 2021
The Parkhabio Nakano Shinbashi	Nakano, Tokyo	66	May 2021
The Parkhabio Shinsen	Meguro, Tokyo	102	May 2021
The Parkhabio Minamiooi	Shinagawa, Tokyo	109	May 2021
The Parkhabio Meguro Residence	Shinagawa, Tokyo	66	May 2021
The Parkhabio Hongo Kikuzaka	Bunkyo, Tokyo	65	Jun 2021
The Parkhabio Koenji Residence	Suginami, Tokyo	140	Aug. 2021
The Parkhabio Azabujuban	Minato, Tokyo	106	Oct. 2021
The Parkhabio Shin-Koenji	Suginami, Tokyo	58	Oct. 2021
The Parkhabio Koishikawa	Bunkyo, Tokyo	56	Dec. 2021

In addition to the listed above, there are approximately 45 projects under development

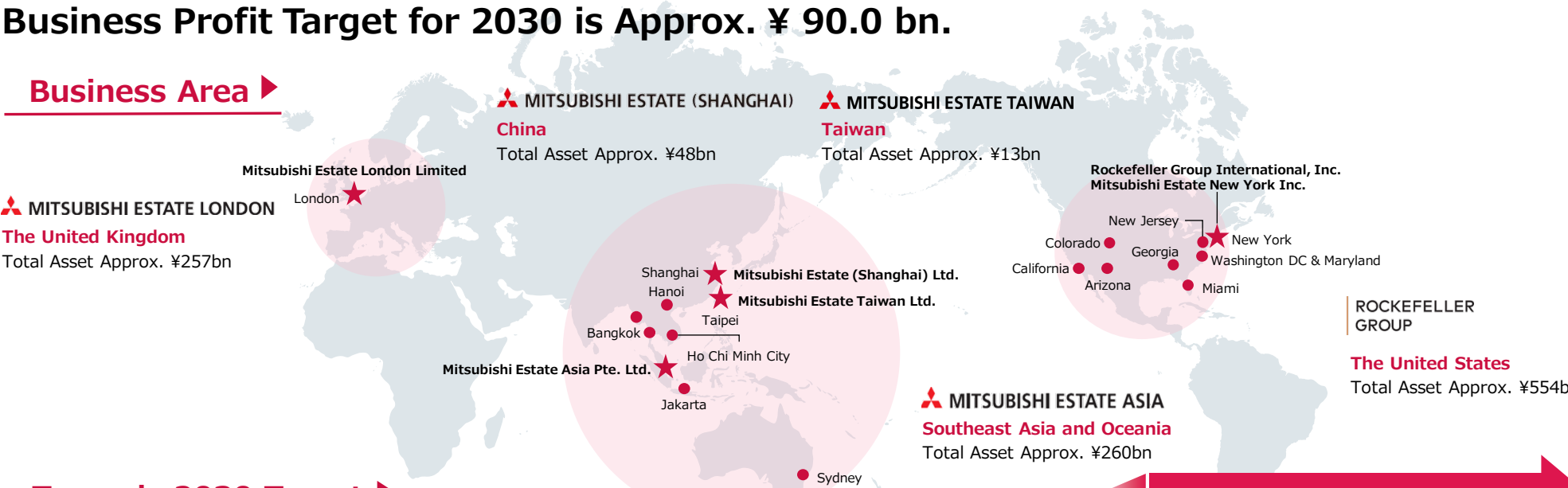
# International Business

---

# 1. International Business Strategy

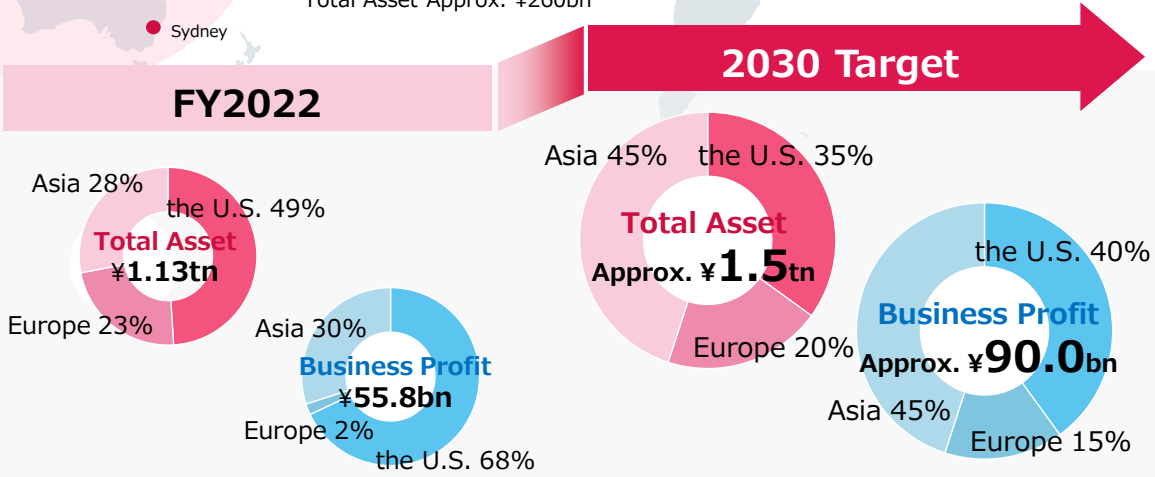
Promote International Business at a total of five bases in the U.S., Europe, and Asia.  
Business Profit Target for 2030 is Approx. ¥ 90.0 bn.

## Business Area ▶



## Towards 2030 Target ▶

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





## 2. Regional Strategy/the U.S.

### the U.S.

#### Strategies

- Strengthen capital recycling business and capitalize on RGII\* know-how
  - Promote joint ventures with local partners
- \*Rockefeller Group International, Inc.

#### Business Models

##### 1 Office Leasing Business (Income gains)

Office leasing business in Manhattan, New York

##### 2 Development Business (Capital gains)

JV-type development business for offices, logistics, rental apartment, data centers, etc. in the U.S.

\*Organize SPCs for each PJ (in principle, we take major share and utilize project loans.).

##### 3 Hybrid Model Investment Business

###### Hybrid Model Investment Business in Major U.S. Cities

The business model combines the strengths of the International Business and Investment Management Businesses, aiming to expand and diversify the scale of investments, provide services to third-party investors, and increase opportunities to earn various fees by introducing third-party investors' funds in addition to the Company's own funds (see p79 for details).

#### Advantages

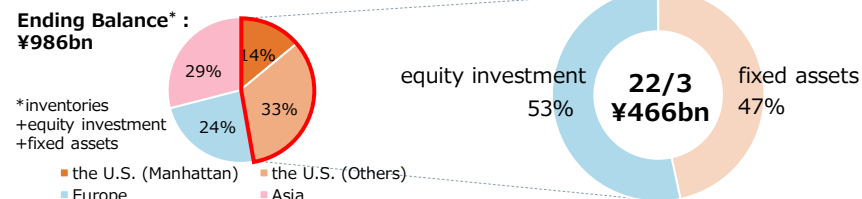
- RGII's Development Expertise and Recognition
  - In its nearly 90-year history, RGII has extensive experience in the development of large-scale mixed-use projects such as Rockefeller Center, as well as logistics facilities and residential properties (condominiums and rental apartment).
- TA Realty's Sourcing Capabilities
  - Focusing on logistics facilities and rental apartment, we invest in and manage a wide range of markets throughout the U.S. and contribute to the Group's sourcing efforts. In particular, TA Realty ranks 8th in the U.S. in transaction value for logistics facilities.

#### Expected Return from Investment

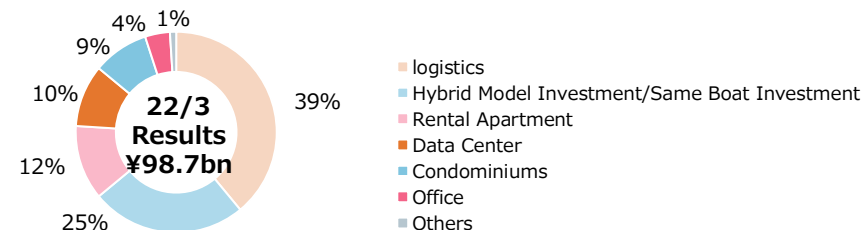
- IRR 8~10%

### Investment Amount

Status of Overseas Assets (as of March 31, 2022)



### Breakdown of Investment Amount ※CAPEX + Equity



### Major Ongoing Project

Property Name	Location	Type	Completion	Size※1
Stateline 77	US (South Carolina)	Logistics	2022	93,600㎡
Hanover	US (Pennsylvania)	Logistics	2022	42,200㎡
55 Paradise	US (New York)	Logistics	2023	16,700㎡
Virginia Data Center Building (Building1・Building2)	US (Virginia)	Data Center	2024・2025	51,000㎡
Liv Crossroads	US (Arizona)	Rental Apartment	2022	356units
Liv Laveen	US (Arizona)	Rental Apartment	2023	360units
200 East 83rd	US (New York)	Residence	2023	86units
1158 Delaware	US (Colorado)	Rental Apartment	2024	250units
1072 West Peachtree	US (Georgia)	Mixed Use	2025	49,300㎡
600 Fifth Street NW	US (Washington, D.C)	Office	2025	37,000㎡

※1: Leasable Area (m<sup>2</sup>) or Units

## 3. Regional Strategy/Europe

### Europe

#### Strategies

- Investment and return that take into account the balance between stable earnings and higher capital efficiency
- Promote development business mainly concluded large-scale development projects

#### Business Models

##### 1 Office Development

Office development business in the central London

##### 2 Rental Apartment Development

Rental Apartment Development Business in the Greater London Area and Gateway Cities Outside of London

##### 3 Property development business on the European Continent.

Promote development business of income property on the European Continent. Cooperate with Europa Capital and utilize rich network. Also make hybrid model investments in funds managed by Europa Capital

#### Advantages

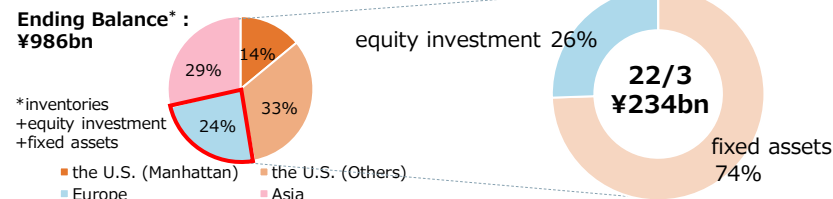
- Know-how and network based on nearly 40 years of successful business experience
  - Our group-led development achievements and know-how in highly individualized and difficult projects that require administrative consultations and applications for permits and approvals.
- Abundant network of Europa Capital
  - Established and managed 13 funds since 1995, with a total investment track record of over 13.4 billion Euros in 21 European countries. Established relationships with 120+ institutional investors mainly in North America and Europe.

#### Expected Return from Investment

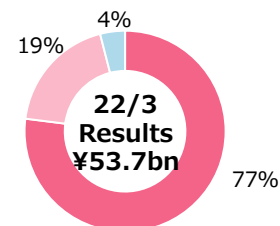
- IRR 8~10%

### Investment Amount

Status of Overseas Assets (as of March 31, 2022)



### Breakdown of Investment Amount ※CAPEX + Equity



■ Office ■ Rental Apartment ■ Hybrid Model Investment/Same Boat Investment

### Major Ongoing Project

Property Name	Location	Type	Completion	Size※1
Warwick Court (Large Scale Renovation)	UK (London)	Office	2022	19,000m <sup>2</sup>
8 Bishopsgate	UK (London)	Office	2023	53,000m <sup>2</sup>
The Lark (Nine Elms Park)	UK (London)	Rental Apartment	2022	195units
60-72 Upper Ground (ITV The London Television Centre)	UK (London)	Mixed Use	Late 2020's	TBD

※1: Leasable Area (m<sup>2</sup>) or Units



#### Special Movie

▶ Introductory Video of Major Projects in London

The following are some of the development projects that our group is pursuing in central London.



<https://youtu.be/hcoBFNSOIHw>



## 4. Regional Strategy/Asia

### Asia

#### Strategies

- Accumulate investment balance and establish a portfolio of Capital Recycling Business
- Promote business with the two wheels of development business by Major Share and partnership-based business

**Business Models** ※ Mainly investment in local PJ companies and leverage depending on the risk level of the project

#### 1 Development of large-scale mixed-use facilities

Large-scale mixed-use development projects in SE Asia & Oceania with our major share

#### 2 Development of condominiums

Development of Condominiums Business with local partners in Australia, Thailand, China, and other areas

#### Advantages

- Promote business in 10 countries and regions in Asia and Oceania
  - Extensive business in Singapore, Vietnam, Thailand, China, etc. Most recently, established a branch in Australia in May 2021 and is expanding business in the same area.
- Network of MEC Global Partners Asia
  - Establish and manage funds that invest in a wide variety of real estate, including office, retail, logistics, and residential properties.

#### Expected Return from Investment

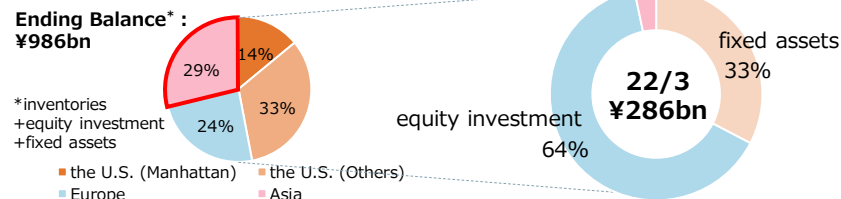
- Developed countries : 8~10%/Developing countries : more than 10%

#### Organization

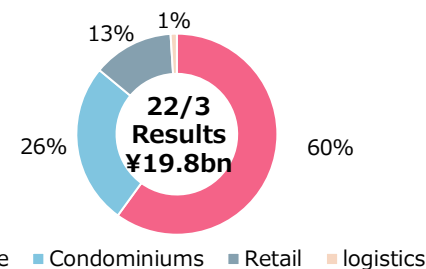
- Hands-on Development by expatriate and local staff for major share projects
- Collaborate with local partners for minor share projects

### Investment Amount

Status of Overseas Assets (as of March 31, 2022)



### Breakdown of Investment Amount ※CAPEX + Equity



### Major Ongoing Project

Property Name	Location	Type	Completion	Size <sup>※1</sup>
Suzhou Business Park	Jiangsu, Suzhou, China	Office	2024	220,400m <sup>※2</sup>
Savya Financial Center North Tower	Philippines (Manila)	Office	2022	29,700m <sup>※2</sup>
Oasis Central Sudirman	Indonesia (Jakarta)	Mixed Use	2028	307,000m <sup>※2</sup>
180 George Street	Australia (Sydney)	Office	2022	55,000m <sup>※2</sup>
Parkline Place	Australia (Sydney)	Office/Retail	2024	49,100m <sup>※2</sup>
One City Centre	Thailand (Bangkok)	Office	2022	61,000m <sup>※2</sup>

※1: Leasable Area ※2: Total Floor Area

### Special Movie

Introducing development projects in Australia

▶ Our main projects in Australia

<https://youtu.be/zRFGkPY4mUE>

▶ 180 George Street

<https://www.sydneyplace.com/>

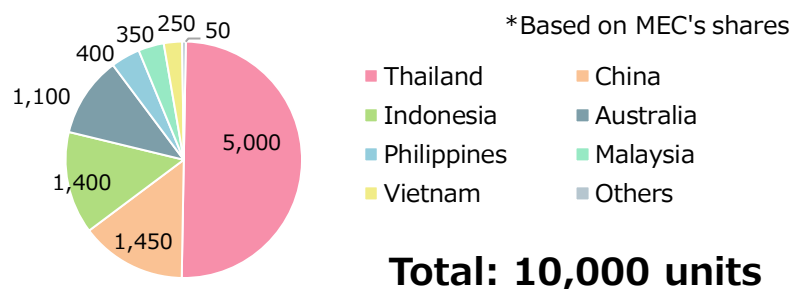
▶ Parkline Place

<https://youtu.be/2rg9M1cZUrM>

## 5. Condominium Business in Asia

In Asia, the land bank has been built up and deliveries are strong in the for-sale housing market.

Land Bank of For-Sale Condominiums in Asia



Oasia (previously L34) /Vietnam  
Totals Units : 489  
MEC's share : 49%  
Completion : 2023



Life Rama 4-Asoke/Thailand  
Totals Units : 1,237  
MEC's share : 49%  
Completion : 2024

### Major Ongoing Project

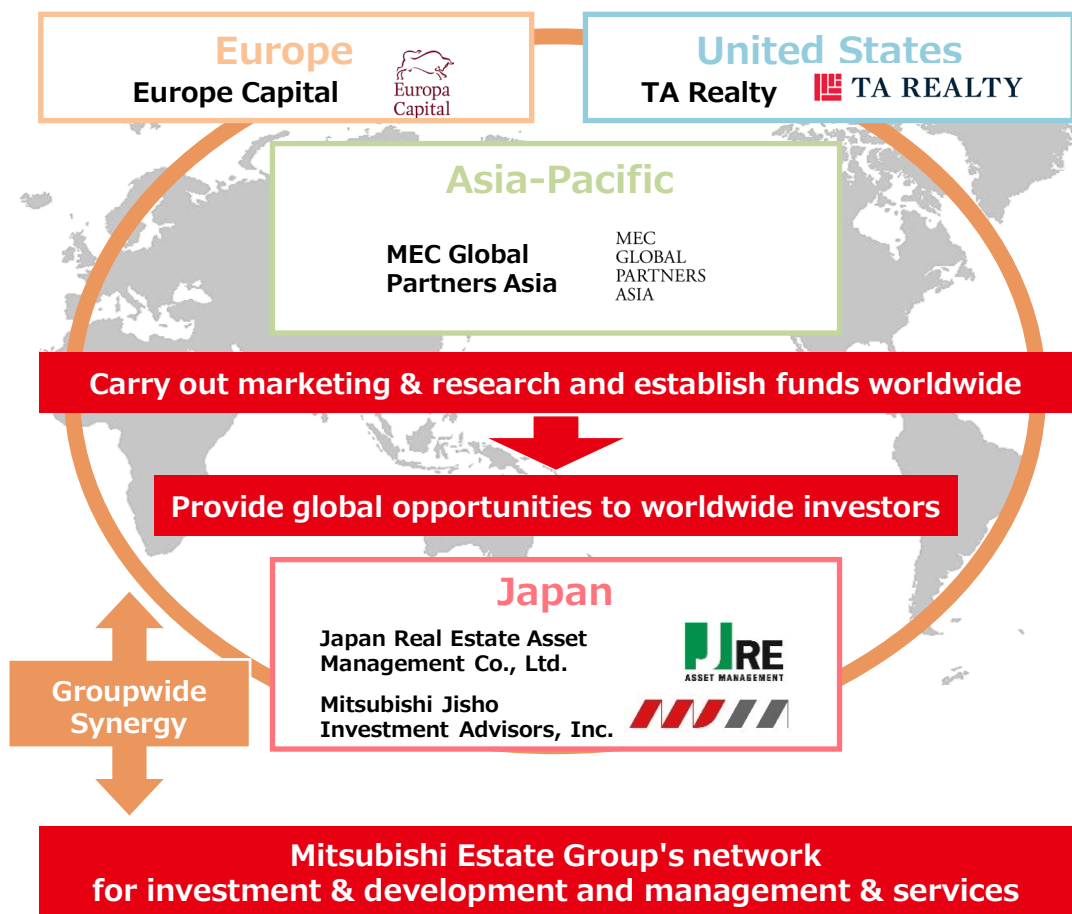
(At the end of FY2022)

Property Name	Location	Total units	MEC's share	Completion
<b>Southeast Asia</b>				
RHYTHM Ekkamai Estate	Bangkok (Thailand)	303	49%	2022
Life Sathorn Sierra	Bangkok (Thailand)	1,971	49%	2022
RHYTHM Charoenkrung Pavillion	Bangkok (Thailand)	421	49%	2022
The Address Siam-Ratchathewi	Bangkok (Thailand)	880	49%	2023
Life Rama 4-Asoke	Bangkok (Thailand)	1,237	49%	2024
GEMS	Selangor (Malaysia)	676	45%	2023
Oasia(Previously:L34)	Dong Nai Province (Vietnam)	489	49%	2023
DAISAN	Kota Tngerang (Indonesia)	1,767	49%	2027
Kizuna Heights	Manila (Philippines)	1,036	40%	2026
<b>East Asia</b>				
Zhongnan·Southern Shore Mansion	Huainan, Anhui	1,665	30%	2023
Taiwan·De you xiu chuan	Taoyuan, Taiwan	124	30%	2024
Weifeng·Elegant Residence	Changchun, Jilin	1,016	14%	2024
Weifeng·Sunrise Building	Changchu, Jilin	1,782	13%	2024
Vanke·Halo Space	Yantai, Shandong	1,441	40%	2024
<b>Oceania</b>				
One Sydney Harbour R1/R2	Sydney (Australia)	R1 : 315 R2 : 322	R1 : 25% R2 : 25%	2024

# Investment Management Business

---

# 1. Investment Management Business : Establishing Global Platform across 4 areas - Japan, US, Europe and Asia-Pacific



## Japan Real Estate Asset Management Co., Ltd.



Established in 2000. Entrusted with asset management of "Japan Real Estate Investment Corporation," the first J-REIT listed in Japan in September 2001. Mainly invests in office bldgs.

## Mitsubishi Jisho Investment Advisors, Inc.



Established in 2001. Provides a wide range of real estate investment products to institutional investors in Japan and overseas based on the know-how and resources accumulated by the Mitsubishi Estate Group. Manages listed REITs, private REITs, and private funds.

## TA Realty (North America)



Established in 1982. A leading real estate investment management company in the U.S. with funds that invest in a diverse range of real estate, including logistics, residential, office and retail properties in major cities across the U.S. Acquired in 2015 and became a subsidiary.

## Europa Capital (Europe)



Established in 1995. Based in the U.K., manages funds that invest in office, residential, commercial and logistics properties throughout Europe. With track record of a total investment of over €13.4 bn in 21 European countries. Acquired a stake in the company in 2010, making it a subsidiary.

## MEC Global Partners Asia (Asia, Oceania)

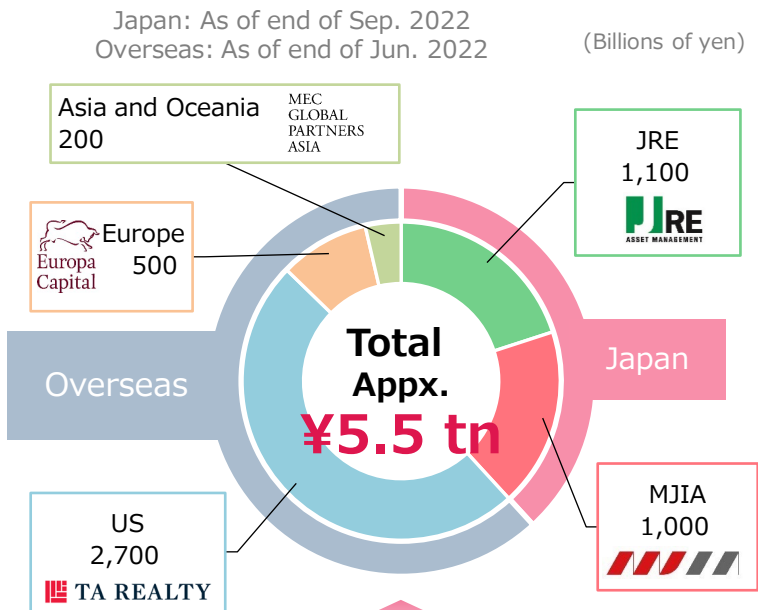


Established in 2017 (name changed in 2021). Based in Singapore, manages core open-end fund etc. that invest in pan-Asia.

## 2. Investment Management Business : Growing AuM and Operating Profit

AuM achieved long-term target sooner(¥5.5 tn at end of 2Q FY2023). The growth of AuM put operating profit on increasing trend.

### As of end of September, 2022

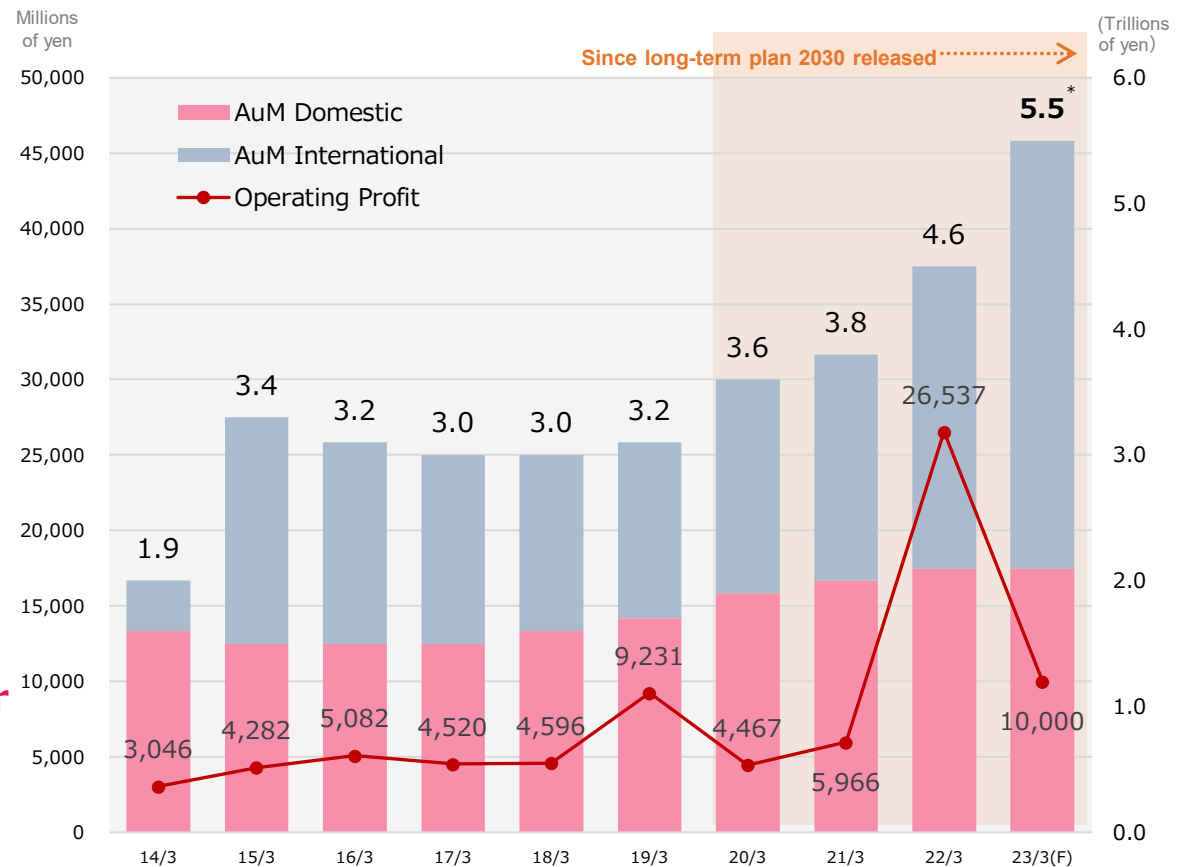


Achieved the long-term target sooner



**¥5 tn** targeted  
by the mid-2020s

### Changes in AuM and Operating Profit



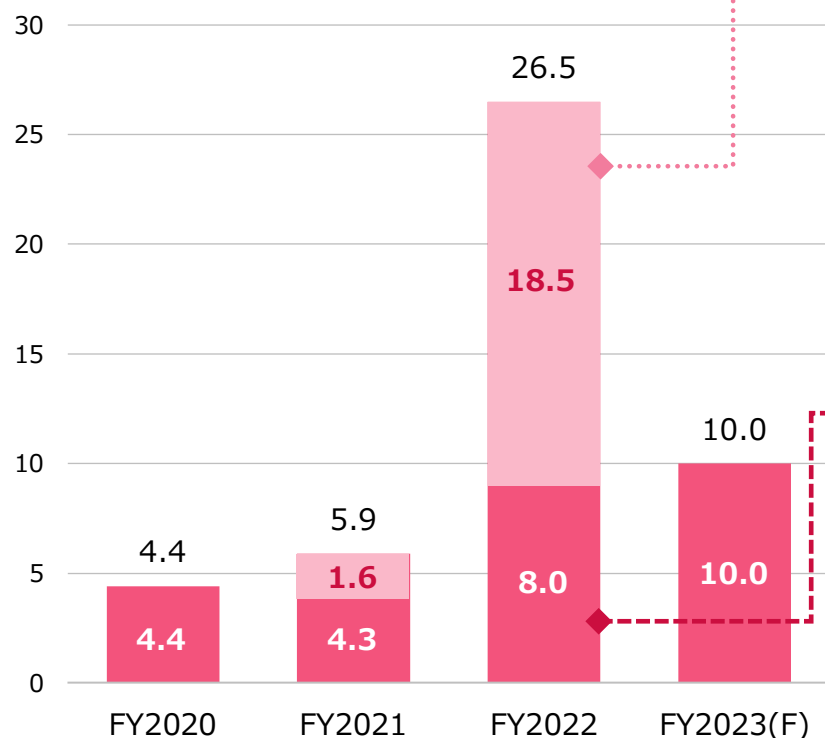
\*As of the end of September, 2022

### 3. Investment Management Business : Changes in Operating Profit

Increased in profit due to base fee etc. from AUM expansion.

Significant profit increase in FY2022 due to incentive fee resulting from increased fair market value of U.S. Funds.

(Billions of yen)



#### 【Incentive fee】

- For some funds, incentive fees are established in which the management company receives a portion of the excess over expected returns.
- Such fees are received near the end of the fund as returns are determined, but in accounting, the company updates returns as needed using market valuations of real estate and records the fees it expects to earn as operating revenue each period.
- Although it will contribute fully to operating revenue and operating profit, its contribution to profit attributable to owners of parent will be limited because a portion will be posted as profit attributable to noncontrolling interests in the form of compensation to the officers and employees of the asset management company.

#### 【Base fee etc.】

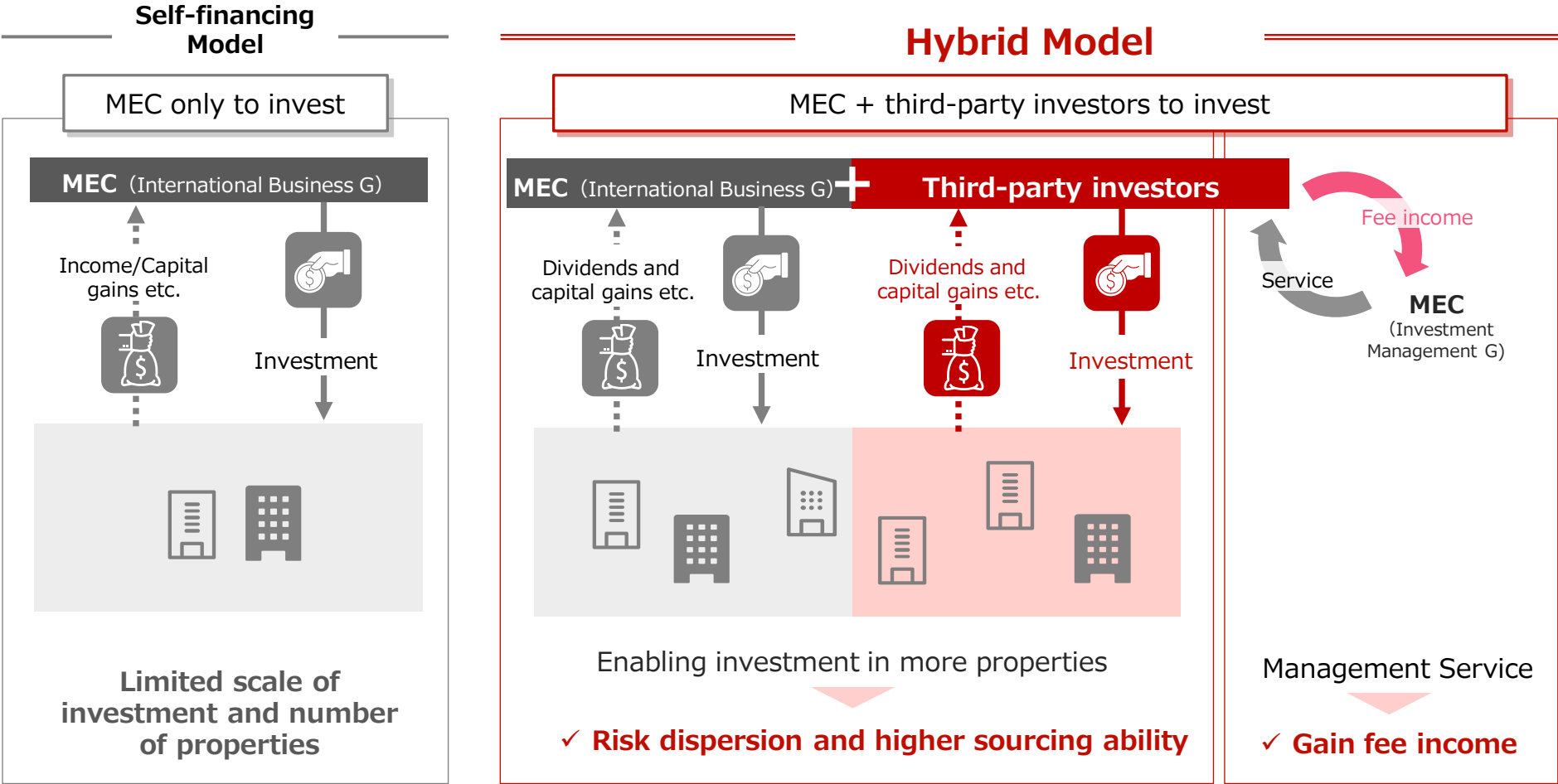
- AM fee: fee received over management period, linked with AUM etc.
- Acquisition fee: fee incurred in acquisition of investment property, linked with acquisition cost
- Disposition fee: fee incurred in sales of investment property, linked with sale value
- Same boat investment dividend: dividend income in case of making a certain percentage of equity investment to share risk with investors

\*Besides same boat investment, Hybrid Model Investment is conducted. Investment Management Business Group acts as the fund manager and solicits funds from third-party investors, while International Business Group also makes investments in a hybrid model investment. See next page for details.

AuM (End of FY)	¥ 3.6 tn	¥ 3.7 tn	¥ 4.5 tn	-
-----------------------	----------	----------	----------	---

# 4. Investment Management Business: Synergies with International Business through Hybrid Model Investment

The business model, a fusion of strengths between IM Business G in fund management and International Business G in self-financing investment, expands mainly into the U.S. as well as Europe and Asia.



## 5. Investment Management Business : (Reference) Classification of Funds

### Classification by Asset Liquidity

<b>Open-end</b>	<p>A type of REIT or fund that allows investors to withdraw their investment in REIT units or funds upon request.</p> <p><b>Examples :</b> Private REITs</p>
<b>Closed-end</b>	<p>A type of REIT or fund that does not allow investors to withdraw their investment in REIT units or funds upon request.</p> <p><b>Examples :</b> Listed REITs ... Secure liquidity by trading in the market Private funds ... Acquire and manage real estate with a set investment and management period of several years, and eventually sell it to distribute returns to investors</p>

### Classification by Fund Strategy (Source: Website of the Association for Real Estate Securitization)

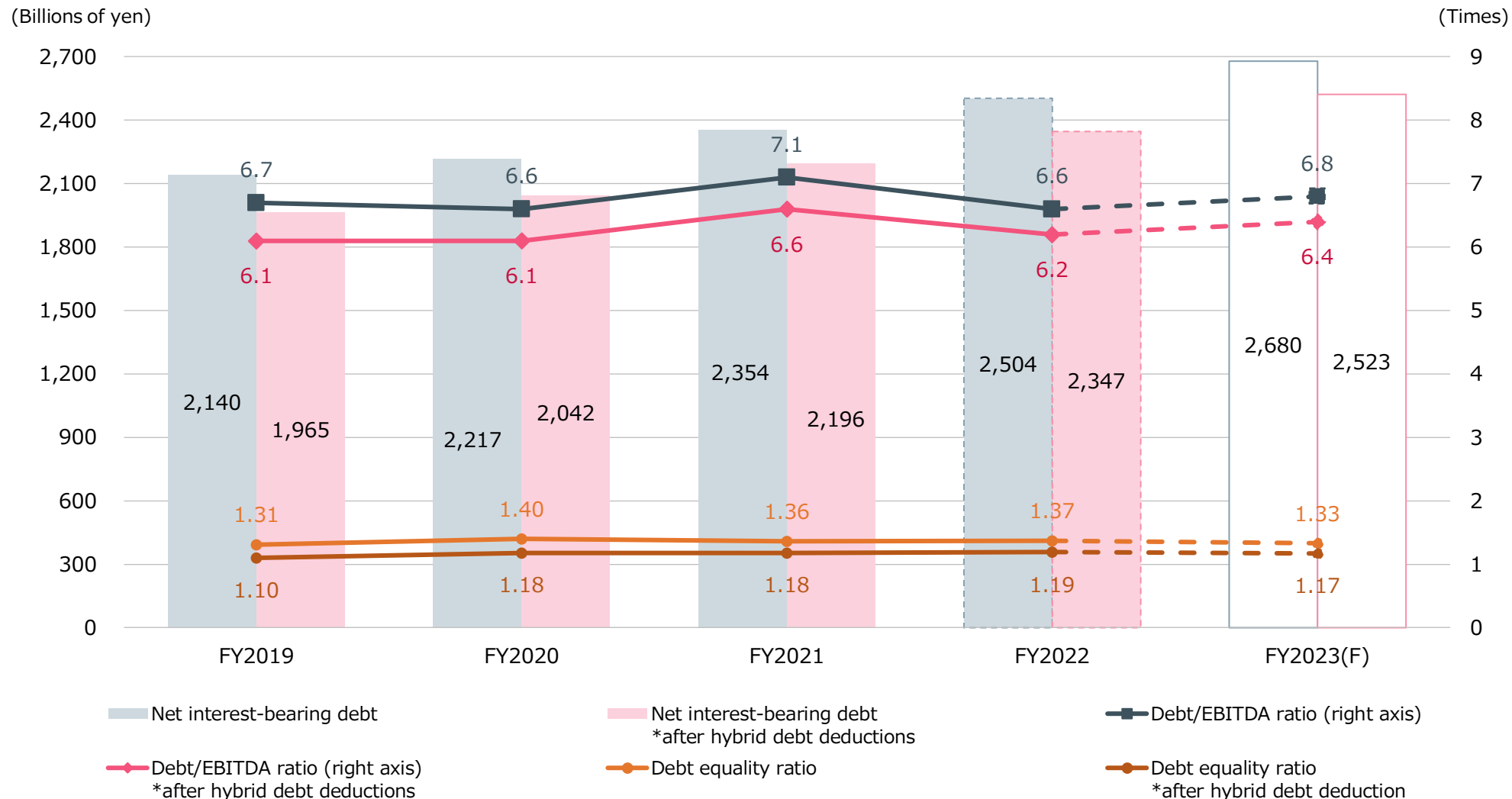
<b>Core</b>	<p>The fund aims to generate a target return mainly from rental income returns by income-producing property investments.</p> <p>*Capital return is not considered as a main target return, but the fund takes a low to medium market risk.</p>
<b>Core-plus</b>	<p>Same as Core Fund, the fund aims to generate a target return mainly from rental income returns, but some from capital returns.</p>
<b>Value-added</b>	<p>The fund aims to generate a target return mainly from rental income returns as well as capital returns by increasing the yield and value of undervalued properties.</p> <p>*Generally, the value-added strategy has a higher risk than the Core and Core-plus strategy because the fund often invests in low yield properties with some physical obsolescence.</p>
<b>Opportunistic</b>	<p>The fund aims to generate a target return mainly from capital returns by trading properties based on the market forecast.</p> <p>*This is a higher risk strategy including adaptive reuse, bulk trade and M&amp;As.</p>



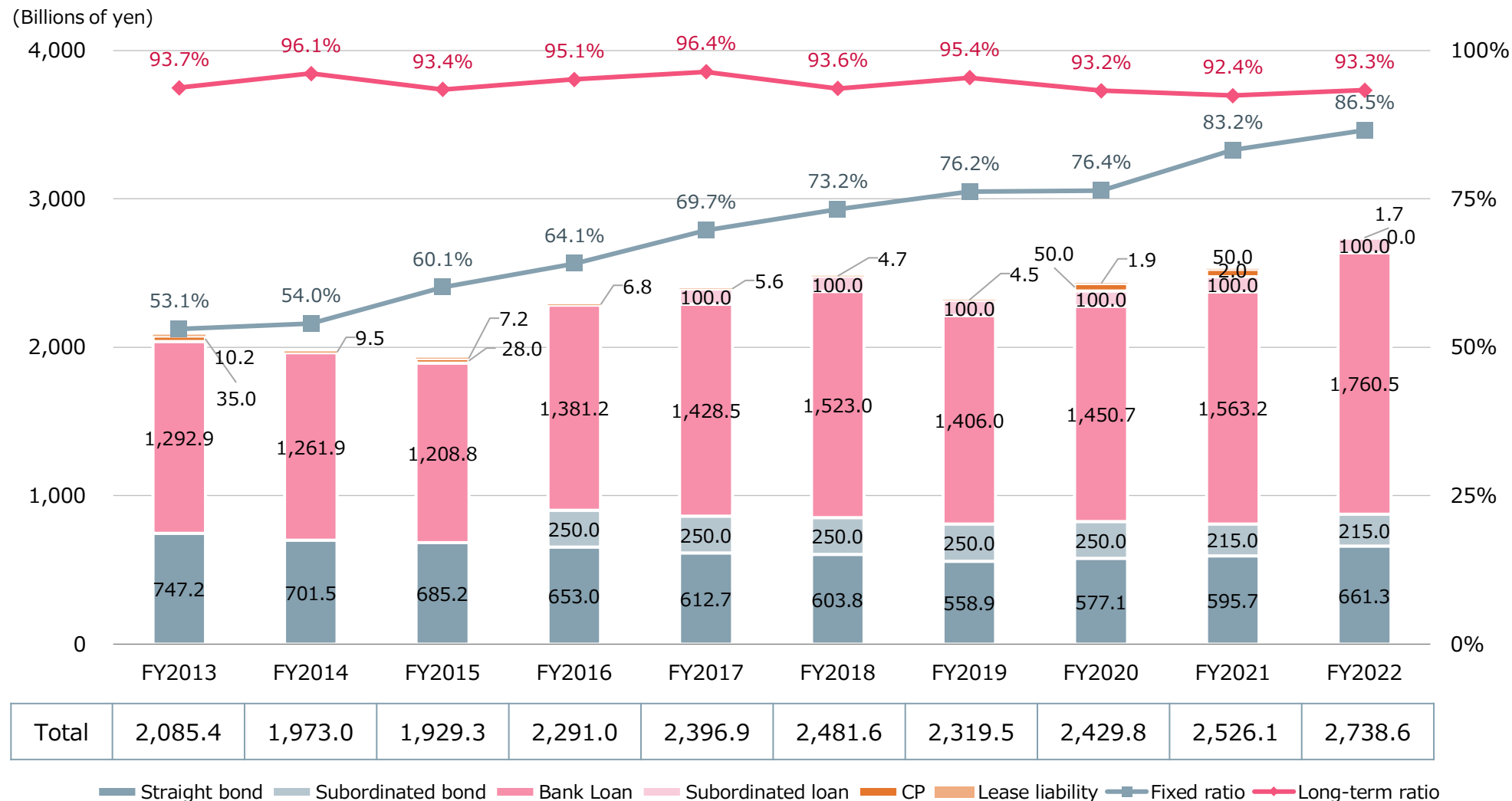
# **Investment/Financial Data, etc.**

---

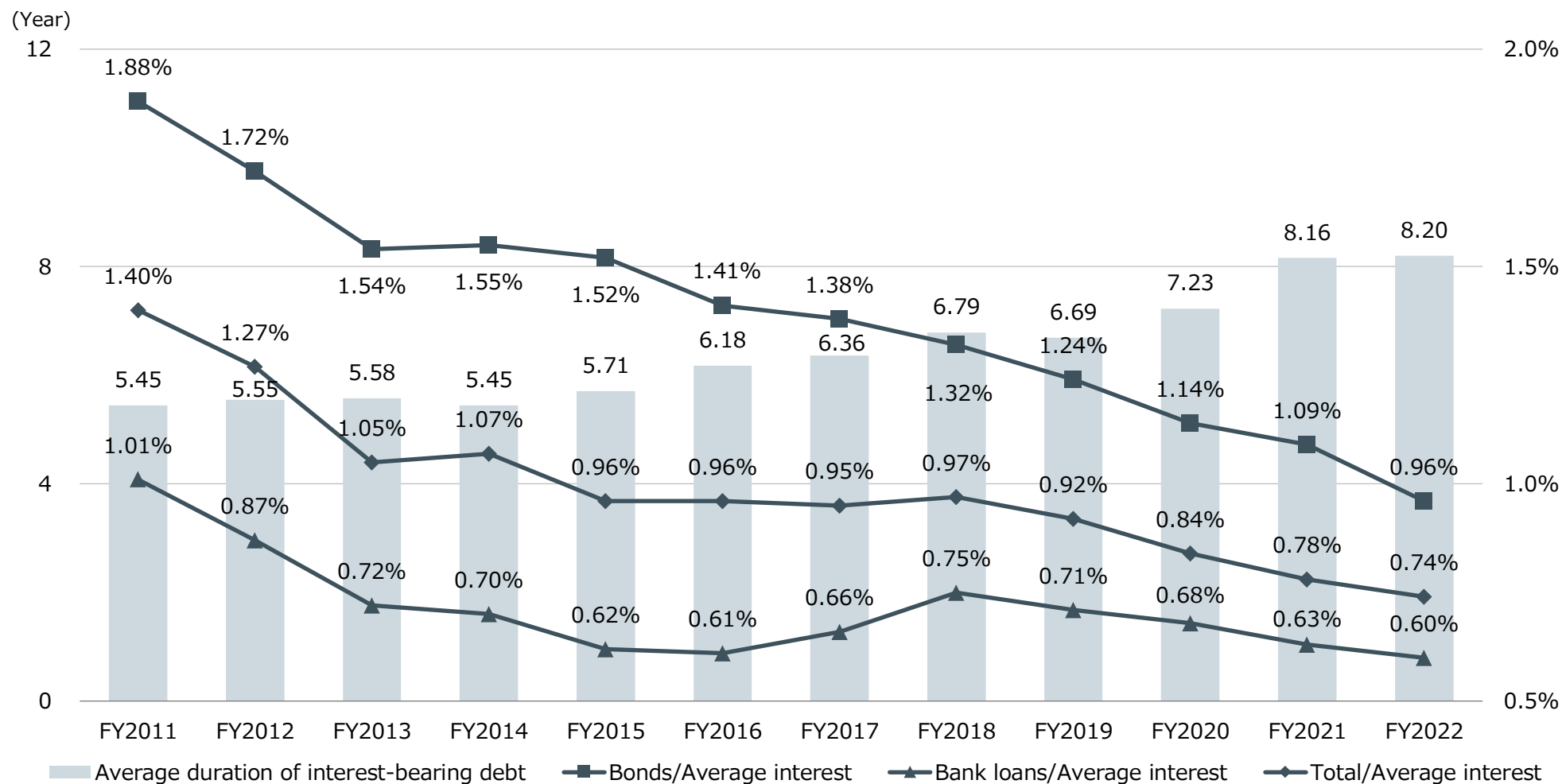
# 1. Net Interest-Bearing Debt/EBITDA Ratio



## 2. Breakdown of Interest-Bearing Debt



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



# Overview of the "Long-Term Management Plan 2030"

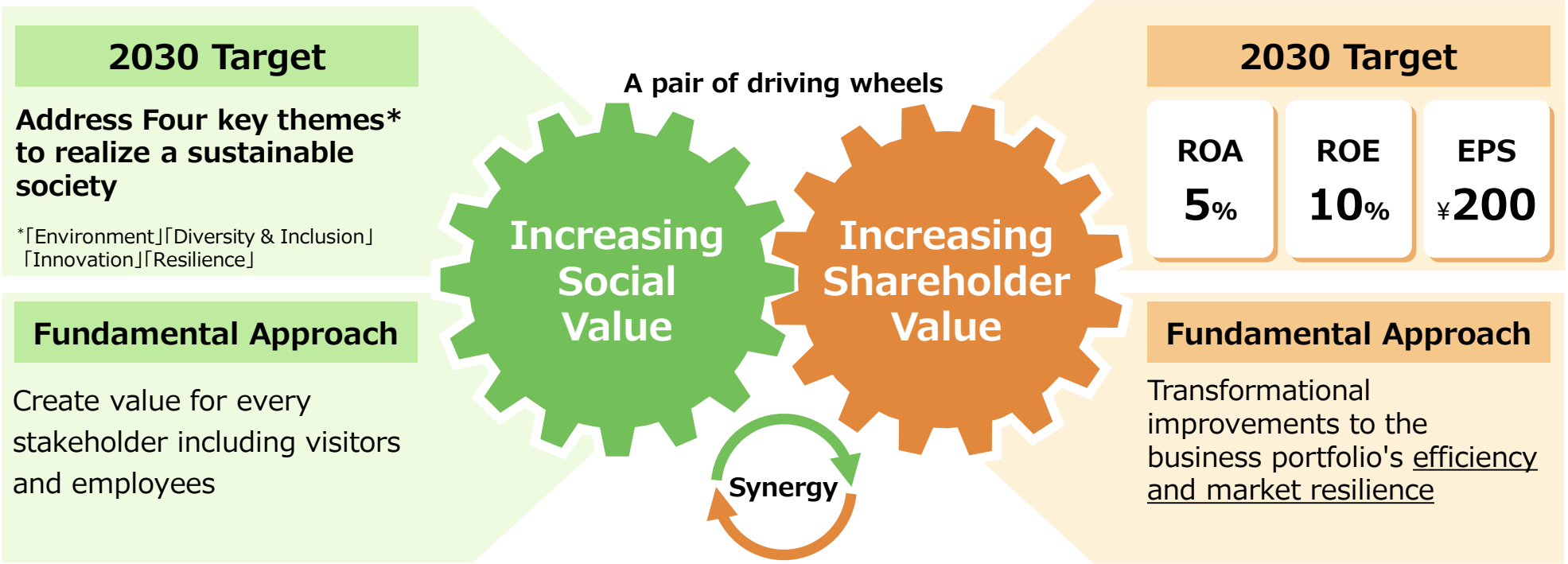
---

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/en/ir/plan2030/>

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* <sup>1</sup>	ROE	EPS
5%	10%	¥200

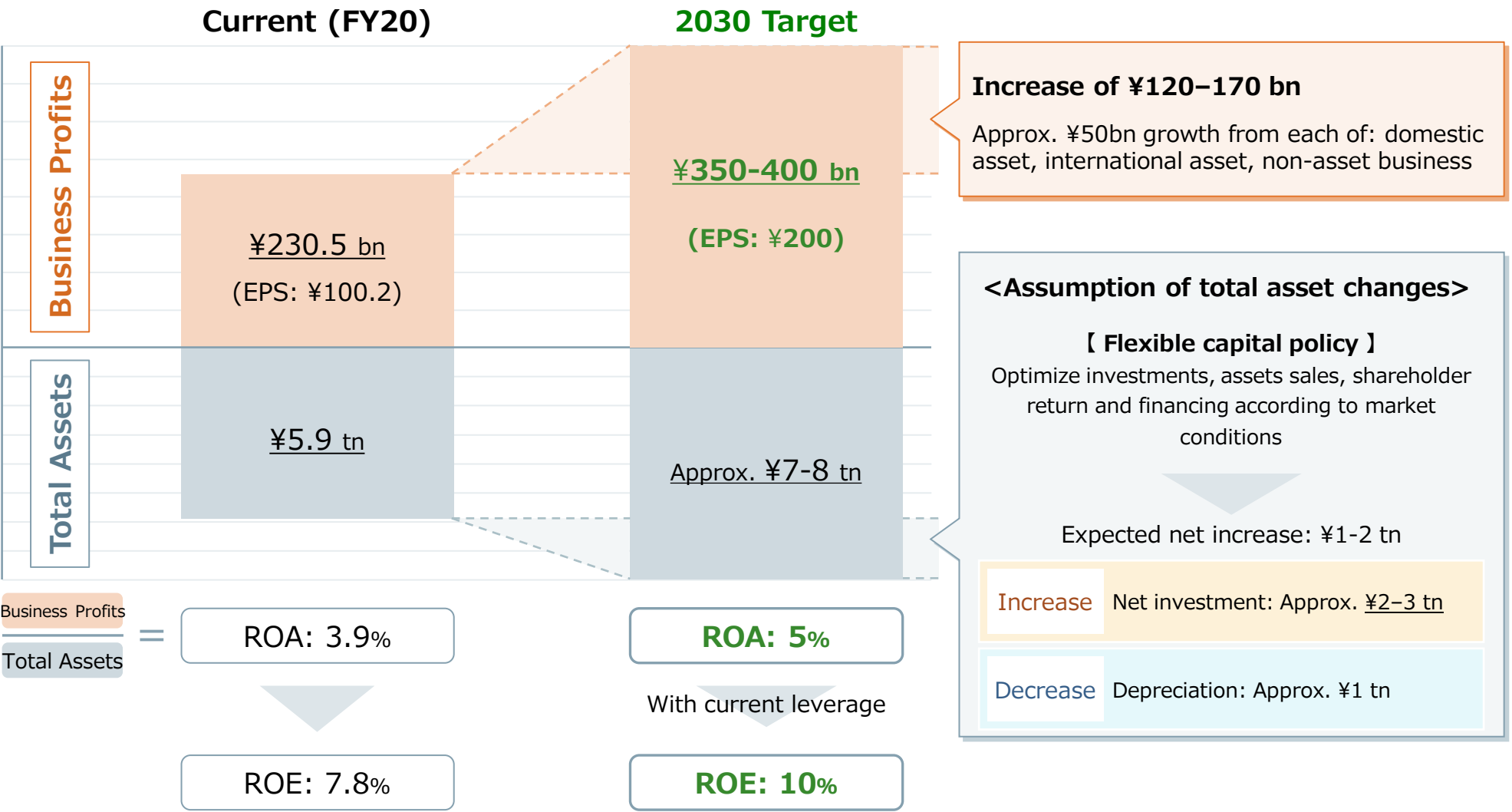
\*<sup>1</sup> ROA = Business Profits\*<sup>2</sup> / Total Asset (average of opening/closing balances)

Key Assumptions		
Profit Growth	Shareholders Returns	Financial Stability
Business Profit* <sup>2</sup>  <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

\*<sup>2</sup> Business Profit= Operating Income + Equity in earnings (loss) unconsolidated subsidiaries and affiliates

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

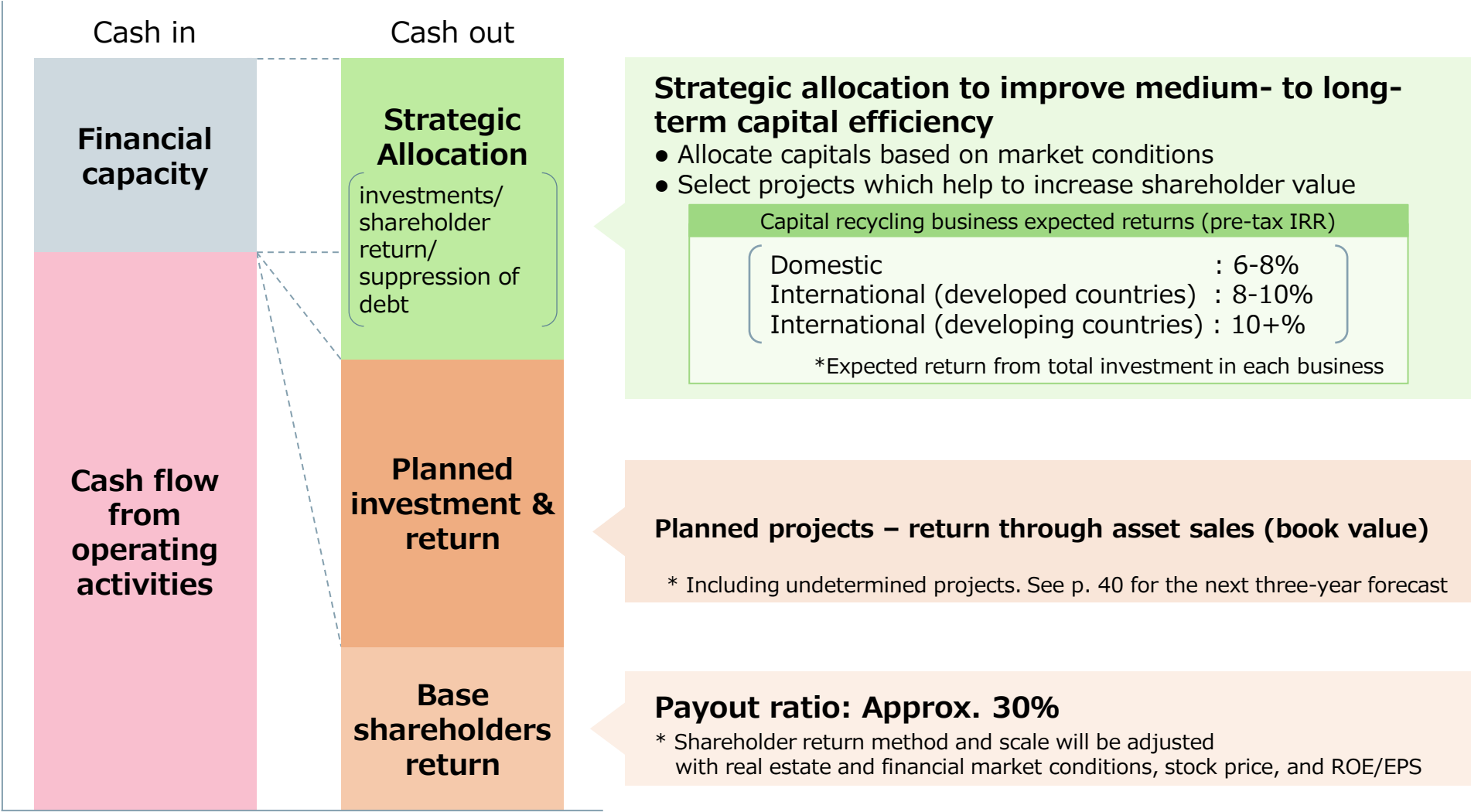
\*Repost from the "Long-Term Management Plan 2030"





4. Capital Allocation Policy

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



## 5. Profit Growth Strategy - 2030 Vision

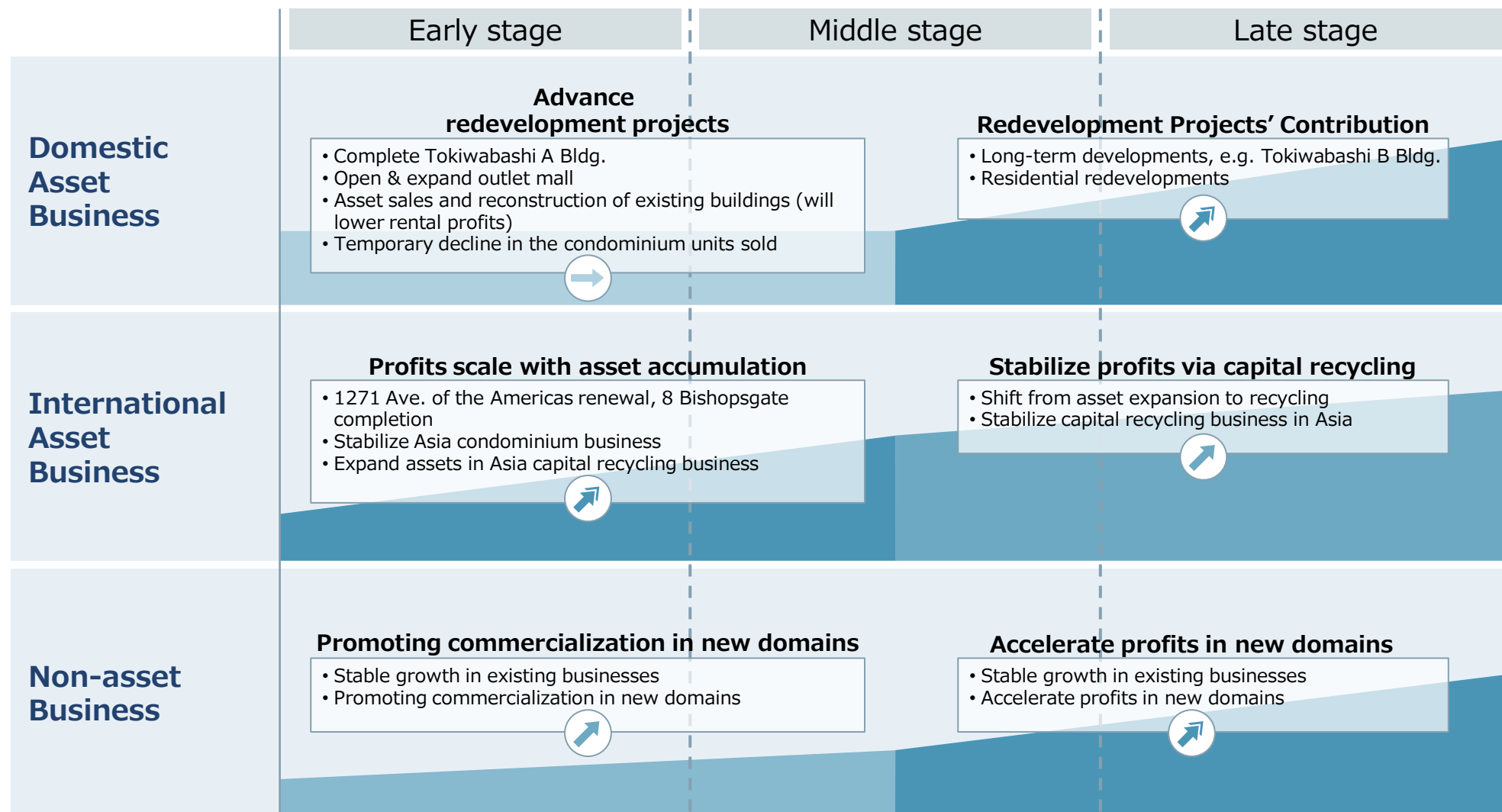
\*Repost from the "Long-Term Management Plan 2030"

Profit changes vs FY2020*	Growth Strategy
<b>① Domestic Asset Business</b> <b>Approx. +¥50 bn</b> (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
<b>② International Asset Business</b> <b>Approx. +¥50 bn</b> (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
<b>③ Non-asset Business</b> <b>Approx. +¥50 bn</b> (FY20E*: Approx. ¥ 16 bn)	① Steady profit growth in existing businesses ② Utilization of technology ③ Provision of service contents focusing on B2C/B2B2C
<b>④ Fluctuation Factors</b> <b>Approx. ±¥20-30 bn</b>	• 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)

## 6. Roadmap for Profit Growth

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



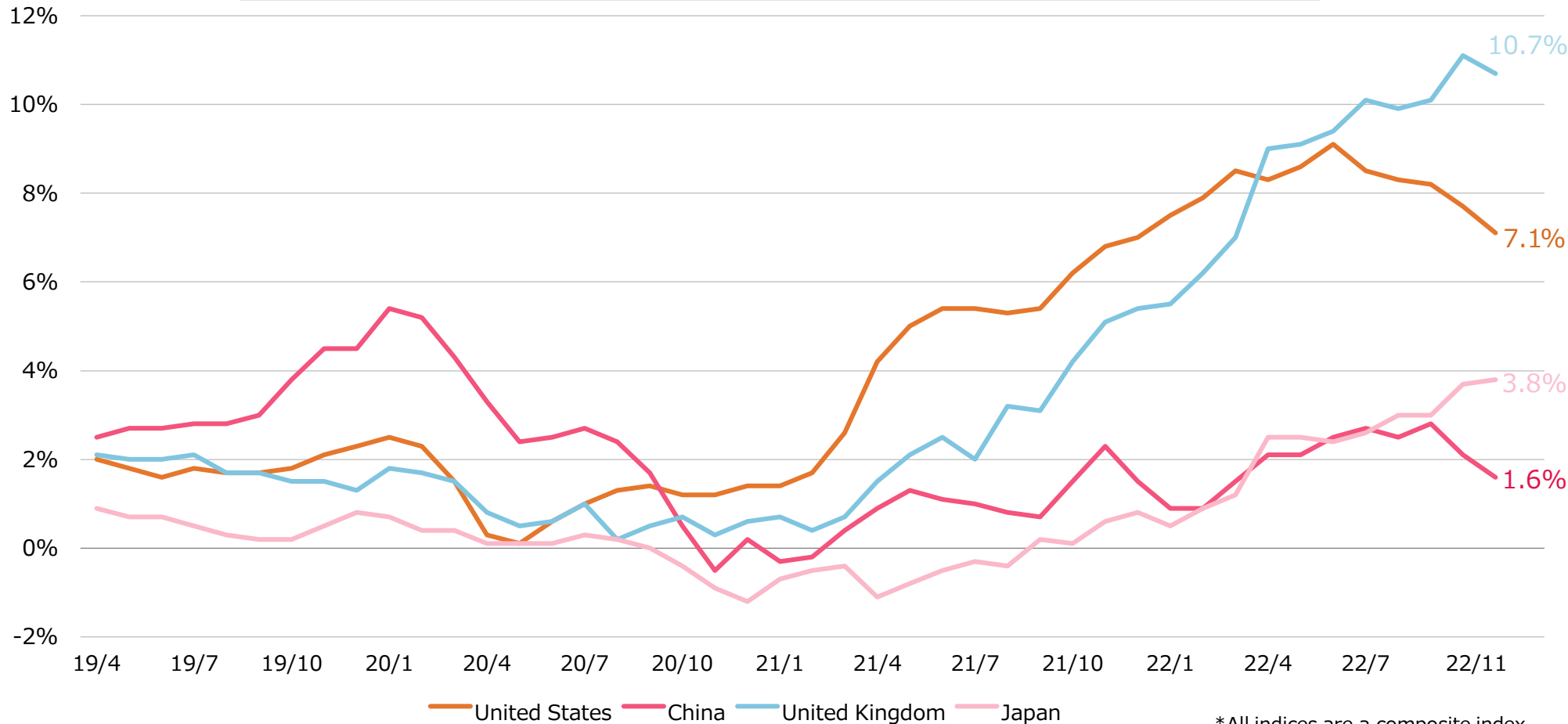
# Appendix.

---

## 1. Historical Consumer Price Index

(YoY, %)

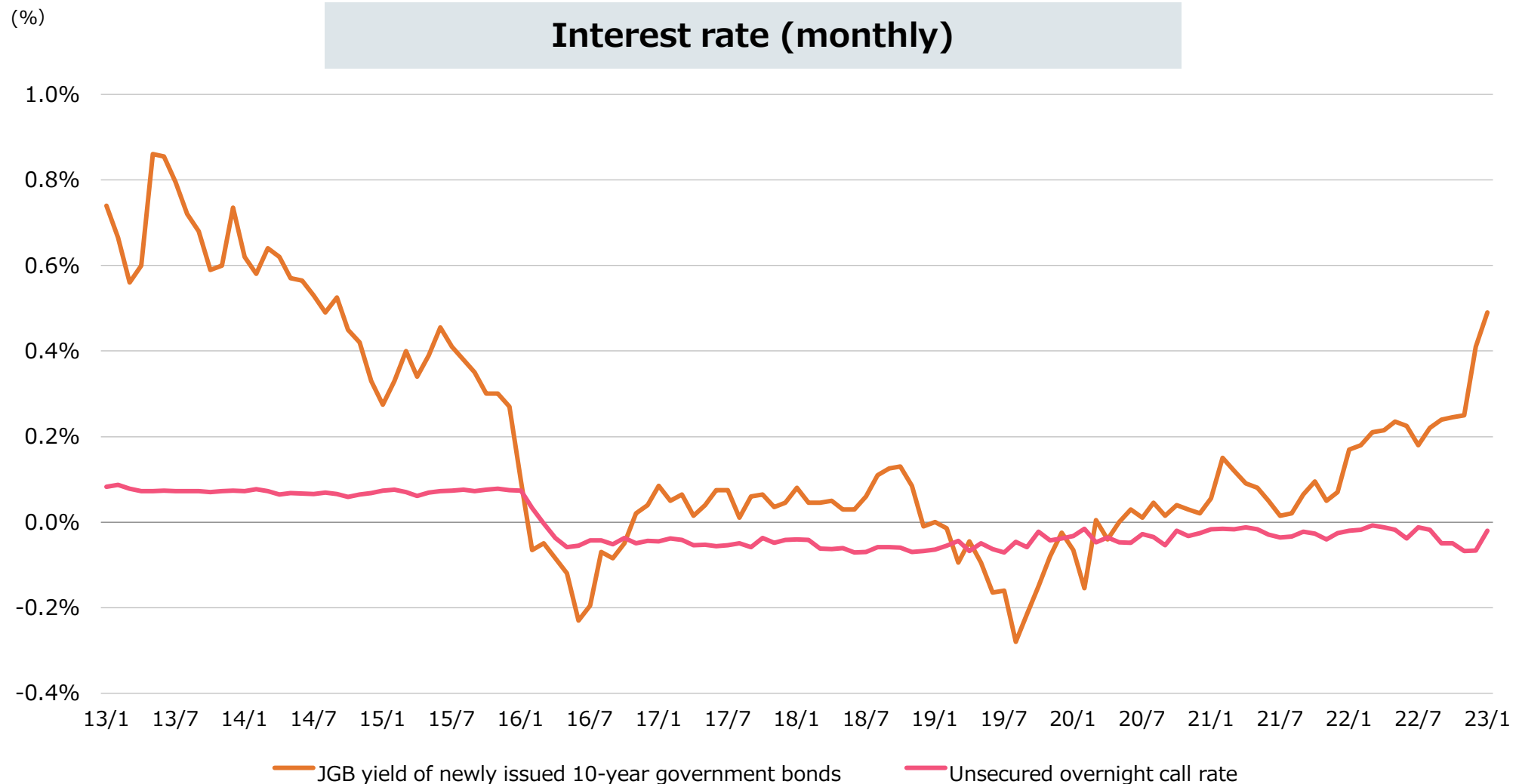
### Consumer Price Index in different countries (composite) \*



\*All indices are a composite index

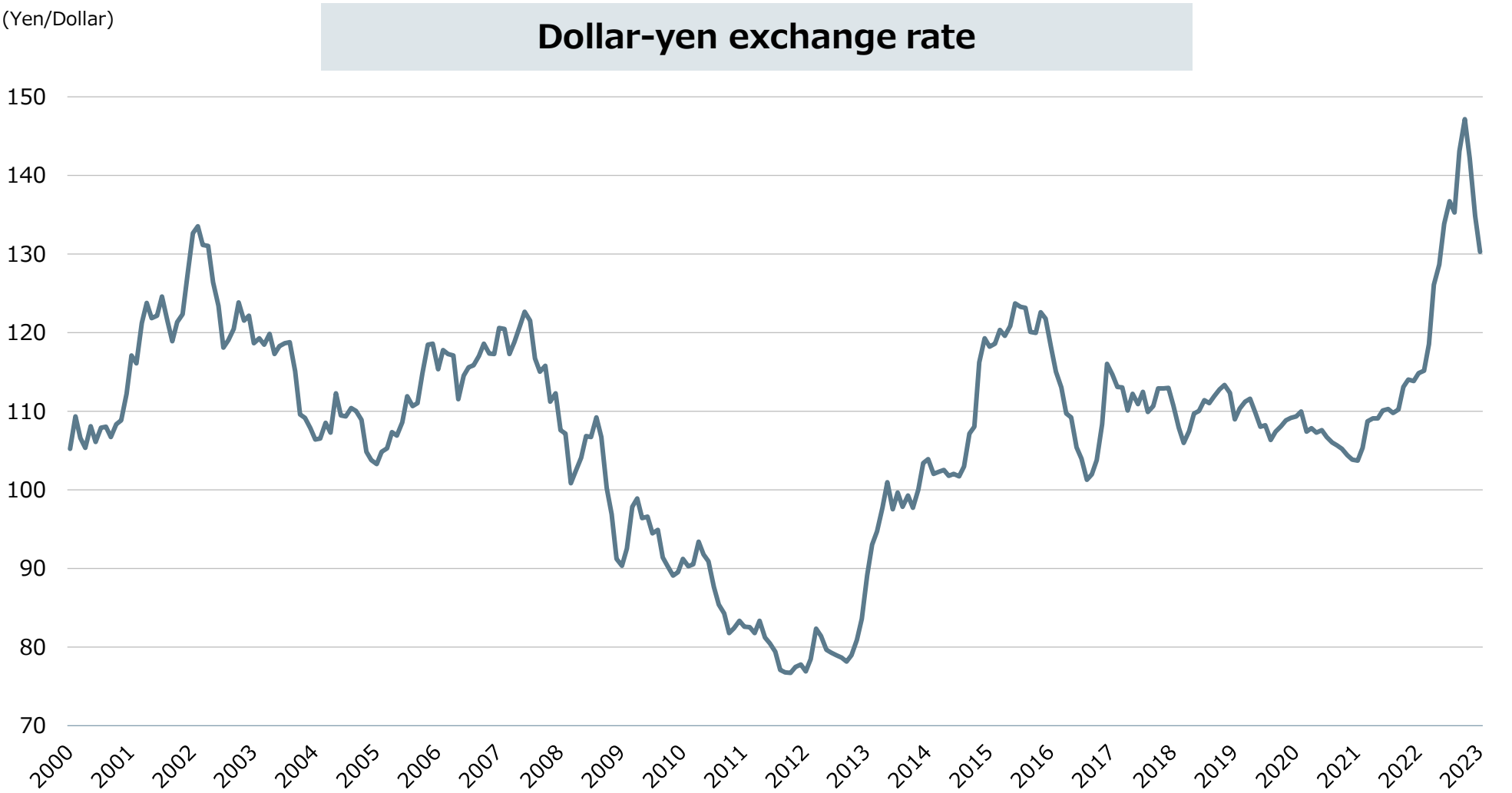
Source: US Department of Labor, Statistical Office of the European Union, National Bureau of Statistics of China, Ministry of Internal Affairs and Communications

## 2. Historical domestic interest rate



Source: Bank of Japan, Japan Bond Trading Co.,Ltd.

### 3. Historical foreign exchange rate



Source: Bank of Japan "Financial and Economic Statistics Monthly"

## **Contact Information**

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

**+81-3-3287-5200**

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

### **<Disclaimer>**

Information on the properties of this material is based on the judgments made from information available at the presentation date of this material.

Please be aware that actual information can result in different results depending on various factors.