

FY2024
(The Fiscal Year Ending March 31, 2025)

Mitsubishi Estate IR Presentation



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

Financial Overview

FY2024 Results

- Operating Profit was ¥309.2 billion (up ¥30.6 billion YoY) and Profit Attributable to Owners of Parent was ¥189.3 billion (up ¥20.9 billion YoY).
- ROE 7.6%. Significantly improved from the initial forecast of 7.2%.
- Domestic office, retail (outlet malls) and hotels performed well, contributing to increases in both Income Gains and Capital Gains.
- Office leasing continue to perform well, and the percentage of upward rent revisions and the rate of rent increases are rising. Marunouchi Office vacancy rate: 1.73% as of March 31, 2025.

FY2025 Forecasts

- Operating Profit is expected to reach a new historical high, ¥325 billion (up ¥15.7 billion YoY).
- In addition to the record-high Operating Profit, boosted by the sales of strategic holdings, etc., the Profit Attributable to Owners of Parent is expected to reach a record high, ¥195 billion (up ¥5.6 billion YoY) for the fifth consecutive year.
- ROE is expected to improve around 8%, steadily progressing toward achieving the target of 10%.

Shareholders Returns Policy

(Dividends)

Dividend for FY2024: ¥43 per share. Dividend forecast for FY2025: ¥46 per share.
Progressive dividend payment of +¥3 for every fiscal year until FY2030.

(Share buyback)

¥100 billion share buyback in FY2025 has decided. Treasury stock shares will be canceled after completion of share buybacks.

(Strategic-Holdings)

Setting quantitative targets to reduce strategic-holding stocks to 50% by FY2027.

Financial Overview

1. FY2024 Income Statement Summary

Operating Profit: ¥309.2 billion (up ¥30.6 billion YoY, a record high)

Profit Attributable to Owners of Parent: ¥189.3 billion (up ¥20.9 billion YoY, a record high in the fourth consecutive year)

Dividends: ¥43 per share

Millions of yen (rounded down)	FY2024 Results	FY2023 Results	Change	Main Factors
Operating revenue	1,579,812	1,504,687	+ 75,124	
Operating profit	309,232	278,627	+ 30,605	
Commercial Property Business	124,660	114,730	+ 9,929	+ Strong performance of the office, outlet malls and hotels Increase in capital gains
Marunouchi Property Business	96,173	97,082	(908)	+ Improving vacancy rate and strong performance in flexible office business - Decreased due to building closures
Residential Business	48,026	38,888	+ 9,137	+ Increased profit from condominiums business and capital gains from rental apartments
International Business	45,823	51,448	(5,624)	- Lower capital gains due to deferring the sale of some properties to the next financial year onwards.
Investment Management Business	11,950	(1,619)	+ 13,570	+ In reaction to negative incentive fees in the previous year
Architectural Design & Engineering Business and Real Estate Services Business	10,700	9,021	+ 1,679	+ Increase in fee income
Other	(2,128)	(1,577)	(551)	
Eliminations or corporate	(25,974)	(29,346)	+ 3,372	
Non-operating income	16,245	15,809	+ 435	
Non-operating expenses	62,517	53,278	+ 9,238	Increase in interest expenses
Ordinary profit	262,960	241,158	+ 21,802	
Extraordinary income	80,318	45,513	+ 34,805	Increase in gain on sales of investment securities
Extraordinary losses	26,318	12,138	+ 14,179	Increase in loss on retirement of fixed assets
Total income taxes	110,095	98,131	+ 11,964	
Profit attributable to non-controlling interests	17,508	7,968	+ 9,540	
Profit attributable to owners of parent	189,356	168,432	+ 20,923	

■ Capital Gains included in Operating Profit (before G&A)	Millions of yen (rounded off to the nearest billion)		
	FY2024 Results	FY2023 Results	Change
Commercial Property	56,000	52,000	+ 4,000
Residential	27,000	23,000	+4,000
International	10,000	32,000	(22,000)
Total	93,000	107,000	(14,000)

2. Balance Sheet Summary

(Billions of yen)

Assets	As of March 31, 2025	As of March 31, 2024	Change
Inventories	578.6	513.8	+64.8
Property, plant and equipment	4,854.4	4,597.1	+257.3
Equity investments	1,063.5	962.1	+101.3
Other	1,499.9	1,510.6	(10.7)
Total assets	7,996.5	7,583.7	+412.8
Liabilities and net assets	As of March 31, 2025	As of March 31, 2024	Change
Interest-bearing debt	3,338.6	3,138.1	+200.4
Other	1,917.0	1,820.9	+96.1
Total Liabilities	5,255.7	4,959.1	+296.5
Total Net assets	2,740.8	2,624.5	+116.2
Total liabilities and net assets	7,996.5	7,583.7	+412.8

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

3. FY2025 Income Statement Forecasts vs FY2024 results

Operating Profit: ¥325 billion (up ¥15.7 billion YoY , a record high in the second consecutive year)

Profit Attributable to Owners of Parent: ¥195 billion (up ¥5.6 billion YoY, a record high in the fifth consecutive year)

Dividend Forecasts: ¥46 per share

Millions of yen (rounded down)	FY2025 Forecasts	FY2024 Results	Change	Main Factors
Operating revenue	1,850,000	1,579,812	+ 270,188	
Operating profit	325,000	309,232	+ 15,768	
Commercial Property Business	120,000	124,660	(4,660)	+ Continued strong performance in hotels and retail properties - Slight decrease in capital gains
Marunouchi Property Business	95,000	96,173	(1,173)	+ Increase in revenue due to upward rent revisions of existing buildings - Decrease due to building closures for redevelopment
Residential Business	50,000	48,026	+ 1,974	+ Increase in profit from condominium business - Decrease in capital gains from rental apartments and other properties
International Business	70,000	45,823	+ 24,177	+ Increase in capital gains
Investment Management Business	15,000	11,950	+ 3,050	+ Fee income increase driven by the expansion of AuM, Completion of goodwill amortization
Architectural Design & Engineering Business and Real Estate Services Business	10,000	10,700	(700)	
Other	(3,000)	(2,128)	(872)	
Eliminations or corporate	(32,000)	(25,974)	(6,026)	
Non-operating income	15,000	16,245	(1,245)	
Non-operating expenses	70,000	62,517	+ 7,483	
Ordinary profit	270,000	262,960	+ 7,040	
Extraordinary income/losses	45,000	54,000	(9,000)	
Total income taxes	100,000	110,095	(10,095)	
Profit attributable to non-controlling interests	20,000	17,508	+ 2,492	
Profit attributable to owners of parent	195,000	189,356	+ 5,644	

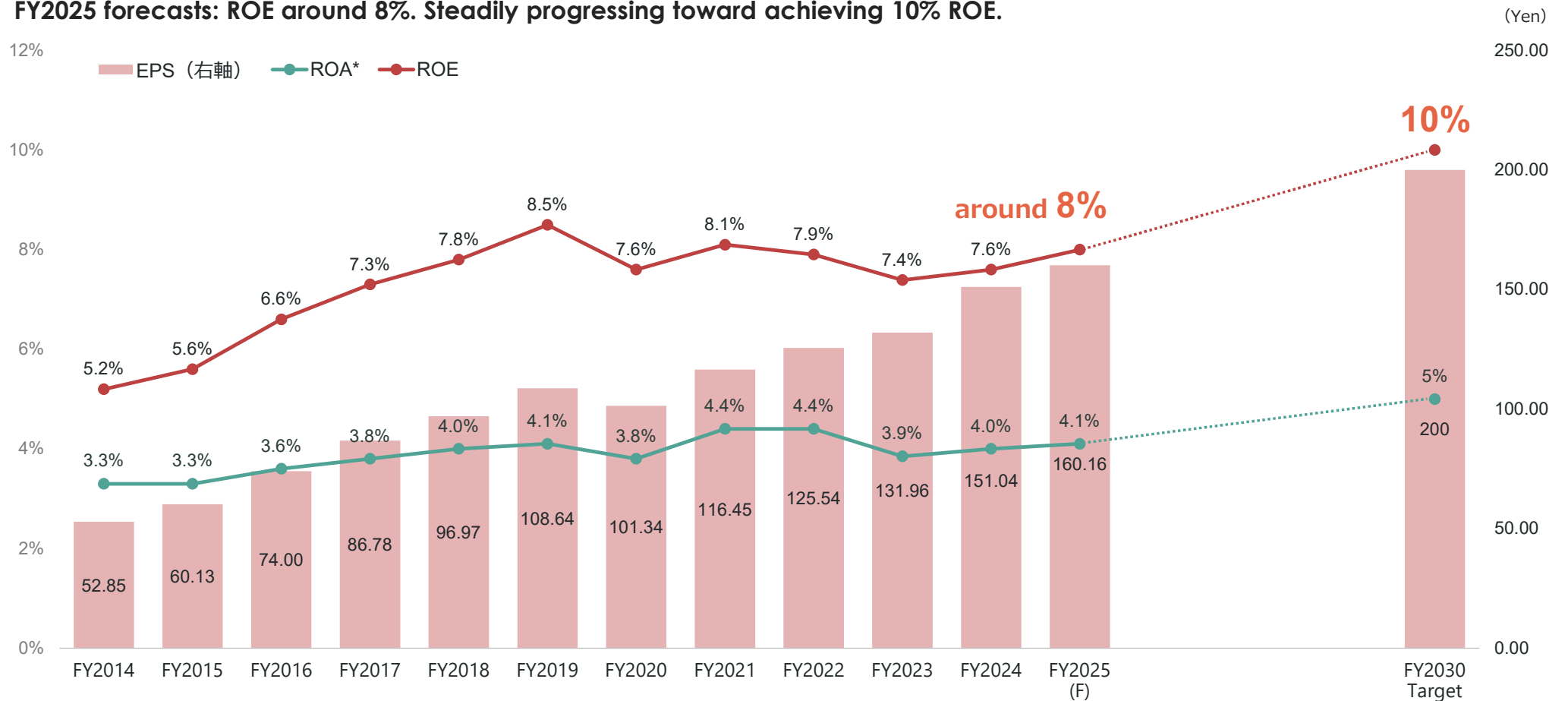
■ Capital Gains included in Operating Profit (before G&A)				Millions of yen (rounded off to the nearest billion)
	FY2025 Forecasts	FY2024 Results	Change	
Commercial Property	50,000	56,000	(6,000)	
Residential	7,000	27,000	(20,000)	
International	50,000	10,000	+ 40,000	
Total	107,000	93,000	+ 14,000	

*Depending on overseas real estate market conditions, we may shift from overseas to domestic asset disposals to reallocate capital gains.

4. ROA ・ ROE ・ EPS

FY2024 results: ROA 4.0%, ROE 7.6%, EPS ¥151.04 (4th straight record-high)

FY2025 forecasts: ROE around 8%. Steadily progressing toward achieving 10% ROE.

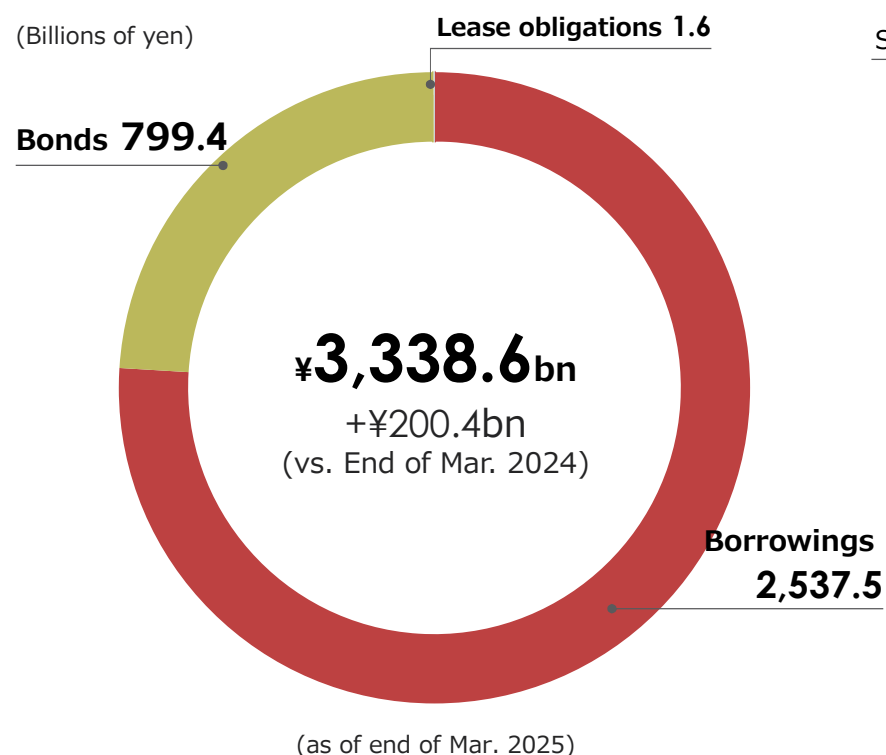


* ROA = Business Profit / Total assets (average)

5. Interest-Bearing Debt

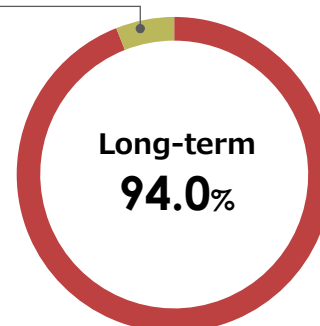
Consolidated Interest-Bearing Debt

(Billions of yen)



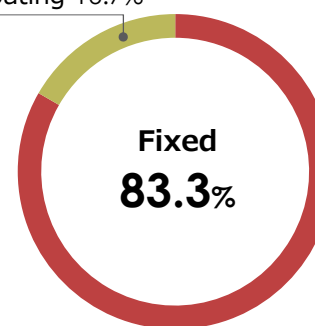
Long/Short Terms

Short-term 6.0%



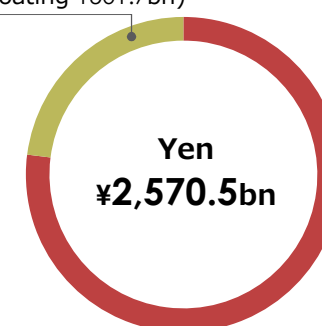
Fixed/Floating Rates

Floating 16.7%



(as of end of Mar. 2025)

Yen/Foreign Currency

Foreign currencies ¥766.4bn
(Floating ¥501.7bn)

* Excl. Lease liability

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

Amount to be Repaid(Consolidated)

	Billions of yen
FY2025	247.7
FY2026	267.6
FY2027	284.1

Credit Rating

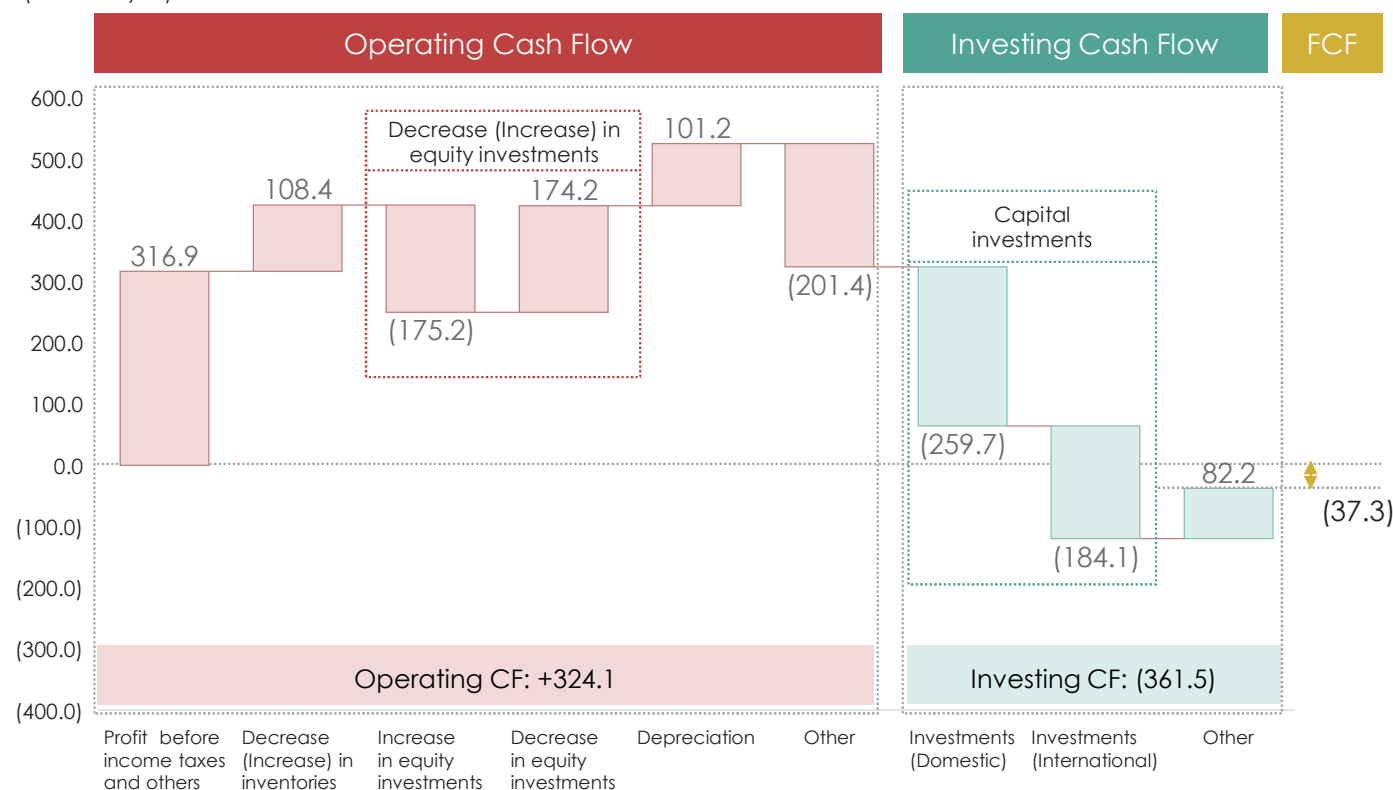
(From October 1, 2024)

Credit Rating Agency	Long-term Rating
Moody's	A2
Standard and Poor's (S&P)	A+
Rating and Investment Information (R&I)	AA
Japan Credit Rating Agency	AA+

6. Cash Flow Results For FY2024

Projects underway in domestic and overseas, as well as new investments mainly in overseas are progressing.
The difference from the initial forecast is due to investment in some projects being carried over to the next year.

(Billions of yen)



Investment Progress

(Billions of yen)

	Initial Plan	Result	Progress
Capital Investments	572.0	443.8	78%
Japan		259.7	—
Overseas		184.1	—
Equity Investments	323.0	175.2	54%
Japan		60.3	—
Overseas		114.8	—
Total	895.0	619.0	Around 70%

Strategy and Progress

1. FY2024 Operating Profit (breakdown)

(Reference)

Millions of yen	FY2024 Results	Main components
Operating Profit	309,232	
Commercial Property Business	124,660	
Leasing	64,000	Rental profit of office, logistics facility, retail property (including outlet), hotel, etc., in Japan (excluding Marunouchi)
Sales of assets	51,000	Gain on sale of properties, such as office, logistics facility, retail property, and hotel
Other(fees, etc.)	9,660	Fee income from hotel management, project management, etc.
Marunouchi Business	96,173	
Leasing and Other(fees, etc.)	96,173	Rental profit mainly from Marunouchi office buildings, Profit on property management and flexible workspace businesses
Residential Business	48,026	
Condominiums Sales	27,000	Profit on new condominiums and renovated condominiums businesses
Sales of assets	18,000	Gain on sale of properties such as rental apartments
Other	3,026	
International Business	45,823	
Leasing	26,000	Rental profit of major properties in the US and Europe
Condominiums Sales	8,000	Profit on new condominium business
Sales of assets	6,000	Gain on sale of overseas asset properties
Other	5,823	
Investment Management Business	11,950	
Base fee etc.	11,950	Profit on asset management business in both Japan and overseas (excluding incentive fees associated with market value change)
Incentive fee		Incentive fees associated with market value change (non-cash)
Architectural Design & Engineering Business and Real Estate Services Business	10,700	
Other	(2,128)	
Eliminations or corporate	(25,974)	

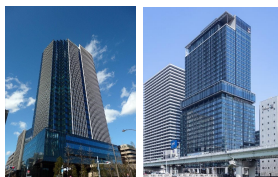
* Rounded the amount to the nearest billion yen. To be consistent with total value, rounding adjustment was made in the item at the bottom of each segment. G&A was appropriated for each profit on a pro-rata basis.

2. Commercial Property Business

Business Overview

Office Buildings

Engages in the development, leasing, and property management of office buildings, mainly in major cities in Japan excluding Marunouchi area.



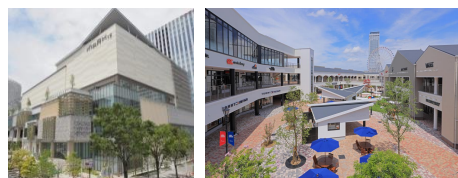
Logistics Facilities

Development, leasing, and management of the "Logicross" series as a foundation of logistics facilities.



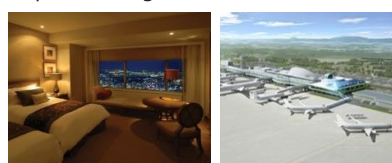
Retail Properties

Develops retail properties and outlet malls across Japan, mainly in the major metropolitan areas.



Hotels/Airports

Undertakes hotel management nationwide as the Royal Park Hotels group. Began private airport management business.



Main Indicators

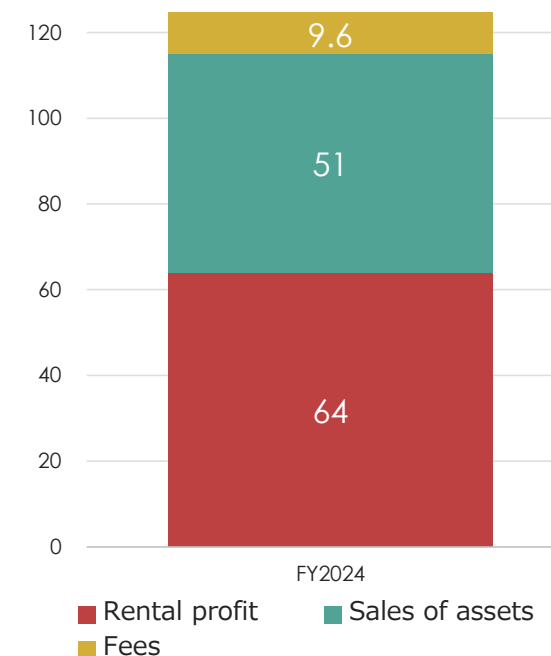
→See IR Databook P.34-43

Capital Recycling Assets	NOI Yield of Assets under Operation	High Capital Gains
Over ¥1.0tn	Approx. 7%	¥56billion Before G&A

*FY2024 results and at the end of March 2025 unless otherwise described

Operating Profit

(Billions of yen) **124.6**



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

3. Marunouchi Property Business

Business Overview

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



Marunouchi Building
Shin-Marunouchi Bldg.



Marunouchi Park Building



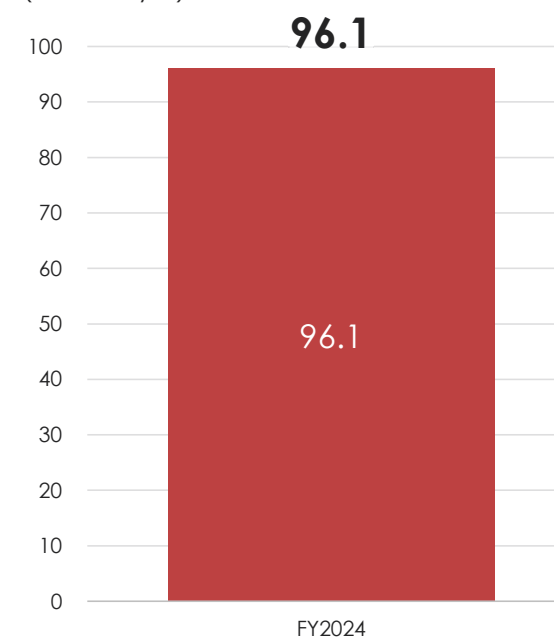
©Mitsubishi Jisho Design Inc.

Main Indicators: Advancing Marunouchi Redevelopment

Redeveloped	New Projects*	Vacancy Rate of Marunouchi/Office
19 buildings / 35 in total 2million m ²	1.1 - 1.3million m ²	As of Mar. 2025 1.73% →See IR Databook P.27

Operating Profit

(Billions of yen)



■ Rental profit and fee

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

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

**FY2024 results and at the end of March 2025 unless otherwise described; the area represents total floor area

→See IR Databook P.18-33

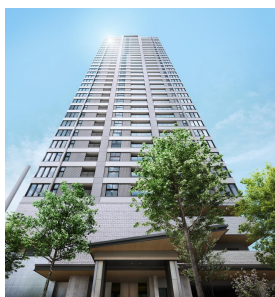
4. Residential Business

Business Overview

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



The Parkhouse Yoyogi
Oyama Residence



The Parkhouse Osaka Umeda Tower



The Parkhabio SOHO
Yokohama Kannai (84units)

Main Indicators

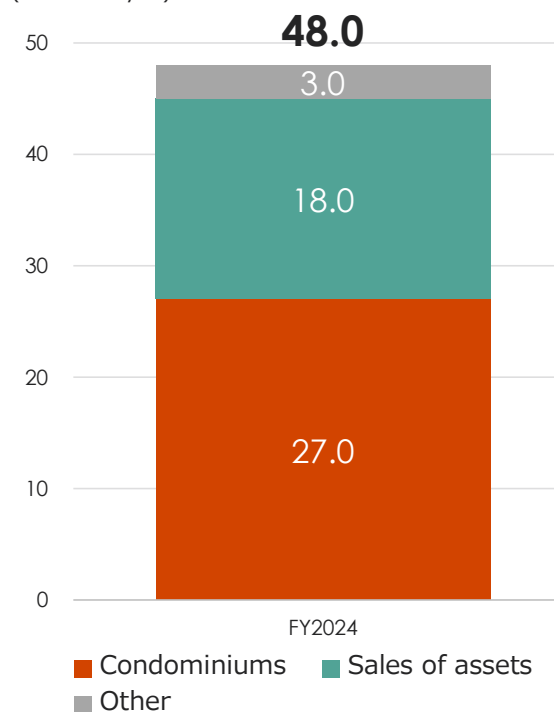
→See IR Databook P.44-49

Land Bank	Gross Profit Margin	Owned Rental Apartments, etc.
As of Mar. 2025 16,870 units	28.6%	143 buildings

*FY2024 results and at the end of March 2025 unless otherwise described

Operating Profit

(Billions of yen)



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

5. International Business

Business Overview

Undertakes office building development and leasing businesses mainly in the United States and the United Kingdom, as well as projects in the cities of the Asia and Oceania regions.

Capital Gains

US	Europe	Asia/Oceania
Logistics, Rental apartments Size of ¥20bn per year	Offices Rental apartments	Focus on investment efficiency

Condominiums Sales

Mainly in Asia/Oceania
for actual demand

Rental profit

Mainly in Europe and US; Stable

Hybrid-model investment profit

In US; Logistics, Rental apartments

Business overview / Reference for details

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

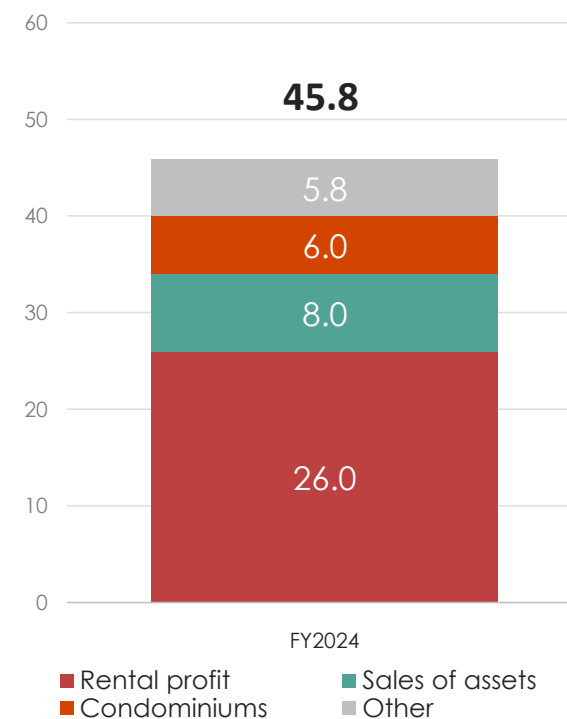
US
→See IR Databook P.54-56

Europe
→See IR Databook P.57-59

Asia/Oceania
→See IR Databook P.60-63

Operating Profit

(Billions of yen)



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

6. Investment Management Business

Business Overview

Asset management companies in Japan, US, Europe, and Asia address global needs of asset management of real estates. Entrusted from over 650 institutional investors, general business corporations, and retail investors in 25 countries worldwide.

Japan



US



Europe

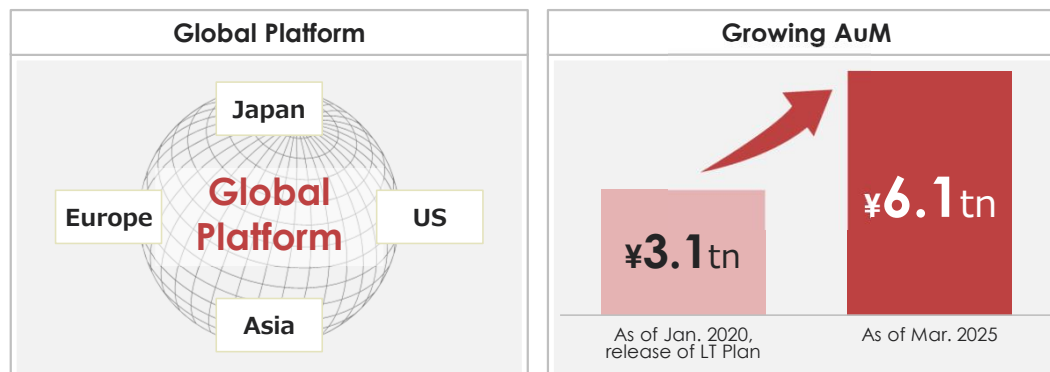


Asia

MEC
GLOBAL
PARTNERS
ASIA

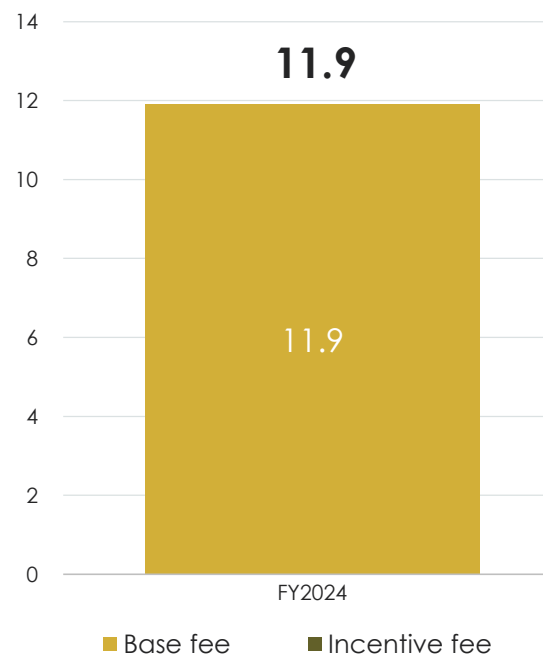
Main Indicators

→See IR Databook P.64-69



Operating Profit

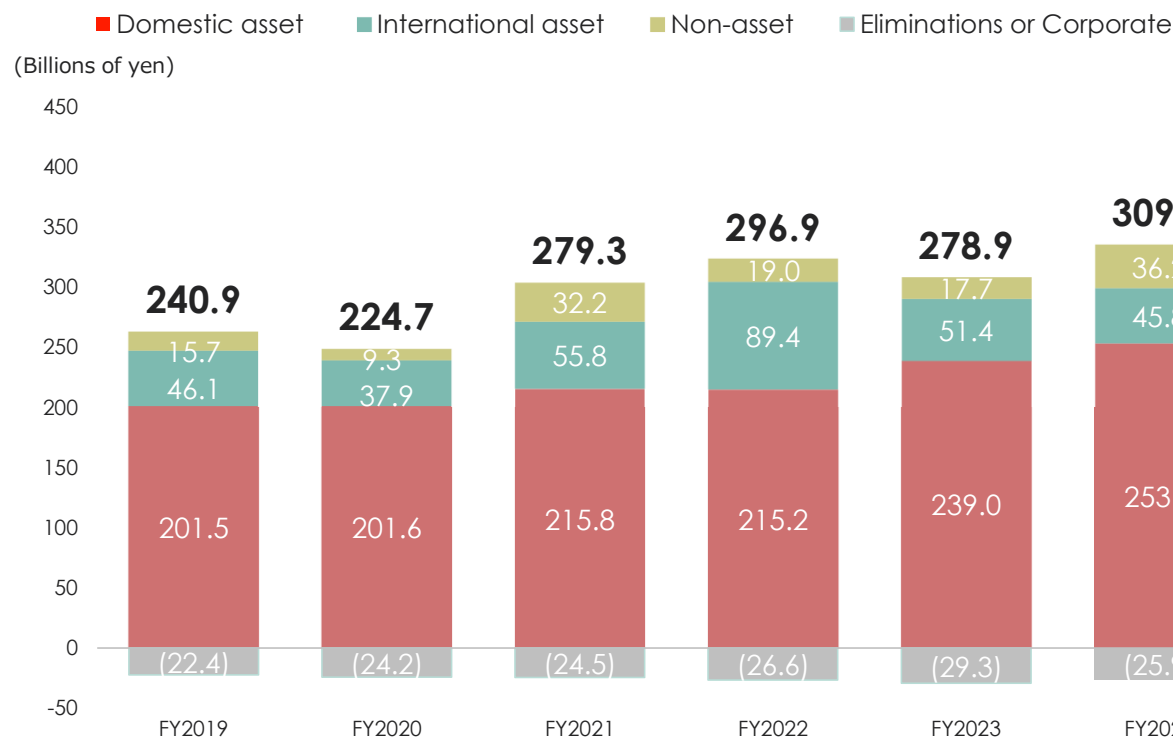
(Billions of yen)



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

7. Progress in Long-term Management Plan 2030

Changes in Business Profit



Goals of FY2030

More than ¥ 400.0_{bn}

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

Shareholders Returns

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

Dividends of ¥46 per share planned for FY2025

Business Strengths

Shareholder Returns (Dividends)

Shareholder Value

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

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

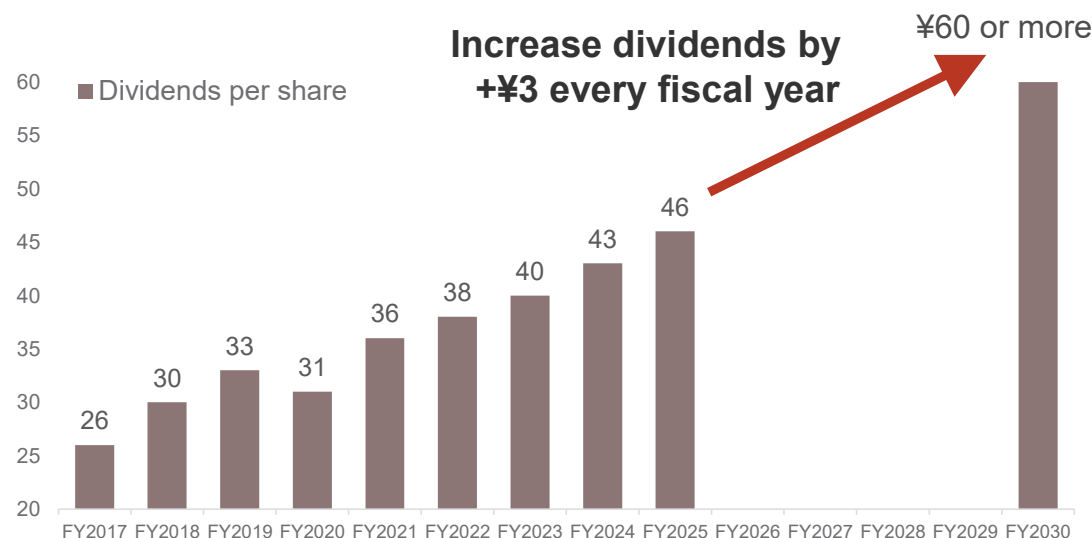
Stable Rental CF

After completion of Torch Tower,
8 Bishopgate, etc.

**Further Growth of
Rental CF**

By monitoring the market

Maximize Profits on Sales



**Continuous/
Stable
Shareholder
Returns**

**Improved
foreseeability**

2. Shareholders Returns Policy/ Continuous and Flexible Share Buybacks

Business Strengths/
Management Strategies

Shareholder Returns (Share Buybacks)

¥100bn share buybacks announced for FY2025
Consider additional share buybacks depending on share price, CF, etc.

High-Level Capital Gains

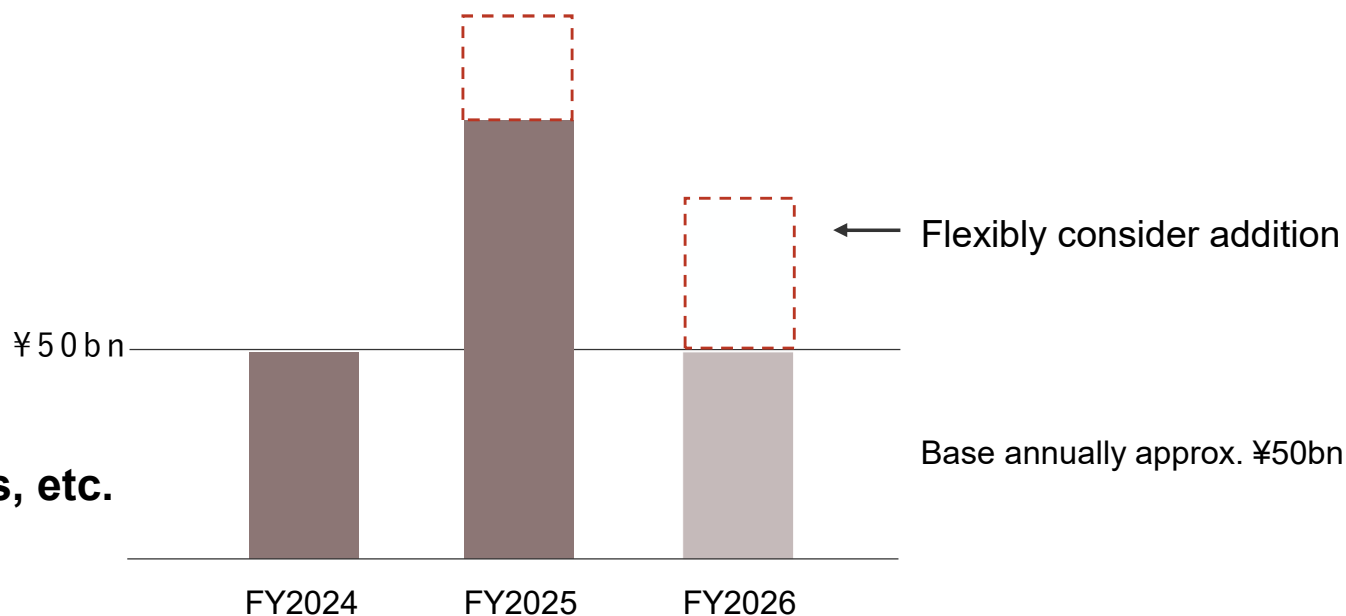
By monitoring the market

Maximize Profits on Sales

Including Marunouchi assets

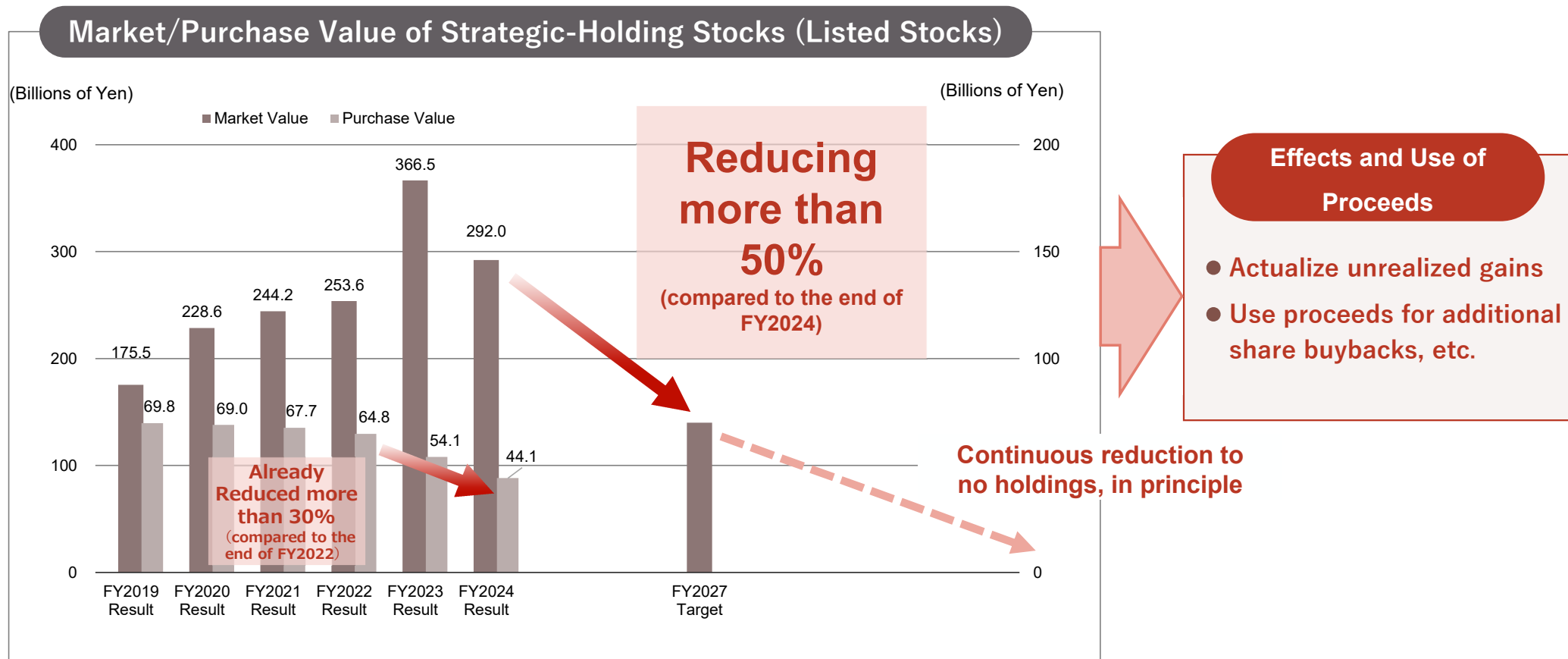
Strategic Returns

Sale of Strategic-Holding Stocks, etc.



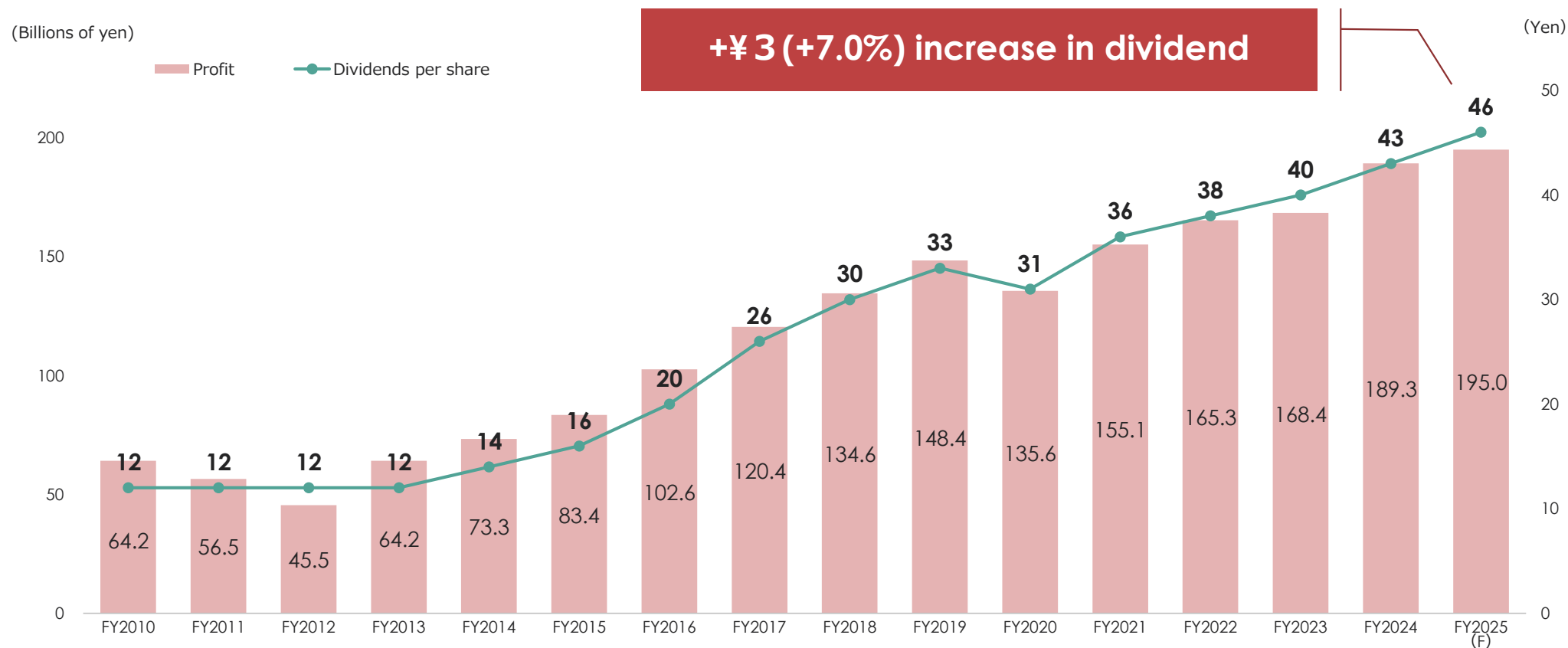
3. Policy for Sale of Strategic-Holding Stocks (New Quantitative Target)

Reducing strategic-holding stocks more than 50% by FY2027



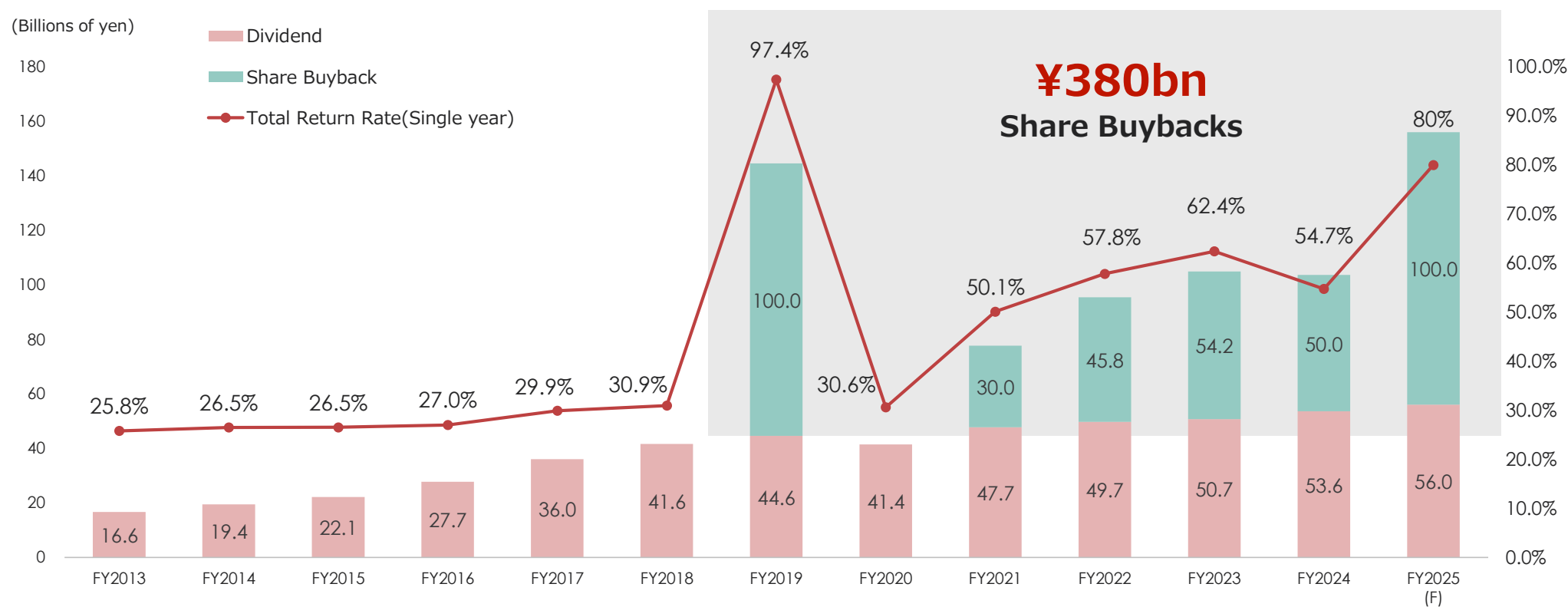
4. Shareholders Returns (Dividends)

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



5. Shareholders Returns (Share Buyback)

Implement ¥380billion share buyback in 7 years. Continued high-level and stable shareholders returns.



Contact Information

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

+81-3-3287-5200

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

Disclaimer

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

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

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

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