

FY2023

(The Fiscal Year Ending March 31, 2024)

# Mitsubishi Estate **Long-Term Management Plan 2030 Review**

For details of the "Long-Term Management Plan 2030", which began from April 2020, please see the following link.

<https://www.mec.co.jp/en/ir/plan2030/>



# Updates on Business/Management Strategy

1

## Review of shareholder return

- 1) Progressive dividend
- 2) Continuous share buyback

2

## Domestic asset Improve profitability through reorganization

3

## International asset

- Accelerate achievement of the goal
- Update of business strategy

4

## Enhanced disclosure

Execution

1

## Review of shareholder return

- 1) Progressive dividends
- 2) Continuous share buyback



# Progressive dividend of ¥3 every fiscal year

Business Strength

Shareholder Return (Dividends)

Shareholder Value

Reflect upward growth prospect and implement ¥3 progressive dividend every fiscal year (¥60 or more in FY2030)

From Marunouchi/Outlets/flagship buildings (Yen)  
in the US/UK

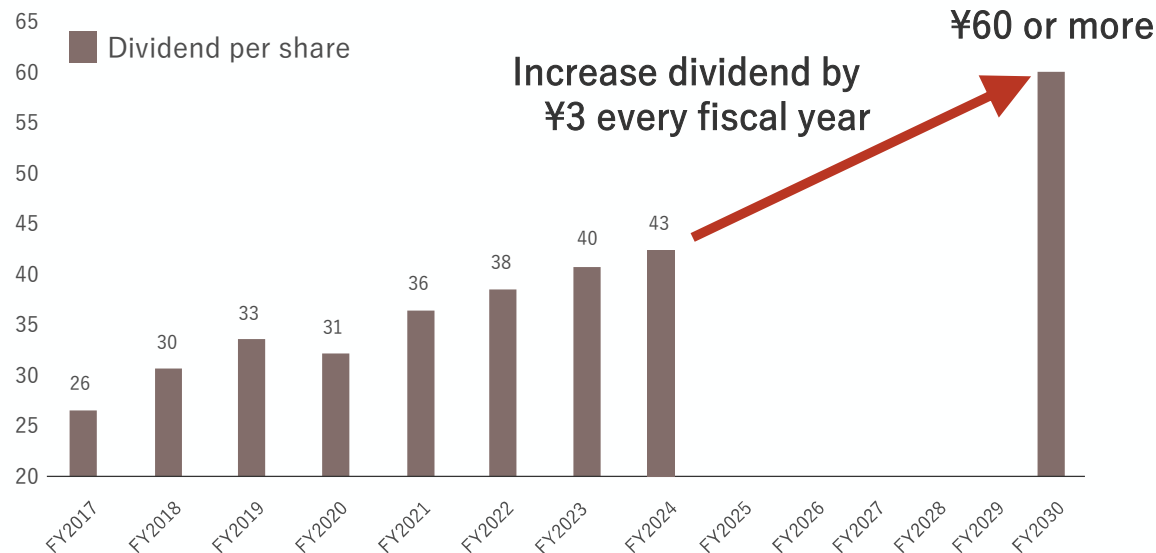
Stable rental CF

After completion of Torch Tower,  
8 Bishopsgate, etc.,

Further growth of  
rental CF

By monitoring the Market

Maximize profits on sale



Continuous/Stable  
shareholder return

Improved  
foreseeability

# Continuous Share Buyback

Business Strength/  
Management Strategy

Shareholder Return (Share Buyback)

Shareholder Value

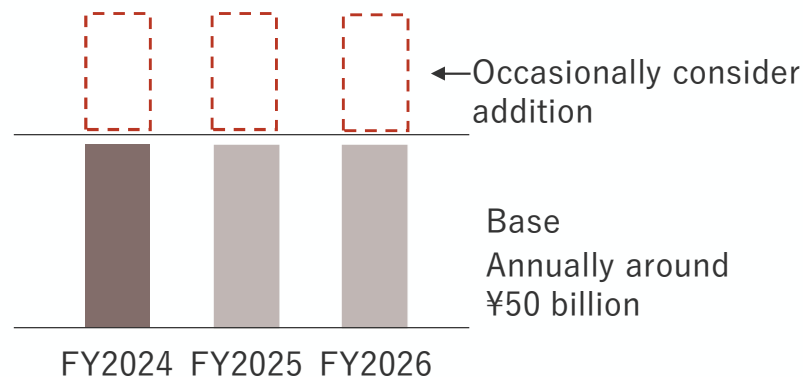
High-level gains  
on sale of property

Based on market insight,  
Maximize profits on sale

Including Marunouchi assets,  
Strategic return

Sale of cross-  
shareholdings, etc.

**¥50 billion share buyback decided in FY2024**  
¥50 billion/year buyback estimated also in FY2025/FY2026  
**Consider additional Share Buyback depending  
on share price/CF, etc.**



Improved stability/  
foreseeability

Occasionally  
additional return

Cancel after  
completing acquisition



Execution

# 2

## Domestic asset

Improve profitability through reorganization



By clarifying the business model/responsibility for profit and loss to enable  
**“Visualize” and “Refine” the Earning Power**



## Marunouchi Property Business

Compelling differentiation for Marunouchi,  
and profitability improvement



## Commercial Property Business

Capital recycling business of office / logistics /  
commercial / hotels, and improved competitive  
edge/profitability of operational assets





# Compelling differentiation of Marunouchi, and improvement of its profitability

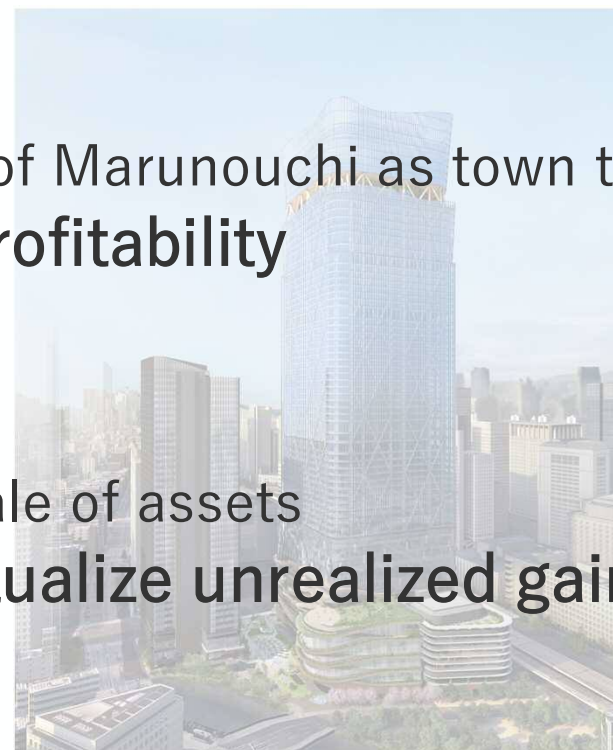
Leasing

Reaffirm/refine the value of Marunouchi as town to  
**Improve profitability**

Property  
sale



Strategic sale of assets  
**Improve efficiency/Actualize unrealized gains**



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## Change in External Environment

### Change in the style of offices

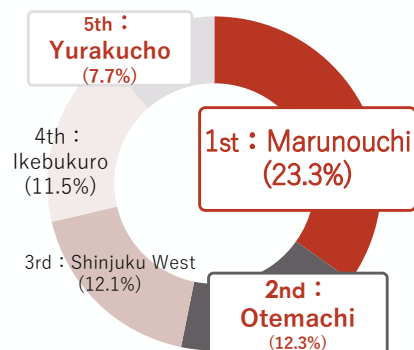
→Diverse values to both businesses and workers matters

### Full-blown inflation

# Utilizing changes in external environment and advantages to higher office rents

## Outstanding location advantage

### Ranked No.1\* city to work in



\*Colliers 2022 Ranking of the best places to work in Tokyo

### Accessibility Business concentration

Stations/Railway lines

13 stations 28 lines



Workers  
Approx.  
350k



Businesses  
Approx.  
5,000

## Providing new value to the area

Workplaces that meet  
diverse needs



Providing a place for  
innovation



## A wide line-up of workspace addressing the needs of businesses/workers

### Flexible offices



7 sites

Offices with fixtures, and serviced offices comprising of reception, conference room and lounge area



4 sites

Serviced offices with premium feel of high quality/added value



173 sites nationwide

Rental offices with Japan's largest number of locations, catered to various work styles



### Touch down function



100 sites in Tokyo

Increase productivity using spare time and space efficiently





# Provide software and venues for innovations (innovation ecosystem)

## International businesses

### EGG/The M Cube



### Global Business Hub Tokyo



## Fintech

### FINOLAB



## Deeptech

### Inspired.Lab



## All Genres

### TOKIWA BRIDGE



Number of companies founded in the last decade

Approx. **1,000**

Cumulative number of businesses occupying startup facilities

Over **400**

Number of participants in organizations that connect leading companies with startups

Over **250** companies/groups

# Improve profitability of the entire area

## Improvement in profits

→ Most effective use through area management

→ Expansion/Evolution of service

## Cost efficiency

→ Cost management





## Strategic sale of assets

**Improve efficiency and actualize unrealized gains**



## Marunouchi Property Business

Compelling differentiation for Marunouchi,  
and profitability improvement



## Commercial Property Business

Capital recycling business of office / logistics /  
commercial / hotels, and improved competitive  
edge/profitability of operational assets



## Capital recycling business of office/logistics/commerce/hotels, and improved competitive edge/profitability of operational assets

Property sale

Leasing  
Operation

Fees

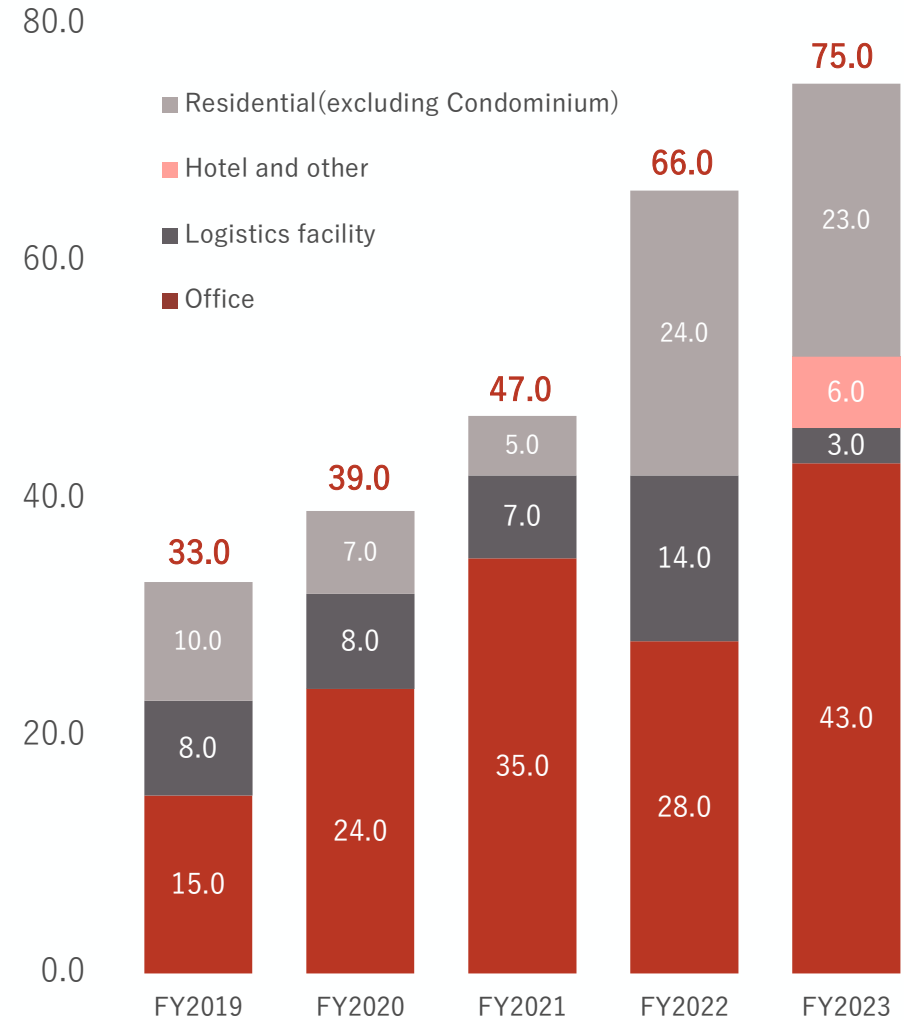
Through market opportunities,  
sustainable/high-level  
**gain on sale of property**

High quality building assets in good  
locations, and operational assets,  
including outlets and hotels,  
**improve profitability**

Active use of our know-how to  
**earn various fees**, and  
**highly efficient profits**

# Sustainable/High-level gain on sale of property

(Billions of yen) Capital Gain Results (Total Domestic Asset Business)





# Office development in prime areas selectively invested





# Short-term capital recycling business with small and mid-sized office “CIRCLES”

CIRCLES

**Number of developments: 33**

(23 completed, 10 under development)

**Number of buildings sold: 15**

## List of buildings

CIRCLES Shibuya  
CIRCLES Ginza  
CIRCLES Shiodome  
CIRCLES Nishishinjuku  
CIRCLES Gotanda  
CIRCLES Ichigaya  
CIRCLES Hirakawacho  
CIRCLES Ochanomizu  
CIRCLES Kanda Ekimae  
CIRCLES Akihabara Ekimae  
CIRCLES Kanada Ogawamachi  
CIRCLES Nihonbashi Kobunacho  
CIRCLES Nihonbashi Bakurocho  
CIRCLES Nagoya Nishiki  
CIRCLES Otonoha Hakata



## Development of logistics facilities in view of diversified needs and next generations

Number of developments: **40**  
(23 completed, 17 under development)

Number of facilities sold: **20**



Tokyo Ryutsu Center Bldg. A (completed in Aug.2023)



Logicross Zama (completed in Nov. 2023)

### “Next-generation core logistics facility”



(Provisional name) Kyoto Joyo Core Logistics Facility



# A diverse line-up of operational assets

## Outlet Business



## Hotel Management Business



## Hotel Development Business

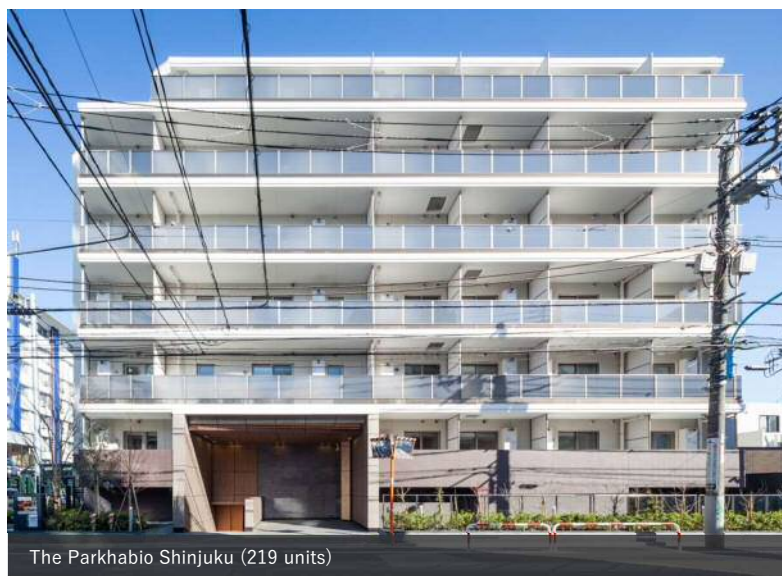


# Capturing growing demand, rental apartment business centered on metropolitan area

Property including rental apartments

Number of developments: **111**

(60 buildings in operation, 51 buildings under development)



The Parkhabio Shinjuku (219 units)



The Parkhabio Yokohama Kannai (85 units)

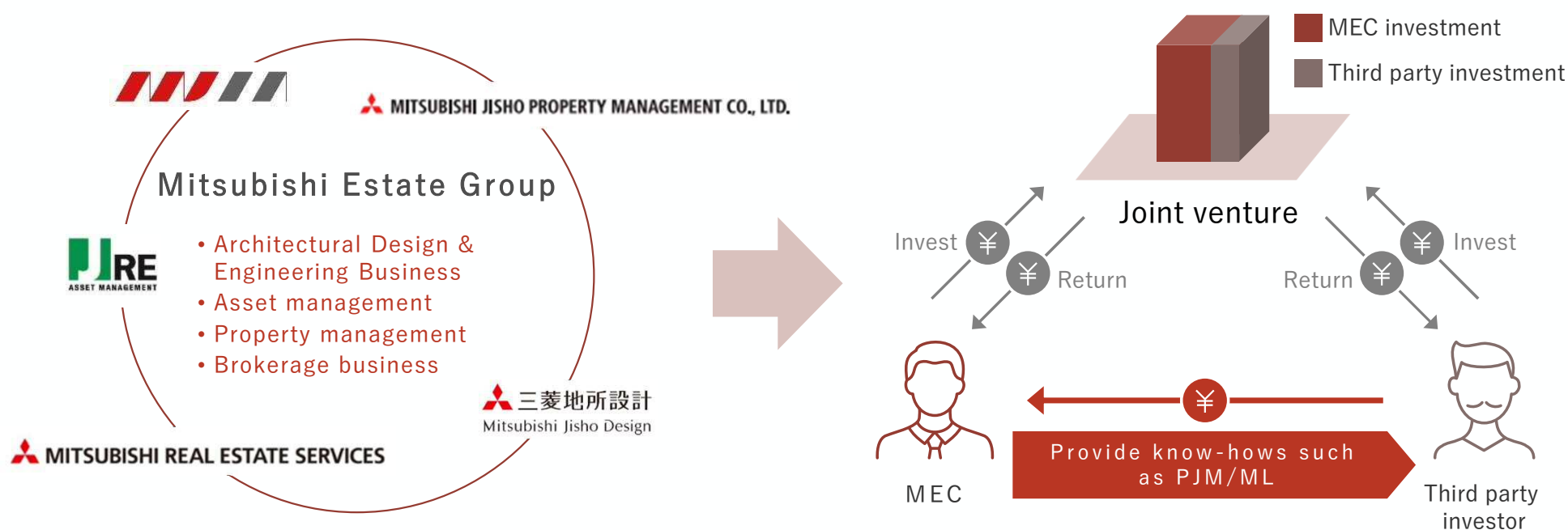


The Parkhabio Sugamo (188 units)



The Parkhabio Kiba (223 units)

# Earn various fees by fully leveraging the Group's expertise



**Provide the Group's expertise. Earn fees throughout the value chain.**



## Earn various fees by fully leveraging the Group's expertise

### Grand Green Osaka

**We obtain various fees as managing company.**

#### 【Services provided by our Group】

Project management

Leasing management

Master lease

Property management

Architectural Design & Engineering Business





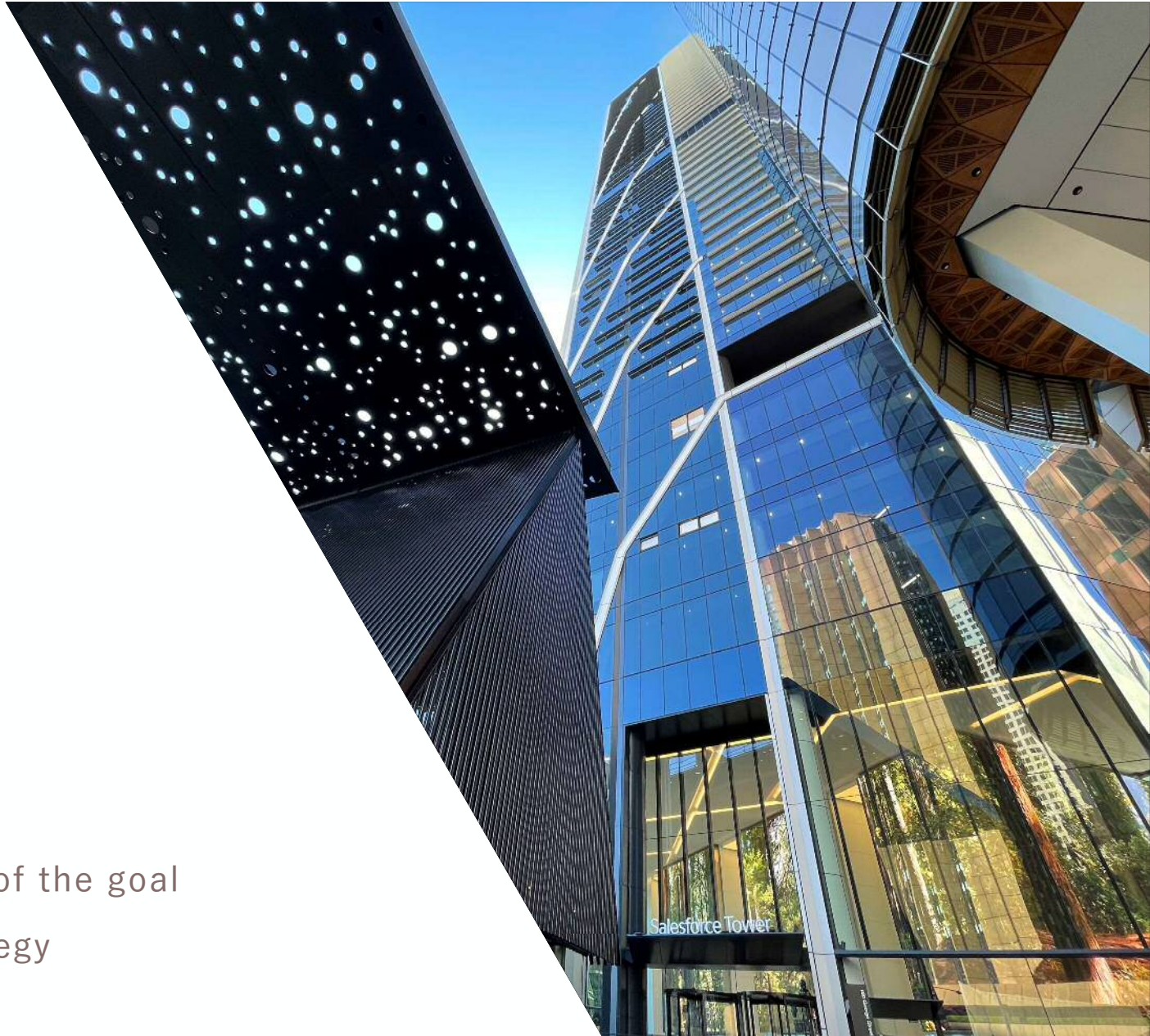
Execution

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International asset

Accelerate achievement of the goal

Update of business strategy



# Achieve of PL targets ahead of schedule

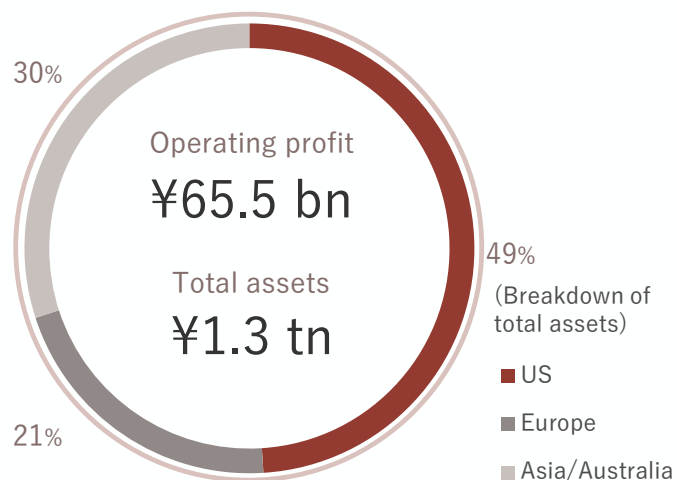
As of the release of  
Long-Term Management Plan

Operating profit  
**¥30.4 bn**  
(Average from FY2017 to FY2019)

Total assets  
**¥713 bn**  
(End of FY2018)

Last 3 years' results

(Average from FY2021 to FY2023)



Late 2020s

**Aim to achieve the LT  
target ahead of schedule**

Operating profit  
Approx. **¥90 bn**

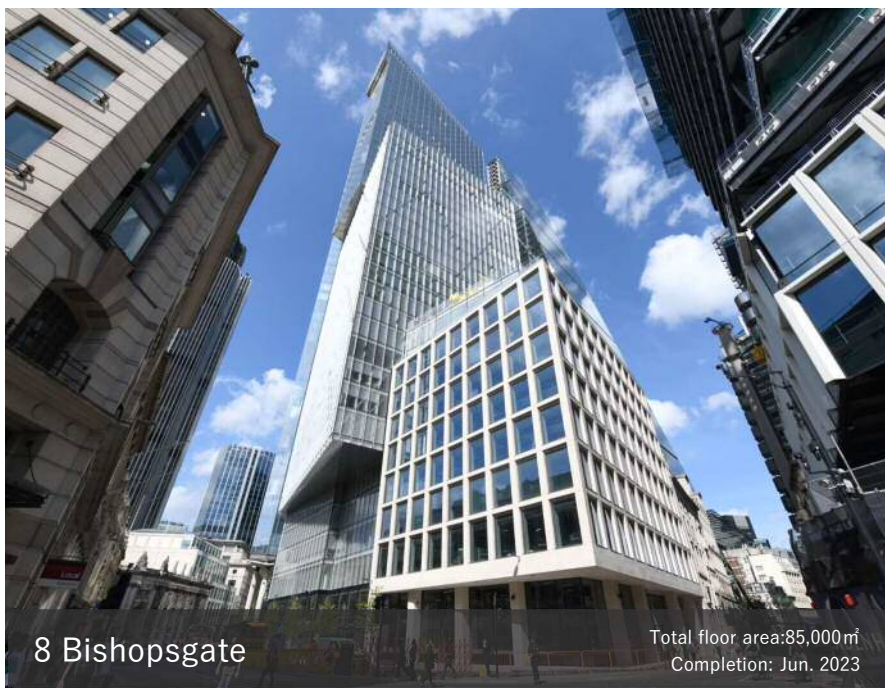
Total assets  
Approx. **¥1.5 tn**

ROA  
Approx. **6%**



# Investment shifting to developed countries

## London, UK



Contract offers: over 85%

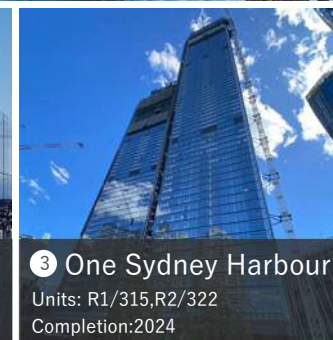
## Australia



Contract offers:  
over 99%



Hotel : Sold  
Condominiums:  
Contracted over 70%



Condominiums:  
Contracted over 90%

# Stable Rental Profit

US



London, UK

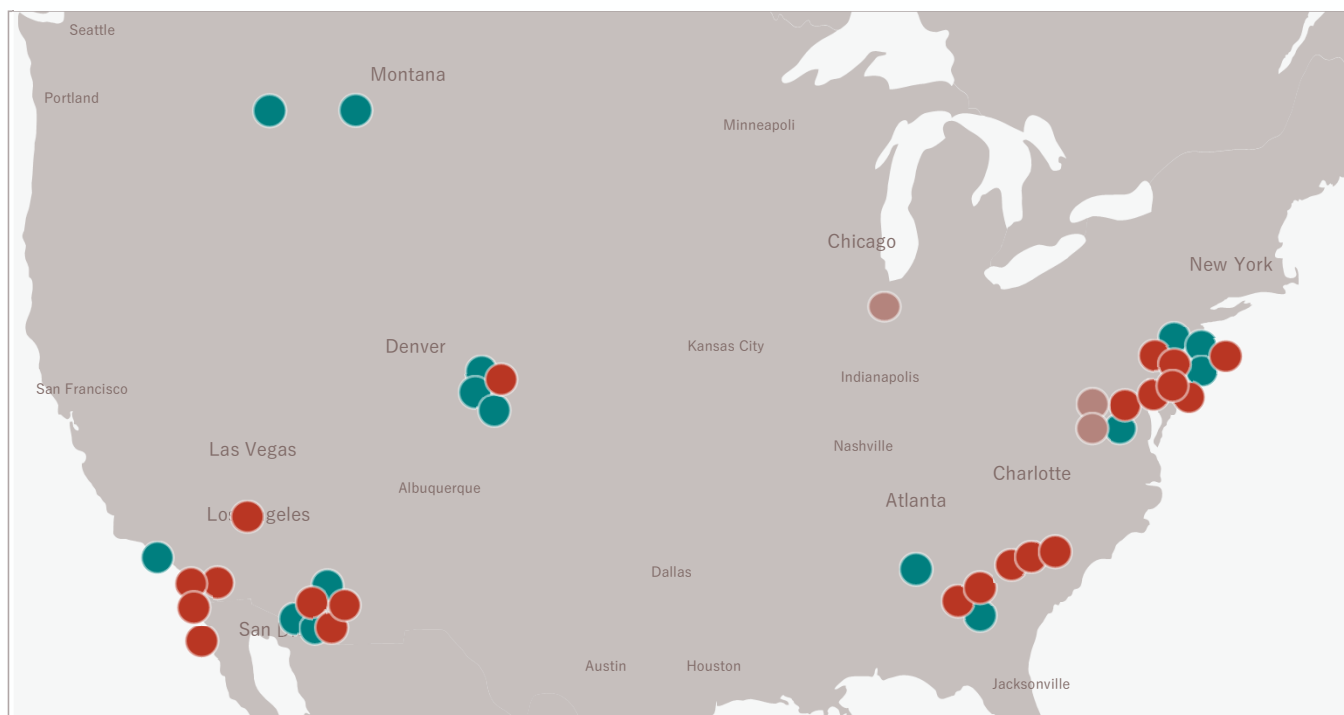


**Overseas: Total rental profit over ¥20bn**

\*FY2023 results



## US A development track record across the US, centering on logistics facilities, rental apartments, and data centers



● Logistics facilities 36 ● Rental apartments 30 ● Data centers 3

### Sale records



Eastampton FY2023	
Location	New Jersey
Main use	Logistics
Total floor area	31,000m <sup>2</sup>
EIRR	Approx.100%



Stateline 7 FY2023	
Location	South Carolina
Main use	Logistics
Total floor area	93,000m <sup>2</sup>
EIRR	Over 30%



Val Verde FY2022	
Location	California
Main use	Logistics
Total floor area	26,900m <sup>2</sup>
EIRR	Approx.100%

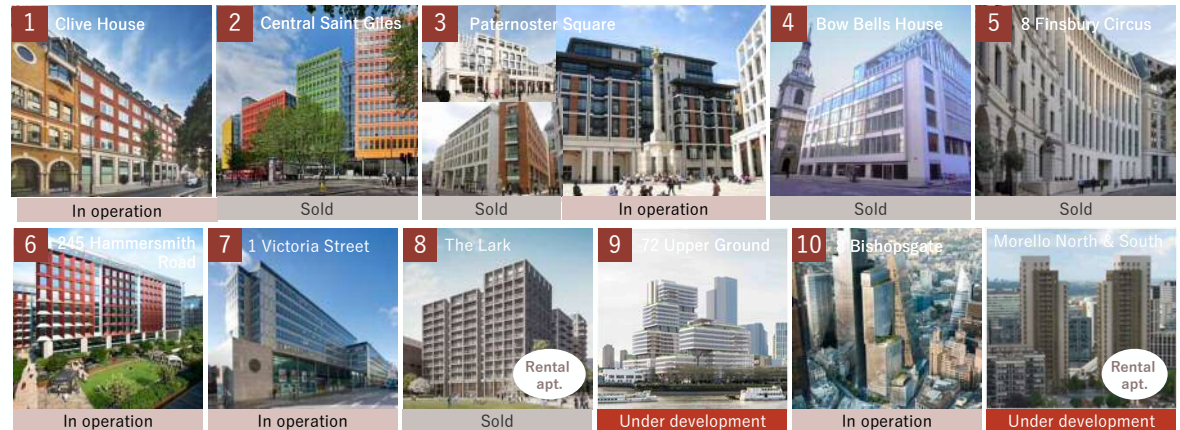
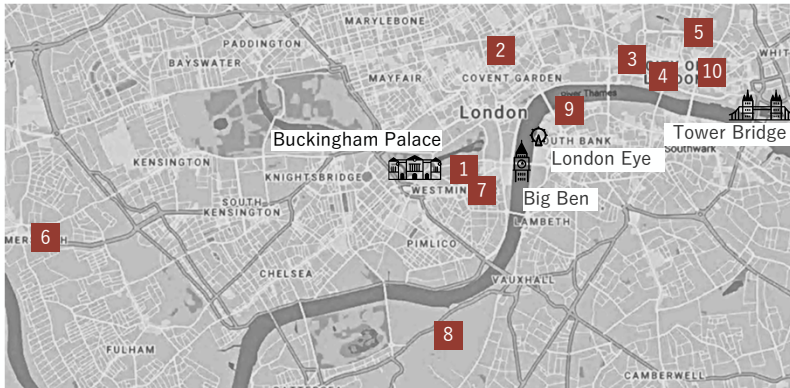


Hanover FY2022	
Location	Pennsylvania
Main use	Logistics
Total floor area	42,100m <sup>2</sup>
EIRR	Approx.100%

### 3 International asset – Accelerate achievement of the goal/Update of business strategy

## Europe Over 30 years of Continued Large-scale Development and Realization of Development Profits in London Prime Locations

### Past achievements



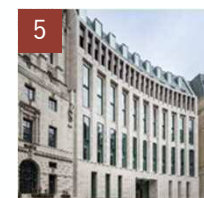
### Realization of high development profits



#### Central Saint Giles

Total floor area 66,000m<sup>2</sup>  
Completion 2010

FY2022 **¥39bn**



#### 8 Finsbury Circus

Total floor area 23,000m<sup>2</sup>  
Completion 2016

FY2019 **¥16bn**

## Australia

# Captured investment opportunities of various asset types in prime locations of Sydney CBD

Under development	1	One Sydney Harbour Residences One	Held by Fund	5	60 Margaret Street
Under development	2	One Sydney Harbour Residences Two	Held by Fund	6	130 Pitt Street
Under development	3	One Circular Quay	Under development	7	Parkline Place
Completed	4	180 George Street			





Execution

4

Enhanced disclosure





## Hold IR Day

# IR DAY

2024.12



Marunouchi



Logicross

Regus™

ROCKEFELLER  
GROUP

TA REALTY

### 【Further improved disclosure】

- Separation of Commercial Property Business  
(Commercial Property Business/Marunouchi Property Business)
- Disclosure of operating profit by business line
- Disclosure of small MTG materials on website (Ja/En)
- Proactive holding of property tours, etc.

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  - Accelerate achievement of the goal
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- 4 **Enhanced disclosure**

## Social value

2030 target

- Pursue tangible and intangible urban development for the next generation
- Maintain commitment to reducing environmental impact
- Consider people, empathize with people, protect people
- Create and circulate new value

## Shareholder value

2030 target

ROA  
**5%**

ROE  
**10%**

EPS  
**¥200**

Business profit 350~400bn

# Be the ECOSYSTEM Engineers