

Mitsubishi Estate's Value Creation Model

Input (Strengths)

Our Long-Term Perspective and Forward-Looking DNA

Human Capital and Intellectual Capital Innovation DNA Underpinned by Our Personnel System

- Long-term perspective on urban development reflected in the development of Marunouchi
- Foresight to constantly stay ahead of the times and the spirit to take on challenges

Examples

- Evolution of Marunouchi into a major business center
- Large-scale redevelopments such as Minatomirai
- Expansion of U.S.-style outlet malls across Japan
- Early entrance into the REIT market

- The ability to improve the value of urban areas by leveraging our extensive business relationships

Examples

- Improvement of Marunouchi Naka-dori Avenue
- Promotion of TOKYO TORCH project

- Human Resource Strategy and Personnel System to Maximize Value Creation

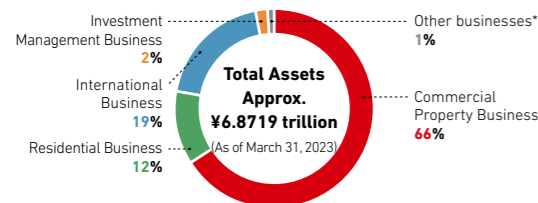
Examples

- 10% Rule System (setting targets outside of regular duties)
- Creation of an information platform shared by all Group companies

Extensive Portfolio and Relationships

Natural Capital and Manufactured Capital Carefully Selected and Abundant Real Estate Asset Touchpoints

- Outstanding asset portfolio centered on the Marunouchi area
- Creation of a portfolio resilient to market conditions by diversifying asset types and possessing assets in different areas



* Architectural Design & Engineering Business, Real Estate Services Business, and other businesses

Social Capital

Relationships and Partnerships Founded on Trust

- Relationships of trust built up with customers and solid relationships with business partners and subcontractors

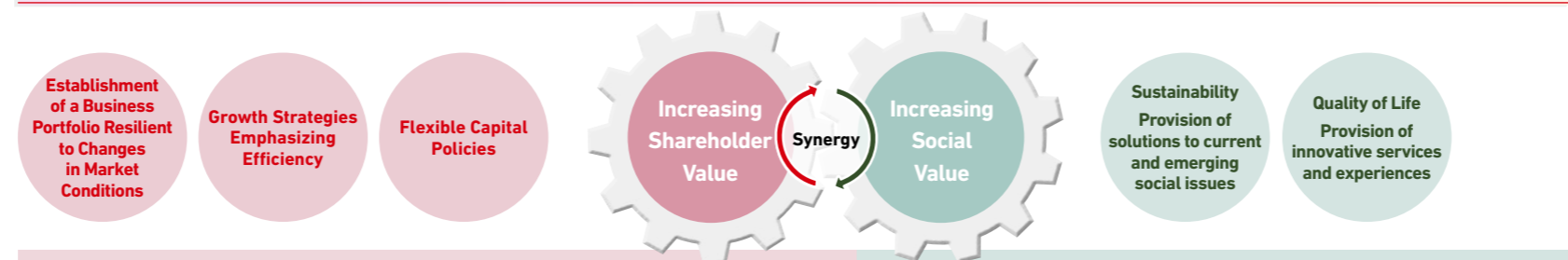
Number of Tenants (Nationwide, All Purposes)

Approx. **3,360** companies

Number of Office Workers in Marunouchi

Approx. **280,000**

Business Model / Output



Commercial Property Business

Asset types: Office buildings, retail properties and outlet malls, logistics facilities, hotels, and airports

Features

- Stable income gains centered on redevelopment projects in the Marunouchi area
- Capital gains through capital-recycling business
- Leading outlet mall business in Japan

Rental Profits ¥177.5 billion (consolidated)	Redevelopment Projects in Marunouchi 19 buildings (ownership of approx. 30 buildings)	Capital Gains Track Record (Commercial Real Estate) Average for last three years of ¥38.6 billion	Outlet Malls 10	Operating Profit ¥19.2 billion
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1 Environment

Sustainable urban development that proactively addresses climate change and other environmental issues

KPI

- Reduction of GHG emissions, use of electricity from renewable energy sources, etc.

Examples of Initiatives

- Introduction of renewable energy to achieve decarbonization
- Biodiversity initiatives

Residential Business

Features

- Condominium business that carefully selects areas to pursue high profitability
- Rental housing business that addresses robust demand to post stable capital gains

Number of Units Sold / Gross Profit Ratio 2,706 / 22.9% (Average for last three years)	Capital Gains ¥12.0 billion (Average for last three years)
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2 Diversity & Inclusion

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

KPI

- Percentages of female managers, employees with disabilities, employees in good health, etc.

Examples of Initiatives

- Supply chain management initiatives pertaining to human rights, labor issues, etc.
- Diversity-related initiatives within the Group

International Business

Feature

- Promotion of real estate development in the United States, Europe, Asia, and Oceania

Number of Overseas Offices 19	United States: Stable income from our flagship buildings in Manhattan and capital gains from logistics facilities Europe: Large-scale development backed by more than 40 years of business experience Asia: Capital-recycling business through investments spread across a variety of areas
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3 Innovation

Innovative urban development that continuously reinvigorates society

KPI

- Number of incubation facilities, their floor space, and number of tenant companies

Examples of Initiatives

- Operation of incubation facilities
- Digital transformation of real estate through use of the latest technology
- Spurring of innovation through cooperation and collaboration

Investment Management Business

Feature

- Establishment of a global platform to operate the business globally

Assets under Management
More than ¥5.4 trillion

4 Resilience

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

KPI

- Percentages of buildings designated as shelters for stranded commuters, employees with first aid provider qualifications, etc.

Examples of Initiatives

- Disaster dashboard
- Rain gardens

Other Businesses

Features

- Architectural Design & Engineering Business**
Provision inside and outside the Group of a range of knowledge and expertise accumulated as an in-house design company
- Real Estate Services Business**
Provision of one-stop solutions leveraging an extensive service menu and Mitsubishi Estate's comprehensive strengths

Outcome

The Mission of the Mitsubishi Estate Group

We contribute to society through urban development.

By building attractive, environmentally sound communities where people can live, work, and relax with contentment, we contribute to the creation of a truly meaningful society.

Mitsubishi Estate will continuously offer value to its shareholders, society, and all other stakeholders by improving its corporate value sustainably through urban development.



Increasing shareholder value

- Realization of a highly efficient portfolio resilient to changes in market conditions
- Pursuit of efficiency expected by equity markets

Long-Term Management Plan 2030 KPI Targets

ROA of **5%** EPS of **¥200**

ROE of **10%**

Increasing social value

Offering of a wide range of value by addressing social issues and providing services and experiences ahead of the times

- 1 Environment**
 - Cities that conduct management of climate change, waste, and energy issues
 - Efficient and ecological cities where stock is effectively utilized
- 2 Diversity & Inclusion**
 - Borderless cities respecting the diverse backgrounds of all peoples
 - Cities conducive to realizing an inclusive society
 - Affluent and pleasant cities that respond to demographic and lifestyle changes
- 3 Innovation**
 - Cities that provide interactive added value through knowledge accumulation and networks
 - Innovative cities acting as wellsprings for open innovation
- 4 Resilience**
 - Safe and peaceful cities of a sustainable and resilient nature



Sustainable Corporate Growth (Improving Corporate Value)