

Summary of Consolidated Financial Statements for FY2023-3Q
(the Fiscal Year Ending March 31, 2024)
 < under Japanese GAAP >

Company Name: Mitsubishi Estate Co., Ltd. Listed Stock Exchanges: Tokyo
Securities Code: 8802 URL: <https://www.mec.co.jp/en/>
Representative: Atsushi Nakajima, President & CEO
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 Supplementary documents on quarterly financial results: Yes
 Quarterly investors meeting: Yes (for institutional investors and analysts, in Japanese)

*Definition of term (Changes from previous versions) : "FY2023" means the Group's fiscal year ended March 31, 2024, and other fiscal years mean in a corresponding manner.

*Figures are rounded down to the nearest million.

1. Consolidated Results for FY2023-3Q (April 1, 2023 – December 31, 2023)

* Percent figures for operating revenue, operating profit, ordinary profit, and profit attributable to owners of parent express the percentage changes from the corresponding period of the previous fiscal year.

(1) Consolidated Results

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q FY2023	926,448	2.2	146,821	(26.6)	123,284	(32.6)	77,547	(24.6)
3Q FY2022	906,324	0.2	200,012	16.1	183,004	21.4	102,809	18.0

Note: Comprehensive Income:

3Q FY2023 ¥221,014 million ((18.2%)) 3Q FY2022 ¥270,056 million (89.5%)

	EPS		Diluted EPS	
	Yen		Yen	
3Q FY2023	60.61		60.61	
3Q FY2022	77.79		77.79	

(2) Consolidated Financial Position

	Total Assets		Net Assets		Total Equity to Total Assets	
	Millions of yen	%	Millions of yen	%	%	
Dec. 31, 2023	7,555,268		2,493,784		30.0	
Mar. 31, 2023	6,871,959		2,379,941		31.4	

(Reference) Total Equity Dec. 31, 2023 ¥2,265,049 million Mar. 31, 2023 ¥2,157,561 million

2. Dividends

	1Q	2Q	3Q	4Q	Annual
	Yen				
FY2022	—	19.00	—	19.00	38.00
FY2023	—	20.00	—		
FY2023 (Planned)				20.00	40.00

Note: Revisions to dividend forecast of the fiscal year ending March 31, 2024: No

3. Forecast of Consolidated Financial Results for FY2023 (April 1, 2023 – March 31, 2024)

* Percent figures for operating revenue, operating profit, ordinary profit, and profit attributable to owners of parent express the percentage changes from the previous fiscal year.

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		EPS
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Fiscal Year	1,469,000	6.6	267,000	(10.0)	232,000	(14.6)	166,000	0.4	130.08

Note: Revisions to forecast of consolidated financial results for FY2023 during this quarter: Yes

Note: The Company resolved to repurchase its own shares at the board of directors meeting held on November 10, 2022. The impact of repurchase of own shares is taken into account in regards to EPS in the forecast of consolidated financial results for FY2023.

Note: The EPS is calculated using the number of shares after the Company disposed the restricted shares (159,042 shares) on May 26, 2023.

Note: The EPS is calculated using the number of shares after the Company disposed the restricted shares (146,281 shares) on August 25, 2023.

4. Others

(1) Changes in Important Subsidiaries during the Period (Changes in Specified Subsidiaries in accordance with Changes in the Scope of Consolidation): Yes

New Consolidation: Nagoya Minato Development SPC

Exclusion: -

(2) Adoption of the Simplified Accounting Method and Special Accounting Practices in the Preparation of Quarterly Consolidated Financial Statements: No

(3) Changes in Accounting Principles, Procedures, Presentation Methods, etc., Concerning the Preparation of Consolidated Financial Statements (Recorded under “Changes in Significant Matters in the Preparation of Consolidated Financial Statements”)

- 1) Changes of accompanying revisions in accounting standards: No
- 2) Changes of accompanying revisions other than 1. Above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(4) Number of Outstanding Shares (Common Stock)

- 1) Number of outstanding shares at the fiscal period-end (including treasury stock)

Dec. 31, 2023	1,324,288,306 shares	Mar. 31, 2023	1,324,288,306 shares
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- 2) Number of shares of treasury stock at the fiscal period-end

Dec. 31, 2023	58,048,815 shares	Mar. 31, 2023	28,043,822 shares
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- 3) Average number of shares for the period (quarterly consolidated cumulative basis)

Dec. 31, 2023	1,279,390,008 shares	Dec. 31, 2022	1,321,578,906 shares
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Implementation status of review processes

This Summary of Consolidated Financial Results is not subject to the review processes under the Financial Products and Exchange Law.

Cautionary Statement with respect to Forecast of Consolidated Financial Results

The forecasts and projected operating results contained in this report are based on information and data available to the Company at the time of disclosure as well as certain assumptions deemed rational. Therefore, actual performance may differ significantly from such forecasts due to various factors.

Details can be found on our website. (<https://www.mec.co.jp/en/ir/library/>)

Please see the IR Presentation Materials on our website for the details of revisions to the forecast of consolidated financial results for FY2023.

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	225,011	323,517
Trade notes accounts receivable, and contract assets	69,987	62,257
Securities	3,578	6,511
Real estate for sale	65,252	151,239
Real estate for sale in process	420,956	473,157
Real estate for development	719	719
Costs on construction contracts in progress	5,201	7,817
Other inventories	1,413	1,635
Equity investments	716,416	935,178
Other	108,723	128,941
Allowance for doubtful accounts	(659)	(965)
Total current assets	1,616,602	2,090,009
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,984,949	3,124,774
Accumulated depreciation and impairment	(1,761,958)	(1,799,049)
Buildings and structures, net	1,222,991	1,325,725
Machinery, equipment and vehicles	100,030	101,679
Accumulated depreciation and impairment	(72,120)	(75,365)
Machinery, equipment and vehicles, net	27,909	26,313
Land	2,335,460	2,355,423
Land in trust	575,648	575,529
Construction in progress	228,955	246,186
Other	69,815	76,894
Accumulated depreciation and impairment	(44,565)	(47,609)
Other, net	25,249	29,284
Total property, plant and equipment	4,416,214	4,558,462
Intangible assets		
Leasehold interests in land	81,745	77,258
Other	29,441	28,711
Total intangible assets	111,187	105,970
Investments and other assets		
Investment securities	306,352	364,795
Long-term loans receivable	2,559	5,133
Leasehold and guarantee deposits	144,070	147,837
Retirement benefit asset	62,528	65,609
Deferred tax assets	25,943	26,622
Other	187,095	191,446
Allowance for doubtful accounts	(596)	(618)
Total investments and other assets	727,954	800,825
Total non-current assets	5,255,356	5,465,258
Total assets	6,871,959	7,555,268

(Millions of yen)

As of March 31, 2023 As of December 31, 2023

Liabilities		
Current liabilities		
Trade notes and accounts payable	66,407	59,860
Short-term borrowings	194,881	272,195
Current portion of long-term borrowings	210,087	86,085
Commercial papers	—	200,000
Current portion of bonds payable	26,635	47,479
Income taxes payable	23,574	10,778
Other	333,752	318,215
Total current liabilities	855,337	994,614
Non-current liabilities		
Bonds payable	820,584	840,584
Long-term borrowings	1,618,019	1,900,551
Leasehold and guarantee deposits received	448,442	447,752
Deferred tax liabilities	288,861	323,780
Deferred tax liabilities for land revaluation	264,082	264,082
Retirement benefit liability	27,644	28,207
Provision for retirement benefits for directors (and other officers)	478	445
Provision for environmental measures	582	110
Negative goodwill	60,413	62,384
Other	107,568	198,968
Total non-current liabilities	3,636,680	4,066,869
Total liabilities	4,492,017	5,061,483
Net assets		
Shareholders' equity		
Share capital	142,414	142,414
Capital surplus	157,914	159,505
Retained earnings	1,147,425	1,174,864
Treasury shares	(48,454)	(102,063)
Total shareholders' equity	1,399,299	1,374,720
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	138,552	174,176
Deferred gains or losses on hedges	2,106	2,817
Revaluation reserve for land	526,417	526,417
Foreign currency translation adjustment	77,489	175,640
Remeasurements of defined benefit plans	13,695	11,277
Total accumulated other comprehensive income	758,261	890,328
Share acquisition rights	193	71
Non-controlling interests	222,187	228,663
Total net assets	2,379,941	2,493,784
Total liabilities and net assets	6,871,959	7,555,268

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Operating revenue	906,324	926,448
Operating costs	634,631	698,158
Operating gross profit	271,693	228,290
Selling, general and administrative expenses	71,680	81,469
Operating profit	200,012	146,821
Non-operating income		
Interest income	557	905
Dividend income	7,293	8,756
Share of profit of entities accounted for using equity method	315	378
Other	3,605	3,238
Total non-operating income	11,771	13,278
Non-operating expenses		
Interest expenses	18,449	26,170
Loss on retirement of non-current assets	3,371	3,794
Other	6,957	6,850
Total non-operating expenses	28,779	36,815
Ordinary profit	183,004	123,284
Extraordinary income		
Gain on sale of non-current assets	6,401	—
Gain on sale of investment securities	2,459	16,295
Total extraordinary income	8,860	16,295
Extraordinary losses		
Loss related to retirement of non-current assets	16,249	—
Loss on valuation of investment securities	2,637	—
Loss on valuation of equity investments	4,543	—
Total extraordinary losses	23,430	—
Profit before income taxes	168,435	139,579
Income taxes - current	38,598	39,148
Income taxes - deferred	6,859	15,514
Total income taxes	45,458	54,662
Profit	122,977	84,916
Profit attributable to non-controlling interests	20,167	7,369
Profit attributable to owners of parent	102,809	77,547

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	122,977	84,916
Other comprehensive income		
Valuation difference on available-for-sale securities	2,426	35,631
Deferred gains or losses on hedges	3,243	708
Foreign currency translation adjustment	141,468	102,164
Remeasurements of defined benefit plans, net of tax	(2,254)	(2,409)
Share of other comprehensive income of entities accounted for using equity method	2,195	2
Total other comprehensive income	147,079	136,097
Comprehensive income	270,056	221,014
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	238,410	209,614
Comprehensive income attributable to non-controlling interests	31,645	11,400

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	168,435	139,579
Depreciation	69,775	72,293
Loss (gain) on sale and retirement of property, plant and equipment	1,006	1,741
Loss (gain) on sale of securities	(2,459)	(16,295)
Loss (gain) on valuation of securities	2,637	—
Loss on valuation of equity investments	4,543	—
Bond issuance costs	269	209
Amortization of goodwill	2,236	2,771
Share of loss (profit) of entities accounted for using equity method	(315)	(378)
Increase (decrease) in provisions	289	(186)
Increase (decrease) in retirement benefit liability	(7,210)	(5,854)
Interest and dividend income	(7,850)	(9,661)
Interest expenses	18,449	26,170
Decrease (increase) in trade receivables and contract assets	13,182	9,037
Decrease (increase) in inventories	(122,862)	(8,555)
Decrease (increase) in equity investments	3,343	(136,374)
Decrease (increase) in advance payments to suppliers	333	482
Decrease (increase) in leasehold and guarantee deposits	1,559	(3,747)
Increase (decrease) in trade payables	(15,371)	(6,634)
Increase (decrease) in accrued consumption taxes	2,245	(2,193)
Increase (decrease) in leasehold and guarantee deposits received	(6,524)	(690)
Other, net	(15,836)	74,855
Subtotal	109,876	136,569
Interest and dividends received	8,452	9,058
Interest paid	(17,315)	(25,074)
Income taxes refund (paid)	(60,776)	(62,334)
Cash flows from operating activities	40,236	58,219
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	67	2
Payments into time deposits	(1)	(2)
Proceeds from sale and redemption of securities	2,015	1,100
Purchase of securities	(1,945)	(818)
Proceeds from sale of property, plant and equipment	10,189	33
Purchase of property, plant and equipment	(205,278)	(286,003)
Proceeds from sale and redemption of investment securities	5,847	24,494
Purchase of investment securities	(3,565)	(8,314)
Proceeds from collection of short-term loans receivable	—	172

Short-term loan advances	(352)	(132)
Proceeds from collection of long-term loans receivable	9	26
Long-term loan advances	(212)	(2,461)
Other, net	(7,682)	(6,101)
Cash flows from investing activities	(200,909)	(278,003)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,124	52,321
Net increase (decrease) in commercial papers	200,000	200,000
Repayments of finance lease obligations	(628)	(240)
Proceeds from long-term borrowings	184,338	302,620
Repayments of long-term borrowings	(83,215)	(175,097)
Proceeds from issuance of bonds	59,730	59,790
Redemption of bonds	(80,000)	(20,000)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(2,623)
Net decrease (increase) in treasury shares	(16,163)	(54,253)
Decrease (increase) in deposits for purchase of treasury shares	(10,345)	—
Dividends paid	(51,613)	(50,078)
Dividends paid to non-controlling interests	(12,278)	(13,047)
Proceeds from share issuance to non-controlling shareholders	2,773	8,348
Other, net	(68)	(744)
Cash flows from financing activities	198,654	306,996
Effect of exchange rate change on cash and cash equivalents	9,045	14,187
Net increase (decrease) in cash and cash equivalents	47,027	101,399
Cash and cash equivalents at beginning of period	234,244	225,772
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	740	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(2,629)	(62)
Cash and cash equivalents at end of period	279,384	327,109