



### 3. Forecast of Consolidated Financial Results for FY2022 (April 1, 2021 – March 31, 2022)

\* 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	1,361,000	12.7	280,000	24.8	254,000	20.4	155,000	14.3	116.32

Note: Revisions to forecast of consolidated financial results for FY2021 during this quarter: Yes

The Company resolved to repurchase its own shares at the board of directors meeting held on April 8, 2021. The impact of repurchase of own shares is taken into account in regards to EPS in the forecast of consolidated financial results for FY2022.

The EPS is calculated using the number of shares after the Company issued the restricted shares (150,390 shares) on May 21, 2021.

### 4. Others

(1) Changes in Important Subsidiaries during the Period (Changes in Specified Subsidiaries in accordance with Changes in the Scope of Consolidation): No

(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: Yes
- 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, 2021	1,391,478,706 shares	Mar. 31, 2021	1,391,328,316 shares
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- 2) Number of shares of treasury stock at the fiscal period-end

Dec. 31, 2021	62,942,433 shares	Mar. 31, 2021	52,733,879 shares
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- 3) Average number of shares for the period (quarterly consolidated cumulative basis)

Dec. 31, 2021	1,334,857,968 shares	Dec. 31, 2020	1,338,587,908 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/e/investor/irlibrary/materials/index.html>)

Please refer to FACT BOOK for the details of revisions to the forecast of consolidated financial results announced today.

## (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	170,040	243,036
Trade notes and accounts receivable	52,031	—
Trade notes accounts receivable, and contract assets	—	43,682
Securities	4,626	5,926
Real estate for sale	88,116	54,504
Real estate for sale in process	267,563	302,534
Real estate for development	975	724
Costs on construction contracts in progress	7,144	6,935
Other inventories	1,034	1,732
Equity investments	496,182	569,290
Other	76,875	94,541
Allowance for doubtful accounts	△553	△533
<b>Total current assets</b>	<b>1,164,037</b>	<b>1,322,377</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,815,474	2,888,028
Accumulated depreciation and impairment	△1,636,709	△1,670,979
Buildings and structures, net	1,178,764	1,217,048
Machinery, equipment and vehicles	103,387	99,207
Accumulated depreciation and impairment	△72,927	△67,525
Machinery, equipment and vehicles, net	30,460	31,682
Land	2,237,934	2,286,800
Land in trust	578,446	591,785
Construction in progress	136,273	132,306
Other	57,221	60,212
Accumulated depreciation and impairment	△39,207	△41,343
Other, net	18,013	18,869
<b>Total property, plant and equipment</b>	<b>4,179,893</b>	<b>4,278,491</b>
Intangible assets		
Leasehold interests in land	76,193	85,519
Other	24,901	24,728
<b>Total intangible assets</b>	<b>101,095</b>	<b>110,247</b>
Investments and other assets		
Investment securities	281,996	280,812
Long-term loans receivable	11,661	11,607
Leasehold and guarantee deposits	136,478	142,286
Retirement benefit asset	34,370	35,861
Deferred tax assets	16,536	23,597
Other	146,455	166,069
Allowance for doubtful accounts	△6	△577
<b>Total investments and other assets</b>	<b>627,493</b>	<b>659,659</b>
<b>Total non-current assets</b>	<b>4,908,481</b>	<b>5,048,398</b>
<b>Total assets</b>	<b>6,072,519</b>	<b>6,370,776</b>

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	60,507	38,815
Short-term borrowings	141,785	174,079
Current portion of long-term borrowings	127,643	106,471
Commercial papers	50,000	64,000
Current portion of bonds payable	65,000	100,000
Income taxes payable	24,457	7,590
Other	193,043	216,384
Total current liabilities	662,437	707,341
Non-current liabilities		
Bonds payable	745,759	736,180
Long-term borrowings	1,393,858	1,564,389
Leasehold and guarantee deposits received	466,891	457,219
Deferred tax liabilities	243,818	255,979
Deferred tax liabilities for land revaluation	264,082	264,082
Retirement benefit liability	27,123	27,636
Provision for retirement benefits for directors (and other officers)	662	483
Provision for environmental measures	4,537	4,482
Negative goodwill	83,604	85,199
Other	118,294	141,256
Total non-current liabilities	3,348,634	3,536,910
Total liabilities	4,011,071	4,244,252
Net assets		
Shareholders' equity		
Share capital	142,279	142,414
Capital surplus	164,367	159,521
Retained earnings	1,058,457	1,097,355
Treasury shares	△105,216	△122,511
Total shareholders' equity	1,259,887	1,276,778
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	118,088	118,070
Deferred gains or losses on hedges	△1,916	△1,282
Revaluation reserve for land	526,417	526,417
Foreign currency translation adjustment	△53,740	△14,865
Remeasurements of defined benefit plans	3,163	2,117
Total accumulated other comprehensive income	592,011	630,456
Share acquisition rights	231	231
Non-controlling interests	209,316	219,056
Total net assets	2,061,447	2,126,523
Total liabilities and net assets	6,072,519	6,370,776

(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, 2020	Nine months ended December 31, 2021
Operating revenue	777,883	904,570
Operating costs	573,250	664,140
Operating gross profit	204,632	240,429
Selling, general and administrative expenses	65,154	68,088
Operating profit	139,477	172,340
Non-operating income		
Interest income	669	555
Dividend income	15,702	6,495
Share of profit of entities accounted for using equity method	274	354
Contribution for construction	—	1,455
Other	7,134	4,055
Total non-operating income	23,782	12,917
Non-operating expenses		
Interest expenses	16,444	15,487
Loss on retirement of non-current assets	4,586	10,063
Other	2,762	8,945
Total non-operating expenses	23,794	34,496
Ordinary profit	139,465	150,760
Extraordinary income		
Gain on sale of non-current assets	13,576	—
Gain on sale of investment securities	2,034	7,756
Gain on sale of shares of subsidiaries and associates	—	1,853
Total extraordinary income	15,610	9,609
Extraordinary losses		
Loss related to retirement of non-current assets	—	14,060
Loss on valuation of investment securities	2,283	—
Impairment losses	2,646	—
Loss on liquidation of subsidiaries	13,856	—
Loss on infectious disease	5,698	—
Total extraordinary losses	24,485	14,060
Profit before income taxes	130,591	146,309
Income taxes - current	25,616	39,254
Income taxes - deferred	8,774	5,199
Total income taxes	34,391	44,454
Profit	96,199	101,855
Profit attributable to non-controlling interests	7,417	14,712
Profit attributable to owners of parent	88,782	87,142

## (Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	96,199	101,855
Other comprehensive income		
Valuation difference on available-for-sale securities	22,427	△17
Deferred gains or losses on hedges	△123	493
Foreign currency translation adjustment	△20,081	41,392
Remeasurements of defined benefit plans, net of tax	97	△1,032
Share of other comprehensive income of entities accounted for using equity method	△173	△165
Total other comprehensive income	2,147	40,670
Comprehensive income	98,347	142,525
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	91,896	125,588
Comprehensive income attributable to non-controlling interests	6,450	16,936

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	130,591	146,309
Depreciation	66,372	67,933
Loss (gain) on sale and retirement of property, plant and equipment	△10,974	16,722
Loss (gain) on sale of securities	△2,034	△7,756
Loss (gain) on valuation of securities	2,283	—
Loss (gain) on sale of shares of subsidiaries and associates	—	△1,853
Loss (gain) on liquidation of subsidiaries	13,856	—
Impairment losses	2,646	—
Bond issuance costs	272	282
Amortization of goodwill	2,082	1,901
Proceeds from contribution for construction	—	△1,455
Share of loss (profit) of entities accounted for using equity method	△274	△354
Increase (decrease) in provisions	162	213
Increase (decrease) in retirement benefit liability	△1,725	△2,372
Interest and dividend income	△16,372	△7,051
Interest expenses	16,439	15,487
Decrease (increase) in trade receivables	4,342	—
Decrease (increase) in trade receivables and contract assets	—	7,068
Decrease (increase) in inventories	23,630	71,409
Decrease (increase) in equity investments	13,574	△15,858
Decrease (increase) in advance payments to suppliers	△489	2,900
Decrease (increase) in leasehold and guarantee deposits	△7,925	△5,793
Increase (decrease) in trade payables	△30,300	△17,211
Increase (decrease) in accrued consumption taxes	△9,691	5,759
Increase (decrease) in leasehold and guarantee deposits received	3,397	△9,554
Other, net	△44,340	△28,074
Subtotal	155,523	238,653
Interest and dividends received	16,107	6,759
Interest paid	△16,443	△15,309
Income taxes paid	△57,138	△55,254
Net cash provided by (used in) operating activities	98,049	174,848
<b>Cash flows from investing activities</b>		
Proceeds from withdrawal of time deposits	656	2
Payments into time deposits	△11	△407
Proceeds from sale and redemption of securities	2,292	833
Purchase of securities	△2,620	△887
Proceeds from sale of property, plant and equipment	29,788	7

Purchase of property, plant and equipment	△227,341	△217,310
Proceeds from sale and redemption of investment securities	12,813	8,398
Purchase of investment securities	△15,731	△6,802
Purchase of leasehold interests in land	△3,942	△523
Proceeds from collection of short-term loans receivable	4,502	50
Short-term loan advances	△250	△3,960
Proceeds from collection of long-term loans receivable	44	285
Long-term loan advances	△587	△66
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	1,883
Proceeds from contribution received for construction	—	1,455
Other, net	△7,182	△6,368
Net cash provided by (used in) investing activities	△207,570	△223,410

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	41,015	23,973
Net increase (decrease) in commercial papers	150,000	14,000
Repayments of finance lease obligations	△249	△228
Proceeds from long-term borrowings	206,334	222,190
Repayments of long-term borrowings	△105,838	△87,699
Proceeds from issuance of bonds	64,727	69,717
Redemption of bonds	△36,550	△45,000
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	△65	△7,958
Net decrease (increase) in treasury shares	△18	△19,858
Dividends paid	△39,432	△46,815
Dividends paid to non-controlling interests	△8,622	△8,791
Proceeds from share issuance to non-controlling shareholders	2,237	4,547
Other, net	90	27
Net cash provided by (used in) financing activities	273,629	118,105
Effect of exchange rate change on cash and cash equivalents	△3,168	4,025
Net increase (decrease) in cash and cash equivalents	160,939	73,568
Cash and cash equivalents at beginning of period	213,008	172,307
Cash and cash equivalents at end of period	373,948	245,875