

Summary of Consolidated Financial Statements for FY2023-1Q
(the Fiscal Year Ending March 31, 2023)
 < under Japanese GAAP >

Company Name: Mitsubishi Estate Co., Ltd. Listed Stock Exchanges: Tokyo
Securities Code: 8802 URL: https://www.mec.co.jp/index_e.html
Representative: Junichi Yoshida, President & CEO
Inquiries: Motohiro Sato, General Manager of the Corporate Communications Department TEL: +81-3-3287-5200
Filing of Quarterly Report (Planned): August 12, 2022
 Supplementary documents on quarterly financial results: Yes (FACT BOOK)
 Quarterly investors meeting: Yes (for institutional investors and analysts, in Japanese)

*Figures are rounded down to the nearest million.

1. Consolidated Results for FY2023-1Q (April 1, 2022 – June 30, 2022)

* 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	%
1Q FY2023	305,367	(0.7)	83,518	33.5	81,845	41.2	61,553	77.3
1Q FY2022	307,402	19.4	62,563	15.4	57,948	12.9	34,708	18.6

Note: Comprehensive Income:

1Q FY2023 ¥106,891 million (38.8%) 1Q FY2022 ¥77,015 million (314.1%)

	EPS		Diluted EPS	
	Yen		Yen	
1Q FY2023	46.54		46.53	
1Q FY2022	25.93		25.93	

(2) Consolidated Financial Position

	Total Assets	Net Assets	Total Equity to Total Assets
	Millions of yen	Millions of yen	%
Jun. 30, 2022	6,716,831	2,312,626	30.9
Mar. 31, 2022	6,493,917	2,236,432	30.8

(Reference) Total Equity Jun. 30, 2022 ¥2,077,098 million Mar. 31, 2022 ¥2,003,225 million

2. Dividends

(Date of Record)	1Q	2Q	3Q	4Q	Annual
	Yen	Yen	Yen	Yen	Yen
FY2022	—	16.00	—	20.00	36.00
FY2023	—				
FY2023 (Planned)		19.00	—	19.00	38.00

Note: Revisions to dividend forecast of the fiscal year ending March 31, 2023: No

3. Forecast of Consolidated Financial Results for FY2023 (April 1, 2022 – March 31, 2023)

* 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	1,416,000	4.9	291,000	4.3	271,000	6.8	165,000	6.3	124.75

Note: Revisions to forecast of consolidated financial results for FY2023 during this quarter: No

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)

Jun. 30, 2022	1,391,478,706 shares	Mar. 31, 2022	1,391,478,706 shares
---------------	----------------------	---------------	----------------------

- 2) Number of shares of treasury stock at the fiscal period-end

Jun. 30, 2022	68,719,856 shares	Mar. 31, 2022	68,852,376 shares
---------------	-------------------	---------------	-------------------

- 3) Average number of shares for the period (quarterly consolidated cumulative basis)

Jun. 30, 2022	1,322,692,592 shares	Jun. 30, 2021	1,338,322,875 shares
---------------	----------------------	---------------	----------------------

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, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	233,117	289,951
Trade notes accounts receivable, and contract assets	60,645	46,101
Securities	4,280	5,214
Real estate for sale	41,239	27,630
Real estate for sale in process	299,532	426,869
Real estate for development	724	724
Costs on construction contracts in progress	4,316	5,726
Other inventories	1,575	1,506
Equity investments	624,521	623,868
Other	87,260	85,938
Allowance for doubtful accounts	(422)	(414)
Total current assets	1,356,789	1,513,117
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,919,944	2,943,678
Accumulated depreciation and impairment	(1,689,430)	(1,710,935)
Buildings and structures, net	1,230,513	1,232,743
Machinery, equipment and vehicles	99,855	100,027
Accumulated depreciation and impairment	(68,647)	(69,764)
Machinery, equipment and vehicles, net	31,208	30,263
Land	2,310,551	2,355,386
Land in trust	585,470	579,243
Construction in progress	169,700	192,012
Other	61,398	62,393
Accumulated depreciation and impairment	(42,852)	(43,630)
Other, net	18,545	18,763
Total property, plant and equipment	4,345,989	4,408,413
Intangible assets		
Leasehold interests in land	82,541	82,693
Other	25,550	24,975
Total intangible assets	108,092	107,669
Investments and other assets		
Investment securities	299,617	293,335
Long-term loans receivable	2,324	2,496
Leasehold and guarantee deposits	140,230	137,800
Retirement benefit asset	45,998	47,711
Deferred tax assets	25,887	25,734
Other	169,535	181,123
Allowance for doubtful accounts	(548)	(570)
Total investments and other assets	683,045	687,631
Total non-current assets	5,137,127	5,203,713
Total assets	6,493,917	6,716,831

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Trade notes and accounts payable	60,516	41,006
Short-term borrowings	182,052	157,672
Current portion of long-term borrowings	79,928	186,233
Commercial papers	—	250,000
Current portion of bonds payable	90,000	50,000
Income taxes payable	29,445	8,638
Other	189,099	177,721
Total current liabilities	631,043	871,272
Non-current liabilities		
Bonds payable	786,335	766,703
Long-term borrowings	1,598,562	1,531,636
Leasehold and guarantee deposits received	451,749	447,845
Deferred tax liabilities	274,176	276,378
Deferred tax liabilities for land revaluation	264,082	264,082
Retirement benefit liability	27,402	28,002
Provision for retirement benefits for directors (and other officers)	464	453
Provision for environmental measures	888	885
Negative goodwill	85,526	85,994
Other	137,252	130,948
Total non-current liabilities	3,626,441	3,532,932
Total liabilities	4,257,484	4,404,204
Net assets		
Shareholders' equity		
Share capital	142,414	142,414
Capital surplus	159,749	159,757
Retained earnings	1,165,344	1,200,434
Treasury shares	(132,483)	(132,228)
Total shareholders' equity	1,335,024	1,370,377
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	130,841	130,483
Deferred gains or losses on hedges	103	1,079
Revaluation reserve for land	526,417	526,417
Foreign currency translation adjustment	2,162	40,676
Remeasurements of defined benefit plans	8,675	8,064
Total accumulated other comprehensive income	668,200	706,721
Share acquisition rights	201	201
Non-controlling interests	233,005	235,326
Total net assets	2,236,432	2,312,626
Total liabilities and net assets	6,493,917	6,716,831

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

(Quarterly Consolidated Statements of Income)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Operating revenue	307,402	305,367
Operating costs	221,777	199,016
Operating gross profit	85,625	106,351
Selling, general and administrative expenses	23,061	22,833
Operating profit	62,563	83,518
Non-operating income		
Interest income	173	170
Dividend income	2,963	3,422
Share of profit of entities accounted for using equity method	118	88
Contribution for construction	1,280	—
Other	981	1,866
Total non-operating income	5,516	5,547
Non-operating expenses		
Interest expenses	5,116	5,445
Loss on retirement of non-current assets	1,497	327
Other	3,518	1,447
Total non-operating expenses	10,131	7,220
Ordinary profit	57,948	81,845
Extraordinary income		
Gain on sale of non-current assets	—	6,269
Gain on sale of investment securities	2,221	—
Total extraordinary income	2,221	6,269
Extraordinary losses		
Loss related to retirement of non-current assets	2,495	397
Loss on valuation of investment securities	—	3,152
Total extraordinary losses	2,495	3,549
Profit before income taxes	57,674	84,564
Income taxes - current	11,655	16,449
Income taxes - deferred	8,461	2,371
Total income taxes	20,117	18,820
Profit	37,557	65,744
Profit attributable to non-controlling interests	2,848	4,190
Profit attributable to owners of parent	34,708	61,553

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	37,557	65,744
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,916)	(358)
Deferred gains or losses on hedges	70	256
Foreign currency translation adjustment	41,214	40,681
Remeasurements of defined benefit plans, net of tax	(551)	(581)
Share of other comprehensive income of entities accounted for using equity method	641	1,149
Total other comprehensive income	39,457	41,146
Comprehensive income	77,015	106,891
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	72,355	100,074
Comprehensive income attributable to non-controlling interests	4,660	6,817

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	57,674	84,564
Depreciation	22,068	22,828
Loss (gain) on sale and retirement of property, plant and equipment	933	(5,551)
Loss (gain) on sale of securities	(2,221)	—
Loss (gain) on valuation of securities	—	3,152
Bond issuance costs	280	—
Amortization of goodwill	625	650
Proceeds from contribution for construction	(1,280)	—
Share of loss (profit) of entities accounted for using equity method	(118)	(88)
Increase (decrease) in provisions	657	(5)
Increase (decrease) in retirement benefit liability	(324)	(1,917)
Interest and dividend income	(3,136)	(3,592)
Interest expenses	5,116	5,445
Decrease (increase) in notes and accounts receivable - trade and contract assets	13,666	15,066
Decrease (increase) in inventories	24,674	(108,363)
Decrease (increase) in equity investments	(9,136)	41,763
Decrease (increase) in advance payments to suppliers	1,614	1,880
Decrease (increase) in leasehold and guarantee deposits	(1,637)	2,434
Increase (decrease) in trade payables	(24,837)	(18,499)
Increase (decrease) in accrued consumption taxes	5,968	1,747
Increase (decrease) in leasehold and guarantee deposits received	(1,064)	(3,903)
Other, net	(31,571)	(16,821)
Subtotal	57,952	20,789
Interest and dividends received	3,051	3,545
Interest paid	(5,109)	(5,168)
Income taxes refund (paid)	(29,189)	(36,884)
Net cash provided by (used in) operating activities	26,704	(17,718)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	—	64
Payments into time deposits	(0)	(0)
Proceeds from sale and redemption of securities	338	303
Purchase of securities	(348)	(240)
Proceeds from sale of property, plant and equipment	4	7,560
Purchase of property, plant and equipment	(97,962)	(81,681)
Proceeds from sale and redemption of investment securities	3,749	122

Purchase of investment securities	(3,186)	(364)
Purchase of leasehold right	(523)	—
Short-term loan advances	(3,910)	(102)
Proceeds from collection of long-term loans receivable	2	5
Long-term loan advances	—	(161)
Proceeds from contribution received for construction	1,280	—
Other, net	(1,710)	(3,416)
Net cash provided by (used in) investing activities	(102,266)	(77,911)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	51,046	(34,576)
Net increase (decrease) in commercial papers	109,000	250,000
Repayments of finance lease liabilities	(74)	(75)
Proceeds from long-term borrowings	56,873	48,737
Repayments of long-term borrowings	(59,139)	(22,838)
Proceeds from issuance of bonds	69,719	—
Redemption of bonds	(15,000)	(60,000)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(7,826)	—
Net decrease (increase) in treasury shares	(2,598)	(3)
Dividends paid	(25,461)	(26,470)
Dividends paid to non-controlling interests	(4,022)	(6,501)
Proceeds from share issuance to non-controlling shareholders	242	631
Other, net	(4)	(4)
Net cash provided by (used in) financing activities	172,755	148,898
Effect of exchange rate change on cash and cash equivalents	5,185	4,473
Net increase (decrease) in cash and cash equivalents	102,378	57,742
Cash and cash equivalents at beginning of period	172,307	234,244
Cash and cash equivalents at end of period	274,685	291,986