

Summary of Consolidated Financial Statements for FY2023-2Q
(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/>
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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 FY2023-2Q (April 1, 2023 – September 30, 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	%
2Q FY2023	587,933	(1.1)	90,314	(36.4)	75,224	(42.4)	41,546	(45.6)
2Q FY2022	594,565	2.7	142,078	27.2	130,534	37.9	76,342	38.1

Note: Comprehensive Income:

2Q FY2023 ¥172,934 million ((13.4%)) 2Q FY2022 ¥199,582 million (78.9%)

	EPS		Diluted EPS	
	Yen		Yen	
2Q FY2023	32.34		32.33	
2Q FY2022	57.71		57.71	

(2) Consolidated Financial Position

	Total Assets		Net Assets		Total Equity to Total Assets	
	Millions of yen		Millions of yen		%	
Sep. 30, 2023	7,373,276		2,486,198		30.6	
Mar. 31, 2023	6,871,959		2,379,941		31.4	

(Reference) Total Equity Sep. 30, 2023 ¥2,259,006 million Mar. 31, 2023 ¥2,157,561 million

2. Dividends

	1Q	2Q	3Q	4Q	Annual
	Yen	Yen	Yen	Yen	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	264,000	(11.0)	232,000	(14.6)	166,000	0.4	130.08

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

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)

Sep. 30, 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

Sep. 30, 2023	51,066,464 shares	Mar. 31, 2023	28,043,822 shares
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3) Average number of shares for the period (quarterly consolidated cumulative basis)

Sep. 30, 2023	1,284,784,659 shares	Sep. 30, 2022	1,322,765,652 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 September 30, 2023
Assets		
Current assets		
Cash and deposits	225,011	355,919
Trade notes accounts receivable, and contract assets	69,987	60,488
Securities	3,578	3,931
Real estate for sale	65,252	43,352
Real estate for sale in process	420,956	480,089
Real estate for development	719	719
Costs on construction contracts in progress	5,201	7,656
Other inventories	1,413	1,537
Equity investments	716,416	836,318
Other	108,723	93,127
Allowance for doubtful accounts	(659)	(939)
Total current assets	1,616,602	1,882,201
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,984,949	3,148,021
Accumulated depreciation and impairment	(1,761,958)	(1,794,763)
Buildings and structures, net	1,222,991	1,353,257
Machinery, equipment and vehicles	100,030	101,075
Accumulated depreciation and impairment	(72,120)	(74,267)
Machinery, equipment and vehicles, net	27,909	26,807
Land	2,335,460	2,361,752
Land in trust	575,648	575,529
Construction in progress	228,955	222,298
Other	69,815	77,867
Accumulated depreciation and impairment	(44,565)	(47,069)
Other, net	25,249	30,798
Total property, plant and equipment	4,416,214	4,570,443
Intangible assets		
Leasehold interests in land	81,745	81,388
Other	29,441	28,767
Total intangible assets	111,187	110,156
Investments and other assets		
Investment securities	306,352	379,893
Long-term loans receivable	2,559	4,638
Leasehold and guarantee deposits	144,070	146,391
Retirement benefit asset	62,528	64,439
Deferred tax assets	25,943	27,402
Other	187,095	188,322
Allowance for doubtful accounts	(596)	(611)
Total investments and other assets	727,954	810,475
Total non-current assets	5,255,356	5,491,075
Total assets	6,871,959	7,373,276

(Millions of yen)

As of March 31, 2023 As of September 30, 2023

Liabilities		
Current liabilities		
Trade notes and accounts payable	66,407	53,609
Short-term borrowings	194,881	289,128
Current portion of long-term borrowings	210,087	76,286
Commercial papers	—	200,000
Current portion of bonds payable	26,635	37,249
Income taxes payable	23,574	18,573
Other	333,752	273,806
Total current liabilities	855,337	948,652
Non-current liabilities		
Bonds payable	820,584	850,584
Long-term borrowings	1,618,019	1,755,904
Leasehold and guarantee deposits received	448,442	450,473
Deferred tax liabilities	288,861	318,307
Deferred tax liabilities for land revaluation	264,082	264,082
Retirement benefit liability	27,644	28,003
Provision for retirement benefits for directors (and other officers)	478	416
Provision for environmental measures	582	110
Negative goodwill	60,413	61,491
Other	107,568	209,052
Total non-current liabilities	3,636,680	3,938,425
Total liabilities	4,492,017	4,887,078
Net assets		
Shareholders' equity		
Share capital	142,414	142,414
Capital surplus	157,914	159,049
Retained earnings	1,147,425	1,164,335
Treasury shares	(48,454)	(88,392)
Total shareholders' equity	1,399,299	1,377,407
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	138,552	185,466
Deferred gains or losses on hedges	2,106	2,015
Revaluation reserve for land	526,417	526,417
Foreign currency translation adjustment	77,489	155,641
Remeasurements of defined benefit plans	13,695	12,058
Total accumulated other comprehensive income	758,261	881,598
Share acquisition rights	193	168
Non-controlling interests	222,187	227,023
Total net assets	2,379,941	2,486,198
Total liabilities and net assets	6,871,959	7,373,276

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Operating revenue	594,565	587,933
Operating costs	404,952	444,830
Operating gross profit	189,612	143,102
Selling, general and administrative expenses	47,533	52,788
Operating profit	142,078	90,314
Non-operating income		
Interest income	294	507
Dividend income	4,113	4,792
Share of profit of entities accounted for using equity method	289	320
Other	3,065	3,010
Total non-operating income	7,762	8,631
Non-operating expenses		
Interest expenses	11,298	16,421
Loss on retirement of non-current assets	2,366	2,596
Other	5,642	4,703
Total non-operating expenses	19,307	23,721
Ordinary profit	130,534	75,224
Extraordinary income		
Gain on sale of non-current assets	6,269	—
Gain on sale of investment securities	—	7,345
Total extraordinary income	6,269	7,345
Extraordinary losses		
Loss related to retirement of non-current assets	10,796	—
Loss on valuation of investment securities	2,821	—
Total extraordinary losses	13,617	—
Profit before income taxes	123,186	82,570
Income taxes - current	31,550	30,288
Income taxes - deferred	(22)	5,663
Total income taxes	31,528	35,952
Profit	91,657	46,617
Profit attributable to non-controlling interests	15,314	5,071
Profit attributable to owners of parent	76,342	41,546

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	91,657	46,617
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,229)	46,921
Deferred gains or losses on hedges	1,101	(95)
Foreign currency translation adjustment	109,301	81,118
Remeasurements of defined benefit plans, net of tax	(1,564)	(1,631)
Share of other comprehensive income of entities accounted for using equity method	2,316	4
Total other comprehensive income	107,925	126,316
Comprehensive income	199,582	172,934
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	175,854	164,883
Comprehensive income attributable to non-controlling interests	23,727	8,051

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	123,186	82,570
Depreciation	46,084	47,229
Loss (gain) on sale and retirement of property, plant and equipment	363	1,105
Loss (gain) on sale of securities	—	(7,345)
Loss (gain) on valuation of securities	2,821	—
Bond issuance costs	253	193
Amortization of goodwill	1,489	1,835
Share of loss (profit) of entities accounted for using equity method	(289)	(320)
Increase (decrease) in provisions	63	(247)
Increase (decrease) in retirement benefit liability	(4,859)	(3,802)
Interest and dividend income	(4,407)	(5,300)
Interest expenses	11,298	16,421
Decrease (increase) in trade receivables and contract assets	12,916	10,433
Decrease (increase) in inventories	(133,010)	(12,710)
Decrease (increase) in equity investments	24,928	(53,544)
Decrease (increase) in advance payments to suppliers	(1,418)	1,204
Decrease (increase) in leasehold and guarantee deposits	1,790	(2,309)
Increase (decrease) in trade payables	(14,815)	(13,045)
Increase (decrease) in accrued consumption taxes	532	(1,420)
Increase (decrease) in leasehold and guarantee deposits received	(6,356)	2,030
Other	(7,428)	61,589
Subtotal	53,142	124,567
Interest and dividends received	4,996	4,836
Interest paid	(10,857)	(15,639)
Income taxes refund (paid)	(35,288)	(37,624)
Cash flows from operating activities	11,993	76,139
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	67	2
Payments into time deposits	(1)	(1)
Proceeds from sale and redemption of securities	1,370	599
Purchase of securities	(1,246)	(498)
Proceeds from sale of property, plant and equipment	7,561	31
Purchase of property, plant and equipment	(146,612)	(175,157)
Proceeds from sale and redemption of investment securities	845	11,581
Purchase of investment securities	(1,808)	(3,514)
Proceeds from collection of short-term loans receivable	—	80
Short-term loan advances	(282)	(100)

Proceeds from collection of long-term loans receivable	7	24
Long-term loan advances	(180)	(2,023)
Other	(4,595)	(4,911)
Cash flows from investing activities	(144,875)	(173,887)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(36,369)	67,208
Net increase (decrease) in commercial papers	200,000	200,000
Repayments of finance lease obligations	(151)	(159)
Proceeds from long-term borrowings	82,380	150,835
Repayments of long-term borrowings	(37,308)	(170,185)
Proceeds from issuance of bonds	59,746	59,806
Redemption of bonds	(70,000)	(20,000)
Net decrease (increase) in treasury shares	(9)	(40,476)
Dividends paid	(26,445)	(24,584)
Dividends paid to non-controlling interests	(8,959)	(8,894)
Proceeds from share issuance to non-controlling shareholders	1,995	4,352
Other	(182)	(89)
Cash flows from financing activities	164,697	217,813
Effect of exchange rate change on cash and cash equivalents	10,326	11,078
Net increase (decrease) in cash and cash equivalents	42,141	131,144
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	—	(62)
Cash and cash equivalents at end of period	277,126	356,854