Annual Report 2013

Year ended March 31, 2013

Moving to THE NEXT STAGE

MITSUI FUDOSAN

Accelerating innovation to move to THE NEXT STAGE

As a company that recently marked seventy years since its founding, Mitsui Fudosan has maintained a tradition of continuous innovation that has allowed the Company to evolve into Japan's #1 real estate company. With innovation as its cornerstone, Mitsui Fudosan has consistently read the trends of the times while developing new markets. The Company was a major player in coastal development businesses and the construction of large-scale residential zones on which post-war economic growth was founded. We built the Kasumigaseki Building, famed as the first skyscraper in Japan, and helped create the real estate securitization market. Recently, we have been promoting urban development including Tokyo Midtown and the Nihonbashi Revitalization Project. Essentially, Mitsui Fudosan's DNA is about understanding new senses of value and the real nature of issues, needs, and desires, then matching the creative challenge of providing solutions.


Nihonbashi Astellas Mitsui Building


Tokyo Midtown


Kashiwanoha Campus City Project


Yokohama Mitsui Building

Haimurubushi

MITSUI OUTLET PARK SENDAI PORT

Customer-centered management

- Provide solutions for customer needs created by maturing society and economy
- Provide solutions that meet customer needs on a global basis

Business model innovation

- Integrate tangibles and intangibles
- Create new value through collaboration with different industries
- Create communities

Full implementation of Group management

- Pursue economies of scale
- Offer one-stop services
- Network with partners

THREE STRATEGIES TO REALIZE INNOVATION

Contents

Note:
Graphs and charts in this Annual Report are all years ended, ending or as of March 31.

Park Homes Okurayama

DiverCity Tokyo

The Mitsui Fudosan Group is taking steps to carry out Innovation 2017, our long-term business plan. Launched with the start of fiscal 2012, this plan pursues the innovation required to create value in the coming era and to evolve into a group that can achieve strong growth and profitability. Recognizing the opportunities afforded by changes in our business environment, including the growing maturity of domestic markets and market globalization, we are accelerating the pace at which we strengthen the competitiveness of our domestic business and develop global operations.

In fiscal 2012, the first year of Innovation 2017, we got off to a steady start by achieving profit plans and carrying out new business strategies. The Mitsui Fudosan Group has put forward the core strategies of customer-centered management, business model innovation, and full implementation of Group management. Working to continuously create value in Japan and overseas while securing profit growth, we aim to consistently grasp the changing needs of our customers and strive to realize further growth.

Core initiatives

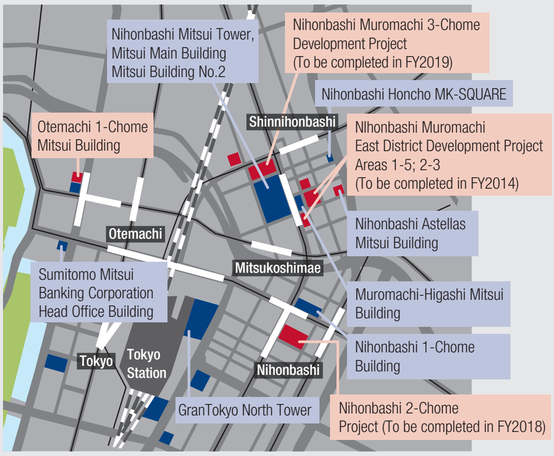
Strengthen the competitiveness of our domestic business

Create neighborhoods

Our basic approach involves a virtuous cycle of integrating diverse functions and features, creating communities and neighborhoods that mature with age to create high-value-added neighborhoods. Leveraging our Smart City concept, we will strive to create attractive neighborhoods by creating high-quality communities.

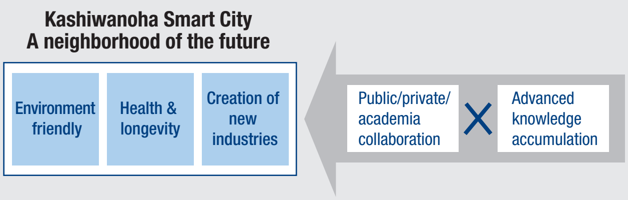
Creating neighborhoods in Nihonbashi

Enter the specified electricity utility business; Kick-off the Nihonbashi Smart City Initiatives



Newly opened projects (completed in or after FY2012, under development and in planning)
Existing projects (completed in or before 2011)

Creation of the Kashiwanoha Campus City neighborhood



Evolve the housing business

The Mitsui Fudosan Group is focusing on fee-based businesses such as housing brokerage and remodeling while developing products and services for active seniors.

- Reinforce the Group's competitive advantage by opening the Mitsui Housing Mall to offer customers a one-stop source of solutions and offering Mitsui Housing Loop, a menu of housing and lifestyle-related services
- Expand businesses related to existing homes including the housing brokerage activities undertaken by Mitsui Fudosan Realty Co., Ltd. and the remodeling endeavors carried out by Mitsui Fudosan Reform Co., Ltd.

Evolution of our model for cooperation with investors

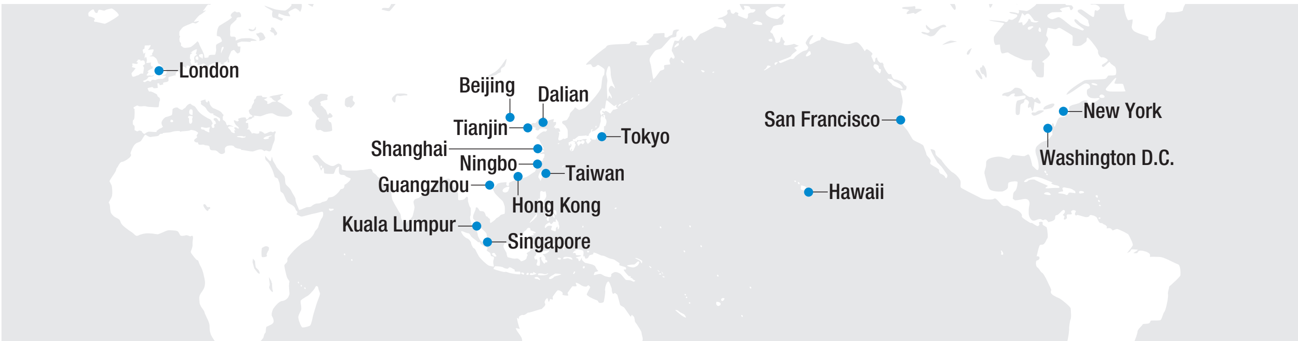
We will stimulate and expand the Japanese real estate investment market in terms of both real estate and finance by adding logistics facilities to our existing asset classes, improving liquidity in the real estate market by meeting the needs of both public and private customers, and developing new investment products.

- Expand variety by adding logistics facilities to our existing asset classes
- Make CRE, PRE, PFI and PPP proposals
- Develop attractive investment products (Mitsui Fudosan Private REIT, etc.)

Develop global operations

Overseas business development

The Mitsui Fudosan Group is building up an outstanding portfolio in North America and Europe while replacing assets and actively pursuing development-type projects. In Asia, the Group is adopting an aggressive stance toward developing a variety of properties including retail facilities, houses, and office buildings while proactively participating in city development projects. In order to achieve each of these objectives, the Group is putting in place a robust business platform through a variety of measures including the formation of alliances.



Provide solutions for cross-border needs

- Provide solutions as a partner for customers in Japan (such as tenant companies) doing business overseas
- Provide solutions for overseas customers doing business in Japan

Quantitative targets and benchmarks

(Billions of yen)

			Long-Term Business Plan	
	FY2012 Results	FY2013 Targets	FY2014 Targets*	FY2017 Goal*
Operating income	148	160	163	≥ 240
Net income	59	65	67	≥ 110
ROA	3.66%	—	Approx. 3.8%	Approx. 5.5%
Debt/equity ratio	1.8 times	—	Approx. 1.8 times	Approx. 1.5 times
Interest-bearing debt	2,120	2,200	2,160	Approx. 2,100

* Earnings, benchmarks and interest-bearing debt for FY2014 and FY2017 include special purpose company (SPC) figures. The potential impact of the mandatory application of IFRS on results and benchmarks is not included.

Reference: Operating income by financial accounting segment

(Billions of yen)

	FY2012 Results	FY2013 Targets	FY2014 Targets	FY2017 Goal
Leasing	104	105	95	128
Property Sales	23	31	39	60
Management	42	42	40	52

Investment and disposal (by area & type)

(Billions of yen)

Area and Type		FY2012-FY2017 Total	
Domestic	Capital expenditures	Investment	Approx. 800
		Disposal	Approx. 200
		Total	Approx. 600
	Real property for sale	Investment	Approx. 2,400
		Disposal	Approx. 2,400
		Total	Approx. ±0
Overseas	Europe, North America & Asia	Investment	Approx. 500
		Disposal	Approx. 100
		Total	Approx. 400

Office Buildings

Mitsui Fudosan operates approximately 200 office buildings that are occupied by more than 3,000 corporate tenants. Strong in Tokyo's central business district, Mitsui Fudosan's office portfolio also covers Japan's other major urban areas.

Kasumigaseki Building
(Completed in 1968)

Nihonbashi Mitsui Tower
(Completed in 2005)

1251 Avenue of the Americas Building
(Acquired in 1986)

5 Hanover Square
(Completed in 2012)

Retail Facilities

Mitsui Fudosan operates approximately 60 retail facilities throughout Japan, including regional malls, factory outlet malls and urban facilities.

Housing

Quality and value are the hallmarks of the condominiums and detached houses that Mitsui Fudosan develops for sale and lease.

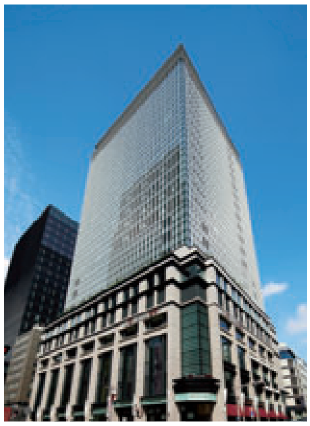
Park Homes Okurayama
(Completed in 2012)

Park Court Roppongi Hill Top
(Completed in 2012)

Gran Tokyo North Tower
(Completed in 2007)

Tokyo Midtown
(Completed in 2007)

Sumitomo Mitsui Banking Corporation Head Office Building
(Completed in 2010)

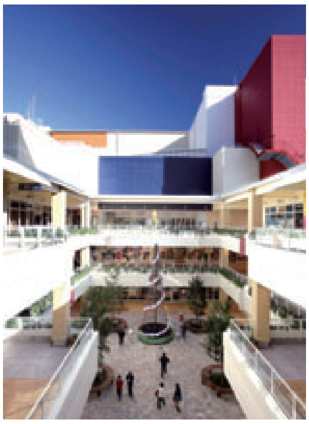


Muromachi Higashi Mitsui Building
(Completed in 2010)

LaLaport TOKYO-BAY
(Opened in 1981)

MITSUI OUTLET PARK SHIGA RYUO
(Opened in 2010)

MITSUI OUTLET PARK KISARAZU
(Opened in 2012)

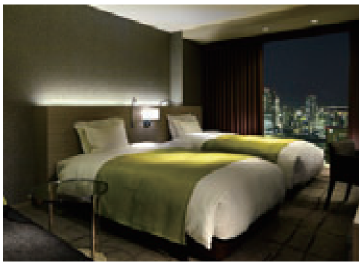


LaLagarden KASUKABE
(Opened in 2007)

Fine Court Meguro
(Completed in 2012)

Other

Hotels and serviced apartments are among the other areas of the real estate market in which Mitsui Fudosan has a presence.



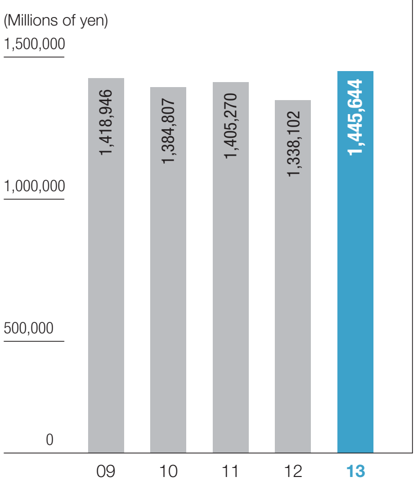
Mitsui Garden Hotel Ginza Premier
(Opened in 2005)

Halekulani Hotel
(Opened in 1984)

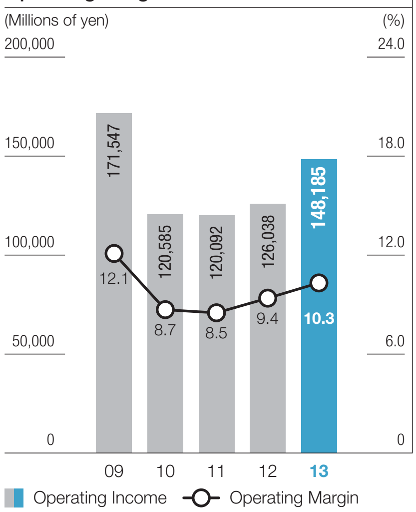
FINANCIAL HIGHLIGHTS

Years ended March 31

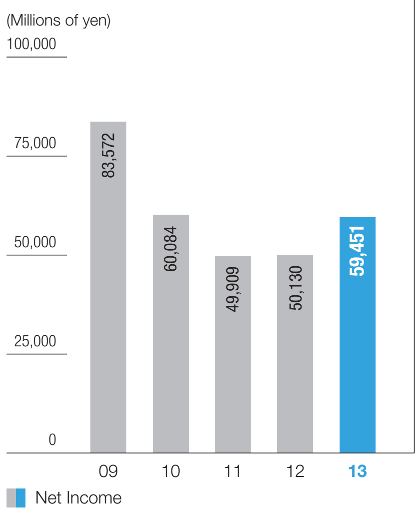
Revenue from Operations



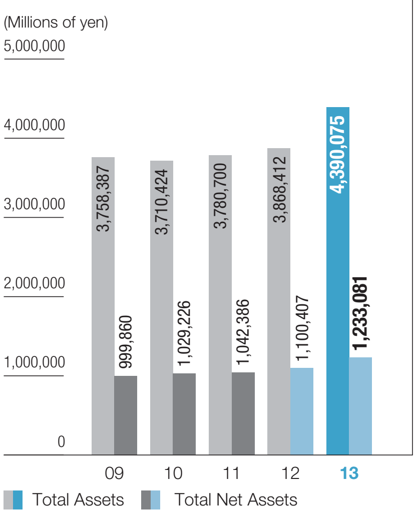
Operating Income and Operating Margin



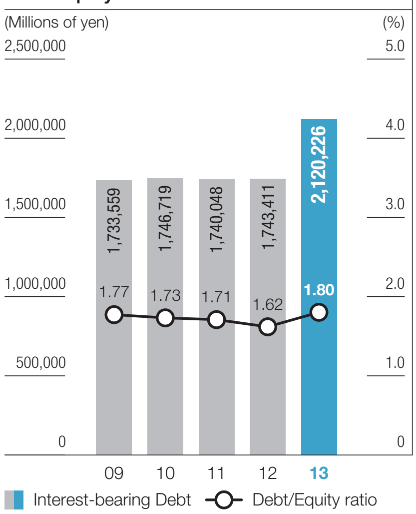
Net Income



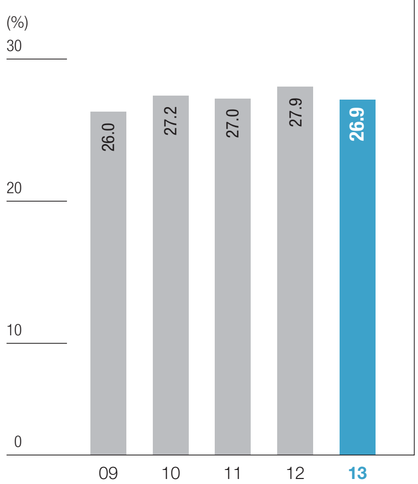
Total Assets and Total Net Assets



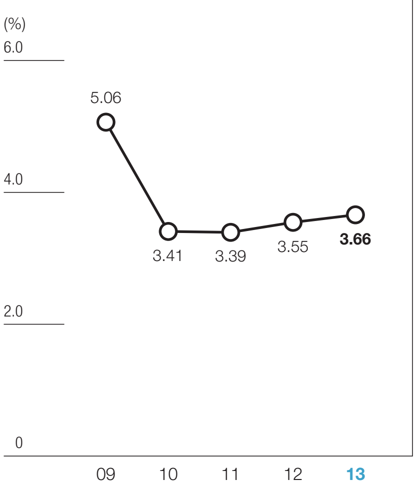
Interest-bearing Debt and Debt/Equity ratio



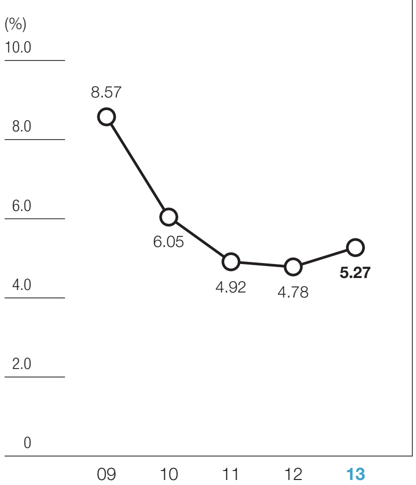
Shareholders' Equity/ Total Assets



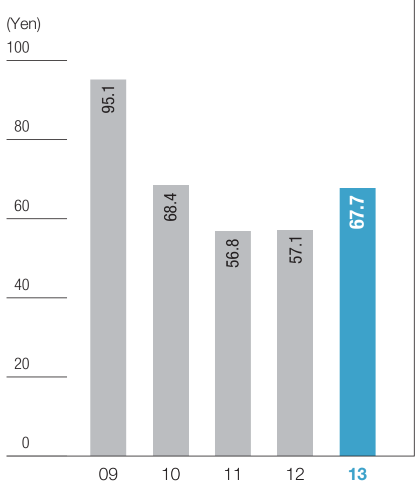
ROA



ROE



Net Income per Share



Masanobu Komoda
President and
Chief Executive Officer

Q Economic conditions changed dramatically over the past year. Can you please provide us with your thoughts on the Mitsui Fudosan Group's operating environment for fiscal 2012?

A At the start of fiscal 2012 (the fiscal year ended March 31, 2013), the Japanese economy experienced a decline in exports due mainly to the yen's prolonged appreciation. Difficult conditions were exacerbated by the impact of slowing economic growth in China. Over the second half of the year, signs of a recovery in the domestic economy began to emerge, buoyed by firm reconstruction demand, which triggered an increase in public-sector investment, as well as growing anticipation of the economic and fiscal policies put forward by the new government.

In overall terms, the real estate industry enjoyed generally favorable conditions. The office leasing market continued to benefit from the ongoing focus of tenant companies on safety and business continuity. Vacancy rates declined in Central Tokyo, further complementing this positive environment. In the period under review, the retail facility leasing market witnessed a succession of new and fully renovated large-scale facilities open for business. This trend was supported by the underlying strength of firm consumer consumption. Turning to the housing sales market, contract rates were generally sound. With the volume of supply essentially unchanged from the previous year, firm demand was largely attributable to the prolonged low-interest rate environment and the government's support policies, which helped stimulate consumer appetite. From a real estate investment perspective, the J-REIT market welcomed new listings for the first time in four years. Invigorated by the overall positive environment, existing trusts also raised capital, utilizing public offerings to fund a steady acquisition of properties.

Looking ahead, it is vital that the effects of the government's policies flow through to the real economy as a whole. In this context, we recognize the importance of engaging in effective sales and marketing activities while remaining sensitive to changes in market conditions and consumer sentiment. Taking each of the aforementioned into consideration, the real estate market has continued to play a critical role in pushing forward growth strategies by bolstering the international competitiveness of major cities, promoting growth in the office building, retail facility and housing businesses, and reinvigorating the real estate investment market. Moving forward, we will work to accelerate the pace of our activities in each of these areas while taking full advantage of the government's new policies.

Q

How would you assess the Group's performance in fiscal 2012?

A

Thanks largely to the profits generated in the Leasing and Management segments, which surpassed our estimates at the beginning of the period, our results in fiscal 2012 were sound. Revenue from operations was ¥1,445.6 billion, up 8.0% from the previous fiscal year. On the earnings front, operating income came to ¥148.1 billion, an increase of 17.6% year on year while net income totaled ¥59.4 billion, up 18.6%. These results reflect a variety of factors not the least of which was the impact of the substantial number of people who visited the Group's retail facilities including Mitsui Outlet Park Kisarazu and DiverCity Tokyo, which opened during the fiscal year under review causing earnings in the Leasing segment to exceed expectations. Other major contributing factors include the significant upswing in the number of brokerage properties handled on the back of efforts to strengthen our business base, such as the integration of four Rehouse subsidiaries, and success in bolstering our marketing capabilities. As we look back on our performance over fiscal 2012, the first year under our Innovation 2017 long-term business plan, we take considerable satisfaction and pride in decisions to attach the utmost importance on our customers' needs and perspective.

Q You have identified several core initiatives under Innovation 2017. What progress has been made in carrying out these initiatives?

A Mitsui Fudosan recognizes that changes in its operating environment, including the speed at which the domestic market is maturing and the manner in which markets in general are globalizing, offer ample opportunities for business development and growth. With this in mind, we are working to accelerate the pace at which we strengthen the competitiveness of our domestic business and develop global operations.

First of all, to strengthen the competitiveness of our domestic business, we plan to take advantage of business opportunities in new projects for office buildings and retail facilities and turn these opportunities into major earnings drivers in the second stage of Innovation 2017. In addition to the Kashiwanoha Campus City Project, which is representative of our principal concept of creating neighborhoods, we have launched a flagship urban smart city project in the Nihonbashi Muromachi District, where we enter the specified electricity utility business to supply heat and electrical power to the entire district, the first project of its kind in Japan for surrounding areas, outside of the project zone. In the Property Sales segment, Mitsui Fudosan concentrated on expanding operations in the growth field of remodeling and reselling pre-owned homes, and retained its first-place crown for the 26th straight year in terms of the number of residential units brokered nationwide in fiscal 2012. Moreover, we launched Mitsui Housing Mall and Mitsui Housing Loop and steadily expanded the number of users and membership in these services. Meanwhile, in the property sales to investors business, Mitsui Fudosan focused efforts on logistics facilities to accelerate growth in the real estate investment market, which has been steadily regaining its former strength, and was able to acquire business opportunities with seven properties.

With regard to the development of global operations, Mitsui Fudosan has adopted a two-pronged strategy. Operations in the advanced economies of Europe and North America primarily aim to steadily increase cash flow, while operations in the emerging economies of Asia aim to tap into growth markets. Thanks in part to the success of its partner strategy, Mitsui Fudosan won new business opportunities in the United States (rental housing), the United Kingdom (redevelopment of office/retail complexes), and in Asia, where it has already entered markets in China and Singapore and made inroads into Malaysia and Taiwan (new retail facilities and built-for-sale housing).

The first three years of Innovation 2017 are designated as the first stage for investing in growth opportunities and preparing our foundation for future growth. I think you will agree that we got off to an excellent start in fiscal 2012, the first year of the plan.

What issues and initiatives are likely to emerge as steps are taken to achieve strong growth and profitability for the Mitsui Fudosan Group?

The domestic economy is expected to recover, supported by a rosier economic outlook based on improvement in export conditions, government measures to boost the economy, and monetary easing.

In this context, Mitsui Fudosan will continue to develop high-value-added communities in Japan, chiefly through its smart city business, which is currently working on the Kashiwanoha Campus City Project and Nihonbashi Muromachi District project, in order to satisfy customer needs for safety, security, sustainability, convenience and efficiency. In the office building business, we aim to negotiate higher rents and secure new contracts amid favorable market conditions. In retail facilities, we will strengthen the competitiveness of existing properties through renovation and floor space expansion. In the Property Sales segment, Mitsui Fudosan will focus on evolving the housing business by enhancing Mitsui Housing Mall and Mitsui Housing Loop. We will also strive to improve business competitiveness by evolving our model for cooperation with investors, such as in the development of logistics facilities. We think it will become increasingly challenging to acquire the land needed to implement our growth strategy. However, we aim to acquire land through arms-length transactions that circumvent competition via corporate real estate (CRE) solutions provided to corporations, and we will focus on creating business opportunities by bolstering our public real estate (PRE) solutions strategy for the public sector.

Overseas, the Mitsui Fudosan Group will fortify its business foundation through alliances with leading local companies by leveraging expertise and business experience accumulated in Japan. We will aggressively pursue the development of global operations by providing solutions as a unique business partner able to assist Japanese customers with their overseas expansion and overseas customers with their Japanese expansion.

What is the Group's forecast for the fiscal year ending March 31, 2014?

For fiscal 2013, we expect both revenues and earnings to improve in the Leasing segment, owing to a full-term contribution from the Nihonbashi Astellas Mitsui Building and benefits from large-scale remodeling at retail facilities completed during the previous fiscal year. In the Property Sales segment, we project higher revenues and earnings due to an increase in the reported number of units and improvement in the operating margin. Moreover, we anticipate higher profits in the property sales to investors business. In the Management segment, we estimate higher revenues and earnings as a result of firm performance in the Mitsui Rehouse business and the Repark (Car Park Leasing) business. In all, we forecast that revenue from operations will increase by ¥84.3 billion year on year to ¥1,530.0 billion, operating income will grow by ¥11.8 billion to ¥160.0 billion, and net income will rise by ¥5.5 billion to ¥65.0 billion.

Q

Please describe Mitsui Fudosan's basic stance on shareholder returns.

A

Mitsui Fudosan makes every effort to maintain and increase dividends within the framework of business conditions, performance and its financial situation, while aiming to expand retained earnings for the purpose of investing in high-margin businesses in order to further enhance corporate value.

Mitsui Fudosan comprehensively considered its performance in fiscal 2012, outlook for the future and dividend policy before deciding to pay cash dividends per share totaling ¥22.00, consisting of interim and fiscal year-end cash dividends of ¥11.00 per share.

Q

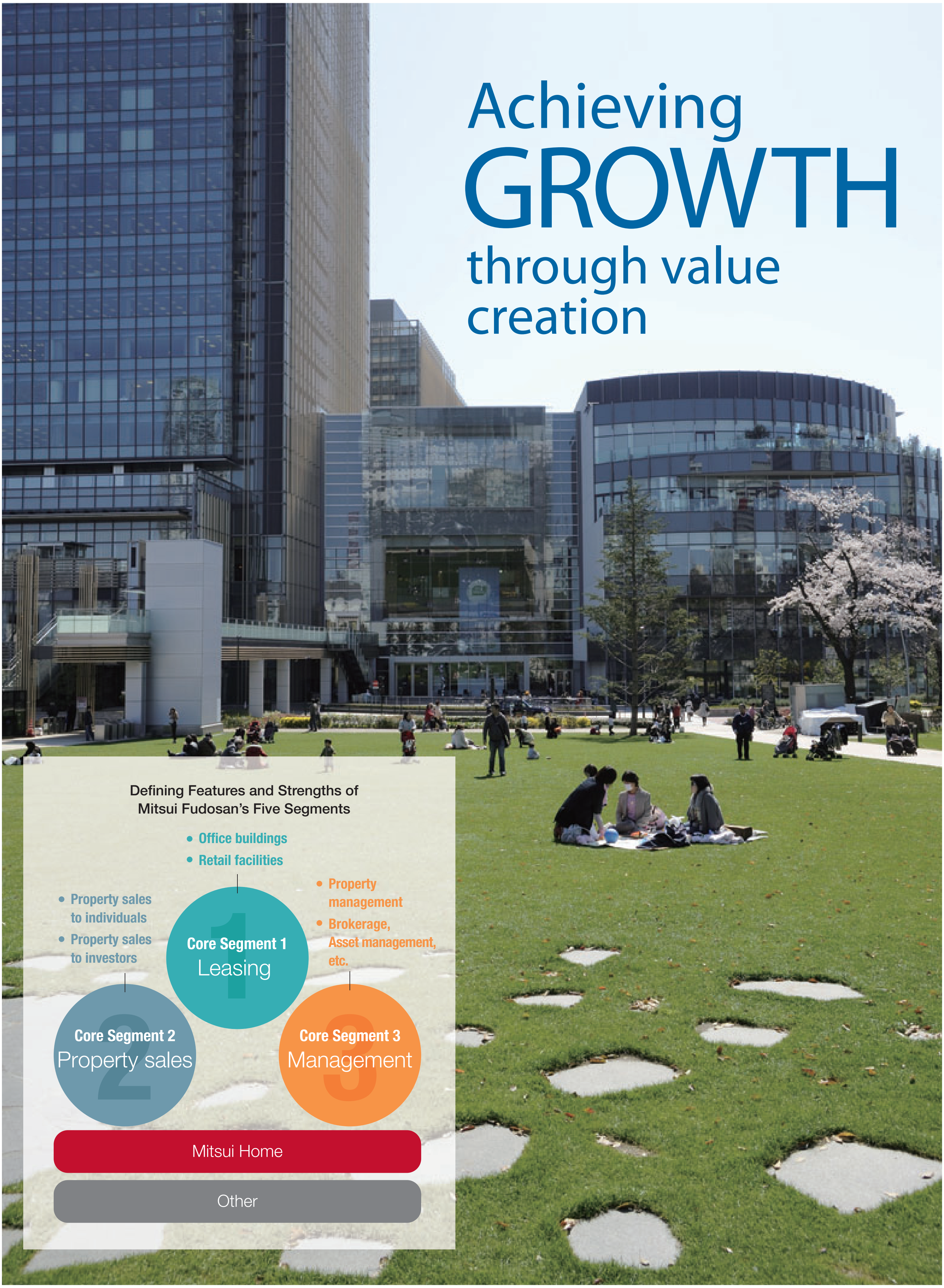
In closing, what is your message to shareholders?

A

Fiscal 2012 was an excellent start to the first fiscal year of Innovation 2017 in terms of both earnings targets and new business strategy. We will strive to achieve our earnings forecasts for fiscal 2013 by quickly responding to issues as they arise and not merely coasting along with favorable market conditions.

In order to achieve strong growth and profitability for the Mitsui Fudosan Group, we are poised to make every effort to strengthen earnings potential, invest in future growth, and bolster our customer base to put us on firm footing to achieve our fiscal 2014 targets in Innovation 2017 and realize strong profit growth in the second stage of our long-term plan.

As we work toward achieving our goals, we kindly request the continued support and understanding of our shareholders and investors.



Achieving GROWTH through value creation

Defining Features and Strengths of Mitsui Fudosan's Five Segments

Core Segment 1 Leasing
- Office buildings
- Retail facilities

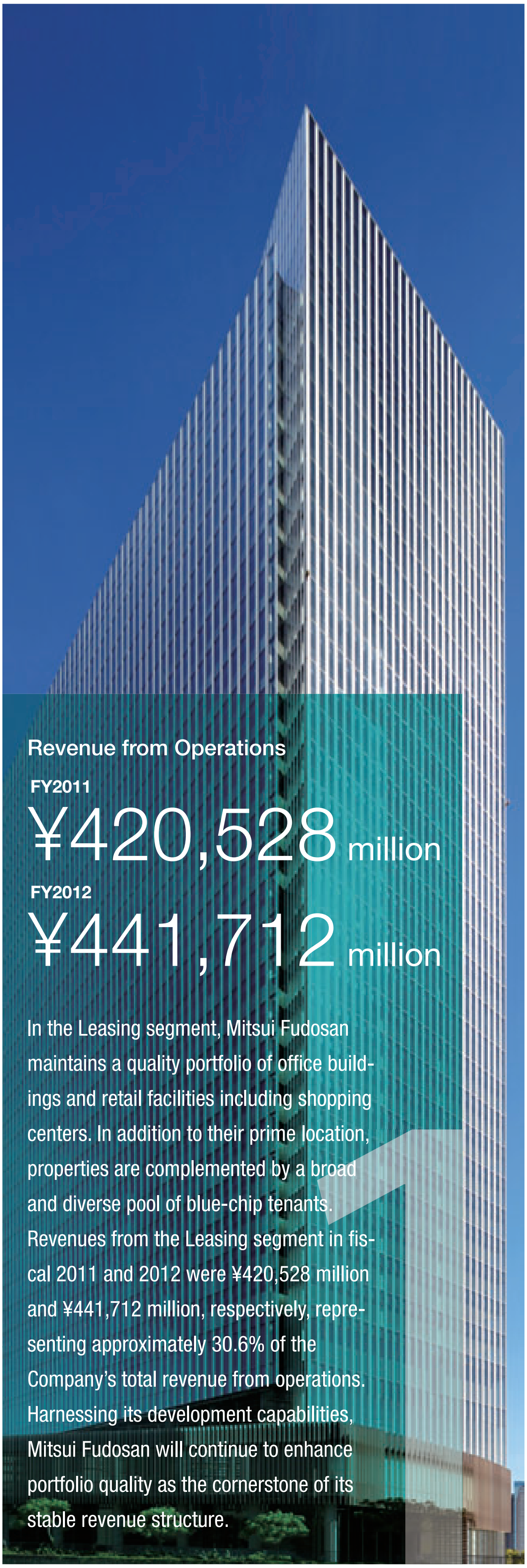
Core Segment 2 Property sales
- Property sales to individuals
- Property sales to investors

Core Segment 3 Management
- Property management
- Brokerage, Asset management, etc.

Mitsui Home

Other

Leasing Segment



Revenue from Operations

FY2011

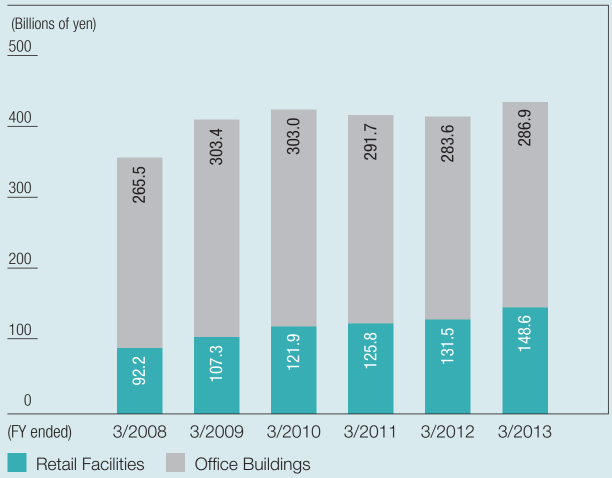
¥420,528 million

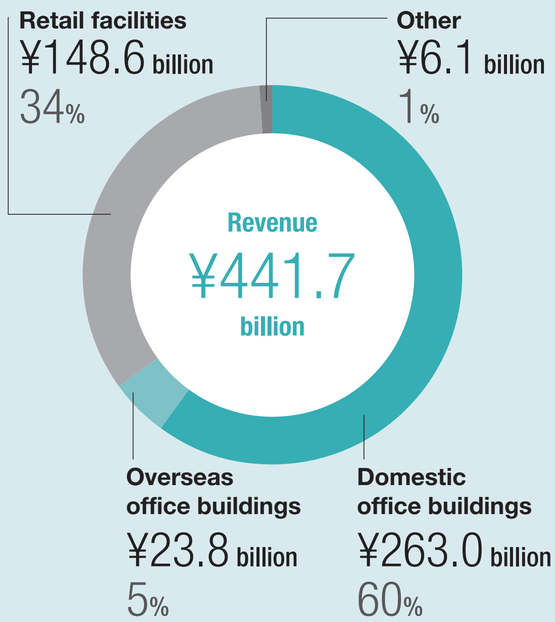
FY2012

¥441,712 million

In the Leasing segment, Mitsui Fudosan maintains a quality portfolio of office buildings and retail facilities including shopping centers. In addition to their prime location, properties are complemented by a broad and diverse pool of blue-chip tenants. Revenues from the Leasing segment in fiscal 2011 and 2012 were ¥420,528 million and ¥441,712 million, respectively, representing approximately 30.6% of the Company's total revenue from operations. Harnessing its development capabilities, Mitsui Fudosan will continue to enhance portfolio quality as the cornerstone of its stable revenue structure.

BREAKDOWN OF LEASING SEGMENT REVENUE



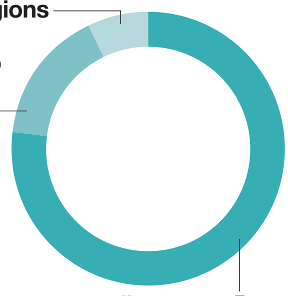


Mitsui Fudosan maintains a balanced portfolio with office buildings and retail facilities comprising 65% and 34%, respectively, of the total. In recent years, the Company has continued to accelerate the pace of overseas business development drawing on the strengths of its development, leasing, and operating know-how nurtured in Japan.

Leasing Segment

Office Buildings

Office Building Revenue by Area
(FY ended March 2013; non-consolidated)



Mitsui Fudosan's strength lies in the integrity of its brand prowess in the Tokyo Metropolitan Area. This is particularly evident with more than 70% of its portfolio located in the five wards of central Tokyo, where demand for office space is highest. In addition, office leasing vacancy rates are exhibiting a recovery trend. Vacancy rates for the Company's holdings are below the market average.

Major Newly Operational Projects (Office buildings)

FY Completed*1	Project Name*1	Location	Rentable Floor Space*1
2012	DiverCity Tokyo Office Tower*2	Koto-ku, Tokyo	≈ 44,000m²
	Nihonbashi Astellas Mitsui Building*2	Chuo-ku, Tokyo	≈ 14,000m²
2013	Nihonbashi Muromachi East District Development Projects Area 2-3*2	Chuo-ku, Tokyo	≈ 20,000m²
	Nihonbashi Muromachi East District Development Projects Area 1-5*2	Chuo-ku, Tokyo	≈ 9,300m²
2014	Moorgate Project	City, London	≈ 12,000m²
	Kashiwanoha Campus Area 148	Kashiwa, Chiba	TBD*3
	Sapporo Mitsui JP Building*2	Sapporo, Hokkaido	≈ 33,000m²
	1200 17th Street Project*2	Washington D.C.	≈ 16,000m²
	Iidabashi Grand Bloom*2	Chiyoda-ku, Tokyo	≈ 66,000m²
	Mark Lane Project	City, London	≈ 16,000m²

*1 FY completed and rentable floor space may change in the future. Some project names are tentative.
*2 Indicates subleased or jointly owned property
*3 Total floor space for office/retail building: approx. 32,000m²

FY Completed*1	Project Name*1	Location	Total Floor Space*1
FY2015 and after	Kita-Shinagawa 5-Chome Area 1 Redevelopment Project (To be completed in FY2015)*2	Shinagawa-ku, Tokyo	—
	1 Angel Court Project	City, London	—
	Toyosu 2-, 3-Chome Area 2 Project*2	Koto-ku, Tokyo	≈ 240,000m²
	Hibiya Mitsui Building /Sanshin Building Reconstruction Project	Chiyoda-ku, Tokyo	—
	Nihonbashi 2-Chome Project (To be completed in FY2018)*2	Chuo-ku, Tokyo	≈ 140,000m²
	Nihonbashi Muromachi 3-Chome Development Project (To be completed in FY2019)*2	Chuo-ku, Tokyo	≈ 165,700m²
	Otemachi 1-Chome Mitsui Building	Chiyoda-ku, Tokyo	—

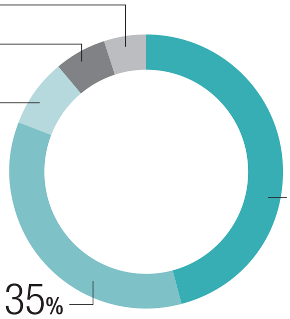
*1 FY completed and total floor space may change in the future. Some project names are tentative.
*2 Jointly owned property

Moving forward, Mitsui Fudosan will continue to enhance the quality of its portfolio by pushing forward the abundance of projects in which the Company can fully harness its development capabilities currently in hand. At the same time, Mitsui Fudosan will maintain its focus on bolstering long-standing ties with its approximate 3,000 corporate tenants.

Retail facilities

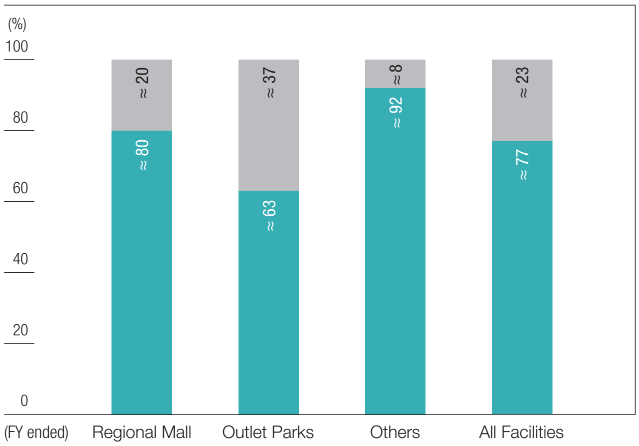
Retail Facility Revenue by Category (FY ended March 2013)*

Mitsui Fudosan is engaged in the development of a diverse range of retail facilities. Located in major metropolitan and surrounding areas, the Company's shopping centers serve as key hubs of activity and entertainment for the residents of each region. In addition to facilities that epitomize the concept of "Lifestyle Parks," deeply-rooted in each community, Mitsui Fudosan is also active in the outlet park field. Moving forward, the Company is increasing its earnings by aggressively promoting the development of new facilities while at the same time anticipating market needs and engaging in large-scale renewals on an ongoing basis.



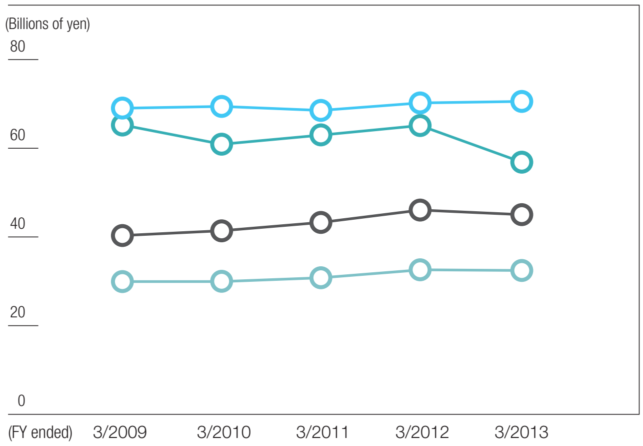
*Includes master-leased properties

Ratio of Fixed & Sales-Linked Rent by Category
(FY ended March 2013)*



*Includes master-leased properties

Sales at Mitsui Fudosan Retail Facilities



*Revenue from operations derived from LaLaport Tokyo Bay has declined during the fiscal year ended March 31, 2013 owing to the partial closure of facilities.

Mitsui Fudosan has been developing and operating retail facilities for just over three decades since opening LaLaport Funabashi (now LaLaport TOKYO-BAY) in 1981, and currently operates in a diverse array of facility categories. Rents from the overall retail facility portfolio are structured for stable earnings, with approximately 75% fixed and 25% linked to store performance. Stable earnings are also underpinned by robust efforts to ensure that sales remain high at facilities where sales-linked rents apply.

Major Newly Operational Projects (Retail Facilities)

FY Opened*1	Project Name*1	Location	Store Floor Space*1
2012	DiverCity Tokyo Plaza*2	Koto-ku, Tokyo	≈ 50,000m²
	Mitsui Outlet Park Kisarazu	Kisarazu, Chiba	≈ 28,000m²
	LaLaport Shinmisato ANNEX	Misato, Saitama	≈ 3,000m²
2013	Mitsui Outlet Park Shiga Ryuo 2nd Stage	Gamogun, Shiga	≈ 10,000m²
	LoveLa2	Niigata, Niigata	≈ 11,000m²
	LaLaport TOKYO-BAY West Area Reconstruction Project	Funabashi, Chiba	≈ 23,900m²
	Nihonbashi Muromachi East District Development Projects Area 2-3*2	Chuo-ku, Tokyo	≈ 14,000m²
	Nihonbashi Muromachi East District Development Projects Area 1-5*2	Chuo-ku, Tokyo	≈ 5,000m²
2014	Mitsui Outlet Park Sapporo Kita-Hiroshima (2nd stage)	Kita-Hiroshima, Hokkaido	≈ 7,800m²
	Ikebukuro S Project	Toshima-ku,Tokyo	≈ 4,300m²
	Mitsui Outlet Park Kisarazu (2nd stage)	Kisarazu, Chiba	≈ 8,300m²
	LaLaport Izumi	Izumi, Osaka	TBD*3
	Mitsui Outlet Park Kuala Lumpur International Airport*2	Kuala Lumpur, Malaysia	≈ 46,300m²
2015	LaLaport Fujimi	Fujimi, Saitama	TBD*4
	Osaka Expoland Site Plan	Suita, Osaka	≈ 96,000m²
2017	Linkou Enterprise Zone Project (Taiwan, Outlet Project)	Linkou District, Taiwan	≈ 45,000m²
TBD	Retail Facility Development Project in Nagoya	Aichi, Nagoya	TBD
	Oyabe Outlet Project	Oyabe, Toyama	TBD
	Retail Facility Development Project in Ebina	Ebina, Kanagawa	TBD
	Retail Facility Development Project in Hiratsuka	Hiratsuka, Kanagawa	TBD

*1 FY completed and store floor space may change in the future. Some project names are tentative.
*2 Jointly owned property
*3 Site area: approx.114,000m²
*4 Site area: approx. 177,000m²

Large-scale Renewal Projects

Execution Period	Facility Name	No. of Stores Renewed / Total No. of Stores
September-December 2012	LAZONA Kawasaki Plaza	176/300
October 2012-March 2013	Urban Dock LaLaport TOYOSU	81/180
February-Summer 2013	LaLaport YOKOHAMA	133/279
March-April 2013	LaLaport KASHIWANOHA	76/160
Spring 2013	Tokyo Midtown	42/135

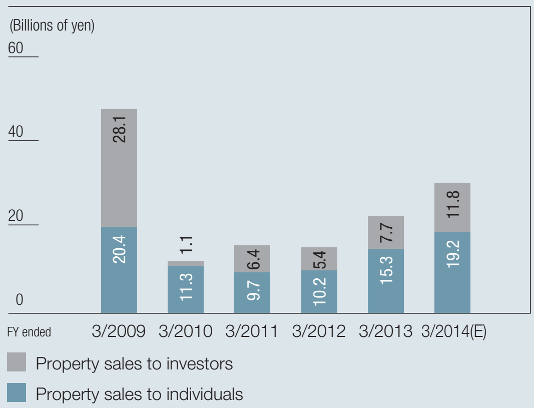
A diversity of facility types and stable revenue structure supported by robust relationships with 2,100 tenant companies

LaLaport YOKOHAMA

Property Sales Segment

TRENDS IN PROPERTY SALES SEGMENT OPERATING INCOME

Property Sales Segment: Operating Income



In property sales to individuals, Mitsui Fudosan is engaged in the development and sale of high value-added condominiums and detached housing. Maintaining its industry leading position in Japan, the Company is particularly strong in the development and sale of condominiums, consistently providing around 5,000 condominiums each year. In its property sales to investors endeavors, Mitsui Fudosan has established a business model based on cooperation with investors including three J-REITs managed by the Mitsui Fudosan Group. In this manner, the Company maintains a variety of exit strategies.

Revenue from Operations

FY2011

¥321,352 million

FY2012

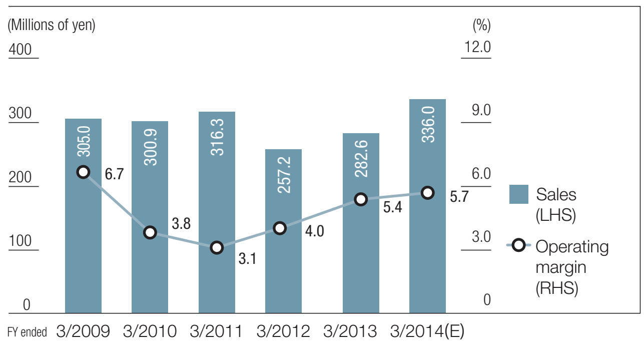
¥393,454 million

Mitsui Fudosan has classified its Property Sales business activities into two distinct categories: "Property Sales to Individuals" and "Property Sales to Investors." Under the Group's long-term business plan, Mitsui Fudosan has identified efforts to evolve the housing business as well as its model for cooperation with investors as important strategies aimed at strengthening the competitiveness of its domestic business.

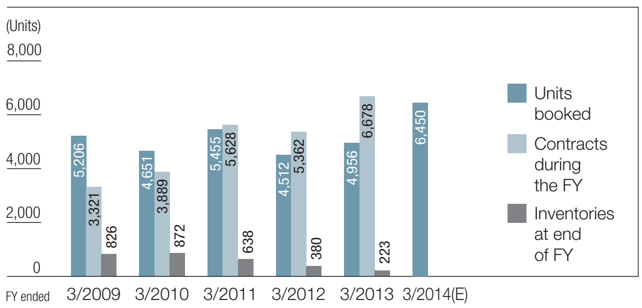
Revenues from the Property Sales segment in fiscal 2011 and 2012 were ¥321,352 million and ¥393,454 million, respectively, representing 27.2% of the Company's total consolidated revenue from operations.

Property sales to individuals

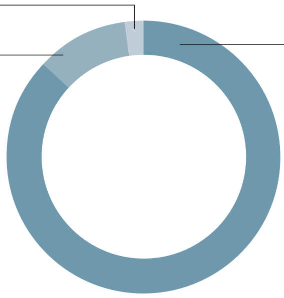
Sales and Operating Margin



Condominium Units Booked Contracts during the Year and Inventories at End of FY



Breakdown of Sales by Condominium Region
(FY ended March 2013)



The bulk of Mitsui Fudosan's condominiums are located in metropolitan Tokyo.

Land Bank (Condominiums)
(As of March 31, 2013)

Land acquired equivalent to approximately

21,000 units

(Includes project stage of redevelopment)

Property sales to investors

Business Model based on Cooperation with Investors

As a Group, Mitsui Fudosan maintains a variety of exit strategies.

MITSUI FUDOSAN GROUP

Sales to a diverse array of investors

Management contracts after sales

J-REITs managed by the Mitsui Fudosan Group

NBF Nippon Building Fund
AUM: ¥1,055.9 bn (73 properties)

Nippon Accommodations Fund
AUM: ¥258.3 bn (101 properties)

Frontier Real Estate Investment Corporation
AUM: ¥276.1 bn (29 properties)

Private funds structured and managed by the Mitsui Fudosan Group

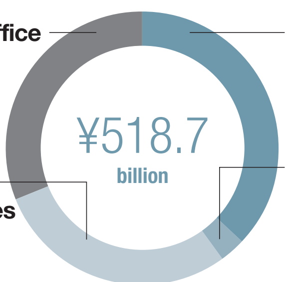
MITSUI FUDOSAN INVESTMENT ADVISORS,INC.
(Structures and manages private funds)

Mitsui Fudosan Private REIT Inc.
AUM: ¥1,267 bn

Institutional investors, corporations, etc.

(As of March 31, 2013)

Inventory of Property for Sales to Investors



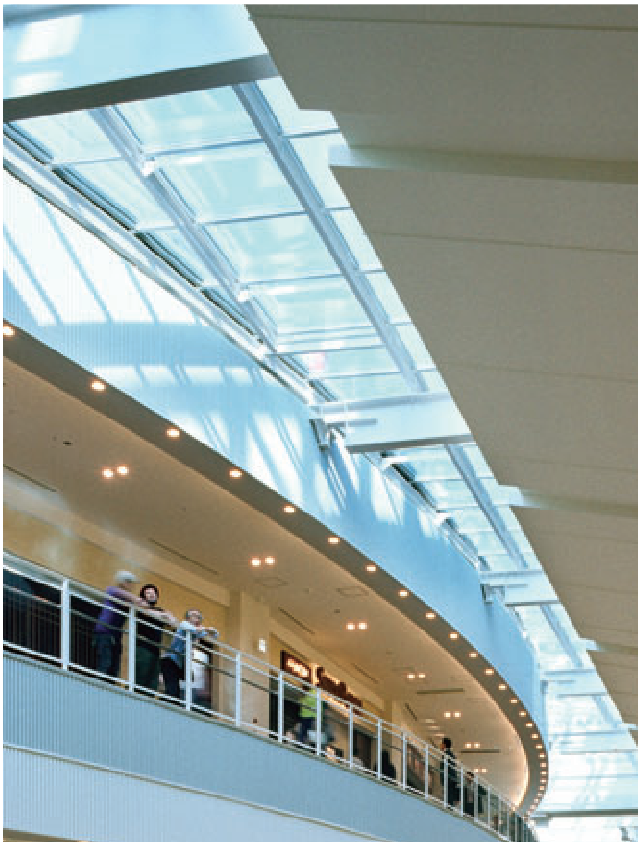
Asset class growth

In recent years, demand for highly functional logistics facilities has become increasingly prominent. This reflects continued growth in third-party logistics (3PL), mail-order, and e-commerce markets. To address this burgeoning demand, Mitsui Fudosan is actively engaging in the development of advanced logistics facilities that can accommodate a vast array of needs. The Company has already commenced construction on eight facilities, and is aiming to develop four to five properties each year for an investment of approximately ¥200 billion to 2017.

FY Completed	Project Name	Location	Total Floor Space
Acquired in 2013	Logistics Park Yokohama *1	Yokohama, Kanagawa	≈ 131,800m²
2013	GLP MFLP Ichikawa Shiohama *1	Ichikawa, Chiba	≈ 121,000m²
	MFLP *2 Yashio	Yashio, Saitama	≈ 42,000m²
2014	MFLP *2 Sakai	Sakai, Osaka	≈ 133,000m²
2015	MFLP *2 Funabashi Nishiura	Funabashi, Chiba	≈ 31,000 m²
TBD	MFLP *2 Kuki	Kuki, Saitama	≈ 74,500m²
	MFLP *2 Atsugi	Aiko-gun, Kanagawa	≈ 43,700m²
	MFLP *2 Hino	Hino, Tokyo	TBD *3
	MFLP *2 Funabashi	Funabashi, Chiba	TBD *4

*1 Jointly owned property
*2 Mitsui Fudosan Logistics Park
*3 Site area: Approx. 97,500
*4 Site area: Approx. 60,000

Management Segment



Revenue from Operations

FY2011

¥286,639 million

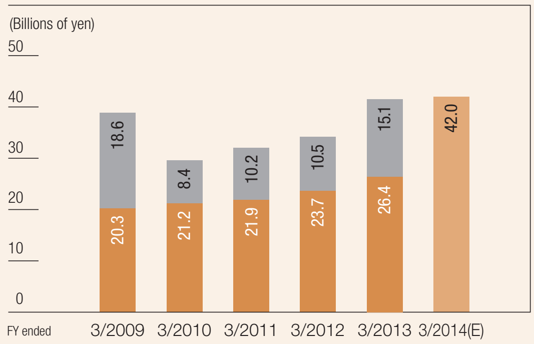
FY2012

¥297,934 million

The management business consists of: 1) the property management category, which generates stable revenue growth from increases in properties under management; and 2) the brokerage and asset management, etc. category, which uses the Group's expertise to generate fee income in ways such as providing asset management services for J-REITs and for private funds and brokerage services for individuals and corporations. Revenues from the Management segment in fiscal 2011 and 2012 were ¥286,638 million and ¥297,934 million, respectively, representing approximately 20.6% of the Company's total revenue from operations.

TRENDS IN OPERATING INCOME

Management Business Operating Income



Brokerage, Asset management, etc.

Property management

* Figures for fiscal year ended March 2009 are for reference.

Growth in its property management activities is based on a fee income stream that is derived from stable contract management. This stability also reflects the Company's ability to cover diverse asset classes including office buildings, retail facilities and rental housing. At the same time, Mitsui Fudosan's brokerage and asset management businesses are buoyed by the overall know-how of the Group.

Property Management

Office Buildings

- Mitsui Fudosan Building Management Co., Ltd. (654 buildings under management)
- Mitsui Fudosan Facilities Co., Ltd. (336 buildings under management)

Diverse Asset Classes

Retail Facilities

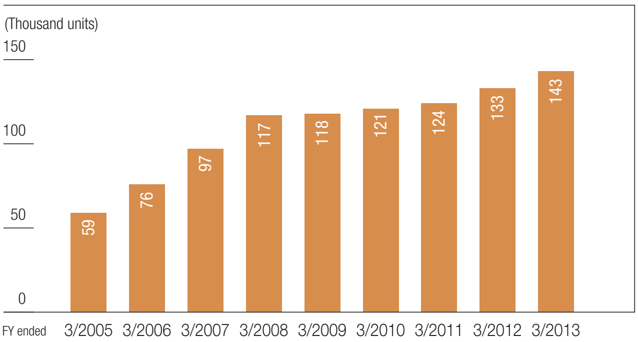
- Mitsui Fudosan Retail Management Co., Ltd. (59 facilities)

Housing

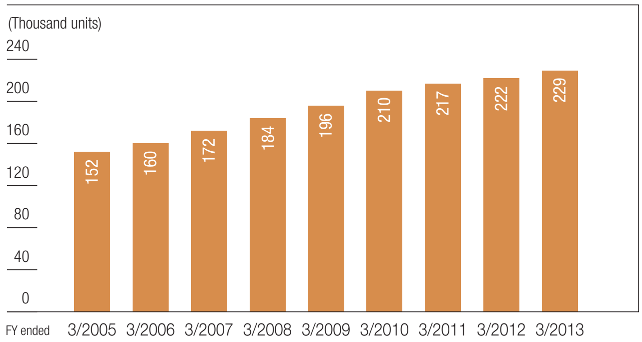
- Mitsui Fudosan Housing Lease Co., Ltd. (49,507 subleased and consigned units)
- Mitsui Fudosan Housing Service Co., Ltd. (228,500 units under management)

Mitsui Fudosan boasts comprehensive management capabilities that extend over diverse asset classes. The Company is defined by its strengths in office buildings, retail facilities and residences.

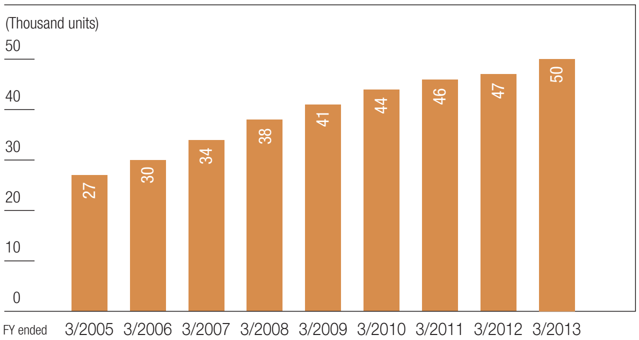
Car Park Leasing: Track Records



Property Management (Sales condominiums): Track Records



Property Management (Leasing condominiums): Track Record



Brokerage

		Fee/Revenue (Billions of yen)	Transactions (Unit)	Number of stores
1	**Mitsui Fudosan Realty**	**66.1**	**39,384**	**267**
2	Sumitomo Real Estate Sales	46.8	33,180	249
3	Tokyu Livable, Inc.	33.7	16,615	126
4	Nomura Real Estate Holdings, Inc.	19.2	6,494	53
5	Sumitomo Mitsui Trust Realty Co., Ltd.	12.3	6,543	69

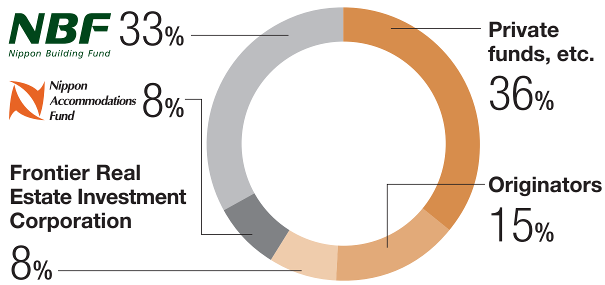
Source: jyuutaku-sinpo

Mitsui Fudosan Realty Co., Ltd., which is engaged in the arrangement and brokerage of housing sales under the Mitsui Rehouse name, has led the market in the number of properties handled in Japan for 27 consecutive periods from fiscal 1986 to fiscal 2012.

Asset Management

Assets under Management

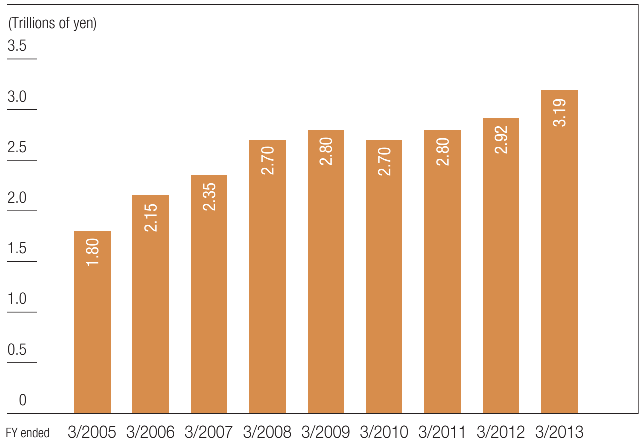
(FY ended March 2013)



Another key strength of Mitsui Fudosan's management business is its ability to deliver services through three REITs and private funds.

Assets under Management: Track Record

(Trillions of yen)



Mitsui Fudosan continues to secure steady growth in assets under management.

Mitsui Home Segment

Revenue from Operations

FY2011
¥207,569 million

FY2012
¥209,029 million

As Japan's premier builder of 2x4 "platform-frame" single-family homes, Mitsui Home Co., Ltd. is positioned at the core of the Group's custom-built housing business. The company is engaged in a wide range of activities focusing on living environments.

In recent years, interest in safe and secure homes as well as energy conservation and the need to secure electric power during emergency situations has steadily mounted.

Under these circumstances, Mitsui Home has channeled its energies toward putting forward proposals that showcase the outstanding environmental properties of the wooden house 2x4 construction method. In combining these proposals with Smart 2x4 initiatives, the company is working to further increase custom-build housing orders.

In the Mitsui Home segment, revenues in fiscal 2011 and 2012 were ¥207,568 million and ¥209,029 million, respectively, representing approximately 14.5% of the Company's total revenue from operations.

Results of Mitsui Home Co., Ltd.

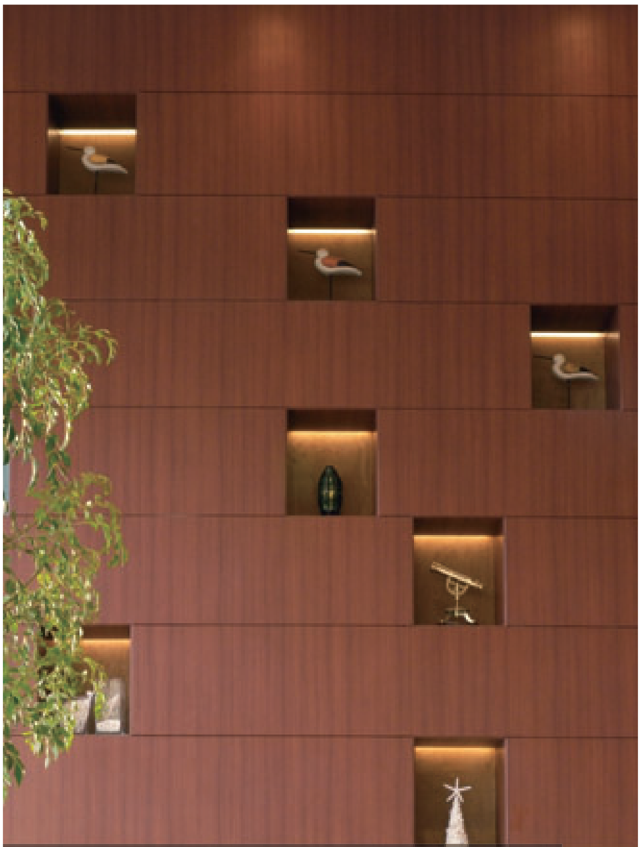
(Millions of Yen)

		Year Ended March 31 2013	2012	Change (amount)
New Construction	Revenue	**¥156,330**	¥160,316	¥(3,985)
	Orders	**155,621**	144,573	11,048
Reform/ Renewal	Revenue	**21,634**	18,414	3,219
	Orders	**26,290**	22,791	3,498
Lease Management		**18,904**	17,891	1,012
Other		**12,159**	10,945	1,213
Total Revenue		**¥209,029**	¥207,568	¥ 1,460

Note: The above revenue figures differ from those disclosed by Mitsui Home, because sales to the Mitsui Fudosan Group are deducted from Mitsui Home's consolidated revenue from operations.

In the fiscal year ended March 31, 2013, revenue and earnings declined in the new construction category. This was largely attributable to a downturn in orders received (the starting balance on April 1, 2012 stood below that of April 1, 2011), a decrease in net sales from the number of buildings sold reflecting delays in the start of construction and construction progress, and an increase in outsourcing expenses. In contrast, revenue increased thanks mainly to contributions from the Reform/Renewal category and Other category. As a result, revenue for the segment as a whole climbed ¥1.4 billion compared with the previous fiscal year. Earnings, on the other hand, declined ¥3.6 billion year on year.

Other Segment



Revenue from Operations

FY2011

¥102,015 million

FY2012

¥103,515 million

In the other segment, Mitsui Fudosan is active across a wide variety of fields. Principal fields of activity comprise facility operations, merchandise and other.

Revenue from Operations (Millions of yen)

	Fiscal 2012	Share (%)
Facility Operations	50,672	49.0
Merchandise	38,197	36.9
Other	14,645	14.1
Total	103,515	100.0

Facility Operations

In the facility operations field, the Mitsui Fudosan Group operates the Mitsui Garden Hotels chain, the Celestine Hotel, and resort hotels in Japan, as well as the Halekulani and other hotels in Hawaii. The Group also operates a number of golf clubs in Japan.

The Mitsui Garden Hotel Chain spans all of Japan

Merchandise

Uniliving Co., Ltd.

In the merchandise field, Group company Uniliving Co., Ltd. operates the Unidy chain of home centers located mainly in the Tokyo Metropolitan area. Another Group company, Daiichi Engei Co., Ltd. sells seasonal flowers and plants.

Other

In the other field, Mitsui Fudosan Reform Co., Ltd. engages in remodeling operations.

Japan's housing market continues to undergo structural change in response to the ongoing maturity of both society and the economy. Against this backdrop, Mitsui Fudosan is positioning renovation services, which are projected to experience demand growth, as a key component of the Group's housing business.

Business activities will remain within Japan's three major metropolitan areas for the foreseeable future. In addition to promoting the renovation of detached housing, condominiums, medical facilities and business assets, Mitsui Fudosan will strive to secure a position as a leading high-value-added renovation brand.

The Mitsui Fudosan Group aims for sound, transparent and efficient management in building optimum corporate governance to earn the trust of all stakeholders. Measures to strengthen its internal system are one part of achieving that goal.

Sound and Efficient Management

Mitsui Fudosan has adopted a corporate officer system to build a business execution framework appropriate to its operating environment and business activities, enhancing the soundness and efficiency of management by separating and strengthening management and executive functions. In addition, the Group Corporate Officer System, in which corporate officers of both Mitsui Fudosan and its Group companies share an equal status and mission, was established to further strengthen Group management.

Improving Transparency and Expanding the Perspective of Management

Mitsui Fudosan invites and appoints outside directors in order to strengthen the oversight functions of the directors and enhance management transparency. The outside directors provide input as necessary on the reasonableness and adequacy of Mitsui Fudosan's decision-making.

Furthermore, Mitsui Fudosan has established the Advisory Committee, consisting of experts from business and academia, to diversify the perspective of management by providing comprehensive and forward-looking advice from an objective viewpoint.

Decision-Making

The Executive Management Committee, consisting of executive managing directors and executive corporate officers, meets weekly to deliberate and report on important matters related to business execution. Fulltime corporate auditors also attend meetings to stay informed of important decision-making processes and the status of business execution, and provide opinions as necessary. The Executive Management Committee also supervises internal control and risk management.

In addition, the Strategy Planning Special Committee, the Risk Management Special Committee, the Social Contribution Special Committee and the Environmental Special Committee function as advisory and strategy coordination bodies to the Executive Management Committee. The Strategy Planning Special Committee formulates and deliberates Group strategy and management plans and engages in risk management for Mitsui Fudosan and the Mitsui Fudosan Group in collaboration with the Risk Management Special Committee. The Social Contribution Special Committee and Environmental Special Committee are responsible for reviewing overall social contribution activities and environmental activities.

Board of Directors and Board of Corporate Auditors

The Board of Directors, comprising twelve members including four outside directors, makes decisions on material issues of Mitsui Fudosan and supervises the status of the directors' execution of business. The corporate auditors attend meetings of the Board of Directors and provide opinions as necessary.

In addition, Mitsui Fudosan has designated a special director who may pass judgment on the urgent acquisition or sale of assets when so empowered by the Board of Directors.

Mitsui Fudosan has adopted a corporate auditor system. The Board of Corporate Auditors, comprising five corporate auditors, including three outside auditors, formulates auditing policies and determines duty assignments. It also receives reports and discusses material items on audits conducted according to these policies and assignments. The corporate auditors receive periodic reports from the Audit Department and the certified public accountant and exchange information in working toward mutual cooperation.

As an internal auditing structure, the Audit Department carries out regular audits of all business departments and reports the results of its audits. It also works to enhance the effectiveness of internal control by identifying and providing guidance to audited divisions on areas requiring improvement.

Outside Directors and Outside Auditors

Mitsui Fudosan has four outside directors and three outside auditors.

Outside Directors

Mitsui Fudosan has appointed Mitsudo Urano, Masayuki Matsushima, Toru Yamashita and Toshiaki Egashira after a comprehensive evaluation of their characters, capabilities, experience and other factors. None of the four has a conflict of interest with general shareholders.

Outside Auditors

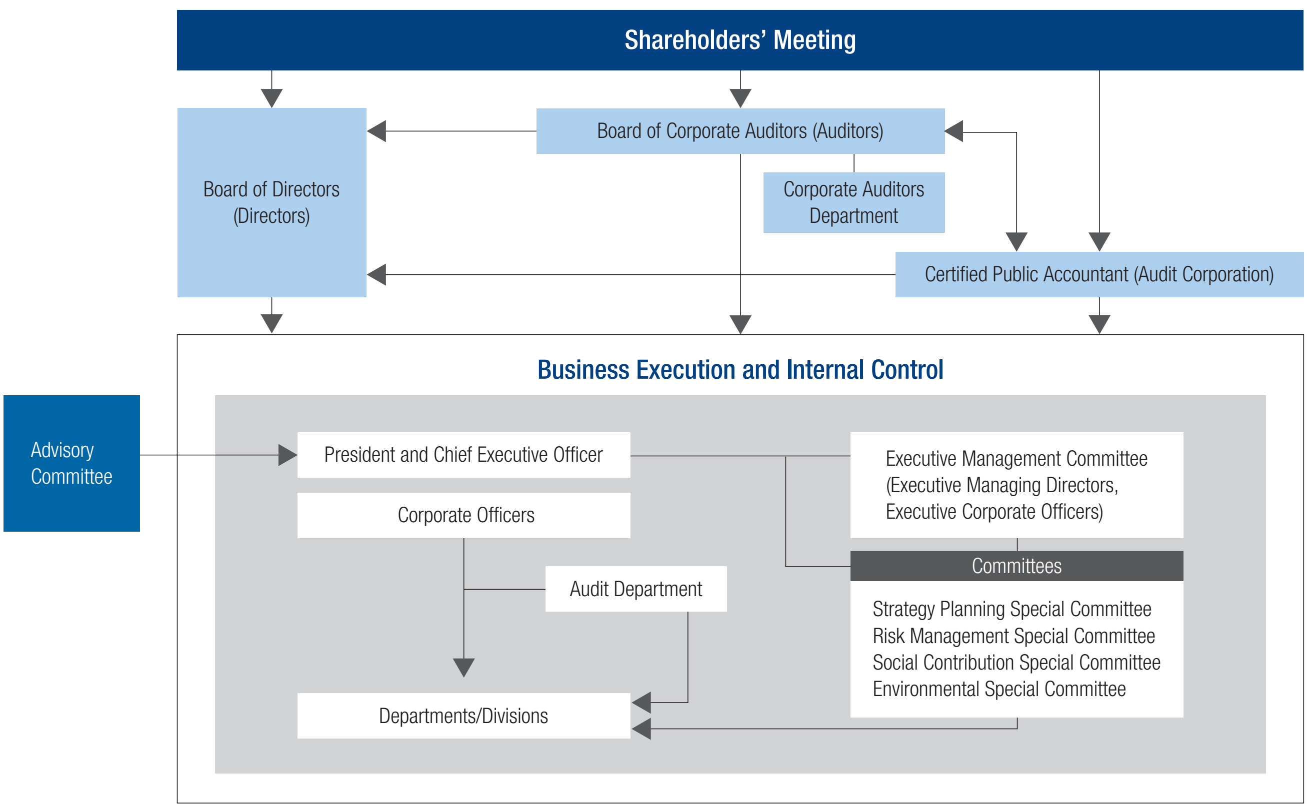
Mitsui Fudosan has appointed Akishige Okada, Keiu Nishida and Toshiaki Hasegawa after a comprehensive evaluation of their characters, capabilities, experience and other factors. None of the three has a conflict of interest with general shareholders.

Overview of Criteria concerning the Independence of Outside Directors and Outside Auditors as well as Personal, Capital or Business Relationships or Other Conflicts of Interest with the Company

Outside officers and independent officers are appointed after taking into consideration a comprehensive range of factors including personality traits, capabilities as well as personal and career history. While vested interests may exist between the Company and some of its outside directors and outside auditors, in each case a determination was made that there is no potential conflict of interest with general shareholders. As a result, outside directors and outside auditors are deemed independent.

With respect to outside directors, Mitsudo Urano held the position of Representative Director and Chairman at business partner NICHIREI CORPORATION until June 2013. With respect to the relationship between NICHIREI

Corporate Governance Organization (As of June 27, 2013)



CORPORATION and Mitsui Fudosan, and any influence Mr. Urano may exert, taking into consideration the context of transactional details, it was determined that there was no potential of any impact on his decisions for shareholders and investors. Masayuki Matsushima was Chairman of Credit Suisse Securities (Japan) Limited. There are no special vested interests between Credit Suisse Securities (Japan) Limited and the Company. Toru Yamashita held the position of Representative Director, President and Chief Executive Officer at business partner NTT DATA Corporation until June 2012. With respect to the relationship between NTT DATA Corporation and Mitsui Fudosan, and any influence Mr. Yamashita may exert, taking into consideration the context of transactional details, it was determined that there was no potential of any impact on his decisions for shareholders and investors. Toshiaki Egashira holds the position of Chairman of the Board at business partner Mitsui Sumitomo Insurance Company, Limited. With respect to the relationship between Mitsui Sumitomo Insurance Company, Limited and Mitsui Fudosan, and any influence Mr. Egashira may exert, taking into consideration the context of transactional details, it was determined that there was no potential of any impact on his decisions for shareholders and investors.

Turning to outside auditors, Toshiaki Hasegawa is Representative of Toshiaki Hasegawa Law Firm, and Akishige Okada is Advisor of Sumitomo Mitsui Banking Corporation and was formerly Chairman and Director of Sumitomo Mitsui Financial Group Inc. with respect to relationships between each of the aforementioned companies and Mitsui Fudosan, and in the context of transactional details, it was determined that there was no potential of any impact on their decisions for shareholders and investors. Accordingly, details have been omitted. In addition, Mitsui Fudosan has not formulated criteria concerning the independence of outside directors and outside auditors.

Revisions to the Tokyo Stock Exchange Securities Listing Regulations in December 2009 made it obligatory for listed companies to secure independent officers to act from the point of view of protecting general shareholders. Mitsui Fudosan has appointed the aforementioned four outside directors and three outside auditors as independent officers.

Compensation for Officers and Corporate Auditors

The amount of compensation for officers and the method of its calculation utilize the basic compensation in a total amount within the scope set and approved by resolution of the Ordinary General Meeting of Shareholders, a bonus paid as a short-term incentive that comprehensively takes into consideration such things as business results achieved in each fiscal year and must be approved by resolution at the Ordinary General Meeting of Shareholders, and stock options paid as medium-term incentive in an amount within the scope set and approved by resolution of the Ordinary General Meeting of Shareholders.

Internal Audit System

As an internal auditing system, the Audit Department, with a staff of 16, carries out regular audits of all business depart-

Compensation for Directors and Corporate Auditors

Title	Total Compensation (Millions of yen)	Amount of Compensation by Type (Millions of yen)			Number of Applicable Officers
		Basic Compensation	Stock Options	Bonus	
Directors (Excluding outside directors)	847	507	81	259	9
Corporate Auditors (Excluding outside directors)	84	84	—	—	3
Outside Directors	75	75	—	—	7

Compensation of Directors Exceeding ¥100 Million	Total Compensation (Millions of yen)	Amount of Compensation by Type (Millions of yen)		
		Basic Compensation	Stock Options	Bonus
Chairman of the Board and Chief Executive Officer Hiromichi Iwasa	174	99	16	58
President and Chief Executive Officers Masanobu Komoda	174	99	16	58

ments and reports the results of its audits. It also works to enhance the effectiveness of internal control by identifying and providing guidance to audited divisions on areas requiring improvement.

Mitsui Fudosan has concluded an auditing contract with KPMG AZSA LLC as its certified public accountant, which conducts appropriate audits as necessary in addition to the audit at the end of the fiscal year.

Mitsui Fudosan has no conflicts of interest with either the certified public accountant or the employees of the certified public accountant that audit the Company.

Mitsui Fudosan's policy to determine audit compensation for the certified public accountant is decided through rational consideration of factors including the number of days of auditing, the size of Mitsui Fudosan and special characteristics of its business.

Total audit compensation for fiscal 2012 was ¥392 million. Mitsui Fudosan America, Inc., a consolidated subsidiary, paid ¥37 million in compensation to KPMG LLP, a member of the same network as Mitsui Fudosan's certified public accountant.

Risk Management

The Mitsui Fudosan Group believes that appropriately handling various business risks and minimizing their impact on management is the foundation for achieving sound business activities and CSR objectives.

Under the Executive Management Committee, which supervises overall risk management for Mitsui Fudosan and the Mitsui Fudosan Group, the Strategy Planning Special Committee and the Risk Management Special Committee manage business risk and administrative risk, respectively, delineate and apprehend risk issues, and propose response measures.

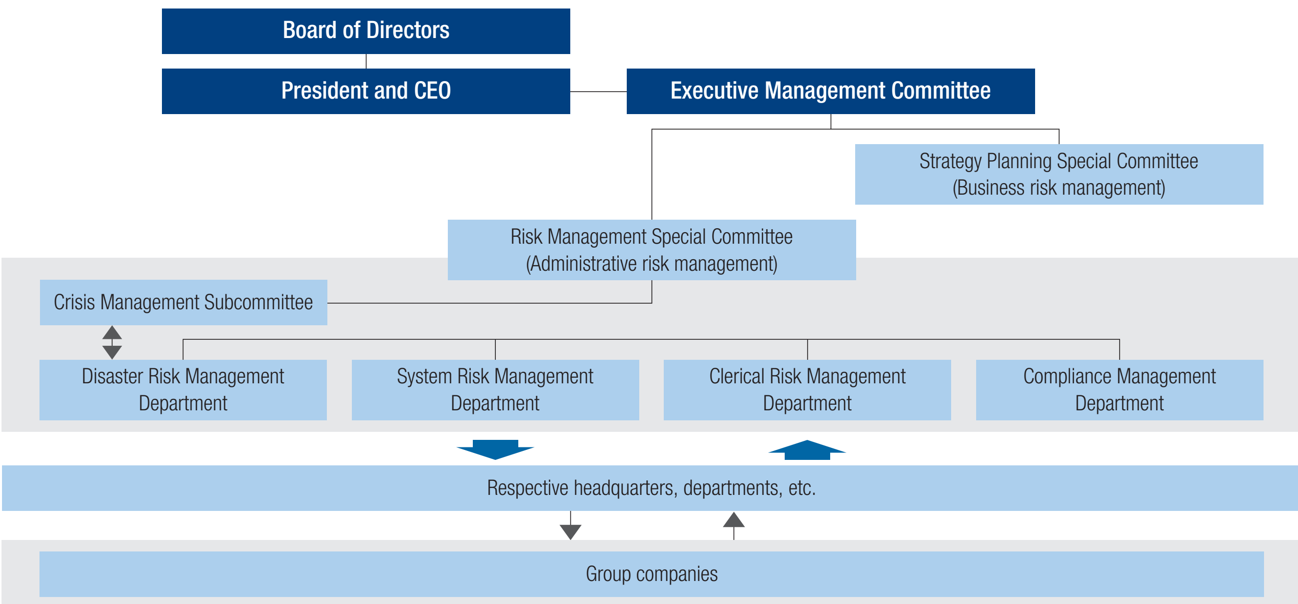
In addition, the Crisis Management Subcommittee, as a subordinate body of the Risk Management Special Committee, apprehends the circumstances of accidents or other incidents that occur and determines response policies and other matters as necessary.

Compliance

The Mitsui Fudosan Group promotes compliance that extends beyond legal compliance and adherence to corporate ethics, with a strong awareness of social norms and principles, and the social responsibilities of a company. With the establishment of the Mitsui Fudosan Group Compliance Policies as behavioral guidelines for all Group executives and employees, the Group works to prevent violations of laws and its articles of incorporation by upgrading the Compliance Rules and other internal rules and establishing the Risk Management Special Committee. Each Mitsui Fudosan Group company has also set up an Internal Consultation System on compliance for employees.

Risk Management Organization

(As of June 27, 2013)



MANAGEMENT TEAM

(As of June 27, 2013)

Front row from left: Toshiaki Egashira, Masayuki Matsushima, Hiromichi Iwasa, Masanobu Komoda, Mitsudo Urano, Toru Yamashita
Back row from left: Kenji Iino, Yoshikazu Kitahara, Yoshiaki Iinuma, Hitoshi Saito, Hiroshi Asai, Kiyotaka Fujibayashi

Members Of The Board

Chairman of the Board and Chief Executive Officer
Hiromichi Iwasa

President and Chief Executive Officer
Masanobu Komoda

Managing Director and Executive Vice President
Yoshiaki Iinuma

Managing Directors
Hitoshi Saito
Yoshikazu Kitahara
Hiroshi Asai
Kenji Iino
Kiyotaka Fujibayashi

Managing Directors (Outside Directors)
Mitsudo Urano
Masayuki Matsushima
Toru Yamashita
Toshiaki Egashira

Auditors

Senior Corporate Auditor
Seizo Kuramoto

Corporate Auditor
Koichi Nishiyama

Corporate Auditors (Outside Auditors)
Akishige Okada
Keiu Nishida
Toshiaki Hasegawa

Corporate Officers

Chairman and Chief Executive Officer
Hiromichi Iwasa

President and Chief Executive Officer
Masanobu Komoda
In charge of Audit Department, Corporate Planning Department

Executive Vice President
Yoshiaki Iinuma
In charge of Smart City Promotion Department, Affiliated Business Department

Senior Executive Managing Officers
Eiichi Sawai
In charge of Planning and Research Department, Space & Environment Institute

Hitoshi Saito
In charge of International Department

Yoshikazu Kitahara
In charge of Architectural and Construction Services Department,
Nihonbashi Urban Planning and Development Department;
Chief Operating Officer, Office Building Division

Executive Managing Officers
Hiroshi Asai
In charge of General Administration Department, Information Systems Department

Kenji Iino
In charge of Executive Secretarial Department, Corporate Communications Department,
Personnel Department, Appraisal Department, Branch Offices

Kiyotaka Fujibayashi
In charge of Housing Sales Business;
President and Chief Executive Officer, Mitsui Fudosan Residential Co.,Ltd.

Yasuhiko Yamashiro
In charge of Kansai Head Office; General Manager, Kansai Head Office

Yasuo Onozawa
In charge of Hibiya Urban Planning and Development Department, Tokyo Midtown Development Department, Toyosu-Project Development Planning Department, Kashiwanoha Campus City Project Development Planning Department, Development Planning Department, Gotanda Project Department

Takeshi Suzuki
In charge of China and Asia Business Department

Hiroyuki Ishigami
Chief Operating Officer, Retail Properties Division

Masatoshi Satou
In charge of Accounting and Finance Department;
General Manager, Accounting and Finance Department

Takashi Yamamoto
Chief Operating Officer, Accommodations Business Division

Managing Officers
Akihiko Funaoka
General Manager, Corporate Planning Department and Smart City Promotion Department

Shuji Tomikawa
Chief Operating Officer, Real Estate Solution Services Division

Takashi Ueda
Deputy Chief Operating Officer, Office Building Division

Yosuke Seko
General Manager, General Administration Department

Takayuki Miki
General Manager, Logistics Properties Department

Satoshi Hironaka
General Manager, International Department

Wataru Hamamoto
General Manager, Development Planning Department and Toyosu-Project Development Planning Department

Yoshihiro Hirokawa
General Manager, Personnel Department

Group Officers

Group Senior Officers
Hidehisa Takei
Mitsui Fudosan Realty Co., Ltd.

Shogo Nakai
Mitsui Fudosan Investment Advisors, inc.

Masatoshi Ozaki
Mitsui Fudosan Reform Co., Ltd.

Group Officers
Tadashi Ando
Mitsui Fudosan Retail Management Co., Ltd.

Tooru Inoue
Mitsui Fudosan Residential Co., Ltd.

Six-Year Summary

Mitsui Fudosan Co., Ltd. and its Subsidiaries

Years ended March 31	2013	2012	2011	2010	2009	2008	2013
	Millions of yen except per share amounts and number of employees						Thousands of U.S. dollars (Note 1) except per share amounts
FOR THE YEAR:							
Revenue from operations	**¥1,445,644**	¥1,338,102	¥1,405,270	¥1,384,807	¥1,418,946	¥1,360,023	**$15,371,015**
Interest, dividends and miscellaneous	**15,674**	5,854	27,044	31,152	9,389	27,509	**166,656**
Costs and expenses (including tax)	**1,403,605**	1,296,948	1,382,293	1,356,870	1,349,178	1,305,778	**14,924,029**
Equity in net income of affiliated companies	**2,850**	3,702	689	2,027	5,980	7,064	**30,303**
Minority interests	**(1,112)**	(580)	(801)	(1,032)	(1,565)	(1,440)	**(11,824)**
Net income	**59,451**	50,130	49,909	60,084	83,572	87,378	**632,121**
AT YEAR-END:							
Total assets	**¥4,390,075**	¥3,868,412	¥3,780,700	¥3,710,424	¥3,758,387	¥3,634,489	**$46,678,097**
Shareholders' equity and accumulated other comprehensive income	**1,181,174**	1,078,183	1,019,941	1,007,811	978,667	971,310	**12,559,001**
Common stock	**174,296**	174,296	174,296	174,296	174,296	174,296	**1,853,227**
Number of employees	**16,377**	16,666	16,288	15,922	15,476	14,788	
PER SHARE DATA:							
Net income (basic)	**¥ 67.7**	¥ 57.1	¥ 56.8	¥ 68.4	¥ 95.1	¥ 99.4	**$ 0.720**
Cash dividends applicable to the year	**22.0**	22.0	22.0	22.0	22.0	20.0	**0.234**
RATIOS:							
Equity ratio (%) (Note 2)	**26.9**	27.9	27.0	27.2	26.0	26.7	
Return on assets (%) (Note 3)	**3.66**	3.55	3.39	3.41	5.06	5.53	

Notes: 1. U.S. dollar amounts are translated from yen at the rate of ¥94.05=U.S.$1.00, the approximate exchange rate at March 31, 2013.
2. Equity ratio = (Net assets – Subscription rights to shares – Minority interests) / Total assets
3. Return on assets (ROA) = (Operating income + Interest, dividends and miscellaneous revenue, excluding extraordinary gains + Equity in net income of affiliated companies) / Average total assets over the period

Income Analysis

(Billions of yen, %)

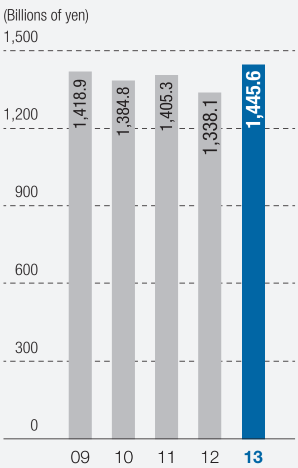
Years ended March 31	2013		2012		2011	
Revenue from operations	**¥1,445.6**	**100.0%**	¥1,338.1	100.0%	¥1,405.3	100.0%
Cost of revenue from operations	**1,147.1**	**79.3**	1,067.0	79.7	1,138.0	81.0
Selling, general and administrative expenses	**150.3**	**10.4**	145.1	10.9	147.2	10.5
Operating income	**148.2**	**10.3**	126.0	9.4	120.1	8.5
Other revenues	**15.6**	**1.0**	5.8	0.4	27.0	2.0
Interest expenses	**29.4**	**2.0**	26.7	2.0	27.5	2.0
Other expenses	**26.4**	**1.8**	14.3	1.1	36.6	2.6
Equity in net income of affiliated companies	**2.9**	**0.2**	3.7	0.3	0.7	0.1
Income before income taxes and minority interests	**110.9**	**7.7**	94.5	7.0	83.7	6.0
Income taxes	**50.3**	**3.5**	43.8	3.3	33.0	2.3
Minority interests	**(1.1)**	**(0.1)**	(0.6)	(0.0)	(0.8)	(0.1)
Net income	**¥59.5**	**4.1%**	¥ 50.1	3.7%	¥ 49.9	3.6%

REVENUE FROM OPERATIONS

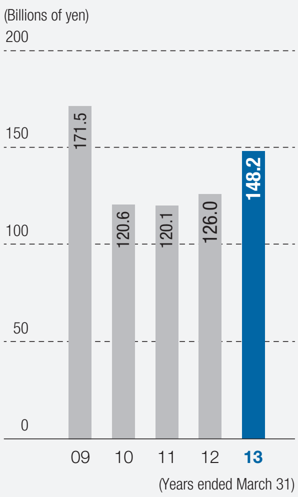
For fiscal 2012, the year ended March 31, 2013, revenue improved in each of the Company's three core "Leasing," "Property Sales", "Management" segments. As a result, revenue from operations was ¥1,445.6 billion, up 8.0 percent year on year, or ¥107.5 billion.

In the "Leasing" segment, results were underpinned by contributions from such properties as "Mitsui Outlet Park Kisarazu" and "DiverCity Tokyo," where operations commenced during the period under review, and the full-term revenue provided by other properties including "Yokohama Mitsui Building" and "Mitsui Outlet Park Kurashiki," which were completed during the previous period.

Revenue from Operations



Operating Income



Results in the "Property Sales" segment benefitted from a year-on-year increase in revenue from operations, especially from the "Property Sales to Individuals" category. This largely reflected an upswing in the reported number of units. Revenue from operations in the "Property Sales to Investors" category also grew compared with the previous fiscal year owing mainly to the sale of office buildings and other properties including those to Nippon Building Fund Inc.

In the "Management" segment, improvements in the "Property Management" category due primarily to increases in the number of managed units in the "Repark" (Car Park leasing) business helped drive revenue from operations forward. Complementing this upward trend, results were boosted by contributions from the "Brokerage and Asset Management, etc." category owing largely to an upswing in the number of brokerage properties handled for individuals in the "Mitsui Rehouse" business.

COST OF REVENUE FROM OPERATIONS AND SG&A EXPENSES

Cost of revenue from operations increased 7.5 percent year on year, or ¥80.1 billion, to ¥1,147.1 billion. Gross profit from operations grew 10.1 percent, or ¥27.4 billion, to ¥298.5 billion, and the gross margin improved to 20.6 percent from 20.3 percent.

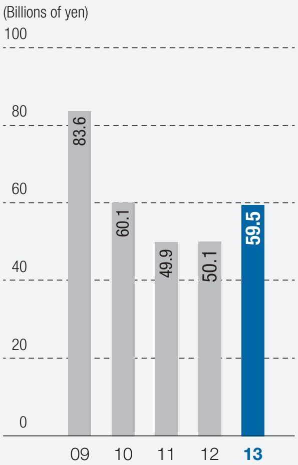
Selling, general and administrative (SG&A) expenses increased 3.6 percent year on year, or ¥5.2 billion, to ¥150.3 billion.

OPERATING INCOME

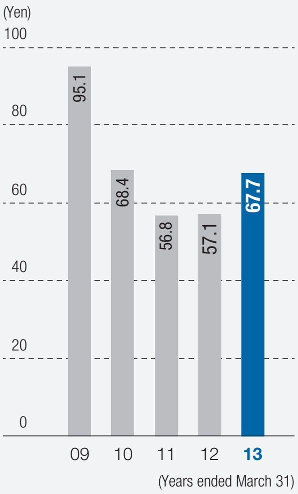
Operating income was ¥148.2 billion, up 17.6 percent year on year, or ¥22.1 billion. This positive result was due to a variety of factors including the overall improvement in revenue from operations across all business segments, a recovery in operating margins in and a decrease in inventory in the Property Sales business, and stable earnings growth on the back of increases in consigned properties as well as assets under management in the Management business.

In addition, an accounting change led to a ¥10.1 billion increase in the Leasing segment. Effective from the first quarter of fiscal 2012, Mitsui Fudosan implemented the early adoption of changes to accounting standards on the consolidation of SPCs. On this basis, 31 SPCs in which the Company maintains an equity interest were newly included in the scope of its consolidation as of the end of the fiscal year under review. As a result, Mitsui Fudosan's performance in fiscal 2012 was buoyed by contributions from "Tokyo Midtown" as well as other properties owned by SPCs newly included in its scope of consolidation.

Net Income



Net Income per Share



INTEREST, DIVIDENDS AND MISCELLANEOUS INCOME, AND OTHER COSTS AND EXPENSES

Interest, dividends, and miscellaneous revenue increased 167.7 percent, or ¥9.8 billion, to ¥15.6 billion. In addition to interest income of ¥0.4 billion and dividend income of ¥3.3 billion, this increase mainly reflected gain on sales of investment securities, gain on sales of fixed assets, and gain on sales of shares in affiliated companies of ¥3.4 billion, ¥2.9 billion, and ¥2.4 billion, respectively. Interest expenses totaled ¥29.4 billion, up 10.1 percent year on year, or ¥2.7 billion. Other costs and expenses jumped 83.5 percent, or ¥12.0 billion, to ¥26.3 billion. The major components were loss on sales of fixed assets, impairment loss, and loss on disposal of fixed assets of ¥8.8 billion, ¥7.8 billion, and ¥4.2 billion, respectively. Notes 19 to 21 of the Notes to Consolidated Financial Statements provide additional information.

INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS AND NET INCOME

Equity in net income of affiliated companies decreased 23.0 percent year on year, or ¥0.9 billion, to ¥2.9 billion. Income before income taxes and minority interests climbed 17.4 percent, or ¥16.4 billion, to ¥110.9 billion. Consequently, net income rose 18.6 percent, or ¥9.3 billion, to ¥59.5 billion. Turning to per share information, net income per share increased to ¥67.7 from ¥57.1 in fiscal 2011. For fiscal 2012, Mitsui Fudosan maintained an annual cash dividend per share of ¥22.0.

SEGMENT INFORMATION

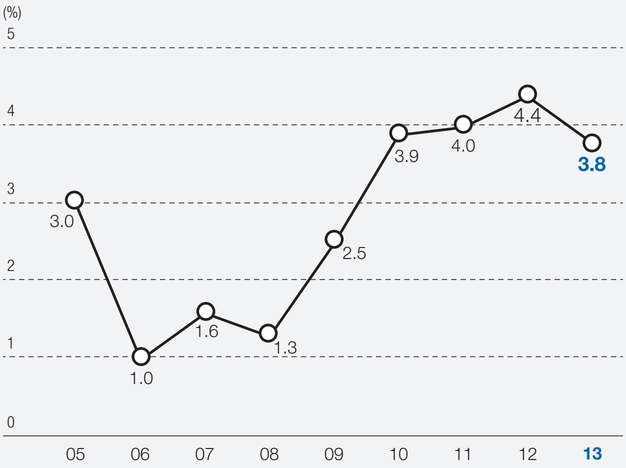
Leasing

(Millions of yen)

Years ended March 31			2013	2012
Office Buildings and Retail Facilities	Revenue	Office Buildings	¥286,934	¥283,614
		Retail Facilities	148,620	131,560
	Total Leased Floor Space (1,000 m^2):		4,594	4,531
	Office Buildings	Owned	1,662	1,303
		Managed	1,199	1,533
	Retail Facilities	Owned	1,228	1,042
		Managed	505	654
Other	Revenue		6,156	5,353
Total Revenue			441,712	420,528
Operating Income			104,352	95,700

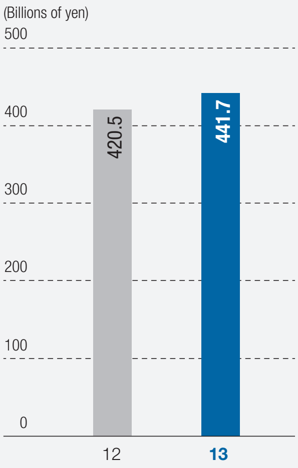
For the period under review, overall revenue from operations in the "Leasing" segment climbed 5.0 percent, or ¥21.2 billion, compared with the previous fiscal year to ¥441.7 billion. In specific terms, revenue from operations in each of the office buildings, retail facilities, and other categories improved 1.2 percent, 13.0 percent, and 15.0 percent, respectively, year on year. Operating income for this segment grew 9.0 percent, or ¥8.6 billion, to ¥104.3 billion. As previously outlined, results were underpinned by contributions from such properties as "Mitsui Outlet Park Kisarazu" and "DiverCity Tokyo," where operations commenced during the period under review, and the full-term revenue and earnings provided by other properties including "Yokohama Mitsui Building" and "Mitsui Outlet Park Kurashiki," which were completed during the previous period. Moreover, this positive performance reflected the contribution from "Tokyo Midtown" and various other properties owned by SPCs that have been included in the Company's scope of consolidation. With respect to vacancy rates, the office building leasing market in the Tokyo Metropolitan Area is exhibiting an ongoing recovery trend. Key indicators continue to improve with a steady decline in vacancy rates. On a non-consolidated basis, vacancy rates for the Company's office buildings in the Tokyo Metropolitan and regional areas declined from 4.6 percent in the previous fiscal year to 4.0 percent in fiscal 2012.

Vacancy Rate for Tokyo Metropolitan Area Office Buildings (Non-consolidated)

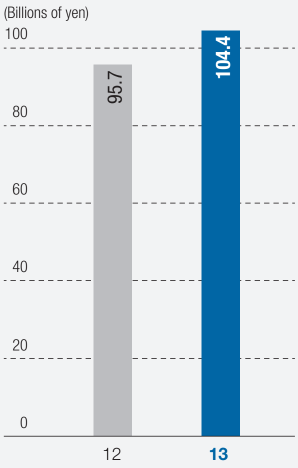


(As of March 31)

Revenue from Operations



Operating Income



(Years ended March 31)

Property Sales

Property Sales to Individuals and Investors

(Millions of yen)

Years ended March 31/As of March 31			2013			2012		
			Revenue	Units	Average Unit Price	Revenue	Units	Average Unit Price
Property Sales to Individuals	Condominiums	Tokyo Metropolitan Area	**¥206,518**	**4,161**	**¥50**	¥178,929	3,456	¥52
		Other	**29,656**	**795**	**37**	34,910	1,056	33
		Subtotal	**236,174**	**4,956**	**48**	213,839	4,512	47
	Detached Housing	Tokyo Metropolitan Area	**38,698**	**636**	**61**	37,187	664	56
		Other	**7,788**	**159**	**49**	6,216	140	44
		Subtotal	**46,487**	**795**	**58**	43,403	804	54
		Revenue	**282,662**	**5,751**	**49**	257,243	5,316	48
		Operating Income	**15,300**			10,264		
Property Sales to Investors		Revenue	**110,792**			64,108		
		Operating Income	**7,758**			5,470		
Total		Revenue	**393,454**			321,352		
		Operating Income	**23,059**			15,734		

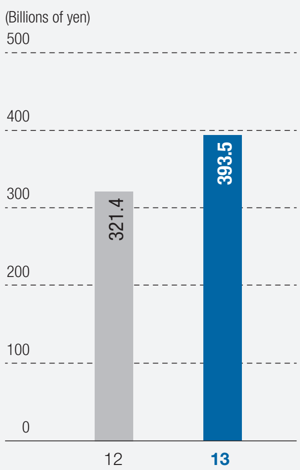
Inventories (Property Sales to Individuals)

(Units)

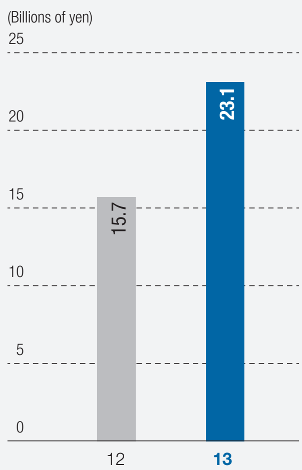
As of March 31	2013	2012	2011	2010	2009
Condominiums	**223**	380	638	872	826
Detached Housing	**57**	24	46	40	93
Total	**280**	404	684	912	919

In the "Property Sales" segment revenue from operations was up 22.4 percent, or ¥72.1 billion, compared with the previous fiscal year, to ¥393.5 billion. On a category basis, revenue from operations in the "Property Sales to Individuals" segment climbed 9.9 percent, or ¥25.4 billion, to ¥282.6 billion. This improvement was largely attributable to an increase in the reported number of units. In specific terms, condominium sales to individuals grew 10.4 percent, or ¥22.3 billion, to ¥236.1 billion, and detached housing sales to individuals rose 7.1 percent, or ¥3.1 billion, to ¥46.5 billion. Revenue from operations in the "Property Sales to Investors" category was ¥110.8 billion, up 72.8 percent, or ¥46.7 billion compared with the previous fiscal year. This was largely thanks to the sale of office buildings and other properties including those to Nippon Building Fund Inc. From a profit perspective, operating income in the "Property Sales" segment increased 46.6 percent, or ¥7.3 billion, to ¥23.1 billion. Looking closer, operating income in "Property Sales to Individuals" rose ¥5.0 billion, to ¥15.3 billion, with the profit margin climbing 1.4 percentage points to 5.4 percent. Operating income in "Property Sales to Investors" rose ¥2.3 billion, to ¥7.8 billion. Turning to key highlights and principal benchmarks, the number of units booked climbed from 5,316 units to 5,751 units, an increase of 435 units. Major properties booked during the fiscal year under review included the Park Court Roppongi Hill Top and Mita M-SQUARE. Contracts at the end of the fiscal year hit 4,182, an increase of 1,682, while inventories declined by 124 units to 280 units. The unit price of properties also improved ¥760,000 year on year to ¥49,150,000.

Revenue from Operations



Operating Income



(Years ended March 31)

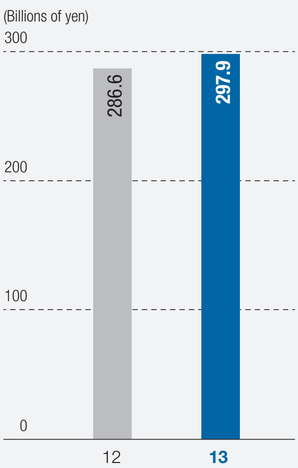
Management

(Millions of yen)

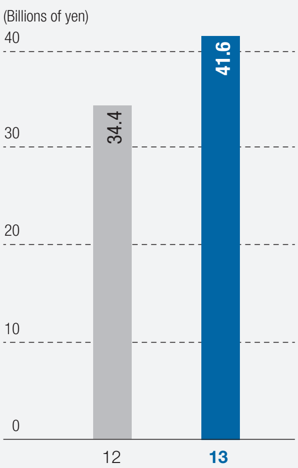
Years ended March 31		2013	2012
Property Management	Revenue	**¥218,911**	¥212,878
	Operating Income	**26,427**	23,776
Brokerage and Asset Management, etc.	Revenue	**79,023**	73,760
	Operating Income	**15,151**	10,587
Total	Revenue	**297,934**	286,639
	Operating Income	**41,579**	34,364

In fiscal 2012, revenue and earnings improved in the "Property Management" category due primarily to increases in the number of managed units in the "Repark" (Car Park Leasing) business. Revenue from operations climbed 2.8 percent, or ¥6.0 billion, to ¥218.9 billion while operating income increased 11.1 percent, or ¥2.7 billion, to ¥26.4 billion. In the "Brokerage and Asset Management, etc." category, revenue and earnings grew mainly on the back of an upswing in the number of brokerage properties handled for individuals in the "Mitsui Rehouse" business. Revenue from operations rose 7.1 percent, or ¥5.3 billion, to ¥79.0 billion and operating income improved 43.1 percent, or ¥4.6 billion, to ¥15.2 billion. From an operational perspective, the total number of car park leasing managed units climbed 10,411 compared with the previous fiscal year to 143,450. Brokerage transactions increased 3,313 year on year to 39,384 while the number of consignment sales units declined 707 to 1,448. Accounting for all of these factors, revenue from operations in the entire segment grew 3.9 percent, or ¥11.3 billion compared with the previous fiscal year, to ¥297.9 billion. Operating income for the "Management" segment increased 21.0 percent, or ¥7.2 billion, year on year, to ¥41.6 billion.

Revenue from Operations



Operating Income



(Years ended March 31)

■ Mitsui Home

(Millions of yen)

Years ended March 31		2013	2012
New Construction	Revenue	¥156,330	¥160,316
	Orders	155,621	144,573
Reform/Renewal	Revenue	21,634	18,414
	Orders	26,290	22,791
Lease Management		18,904	17,891
Other		12,159	10,945
Total Revenue		209,029	207,568
Operating Income		566	4,187

Note: The above revenue figures differ from those disclosed by Mitsui Home, because sales to the Mitsui Fudosan Group are deducted from Mitsui Home's consolidated revenue from operations.

Revenue from operations in the "New Construction" category declined 2.5 percent, or ¥4.0 billion, compared with the previous fiscal year, to ¥156.3 billion. In addition to the amount of orders at the beginning of the period falling below the level recorded in the previous year as well as a decline in the number of buildings sold due to such factors as delays in work commenced and construction progress, MITSUI HOME incurred a drop in earnings in this category due mainly to an upswing in outsourcing expenses. In contrast, the "Reform/Renewal," "Lease Management," and "Other" categories reported an increase in revenue from operations. "Reform/Renewal" revenue climbed 17.5 percent, or ¥3.2 billion, to ¥21.6 billion, "Lease Management" revenue increased 5.7 percent, or ¥1.0 billion, to ¥18.9 billion, and "Other" revenue grew 11.1 percent, or ¥1.2 billion, to ¥12.1 billion. As a result, revenue from operations in this segment as a whole edged up 0.7 percent, or ¥1.5 billion compared with the previous fiscal year, to ¥209.0 billion. Operating income, on the other hand, declined 86.5 percent, or ¥3.6 billion year on year, to ¥0.6 billion.

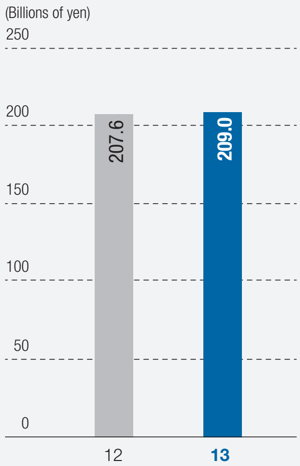
■ Other

(Millions of yen)

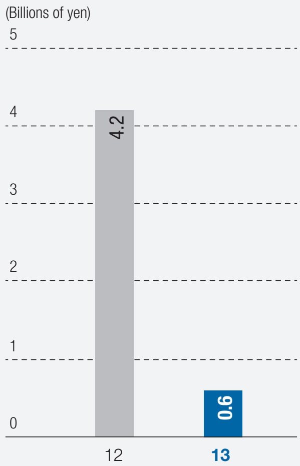
Years ended March 31	2013	2012
Facility Operations	¥ 50,672	¥ 49,079
Merchandise	38,197	40,003
Other	14,645	12,931
Total Revenue	103,515	102,015
Operating Income	(85)	(807)

In the fiscal year ended March 31, 2013, revenue from operations and operating income increased in the "Other" segment. This was largely attributable to higher revenue and earnings in the hotel operation business. In specific terms, revenue from operations in the "Merchandise" category fell 4.5 percent, or ¥1.8 billion compared with the previous fiscal year, to ¥38.2 billion. Revenue from the "Facility Operations" category, on the other hand, climbed 3.2 percent, or ¥1.6 billion, year on year, to ¥50.7 billion while revenue from operations in the "Other" category improved 13.3 percent, or ¥1.7 billion, to ¥14.6 billion. As a result, revenue from operations for the "Other" segment as a whole increased 1.5 percent, or ¥1.5 billion, to ¥103.5 billion. The operating loss of the previous fiscal year, which came to ¥0.8 billion, narrowed ¥0.7 billion to a nominal operating loss for the period.

Revenue from Operations

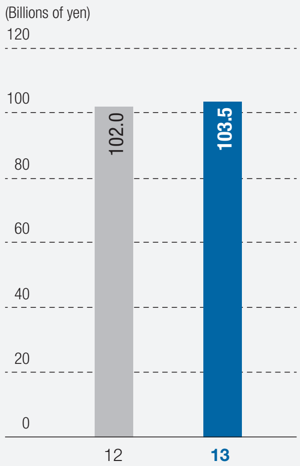


Operating Income

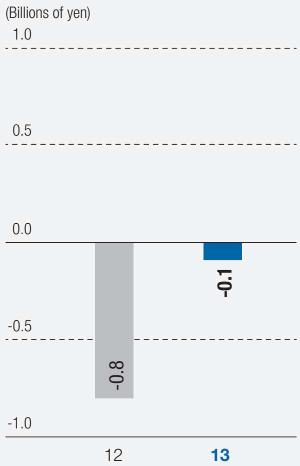


(Years ended March 31)

Revenue from Operations



Operating Income



(Years ended March 31)

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

Assets

(Billions of yen, %)

As of March 31	2013		2012		2011	
Cash and cash equivalents	**¥ 101.6**	**2.3%**	¥ 61.7	1.6%	¥ 56.7	1.5%
Inventories	**924.7**	**21.1**	651.0	16.8	651.2	17.2
Other current assets	**176.6**	**4.0**	229.0	5.9	221.3	5.9
Investments and other assets	**699.1**	**15.9**	633.8	16.4	612.8	16.2
Net property and equipment	**2,488.1**	**56.7**	2,292.9	59.3	2,238.7	59.2
Total	**¥4,390.1**	**100.0%**	¥3,868.4	100.0%	¥3,780.7	100.0%

Liabilities and Net Assets

(Billions of yen, %)

As of March 31	2013		2012		2011	
Interest-bearing debt—Short term	**¥ 266.4**	**6.1%**	¥ 296.9	7.7%	¥ 296.7	7.8%
Interest-bearing debt—Long term	**1,853.8**	**42.2**	1,446.5	37.4	1,443.3	38.2
Total interest-bearing debt	**2,120.2**	**48.3**	1,743.4	45.1	1,740.0	46.0
Other current liabilities *1	**385.7**	**8.8**	395.4	10.2	359.1	9.5
Other long-term liabilities *2	**651.1**	**14.8**	629.2	16.3	639.2	16.9
Minority interests	**51.2**	**1.2**	21.6	0.5	21.9	0.6
Net assets (other than minority interests)	**1,181.9**	**26.9**	1,078.8	27.9	1,020.5	27.0
Total	**¥4,390.1**	**100.0%**	¥3,868.4	100.0%	¥3,780.7	100.0%

Notes: *1. Consists of current liabilities other than bank loans, commercial paper and long-term debt due within one year presented on the balance sheets.
*2. Consists of long-term liabilities other than long-term debt due after one year presented on the balance sheets.

CURRENT ASSETS

Current assets increased 27.7 percent, or ¥261.1 billion, compared with the end of the previous fiscal year, to ¥1,202.9 billion. Cash and cash equivalents climbed 64.6 percent, or ¥39.9 billion, to ¥101.6 billion. Inventories grew 42.0 percent, or ¥273.7 billion, to ¥924.7 billion. During the fiscal year under review, the balance of real property for sale including advances paid for purchases stood at ¥915.2 billion. This represented an increase of 42.4 percent, or ¥272.4 billion compared with the previous fiscal year-end. Another major factor contributing to the upswing in inventories was the inclusion of SPCs in the Company's scope of consolidation. Equity investments in properties for sale, which primarily represent securitized interests in properties for sale, decreased 81.0 percent, or ¥46.6 billion, to ¥11.0 billion. Deferred income taxes fell to ¥23.9 billion, a drop of 30.8 percent, or ¥10.6 billion, year on year. Other current assets edged down 1.3 percent, or ¥1.2 billion, to ¥90.7 billion. As of March 31, 2013, the current ratio improved to 1.84 times, compared with 1.36 times as of the end of the previous fiscal year.

INVESTMENTS AND OTHER ASSETS

Investments and other assets increased 10.3 percent, or ¥65.3 billion compared with the previous fiscal year-end, to ¥699.1 billion. Investments in unconsolidated subsidiaries and affiliated companies climbed 11.6 percent, or ¥14.2 billion, to ¥136.4 billion. Investment securities increased 19.6 percent, or ¥54.0 billion, to ¥329.5 billion.

TANGIBLE AND INTANGIBLE FIXED ASSETS, PROPERTY AND EQUIPMENT

The balance of tangible and intangible fixed assets stood at ¥2,503.9 as of March 31, 2013, up ¥199.1 billion compared with the end of the previous fiscal year. This increase stemmed partly from redevelopment projects and new investment in retail facilities by Mitsui Fudosan as well as the acquisition of office buildings and other activities by the Mitsui Fudosan America Group. Other factors included the early adoption of changes to accounting standards on the consolidation of SPCs. On this basis, 31 SPCs in which the Company maintains an equity interest were newly included in the scope of its consolidation as of the end of the fiscal year under review. Net property and equipment increased 8.5 percent, or ¥195.2 billion, from a year earlier, to ¥2,488.1 billion. Capital expenditures decreased 35.3 percent, or ¥39.4 billion, year on year, to ¥72.3 billion, while depreciation totaled ¥59.0 billion.

CURRENT LIABILITIES

Current liabilities decreased 5.8 percent, or ¥40.2 billion, compared with the end of the previous fiscal year, to ¥652.1 billion. Major movements during fiscal 2012 included decreases in the balance of bank loans, including long-term debt due within one year, commercial paper, and advances and deposits received. Mitsui Fudosan has established committed lines of credit totaling ¥243.0 billion with several financial institutions to ensure access to funds and adequate liquidity. The Company had not accessed these lines of credit as of the balance sheet date.

LONG-TERM LIABILITIES

Long-term liabilities increased 20.7 percent, or ¥429.2 billion, compared with the previous fiscal year-end, to ¥2,504.9 billion. Long-term debt due after one year grew 28.2 percent, or ¥407.3 billion, to ¥1,853.8 billion. While making the substantial capital investments discussed earlier, Mitsui Fudosan stressed sound finances and selectivity in investing in opportunities for growth, and supplemented funds for investment through cost recovery from property sales.

INTEREST-BEARING DEBT

As of March 31, 2013, interest-bearing debt stood at ¥2,120.2 billion on a consolidated basis, an increase of ¥376.8 billion compared with the end of the previous fiscal year. This was due to the cash outflow from investing activities totaling ¥71.1 billion mainly representing the purchase of tangible and intangible fixed assets, the cash outflow from ¥19.3 billion cash dividends paid, and an increase in cash and cash equivalents. At the same time, against an increase of ¥340.2 billion following the SPC consolidation from the period under review, there was an inflow of cash from operating activities of ¥99.7 billion.

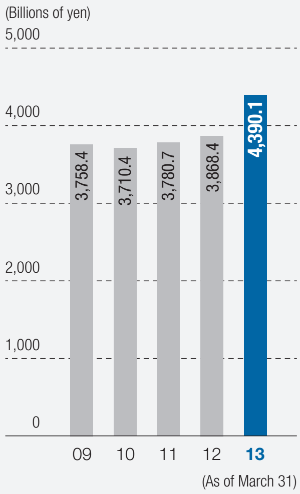
NET ASSETS AND TOTAL CAPITAL

For fiscal 2012, net assets increased 12.1 percent, or ¥132.7 billion, compared with the previous fiscal year-end, to ¥1,233.1 billion. Retained earnings increased 10.5 percent, or ¥38.3 billion, to ¥402.2 billion. Reserve on land revaluation, which is recorded as a component of net assets under Japanese GAAP, edged down 0.6 percent, or ¥1.7 billion, year on year, to ¥292.4 billion. Net unrealized holding gains on securities, which are also recorded as a component of net assets under Japanese GAAP, increased 103.8 percent, or ¥52.3 billion, to ¥102.7 billion. Foreign currency translation adjustments, resulting from the yen's value relative to the U.S. dollar and the British pound at the fiscal year-end, decreased net assets by ¥32.1 billion. Total capital (the sum of bank loans, commercial paper, long-term debt due within one year, long-term debt due after one year, and net assets) increased ¥509.5 billion to ¥3,353.3 billion from ¥2,843.8 billion a year earlier. Both net assets and interest-bearing debt increased. Net assets represented 36.8 percent of total capital, compared with 38.7 percent at the previous fiscal year-end.

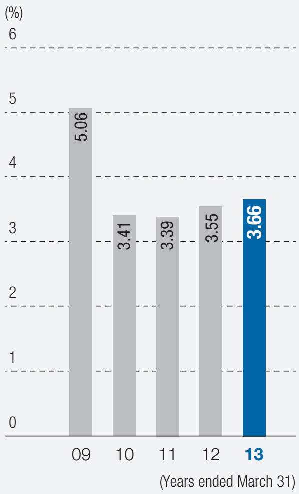
The equity ratio*1 decreased to 26.9 percent from 27.9 percent. Return on assets (ROA)*2 rose to 3.66 percent, compared with 3.55 percent a year earlier. Return on equity (ROE)*3 was 5.3 percent, compared to 4.8 percent a year earlier.

Notes:
*1 Equity ratio = (Net assets – Subscription rights to shares – Minority interests) / Total assets
*2 Return on assets (ROA) = (Operating income + Interest, dividends and miscellaneous revenue, excluding extraordinary gains + Equity in net income of affiliated companies) / Average total assets over the period
*3 Return on equity (ROE) = Net income / (Net assets – Subscription rights to shares – Minority interests, Average over the period)

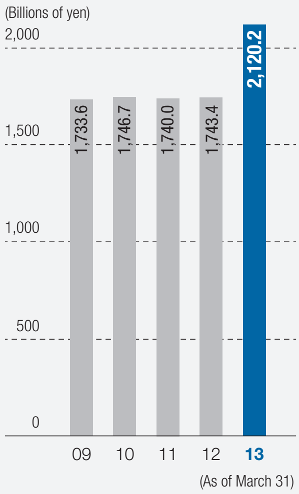
Total Assets



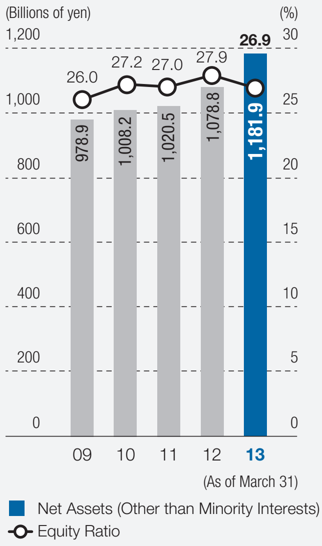
ROA



Interest-Bearing Debt



Net Assets (Other than Minority Interests) and Equity Ratio



Cash Flows

(Billions of yen)

Years ended March 31	2013	2012	2011
Cash flows from operating activities	¥ 99.7	¥ 148.2	¥ 185.1
Cash flows from investing activities	(71.1)	(124.4)	(170.6)
Cash flows from financing activities	(7.9)	(18.7)	(20.4)
Effect of exchange rate changes on cash and cash equivalents	0.5	(0.1)	(0.2)
Net increase (decrease) in cash and cash equivalents	21.2	5.0	(6.0)
Cash and cash equivalents at beginning of year	61.7	56.7	62.7
Increase in cash and cash equivalents due to inclusion of subsidiaries in consolidation	18.7	—	—
Cash and cash equivalents at end of year	¥101.6	¥ 61.7	¥ 56.7

CASH FLOWS

Despite the increase in income before income taxes, net cash provided by operating activities totaled ¥99.7 billion, compared with ¥148.2 billion in the previous fiscal year. The main factor in the year-on-year change was that net increase in real property for sale and advances paid for purchases used cash totaling ¥64.7 billion, while in the previous fiscal year this figure was ¥10.1 billion. The line item “Decrease (increase) in real property for sale and advances paid for purchases” represents the net effect of cost recovery and purchase of inventories, which consist primarily of property held for sale. Depreciation and amortization increased to ¥59.0 billion.

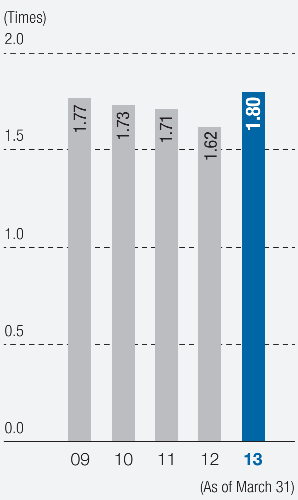
Net cash used in investing activities totaled ¥71.1 billion, compared with ¥124.4 billion in fiscal 2011. Mitsui Fudosan continues to acquire properties with long-term potential when circumstances are favorable. Purchases of property and equipment totaled ¥76.7 billion, compared with ¥105.5 billion for the previous fiscal year. Net changes in deposits from tenants and in lease deposits used cash amounted to ¥1.3 billion, compared with ¥7.5 billion provided for the previous fiscal year. Net purchases of marketable and investment securities totaled ¥26.1 billion, compared with ¥22.1 billion for fiscal 2011.

Net cash used in financing activities totaled ¥7.9 billion, which included cash dividends paid of ¥19.3 billion. In the

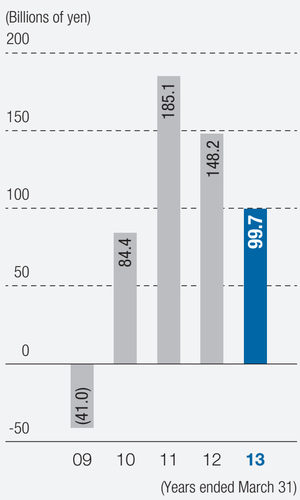
(Millions of yen)

Years ended March 31	2013	2012
Increase in deposits from tenants	¥ 35,300	¥ 40,902
Decrease in deposits from tenants	(49,169)	(43,110)
Increase in lease deposits	(8,490)	(8,157)
Decrease in lease deposits	21,518	17,862
Total	¥ (841)	¥ 7,497

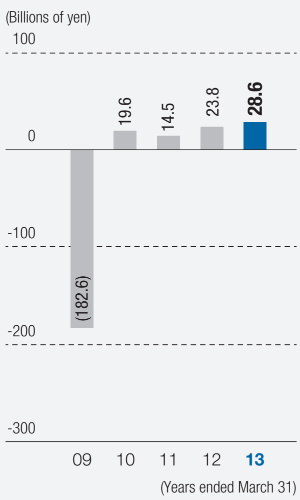
Debt/Equity Ratio



Cash Flows from Operating Activities



Free Cash Flow



previous fiscal year, financing activities used net cash totaling ¥18.7 billion. Net repayments of bank loans and commercial paper amounted to ¥15.7 billion in fiscal 2012 compared with net proceeds from bank loans and commercial paper of ¥8.2 billion in the previous fiscal year. Proceeds from long-term debt totaled ¥464.3 billion, compared with ¥221.8 billion in fiscal 2011. Repayments of long-term debt, consisting primarily of long-term bank loans, totaled ¥355.7 billion, compared with ¥245.3 billion for the previous fiscal year. Proceeds from bond issuance totaled ¥61.9 billion while payments for redemption came to ¥146.2 billion. Net proceeds of long-term debt and bonds therefore totaled ¥24.3 billion on a cash basis, compared with net repayments of ¥3.4 billion in the previous fiscal year. Mitsui Fudosan maintains a conservative level of operating leverage and largely drew on internal capital resources in investing for future growth during fiscal 2012. Cash dividends paid were essentially unchanged year on year.

(Millions of yen)

Years ended March 31	2013	2012
Proceeds from long-term debt	¥ 464,260	¥ 221,832
Repayments of long-term debt	(355,665)	(245,257)
Proceeds from issuance of bond	61,915	20,000
Payments for redemption of bond	(146,183)	—
Total	¥ 24,327	¥ (3,424)

OUTLOOK FOR FISCAL 2013 (Year Ending March 31, 2014)

In the fiscal year ending March 31, 2014, revenue from operations is forecast to amount to ¥1,530.0 billion, an increase of ¥84.4 billion compared with fiscal 2012. On the earnings front, operating income is expected to reach ¥160.0 billion, up ¥11.8 billion. After factoring in an anticipated extraordinary loss of ¥20.0 billion, net income is forecast to reach ¥65.0 billion, up ¥5.5 billion.

SEGMENT FORECASTS

Leasing: Revenue from operations and operating income are forecast to climb ¥14.3 billion and ¥0.6 billion, respectively. This is largely attributable to the positive flow-on effects of large-scale renewals at such retail facilities as LAZONA Kawasaki Plaza and Urban Dock LaLaport TOYOSU as well as the full-term contributions from properties completed during the fiscal year under review including Nihonbashi Astellas Mitsui Building.

Property Sales: Revenue from operations and operating income are expected to increase by ¥42.5 billion and ¥7.9 billion, respectively, in this segment as a whole. In addition to revenue and earnings growth due mainly to an upswing in the reported number of units and improvements in operating income margins in the “Property Sales” category, these forecasts take into account a projected increase in earnings in the “Property Sales to Investors” category.

Management: Revenue from operations and operating income in this segment as a whole are projected to improve by ¥11.1 billion and ¥0.4 billion, respectively. These forecasts reflect a variety of factors including robust trends in the Mitsui Rehouse and Repark (Car Park Leasing) businesses undertaken by Mitsui Fudosan Realty.

Other: Revenue from operations and operating income are projected to increase owing mainly to continued steady trends in the hotel operation business.

DIVIDENDS

The Company plans to pay a year-end dividend of ¥11.00 per share for the fiscal year ended March 31, 2013 (for an annual cash dividend of ¥22.00 per share), as announced at the start of the period.

RISK INFORMATION

The operations of the Mitsui Fudosan Group are subject to a number of risks, some of which are outlined below along with issues that may not necessarily constitute risk factors but that may influence investor decisions.

CHANGES IN DEMAND

Economic conditions influence demand among tenant companies for space in the office buildings that the Mitsui Fudosan Group owns and manages, and influence demand among individuals for housing. A downturn in the Japanese economy may exert a material impact on the Mitsui Fudosan Group's performance and the value of its assets.

INTEREST RATES

Higher interest rates in the future could increase the Mitsui Fudosan Group's funding costs, raise the returns investors expect from real estate investments and reduce demand among individuals for housing, and may therefore exert a material impact on the Mitsui Fudosan Group's performance and the value of its assets.

CHANGES IN REAL ESTATE TAXES

Changes in real estate taxes that increase the cost of owning, acquiring or selling real estate or reduce consumer willingness to purchase housing may exert a material impact on the Mitsui Fudosan Group's performance and the value of its assets.

CHANGES IN REAL ESTATE AND FINANCE LAWS

Future changes in laws or regulations relevant to Mitsui Fudosan's businesses, including the Building Standard Law, the City Planning Act and the Financial Instruments and Exchange Law, that reduce the value of assets or limit the scope of operations by incurring new obligations, increasing costs or limiting asset ownership rights may exert a material impact on the Mitsui Fudosan Group's performance.

NATURAL DISASTERS

Natural disasters may damage or destroy the Mitsui Fudosan Group's assets, and may therefore exert a material impact on the Mitsui Fudosan Group's performance and the value of its assets.

Consolidated Balance Sheets

Mitsui Fudosan Co., Ltd. and its Subsidiaries
As of March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents (Note 4)	¥ 101,589	¥ 61,727	$ 1,080,159
Marketable securities (Note 4, 5)	25	15	266
Notes and accounts receivable - trade (Note 4)	29,266	26,539	311,175
Short-term loans receivable	11,279	9,620	119,926
Allowance for doubtful accounts	(801)	(879)	(8,517)
Inventories (Note 8, 13)	924,708	650,956	9,832,089
Advances paid for purchases (Note 9)	11,212	9,757	119,213
Equity investments in properties for sale (Note 4, 5, 24)	10,966	57,569	116,598
Deferred income taxes (Note 11)	23,918	34,544	254,312
Other current assets	90,692	91,882	964,295
Total current assets	1,202,854	941,730	12,789,516
INVESTMENTS and OTHER ASSETS			
Investments in unconsolidated subsidiaries and affiliated companies	136,390	122,156	1,450,186
Investment securities (Note 4, 5, 24)	329,489	275,492	3,503,339
Non-current loans and accounts receivable	61,670	58,914	655,715
Allowance for doubtful accounts	(6,212)	(6,529)	(66,050)
Lease deposits (Note 4, 10)	148,736	160,846	1,581,457
Deferred income taxes (Note 11)	11,936	9,761	126,911
Deferred tax assets on land revaluation	1,233	1,233	13,110
Other	15,853	11,906	168,559
Total investments and other assets	699,095	633,779	7,433,227
PROPERTY and EQUIPMENT, at cost:			
Land (Note 7, 13)	1,777,293	1,637,381	18,897,321
Buildings and structures (Note 7, 13)	1,171,258	1,098,664	12,453,567
Machinery and equipment	119,678	112,615	1,272,493
Construction in progress	34,682	31,430	368,761
	3,102,911	2,880,090	32,992,142
Accumulated depreciation	(614,785)	(587,187)	(6,536,788)
Net property and equipment	2,488,126	2,292,903	26,455,354
	¥4,390,075	¥3,868,412	$46,678,097

See accompanying notes.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Bank loans (Note 4, 13)	¥ 27,086	¥ 32,157	$ 287,996
Commercial paper (Note 4, 13)	27,000	37,000	287,081
Long-term debt due within one year (Note 4, 13)	212,347	227,765	2,257,810
Notes and accounts payable—trade (Note 4)	100,705	101,321	1,070,760
Accrued expenses	23,641	25,483	251,366
Income taxes payable	26,699	11,651	283,881
Advances and deposits received	147,686	162,122	1,570,292
Deferred income taxes (Note 11)	355	396	3,775
Other current liabilities (Note 14)	86,603	94,415	920,819
Total current liabilities	652,122	692,310	6,933,780
LONG-TERM LIABILITIES			
Allowance for employees' retirement benefits (Note 12)	34,324	33,002	364,955
Allowance for directors' and corporate auditors' retirement benefits	999	957	10,622
Long-term debt due after one year (Note 4, 13)	1,853,793	1,446,489	19,710,718
Deposits from tenants (Note 4, 15)	344,923	353,837	3,667,443
Deferred income taxes (Note 11)	67,684	32,471	719,660
Deferred tax liabilities on land revaluation	166,957	168,130	1,775,194
Other long-term liabilities (Note 14)	36,192	40,809	384,816
Total long-term liabilities	2,504,872	2,075,695	26,633,408
CONTINGENT LIABILITIES (Note 26)			
NET ASSETS (Notes 16 and 17)			
Shareholders' equity			
Common stock	174,296	174,296	1,853,227
Authorized— 3,290,000,000 shares			
Issued— 881,424,727 shares in 2013 and 2012			
Capital surplus	248,299	248,297	2,640,074
Retained earnings	402,224	363,877	4,276,704
Treasury stock — 3,179,938 shares in 2013 and 3,098,596 shares in 2012	(5,533)	(5,386)	(58,830)
Total shareholders' equity	819,286	781,084	8,711,175
Accumulated other comprehensive income (loss)			
Net unrealized holding gains on securities	102,694	50,355	1,091,909
Net unrealized losses on hedging derivatives	(1,094)	(869)	(11,632)
Reserve on land revaluation	292,384	294,110	3,108,814
Foreign currency translation adjustments	(32,096)	(46,497)	(341,265)
Total accumulated other comprehensive income	361,888	297,099	3,847,826
Subscription rights to shares (Note 18)	729	588	7,751
Minority interests	51,178	21,636	544,157
Total net assets	1,233,081	1,100,407	13,110,909
	¥4,390,075	¥3,868,412	$46,678,097

See accompanying notes.

Consolidated Statements of Income

Mitsui Fudosan Co., Ltd. and its Subsidiaries
For the years ended March 31, 2013, 2012 and 2011

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2013	2012	2011	2013
REVENUE				
Revenue from operations (Note 25)	¥1,445,644	¥1,338,102	¥1,405,270	$15,371,015
Interest, dividends and miscellaneous (Note 20)	15,674	5,854	27,044	166,656
	1,461,318	1,343,956	1,432,314	15,537,671
COSTS AND EXPENSES				
Cost of revenue from operations	1,147,139	1,066,968	1,138,048	12,197,119
Selling, general and administrative expenses	150,320	145,096	147,129	1,598,299
Interest	29,443	26,748	27,456	313,057
Other (Note 19, 21)	26,320	14,345	36,681	279,850
	1,353,222	1,253,157	1,349,314	14,388,325
EQUITY IN NET INCOME OF AFFILIATED COMPANIES	2,850	3,702	689	30,303
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	110,946	94,501	83,689	1,179,649
INCOME TAXES (Note 11)				
Current	40,770	17,611	34,046	433,493
Deferred	9,613	26,180	(1,067)	102,211
Total	50,383	43,791	32,979	535,704
NET INCOME BEFORE MINORITY INTERESTS	60,563	50,710	50,710	643,945
MINORITY INTERESTS	(1,112)	(580)	(801)	11,824
NET INCOME	¥59,451	¥50,130	¥49,909	$632,121

Consolidated Statements of Comprehensive Income

Mitsui Fudosan Co., Ltd. and its Subsidiaries
For the year ended March 31, 2013 and 2012

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2013	2012	2011	2013
Net income before minority interests	¥ 60,563	¥ 50,710	¥ 50,710	$ 643,945
Other comprehensive income (loss):				
Net unrealized holding gains (losses) on securities	52,280	8,348	(9,832)	555,875
Net unrealized gains (losses) on hedging derivatives	(226)	(531)	189	(2,403)
Reserve on land revaluation	26	23,503	43	276
Foreign currency translation adjustments	8,872	(2,775)	(7,223)	94,333
Equity in other comprehensive income (loss) of affiliated companies	5,852	(1,210)	(1,315)	62,222
Total other comprehensive income (loss)	66,804	27,335	(18,138)	710,303
Total comprehensive income	¥127,367	¥78,045	¥32,572	$1,354,248
Comprehensive income attributable to:				
Shareholders of the Company	¥125,992	¥77,551	¥31,693	$1,339,628
Minority interests	1,375	494	879	14,620
Total	¥127,367	¥78,045	¥32,572	$1,354,248

See Note 22.

	Yen			U.S. dollars (Note 1)
PER SHARE INFORMATION	2013	2012	2011	2013
Net assets per share*	¥1,344.9	¥1,227.5	¥1,161.2	$14.300
Net income per share				
— Basic	67.7	57.1	56.8	0.720
— Diluted	67.7	57.0	56.8	0.719
Cash dividends	22.0	22.0	22.0	0.234

* Net assets per share information does not include subscription rights to shares and minority interests.

See accompanying notes.

Consolidated Statements of Changes in Net Assets

Mitsui Fudosan Co., Ltd. and its Subsidiaries
For the years ended March 31, 2013, 2012 and 2011

		Millions of yen										
		Shareholders' equity				Accumulated other comprehensive income (loss)						
	Shares of common stock (thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized holding gains (losses) on securities	Net unrealized gains (losses) on hedging derivatives	Reserve on land revaluation	Foreign currency translation adjustments	Subscription rights to shares	Minority interests	Total net assets
BALANCE AT APRIL 1, 2010	881,425	¥174,296	¥248,320	¥301,654	¥(5,190)	¥51,914	¥(588)	¥271,337	¥(33,932)	¥378	¥21,037	¥1,029,226
Change in number of affiliated companies	—	—	—	(20)	—	—	—	—	—	—	—	(20)
Cash dividends paid	—	—	—	(19,327)	—	—	—	—	—	—	—	(19,327)
Net income	—	—	—	49,909	—	—	—	—	—	—	—	49,909
Reversal of reserve on land revaluation, net of tax	—	—	—	120	—	—	—	(95)	—	—	—	25
Purchase of treasury stock	—	—	—	—	(268)	—	—	—	—	—	—	(268)
Sales of treasury stock	—	—	(10)	—	61	—	—	—	—	—	—	51
Net unrealized holding losses on securities	—	—	—	—	—	(9,919)	—	—	—	—	—	(9,919)
Net unrealized gains on hedging derivatives	—	—	—	—	—	—	217	—	—	—	—	217
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	(8,538)	—	—	(8,538)
Subscription rights to shares	—	—	—	—	—	—	—	—	—	143	—	143
Minority interests	—	—	—	—	—	—	—	—	—	—	887	887
BALANCE AT MARCH 31, 2011	881,425	¥174,296	¥248,310	¥332,336	¥(5,397)	¥41,995	¥(371)	¥271,242	¥(42,470)	¥521	¥21,924	¥1,042,386
BALANCE AT APRIL 1, 2011	881,425	174,296	248,310	332,336	(5,397)	41,995	(371)	271,242	(42,470)	521	21,924	1,042,386
Change in number of affiliated companies	—	—	—	17	—	—	—	—	—	—	—	17
Cash dividends paid	—	—	—	(19,324)	—	—	—	—	—	—	—	(19,324)
Net income	—	—	—	50,130	—	—	—	—	—	—	—	50,130
Reversal of reserve on land revaluation, net of tax	—	—	—	718	—	—	—	22,868	—	—	—	23,586
Purchase of treasury stock	—	—	—	—	(99)	—	—	—	—	—	—	(99)
Sales of treasury stock	—	—	(13)	—	110	—	—	—	—	—	—	97
Net unrealized holding gains on securities	—	—	—	—	—	8,360	—	—	—	—	—	8,360
Net unrealized gains (losses) on hedging derivatives	—	—	—	—	—	—	(498)	—	—	—	—	(498)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(4,027)	—	—	(4,027)
Subscription rights to shares	—	—	—	—	—	—	—	—	—	67	—	67
Minority interests	—	—	—	—	—	—	—	—	—	—	(288)	(288)
BALANCE AT MARCH 31, 2012	881,425	¥174,296	¥248,297	¥363,877	¥(5,386)	¥50,355	¥(869)	¥294,110	¥(46,497)	¥588	¥21,636	¥1,100,407
BALANCE AT APRIL 1, 2012	881,425	174,296	248,297	363,877	(5,386)	50,355	(869)	294,110	(46,497)	588	21,636	1,100,407
Change in number of consolidated subsidiaries	—	—	—	(3,531)	—	—	—	—	—	—	20,281	16,750
Cash dividends paid	—	—	—	(19,324)	—	—	—	—	—	—	—	(19,324)
Net income	—	—	—	59,451	—	—	—	—	—	—	—	59,451
Reversal of reserve on land revaluation, net of tax	—	—	—	1,751	—	—	—	(1,726)	—	—	—	25
Purchase of treasury stock	—	—	—	—	(175)	—	—	—	—	—	—	(175)
Sales of treasury stock	—	—	2	—	28	—	—	—	—	—	—	30
Net unrealized holding gains on securities	—	—	—	—	—	52,339	—	—	—	—	—	52,339
Net unrealized gains (losses) on hedging derivatives	—	—	—	—	—	—	(225)	—	—	—	—	(225)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	14,401	—	—	14,401
Subscription rights to shares	—	—	—	—	—	—	—	—	—	141	—	141
Minority interests	—	—	—	—	—	—	—	—	—	—	9,261	9,261
BALANCE AT MARCH 31, 2013	881,425	¥174,296	¥248,299	¥402,224	¥(5,533)	¥102,694	¥(1,094)	¥292,384	¥(32,096)	¥729	¥51,178	¥1,233,081

	Thousands of U.S. Dollars (Note 1)										
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized holding gains (losses) on securities	Net unrealized gains (losses) on hedging derivatives	Reserve on land revaluation	Foreign currency translation adjustments	Subscription rights to shares	Minority interests	Total net assets
BALANCE AT APRIL 1, 2012	$1,853,227	$2,640,053	$3,868,974	$(57,267)	$535,407	$(9,240)	$3,127,166	$(494,386)	$6,252	$230,048	$11,700,234
Increase in number of consolidated subsidiaries	—	—	(37,544)	—	—	—	—	—	—	215,641	178,097
Cash dividends paid	—	—	(205,465)	—	—	—	—	—	—	—	(205,465)
Net income	—	—	632,121	—	—	—	—	—	—	—	632,121
Reversal of reserve on land revaluation, net of tax	—	—	18,618	—	—	—	(18,352)	—	—	—	266
Purchase of treasury stock	—	—	—	(1,861)	—	—	—	—	—	—	(1,861)
Sales of treasury stock	—	21	—	298	—	—	—	—	—	—	319
Net unrealized holding gains on securities	—	—	—	—	556,502	—	—	—	—	—	556,502
Net unrealized gains (losses) on hedging derivatives	—	—	—	—	—	(2,392)	—	—	—	—	(2,392)
Foreign currency translation adjustment	—	—	—	—	—	—	—	153,121	—	—	153,121
Subscription rights to shares	—	—	—	—	—	—	—	—	1,499	—	1,499
Minority interests	—	—	—	—	—	—	—	—	—	98,468	98,468
BALANCE AT MARCH 31, 2013	$1,853,227	$2,640,074	$4,276,704	$(58,830)	$1,091,909	$(11,632)	$3,108,814	$(341,265)	$7,751	$544,157	$13,110,909

See accompanying notes.

Consolidated Statements of Cash Flows

Mitsui Fudosan Co., Ltd. and its Subsidiaries
For the years ended March 31, 2013, 2012 and 2011

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2013	2012	2011	2013
Cash flows from operating activities:				
Income before income taxes	¥110,946	¥94,501	¥83,689	$1,179,649
Adjustments to reconcile income before income taxes to net cash provided by operating activities				
Depreciation and amortization	59,022	53,231	52,955	627,560
Loss on impairment of fixed assets	7,769	—	—	82,605
Interest and dividend income	(3,714)	(3,462)	(3,410)	(39,490)
Interest expense	29,443	26,748	27,456	313,057
Equity in net income of affiliated companies	(2,850)	(3,702)	(689)	(30,303)
Loss on disposal of property and equipment	1,550	4,396	8,374	16,481
Loss on sale of property and equipment	5,947	—	—	63,232
Gain on sales of securities	(3,440)	—	—	(36,576)
Gain on sales of investments in unconsolidated subsidiaries and affiliated companies	(2,369)	—	—	(25,189)
Decrease (increase) in accounts receivable	(3,093)	(2,601)	299	(32,887)
Increase (decrease) in accounts payable	4,189	3,237	(2,647)	44,540
Decrease (increase) in real property for sale and advances paid for purchases	(64,740)	(10,053)	46,320	(688,357)
Interests and dividends received	5,068	4,751	5,334	53,886
Interests paid	(29,976)	(26,771)	(27,775)	(318,724)
Income taxes paid	(13,193)	(41,734)	(14,740)	(140,276)
Other, net	(874)	49,620	9,889	(9,293)
Net cash provided by operating activities	99,685	148,161	185,055	1,059,915
Cash flows from investing activities:				
Purchases of property and equipment	(76,665)	(105,535)	(178,966)	(815,152)
Proceeds from sale of property and equipment	47,673	717	3,364	506,890
Purchases of investment securities	(30,482)	(24,986)	(11,950)	(324,104)
Proceeds from sale of investment securities	4,338	2,851	21,624	46,124
Increase in lease deposits	(8,940)	(8,157)	(8,395)	(95,056)
Decrease in lease deposits	21,518	17,862	11,557	228,793
Decrease in deposits from tenants	(49,169)	(43,110)	(64,805)	(522,796)
Increase in deposits from tenants	35,300	40,902	52,669	375,332
Increase in non-current loans and accounts receivable	(14,371)	(16,219)	(12,055)	(152,802)
Decrease in non-current loans and accounts receivable	10,807	13,077	12,106	114,907
Purchases of consolidated subsidiaries	(14,388)	—	—	(152,982)
Proceeds from sales of consolidated subsidiaries, net	2,953	—	—	31,398
Other, net	294	(1,756)	4,298	3,127
Net cash used in investing activities	(71,132)	(124,354)	(170,553)	(756,321)
Cash flows from financing activities:				
Proceeds from bank loans and commercial paper	2,176,126	1,358,719	1,524,501	23,137,969
Repayments of bank loans and commercial paper	(2,191,781)	(1,350,542)	(1,526,031)	(23,304,423)
Proceeds from long-term debt	464,260	221,832	217,597	4,936,310
Repayments of long-term debt	(355,665)	(245,257)	(253,952)	(3,781,659)
Proceeds from issuance of bond	61,915	20,000	50,000	658,320
Payments for redemption of bond	(146,183)	—	(10,000)	(1,554,312)
Proceeds from minority shareholders	6,575	234	160	69,910
Cash dividends paid	(19,322)	(19,317)	(19,313)	(205,444)
Payments of dividends to minority shareholders	(968)	(932)	(963)	(10,292)
Repayments of lease obligations	(2,697)	(2,277)	(2,175)	(28,676)
Net increase in treasury stocks	(165)	(70)	(224)	(1,754)
Other, net	(40)	(1,040)	—	(425)
Net cash used in financing activities	(7,945)	(18,650)	(20,400)	(84,476)
Effect of exchange rate changes on cash and cash equivalents	588	(106)	(166)	6,251
Net increase (decrease) in cash and cash equivalents	21,196	5,051	(6,064)	225,369
Cash and cash equivalents at beginning of year	61,727	56,676	62,740	656,321
Increase in cash and cash equivalents due to inclusion of subsidiaries in consolidation	18,666	—	—	198,469
Cash and cash equivalents at end of year	¥101,589	¥61,727	¥56,676	$1,080,159

See accompanying notes.

Notes to Consolidated Financial Statements

Mitsui Fudosan Co., Ltd. and its Subsidiaries

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Mitsui Fudosan Co., Ltd. (the "Company") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The accounts of overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile. In compliance with the accounting standard, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF No. 18 issued by the Accounting Standards Board of Japan, hereafter, "PITF No. 18"), certain adjustments, which are not recorded in the statutory books of overseas subsidiaries, are incorporated in the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law ("statutory Japanese language consolidated financial statements"). The accompanying consolidated financial statements have been restructured and translated into English (with some expanded descriptions) from the statutory Japanese language consolidated financial statements. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers, using the prevailing exchange rate at March 31, 2013, which was ¥94.05 to U.S. $1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiaries. The difference between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries and in equity method investees is amortized over a period of 5 years. If the amount is immaterial, it is fully recognized currently in earnings.

The difference between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries is recorded as goodwill.

All significant inter-company accounts and transactions have been eliminated. In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are recorded based on the fair value at the time the Company acquired control of the respective subsidiaries.

Commencing from the year ended March 31, 2013, the Company and its consolidated subsidiaries adopted "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, revised March 25, 2011), "Guidance on Disclosures about Certain Special Purpose Entities" (ASBJ Guidance No.15, revised March 25, 2011), "Guidance on Determining a Subsidiary and an Affiliate" (ASBJ Guidance No. 22, revised March 25, 2011) and "Practical Solution on Application of the Control Criteria and Influence Criteria to Investment Associations" (ASBJ PITF No. 20, revised March 25, 2011). As a result, certain special purpose entities in which the Company invests are included in scope of consolidation commencing on April 1, 2012. The assets, liabilities and minority interests of those newly consolidated subsidiaries were included in the consolidated balance sheets as of April 1, 2012 at proper book values that would have amounted to had the special purpose entities been consolidated upon their establishment. As a result of adopting those standards, the retained earnings at April 1, 2012 decreased by ¥3,531 million ($37,544 thousand).

(B) USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts in the financial statements and the accompanying notes. Actual results could differ from those estimates.

(C) EQUITY METHOD

Investments in all significant affiliated companies are accounted for by the equity method and, accordingly, stated at cost adjusted for equity in undistributed earnings and losses from the date of acquisition.

(D) TRANSLATION OF FOREIGN CURRENCY ACCOUNTS

Foreign currency receivables and payables are translated at appropriate year-end rates and the resulting translation gains or losses are taken into income currently.

Financial statements of consolidated overseas subsidiaries are translated into Japanese yen at the year-end rate, except that shareholders' equity accounts are translated at historical rates and income statement items resulting from transactions with the Company at the rates used by the Company.

Differences arising from translation are presented as "Foreign currency translation adjustments" in accumulated other comprehensive income under net assets section.

(E) CASH AND CASH EQUIVALENTS

Deposits in banks and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with a maturity of three months or less at the time of purchase are treated as cash equivalents.

(F) SECURITIES

Held-to-maturity securities are stated at amortized cost.

Other securities with fair values are stated at fair value. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of accumulated other comprehensive income under net assets section. Realized gains and losses on sale of such securities are computed using moving-average cost.

Other securities without fair values are stated at moving-average cost.

The Company and its consolidated subsidiaries recognize losses for the difference between the fair value and the carrying amount when the fair value significantly declines. The Company and its consolidated subsidiaries consider the decline to be significant when the fair value of the other securities declines more than 50% of the carrying amount. When the fair value of the other securities declines from 30% to less than 50% of the carrying amount, the decline is also determined to be significant if the fair value of the securities is considered not to be recoverable to the carrying amount.

If the net realizable value of the securities without fair value declines significantly below the carrying amount, it is written down to net realizable value with a corresponding charge in the statements of income.

(G) INVENTORIES, REVENUE AND RELATED COSTS

The Company and its consolidated subsidiaries have followed accounting standard, "Accounting Standard for Measurement of Inventories" (Statement No. 9 issued by the Accounting Standards Board of Japan). Under the standard, inventories are initially recorded at acquisition cost, and when net realizable value is less than the cost (i.e., profitability of inventory has declined), the cost basis is reduced to net realizable value. Costs are determined mainly by the specific identification method and do not include interest and administrative expenses incurred during or after development of real estate, which are charged to income when incurred.

Revenue from leasing is recognized on an accrual basis over the lease term.

Revenue from sale of properties is recognized in full when delivered and accepted by the customers.

The Company and its consolidated subsidiaries have followed Accounting Standard for Construction Contracts (ASBJ Statement No.15; December 27, 2007) and the Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No.18; December 27, 2007). The percentage-of-completion method shall be applied if the outcome of the construction activity is deemed certain during the course of the activity, otherwise the completed-contract method shall be applied.

(H) PROPERTY AND EQUIPMENT, RELATED DEPRECIATION AND REVALUATION – excluding leased assets

Property and equipment are carried mainly at cost.

When disposed of, the cost and related accumulated depreciation or revaluation of property and equipment are removed from the respective accounts and the net difference, less any amounts realized on disposal, is reflected in the statements of income.

Depreciation of property and equipment is mainly computed by the declining-balance method over the estimated useful lives of the assets, except for those listed below which are calculated using the straight-line method.

1. Office buildings of the Company
2. Buildings acquired by the domestic consolidated subsidiaries after April 1, 1998
3. Property and equipment of the overseas consolidated subsidiaries

Estimated useful lives used in the computation of depreciation are generally as follows:

Buildings	29-50 years
Structures	15-17 years
Machinery	7-15 years
Equipment	3-15 years

For buildings on fixed term leasehold, the Company computes depreciation using the straight-line method, over its lease term assuming no residual value.

(I) IMPAIRMENT LOSSES ON FIXED ASSETS

The Company and its consolidated subsidiaries have followed accounting standards for impairment of fixed assets ("Opinion on Establishment of Accounting Standards for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council) and the guidance on accounting standards for impairment of fixed assets (the "Financial Accounting Standard Guidance No. 6" issued by the Accounting Standards Board of Japan). The accounting standards require that fixed assets be tested for recoverability whenever events or changes in circumstances indicate that the assets may be impaired. When the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets, the net carrying value of assets not recoverable is reduced to recoverable amounts. Recoverable amounts are measured by net realizable values or values in current use. Net realizable values are determined mainly based upon appraisal value calculated by real-estate appraisers. Values in current use are calculated based on the present values of future cash flows.

Accumulated impairment losses are deducted from book values of related fixed assets.

(J) LAND REVALUATION

Pursuant to the Law Concerning Land Revaluation and the revisions thereof, the Company and certain consolidated subsidiaries revalued land used for business activities on March 31, 2002.

The land prices for revaluation were determined based on the appraisal prices by real estate appraisers in accordance with Article 2, Paragraph 5 of the Enforcement Ordinance Concerning Land Revaluation. The difference between quoted appraisal value and the carrying amount is recorded, net of applicable income taxes, as "Reserve on land revaluation" as a separate component of accumulated other comprehensive income under the net assets section.

(K) GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets are included in "Other" under caption of "INVESTMENTS and OTHER ASSETS."

Goodwill (including negative goodwill) is amortized over a period of 5 years under straight-line method. If the amount is immaterial, it is fully recognized currently in earnings.

Other intangible assets are amortized under the straight-line method. Software (for internal use) is amortized over its estimated useful lives of 5 years.

(L) ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company and its consolidated subsidiaries provide for doubtful accounts principally at an amount computed based on the historical bad debt ratio during a certain reference period plus an estimated uncollectible amount based on the analysis of certain individual accounts, including claims in bankruptcy.

(M) ALLOWANCE FOR CASUALTY LOSSES

The Company and its consolidated subsidiaries have estimated restoration expenses to recover tangible fixed assets and inventories damaged due to the Great East Japan Earthquake and provided allowance for casualty losses as a component of other current liabilities on the consolidated balance sheets. The allowance amounted to¥254 million ($2,701 thousand), ¥1,693 million and ¥3,571 million at March 31, 2013, 2012 and 2011, respectively.

(N) ALLOWANCE FOR EMPLOYEES' RETIREMENT BENEFITS

The Company has a retirement plan which provides for lump-sum payment and annuity. Upon retirement age, a regular employee is entitled to receive a lump-sum payment and an annuity, or in certain cases at the option of the retiring employee, the full amount of the retirement benefits may be paid in a lump-sum. The retirement benefits are based primarily upon the years of employee's service and monthly pay at the time of retirement.

The allowance and expenses for retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

The Company and its consolidated subsidiaries provide allowance for employees' retirement benefits at fiscal year end based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at that date.

(O) ALLOWANCE FOR DIRECTORS' AND CORPORATE AUDITORS' RETIREMENT BENEFITS

Allowance for retirement benefits for directors and corporate auditors of the Company and its 37 consolidated subsidiaries are also provided at the amounts to be paid if all eligible directors and corporate auditors would have retired at year end under the internal guidelines.

(P) ACCOUNTING FOR LEASE TRANSACTIONS

The Company and its consolidated subsidiaries have followed "Accounting Standard for Lease Transactions" (Statement No.13 originally issued by the First Committee of the Business Accounting Council on June 17, 1993 and revised by the Accounting Standards Board of Japan on March 30, 2007) and the "Implementation Guidance on Accounting Standard for Lease Transactions" (the Financial Accounting Standard Implementation Guidance No.16 issued originally by the Accounting System Committee of the Japanese Institute of Certified Public Accountants on January 18,1994 and revised by the Accounting Standards Board of Japan on March 30, 2007).

Those standards require finance leases to be accounted for in a manner similar to the accounting treatment for ordinary sales transactions. Lessees are required to record assets and liabilities regarding finance leases with recognition of depreciation and interest expenses. Capitalized leased assets are depreciated under the straight-line method, over the lease term assuming no residual value. Lessors are required to recognize lease receivables or investments in leased assets along with related lease (interest) income.

It should be noted that finance leases which do not transfer ownership of the leased assets to lessees whose commencement day falls on or prior to March 31, 2008 are accounted for as operating leases.

(Q) INCOME TAXES

The Company and its consolidated domestic subsidiaries are subject to a corporate tax of approximately 28%, an inhabitants tax of approximately 5% and a deductible enterprise tax of approximately 8%, which in the aggregate resulted in a statutory income tax rate of approximately 38% for the year ended March 31, 2013.

The Company and its consolidated domestic subsidiaries were subject to a corporate tax of 30%, an inhabitants tax of approximately 6% and a deductible enterprise tax of approximately 8%, which in the aggregate resulted in a statutory income tax rate of approximately 41% for the years ended March 31, 2012 and 2011.

The changes in tax rates are due to the "Amendment to income tax law, etc. in response to the changing economic structure" and the "Special measures to secure the financial resources to implement the restoration from the Great East Japan Earthquake." promulgated on December 2, 2011. Those promulgations reduce the corporate income tax rate, with the restoration surtax charged for a certain period of time, to be applied commencing the year beginning on April 1, 2012.

Income taxes are provided for on the basis of income for financial statement purposes. The tax effect of temporary differences between the carrying amounts of assets and liabilities for financial statements and income tax purposes is recognized as deferred income taxes.

(R) DERIVATIVES AND HEDGE ACCOUNTING

1. Hedge accounting

The Company and its consolidated subsidiaries defer recognition of gains or losses resulting from changes in fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized, if derivative financial instruments are used as hedges and meet certain hedging criteria.

However, in cases where forward foreign exchange contracts are used as hedges and meet certain hedging criteria, forward foreign exchange contracts and hedged items are accounted for in the following manner:

(1) If a forward foreign exchange contract is executed to hedge an existing foreign currency receivable or payable,
   (a) the difference, if any, between the Japanese yen amount of the hedged foreign currency receivable or payable translated using the spot rate at the inception date of the contract and the book value of the receivable or payable is recognized in the income statements in the period which includes the inception date, and
   (b) the discount or premium on the contract (that is, the difference between the Japanese yen amount of the contract translated using the contracted forward rate and that translated using the spot rate at the inception date of the contract) is recognized over the term of the contract.

(2) If a forward foreign exchange contract is executed to hedge a future transaction denominated in a foreign currency, the future transaction will be recorded using the contracted forward rate, and no gains or losses on the forward foreign exchange contract are recognized.

Also, if interest rate swap contracts are used as hedge and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

2. The following summarizes hedging derivative financial instruments used by the Company and its consolidated subsidiaries and items hedged:

Hedging instruments:
- Forward foreign exchange contracts
- Foreign currency swap contracts
- Interest rate swap contracts

Hedged items:
- Expected foreign currency transactions
- Foreign currency debt
- Borrowings and debentures

3. Hedge policy

The Company and its consolidated subsidiaries use interest rate swap contracts to mitigate risk of fair value changes of borrowings and debentures due to fluctuating interest rates and risk of changes in cash flows. Exchange rate risk on borrowings made and debentures issued in non-functional currencies is hedged by utilizing currency swaps. Exchange rate risk on forecasted transactions to be settled in non-functional currencies is hedged by using forward foreign exchange contracts.

4. Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted because significant terms of hedging instruments and those of the items hedged are the same and the risk of changes in foreign exchange rates and interest rates would be entirely eliminated.

(S) EQUITY INVESTMENTS REGARDING REAL ESTATE SECURITIZATION-RELATED BUSINESS

Equity investments in tokumei-kumiai, or silent partnerships ("TK"), preferred securities issued by tokutei-mokuteki-kaisha, or specific purpose companies ("TMK") and others regarding real estate securitization-related business (collectively, "equity investments") are presented in the balance sheets as follows.

Equity investments held for sale are presented as "Equity investments in properties for sale" under "CURRENT ASSETS" and those held other than for sale are presented as "Investment securities" under "INVESTMENTS and OTHER ASSETS".

(T) REVENUE FROM JAPANESE REAL ESTATE INVESTMENT TRUST (J-REIT)

Revenue from J-REIT is included in "Revenue from operations".

(U) DIRECTORS' BONUS

The Company and its consolidated subsidiaries have followed the accounting standard, "Accounting Standard for Directors' Bonus" (Statement No. 4 issued by the Accounting Standards Board of Japan). Directors' bonuses are charged to income as selling, general and administrative expenses.

(V) SHARE-BASED PAYMENTS

The Company and its consolidated subsidiaries have followed the accounting standards, "Accounting Standard for Share-Based Payment" (Statement No. 8 issued by the Accounting Standards Board of Japan) and the "Implementation Guidance for the Accounting Standard for Share-Based Payment" (the Financial Accounting Standard Implementation Guidance No. 11 issued by the Accounting Standards Board of Japan).

Those standards require that the cost of stock options be measured based on the grant-date fair value. Outstanding options are presented as subscription rights to shares as a component of net assets in the balance sheet.

(W) ASSET RETIREMENT OBLIGATIONS

Commencing the year ended March 31, 2011, the Company and its consolidated subsidiaries adopted "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18; March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (Guidance No. 21; March 31, 2008). According to the standards, obligations associated with the retirement of tangible fixed assets are recorded as liabilities when those obligations are incurred, with the amount of the liability initially measured by discounting the future cash flows. The associated asset retirement costs are capitalized as part of the carrying amount of the fixed asset and allocated as period expenses.

As a result of adopting the standards, income before income taxes and minority interests for the year ended March 31, 2011 decreased by ¥1,944 million of which ¥1,425 million represents the cumulative effect of initially applying the standards.

(X) ACCOUNTING CHANGES AND ERROR CORRECTIONS

Commencing the year ended March 31, 2012, the Company and its consolidated subsidiaries adopted "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009). Those standards require that changes in accounting policies, changes in presentations and corrections of prior period errors be accounted for retrospectively, and changes in accounting estimates be accounted for prospectively. Those requirements are applied to accounting changes and corrections of prior period errors made on and after the beginning of the year ended on March 31, 2012.

(Y) EARNINGS PER SHARE

Basic income per share is computed by dividing the net income available for distribution to shareholders of common stock by the weighted average number of shares of common stock outstanding during each year. Diluted net income per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

(Z) RECLASSIFICATIONS

Certain prior years' amounts have been reclassified to conform to the current presentation. "Impairment loss on investment securities", "Decrease (increase) in equity investments in properties for sale" and "Increase (decrease) in allowance for casualty loss" which were presented as separate reconciliation items to net cash provided by operating expenses of the consolidated statements of cash flows for the years ended March 31, 2012 and 2011 are reclassified into "other, net" due to their immateriality.

(AA) NEW ACCOUNTING STANDARDS NOT YET ADOPTED

The new accounting standards and other pronouncements that have been issued which the Company and its consolidated subsidiaries have not yet adopted as of March 31, 2013, are as follows.

- Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, revised May 17, 2012)
- Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, revised May 17, 2012)

Those standards has been revised in light of improvements to financial reporting and international convergence, mainly focusing on (a) unrecognized actuarial differences and unrecognized prior service costs, (b) retirement benefit obligations and service costs and (c) enhancement of disclosures. The Company and its consolidated subsidiaries will adopt those revised standards commencing March 31, 2014, except for the revisions related to retirement benefit obligations and service costs which will be adopted on April 1, 2014. The effect that the adoption of those standards will have on the consolidated financial statements is currently under evaluation.

3. BUSINESS REORGANIZATIONS

There were no significant business reorganizations for the years ended March 31, 2013, 2012 and 2011.

4. FINANCIAL INSTRUMENTS

(1) Risk management policy regarding financial instruments

a. Policy on financial instruments

The Company and its consolidated subsidiaries make fund procurements mainly through bank loans and issuance of bonds. The temporary surplus funds are invested in low-risk financial assets. Derivative instruments are used to mitigate risks referred to below, and the Company and its consolidated subsidiaries do not enter into speculative derivative transactions or transactions with high volatility on fair value.

b. Risk management

Notes and accounts receivable and lease deposits are subject to customers' credit risk (risk related to customers' failure to perform a contract). Each business division monitors due dates and balances for each counterparty to mitigate the risk of those receivables being uncollectible due to financial difficulties and other factors.

Investment in equity securities is exposed to market-price risk. The securities are mainly those of companies with business relationships. The Company and its consolidated subsidiaries periodically monitor market prices and continuously review whether the securities should be held.

Notes and accounts payable are mostly due within one year.

Short-term debt is mainly used for funding working capital. Procurement from long-term debt and bonds payable, of which the maturities are due within 20 years from the balance sheet date, are mainly used for capital expenditures. Debt with floating interest rates is subject to interest-rate risk. The Company and its consolidated subsidiaries utilize derivatives (interest rate swaps) as hedging instruments for some long-term debt with floating interest rates to fix the cash flows of interest payments. Exchange rate risk on borrowings made and bonds issued in non-functional currencies are hedged by utilizing currency swaps. Refer to Note 2 (R) for details on hedge accounting, hedge policy, assessment of hedge effectiveness and other matters.

By using derivative instruments, the Company and its consolidated subsidiaries are exposed to counterparty's credit risk and market risks such as interest rate risk and exchange rate risk. The Company and its consolidated subsidiaries manage the credit risk by carefully evaluating the financial positions of major financial institutions before entering into contracts. The derivative transactions are executed and managed by procedures set forth in the policies established in each group company and are reported periodically to directors in charge.

Payables, debt and deposits from customers are subject to liquidity risk (risk of being unable to pay on a due date). The risk is managed by preparing and updating monthly cash schedules and by preserving liquidity on hand.

(2) Estimated fair value of financial instruments

The carrying amount, estimated fair value and the difference of financial instruments as of March 31, 2013 and 2012 are summarized in the following table. Information on financial instruments for which the fair value is not reliably measurable is not included in the below table (refer to b).

	Millions of yen			Thousands of U.S. dollars		
	2013					
	Carrying amount	Estimated fair value	Difference	Carrying amount	Estimated fair value	Difference
Assets						
Cash and bank deposits*1	¥ 102,234	¥ 102,234	¥ —	$ 1,087,018	$ 1,087,018	$ —
Notes and accounts receivable–trade	29,266	29,266	—	311,175	311,175	—
Marketable and investment securities	277,181	277,251	70	2,947,166	2,947,910	744
Liabilities						
Notes and accounts payable–trade	100,705	100,705	—	1,070,760	1,070,760	—
Bank loans and long-term debt due within one year						
Non-recourse	1,780	1,782	2	18,926	18,947	21
Other	237,653	239,083	1,430	2,526,880	2,542,085	15,205
Commercial paper	27,000	27,000	—	287,081	287,081	—
Long-term debt due after one year						
Non-recourse	234,358	235,482	1,124	2,491,845	2,503,796	11,951
Other	1,619,435	1,674,777	55,342	17,218,873	17,807,305	588,432
Derivative instruments*2	2,001	2,001	—	21,271	21,271	—

	Millions of yen		
	2012		
	Carrying amount	Estimated fair value	Difference
Assets			
Cash and bank deposits *1	¥ 62,274	¥ 62,274	¥ —
Notes and accounts receivable-trade	26,539	26,539	—
Marketable and investment securities	175,733	175,770	37
Liabilities			
Notes and accounts payable-trade	101,321	101,321	—
Bank loans and long-term debt due within one year			
Non-recourse	83	84	1
Other	259,839	260,835	996
Commercial paper	37,000	37,000	—
Long-term debt due after one year			
Non-recourse	8,931	9,764	833
Other	1,437,558	1,479,005	41,446
Derivative instruments *2	4,366	4,366	—

*1 Carrying amount of cash and bank deposits consists of ¥101,589 million ($1,080,159 thousand) and ¥61,727 million of cash and cash equivalents and ¥645 million ($6,859 thousand) and ¥547 million of bank deposits with maturities exceeding 3 months, which are included in other current assets in the accompanying consolidated balance sheets as of March 31, 2013 and 2012, respectively.

*2 Carrying amount and estimated fair value of derivative instruments represent derivative assets netted against derivative liabilities.

a. Estimation of fair value

The following methods and significant assumptions were used to estimate the fair value of financial instruments for which the fair value is reasonably measurable.

Cash and bank deposits and notes and accounts receivable-trade—The carrying amount of cash and bank deposits and notes and accounts receivable-trade approximates fair value due to their relatively short maturity.

Marketable and investment securities—Fair value of those securities is based on quoted market prices. Refer to Note 5 for detailed information.

Notes and accounts payable-trade and commercial paper—The carrying amount of notes and accounts payable-trade and commercial paper approximates fair value due to their relatively short maturity.

Bank loans and long-term debt due within one year—The carrying amount of bank loans approximates fair value due to their relatively short maturity. Fair value of long-term debt and bonds payable due within one year is calculated by discounting the future cash flows, using the borrowing interest rates expected to be currently available for the Company and its consolidated subsidiaries for debt with similar terms and remaining maturities as the discount rates.

Long-term debt due after one year—Fair value of long-term debt due after one year is calculated by discounting the future cash flows, using the borrowing interest rates expected to be currently available for the Company and its consolidated subsidiaries for debt with similar terms and remaining maturities as the discount rates.

Derivative instruments—Refer to Note 6.

Fair value of financial instruments includes amounts based on quoted market prices and amounts reasonably calculated. Fair value reasonably calculated, incorporating fluctuating factors, is subject to change under different assumptions. Nominal amount shown in Note 6 does not represent the market risk regarding the derivative transactions.

b. Financial instruments for which the fair value is not reliably measurable

For the following financial instruments, for which there were no quoted market prices, reasonable estimates of fair values could not be made without incurring excessive costs because of the difficulty in estimating future cash flows. Thus, information on those instruments is not presented in the above table.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Assets:			
Equity investments in properties for sale	**¥ 10,966**	¥ 57,569	**$ 116,598**
Other securities			
Unlisted stocks (excluding OTC securities)	**14,897**	16,172	**158,394**
Other (TK investments, preferred securities and others)	**37,292**	83,473	**396,512**
Lease deposits *	**148,736**	160,846	**1,581,457**
Liabilities:			
Deposits from tenants *	**344,923**	353,837	**3,667,443**

* While fair value accounting is applied to some lease deposits and deposits from tenants, they are not separately disclosed since they are not material.

c. Redemption schedule

The redemption schedule on cash and cash equivalents, receivables and securities with maturities as of March 31, 2013 and 2012 is as follows.

Refer to Note 13 for redemption schedule for long-term debt.

	Millions of yen			
	2013			
	Due within 1 year	Due after 1 year and within 5 years	Due after 5 Years and within 10 Years	Due after 10 Years
Cash and bank deposits *	**¥102,234**	**¥ —**	**¥ —**	**¥—**
Notes and accounts receivable-trade	**29,266**	**—**	**—**	**—**
Other securities				
National and local government bonds, etc.	**35**	**753**	**1,121**	**—**
	¥131,535	**¥753**	**¥1,121**	**¥—**

	Millions of yen			
	2012			
	Due within 1 year	Due after 1 year and within 5 years	Due after 5 Years and within 10 Years	Due after 10 Years
Cash and bank deposits *	¥62,274	¥ —	¥ —	¥—
Notes and accounts receivable-trade	26,539	—	—	—
Other securities				
National and local government bonds, etc.	15	717	1,011	—
	¥88,828	¥717	¥1,011	¥—

	Thousands of U.S. dollars			
	2013			
	Due within 1 year	Due after 1 year and within 5 years	Due after 5 Years and within 10 Years	Due after 10 Years
Cash and bank deposits *	$1,087,018	$ —	$ —	$—
Notes and accounts receivable-trade	311,175	—	—	—
Other securities				
National and local government bonds, etc.	372	8,006	11,920	—
	$1,398,565	$8,006	$11,920	$—

* Carrying amount of cash and bank deposits consists of ¥101,589 million ($1,080,159 thousand) and ¥61,727 million of cash and cash equivalents and ¥645 million ($6,859 thousand) and ¥547 million of bank deposits with maturities exceeding 3 months, which are included in other current assets in the accompanying consolidated balance sheets as of March 31, 2013 and 2012, respectively.

5. FAIR VALUE INFORMATION OF MARKETABLE SECURITIES, INVESTMENT SECURITIES AND OTHERS

(1) The following tables summarize historical cost, book value and fair value of securities as of March 31, 2013 and 2012:

(a) Held-to-maturity securities:

	Millions of yen					
	2013			2012		
	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference
Securities whose fair value exceeds book value						
National and local government bonds, etc.	¥1,777	¥1,848	¥71	¥1,507	¥1,545	¥38
Securities whose fair value does not exceed book value						
National and local government bonds, etc.	132	131	(1)	236	235	(1)
Total	¥1,909	¥1,979	¥70	¥1,743	¥1,780	¥37

	Thousands of U.S. dollars		
	2013		
	Book Value	Fair Value	Difference
Securities whose fair value exceeds book value			
National and local government bonds, etc.	$18,894	$19,649	$755
Securities whose fair value does not exceed book value			
National and local government bonds, etc.	1,404	1,393	(11)
Total	$20,298	$21,042	$744

(b) Other securities:

	Millions of yen					
	2013			2012		
	Book Value (Fair Value)	Historical Cost	Difference	Book Value (Fair Value)	Historical Cost	Difference
Securities whose book value (fair value) exceeds historical cost						
Stocks	¥214,972	¥74,103	¥140,869	¥114,426	¥35,955	¥78,471
Other	47,582	27,508	20,074	30,241	25,842	4,399
Subtotal	262,554	101,611	160,943	144,667	61,797	82,870
Securities whose book value (fair value) does not exceed historical cost						
Stocks	12,718	14,146	(1,428)	29,323	33,893	(4,570)
Subtotal	12,718	14,146	(1,428)	29,323	33,893	(4,570)
Total	¥275,272	¥115,757	¥159,515	¥173,990	¥95,690	¥78,300

	Thousands of U.S. dollars		
	2013		
	Book Value (Fair Value)	Historical Cost	Difference
Securities whose book value (fair value) exceeds historical cost			
Stocks	$2,285,720	$ 787,911	$1,497,809
Other	505,922	292,483	213,439
Subtotal	2,791,642	1,080,394	1,711,248
Securities whose book value (fair value) does not exceed historical cost			
Stocks	135,226	150,409	(15,183)
Subtotal	135,226	150,409	(15,183)
Total	$2,926,868	$1,230,803	$1,696,065

(2) The following table summarizes other securities sold in the years ended March 31, 2013, 2012 and 2011:

	Millions of yen								
	2013			2012			2011		
	Sales amount	Gains	Losses	Sales amount	Gains	Losses	Sales amount	Gains	Losses
Stocks	¥4,199	¥3,442	¥—	¥342	¥9	¥(69)	¥21,374	¥20,965	¥(1)
Total	¥4,199	¥3,442	¥—	¥342	¥9	¥(69)	¥21,374	¥20,965	¥(1)

	Thousands of U.S. dollars		
	2013		
	Sales amount	Gains	Losses
Stocks	$44,646	$36,598	$—
Total	$44,646	$36,598	$—

(3) The Company and its consolidated subsidiaries recognized ¥4 million ($43 thousand), ¥1,256 million and ¥6,212 million of impairment loss on investment securities for the year ended March 31, 2013, 2012 and 2011, respectively.

6. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

The following summarizes hedging derivative financial instruments accounted for under hedge accounting as of March 31, 2013 and 2012:

		Millions of yen		
		2013		
		Nominal Amount		
	Hedged items	Total	Due after 1 year	Fair Value*4
Interest rate swap *1	Long-term debt			
Pay : fixed rate				
Receive : floating rate		¥782,500	¥719,000	*1
Foreign currency swap *2	Long-term debt	30,000	20,000	1,976
Foreign exchange forward *3	Forecasted transactions denominated in foreign currencies	1,024	—	25
Total		¥813,524	¥739,000	¥2,001

	Hedged items	Millions of yen 2012 Nominal Amount Total	Due after 1 year	Fair Value*4
Interest rate swap *1	Long-term debt			
Pay : fixed rate				
Receive : floating rate		¥659,000	¥515,000	*1
Foreign currency swap *2	Long-term debt	30,000	30,000	5,079
Foreign exchange forward *3	Forecasted transactions denominated in foreign currencies	743	—	30
Total		¥689,743	¥545,000	¥5,109

	Hedged items	Thousands of U.S. dollars 2013 Nominal Amount Total	Due after 1 year	Fair Value*4
Interest rate swap *1	Long-term debt			
Pay : fixed rate				
Receive : floating rate		$8,320,043	$7,644,870	*1
Foreign currency swap *2	Long-term debt	318,979	212,653	21,010
Foreign exchange forward *3	Future transactions denominated in foreign currencies	10,888	—	266
Total		$8,649,910	$7,857,523	$21,276

*1: The net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed. Thus, the fair value of the interest rate swap is included in the fair value of long-term debt including those due within one year.
*2: Recognition of gains or losses resulting from changes in fair value of foreign currency swap contracts are deferred until the related losses or gains on the hedged items are recognized.
*3: Future transactions denominated in foreign currencies will be recorded using the contracted forward rate, and no gains and losses on the foreign exchange forward contract are recognized.
*4: Fair values are calculated mainly by discounting the future cash flows.

7. INVESTMENT AND LEASING PROPERTIES

The Company and its consolidated subsidiaries have followed "Accounting Standard for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Statement No. 20; November 28, 2008) and its implementation guidance "Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Guidance No. 23, November 28, 2008) which require explanations on investment and leasing properties and disclosure of fair value of those properties. Investment and leasing properties are properties held to earn rentals or for capital appreciation, and include (1) properties classified as investment properties in the balance sheet, (2) idle properties and (3) leasing properties other than (1) and (2).

The Company and its certain subsidiaries own office buildings for rent, commercial facilities and other properties in Tokyo and other areas. Net rent income, loss on disposal of property and equipment and impairment loss regarding those investments and leasing properties were ¥92,808 million ($986,794 thousand), ¥8,710 million ($92,610 thousand) and ¥6,996 million ($74,386 thousand) for the year ended March 31, 2013. Net rent income and loss on disposal of property and equipment regarding those investments and leasing properties were ¥83,794 million and ¥3,969 million for the year ended March 31, 2012. Net rent income and loss on disposal of property and equipment regarding those investments and leasing properties were ¥76,486 million and ¥10,931 million for the year ended March 31, 2011. Gross rent revenue is included in revenue from operations and gross cost for rent is included in cost of revenue from operations. Impairment loss and loss on disposal of property and equipment are included in other costs and expenses (see Note 21).

The carrying amounts, net changes in the carrying amounts and the fair value of the investment and leasing properties as of and for the years ended March 31, 2013 and 2012 are stated below:

Millions of yen

2013 Carrying amount Beginning of year	Net Increase during the year	End of year	Fair value End of year	2012 Carrying amount Beginning of year	Net Increase during the year	End of year	Fair value End of year
¥2,049,667	¥197,888	¥2,247,555	¥3,168,024	¥1,986,866	¥62,801	¥2,049,667	¥2,860,072

Thousands of U.S. dollars			
2013			
Carrying amount			Fair value
Beginning of year	Net Increase during the year	End of year	End of year
$21,793,376	$2,104,072	$23,897,448	$33,684,466

Carrying amount represents acquisition cost less accumulated depreciation and accumulated loss on impairment.

The net increase in the carrying amounts mainly consists of adoption of "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, revised March 25, 2011) and other related statements which amounts to ¥234,327 million ($2,491,515 thousand) for the year ended March 31, 2013.

The net increase in the carrying amounts mainly consists of acquisitions of real estate which amounts to ¥86,407 million for the year ended March 31, 2012.

Estimated fair value was calculated internally based on Japanese Real Estate Appraisal Standards.

8. INVENTORIES

Inventories at March 31, 2013 and 2012 comprise the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Real property for sale			
Completed	¥450,504	¥241,139	$4,790,048
In progress	239,301	241,581	2,544,402
Land held for development	214,206	150,333	2,277,576
Expenditure on contracts in progress	11,601	9,235	123,349
Other	9,096	8,668	96,714
Total	¥924,708	¥650,956	$9,832,089

9. ADVANCES PAID FOR PURCHASES

Advances paid for purchases comprise primarily advance payments for purchasing real estate for sale.

10. LEASE DEPOSITS

The Company and its consolidated subsidiaries lease certain office buildings and commercial facilities from the owners thereof and sublease them to subtenants. In these transactions, the Company and its consolidated subsidiaries pay lease deposits to the owners and receive deposits from subtenants (See Note 15).

11. INCOME TAXES

Significant components of the Company's deferred tax assets and liabilities as of March 31, 2013 and 2012 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Deferred tax assets:			
Excess allowance for retirement benefits	¥ 12,894	¥ 11,988	$ 137,097
Allowance for loss on devaluation of real property held for sale	10,965	11,629	116,587
Loss on impairment of fixed assets	9,098	11,857	96,736
Allowance for loss on valuation of securities	8,587	8,610	91,302
Unrealized inter-company transactions	7,710	6,306	81,978
Accrued employees' bonuses	6,205	6,011	65,976
Unrealized loss on valuation of lease deposits	4,010	3,951	42,637
Excess depreciation expense	3,883	3,655	41,287
Accrued enterprise tax	2,675	1,102	28,442
Other	19,723	28,214	209,708
Total	¥ 85,750	¥ 93,323	$ 911,750
Deferred tax liabilities:			
Unrealized gain on valuation of securities	¥ (57,354)	¥ (29,514)	$ (609,825)
Deferred gain on sale of land and buildings for tax purposes	(21,321)	(21,362)	(226,699)
Unrealized gain on valuation of lease deposits	(3,917)	(3,864)	(41,648)
Unrealized loss on valuation of shares held in consolidated subsidiaries	(3,378)	(3,444)	(35,917)
Consolidation difference in real property	(3,177)	(371)	(33,780)
Other	(28,788)	(23,330)	(306,093)
Total	¥(117,935)	¥ (81,885)	$(1,253,962)
Net deferred tax assets (liabilities)	¥ (32,185)	¥ 11,438	$ (342,212)

Amounts of total deferred tax assets as of March 31, 2013 and 2012 are presented net of valuation allowances of ¥14,237 million ($151,377 thousand) and ¥16,447 million, respectively.

Significant differences between the statutory tax rate and the Company's effective tax rate for the years ended March 31, 2013 and 2012 are as follows:

	2013	2012
Statutory tax rate	37.99%	40.66%
(Adjustments)		
Allowance for doubtful accounts	3.68	—-
Change in tax rate	—-	3.64
Higher tax rates on foreign subsidiaries	0.87	1.37
Equity in net income of affiliated companies	(0.98)	(2.07)
Entertainment expenses and other (permanent differences)	0.97	1.28
Other	2.88	1.46
Effective tax rate	45.41%	46.34%

Information as of March 31, 2011 has not been disclosed as the differences are insignificant.

12. EMPLOYEES' RETIREMENT BENEFITS

(1) Outline of retirement plan:
The Company has adopted a corporate pension plan and lump-sum pension plans, both of which are defined benefit plans. The Company has also adopted a retirement benefit trust. 54 consolidated subsidiaries have adopted lump-sum pension plans. One consolidated subsidiary has adopted employees' pension funds. 12 consolidated subsidiaries have adopted defined benefit corporate pension plans. 6 consolidated subsidiaries has adopted defined contribution pension plan.

(2) Details of projected benefit obligation:

	Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars 2013
1. Projected benefit obligation	**¥(131,791)**	¥(126,817)	**$(1,401,287)**
2. Fair value of plan assets	**87,186**	70,250	**927,018**
3. Unaccrued projected benefit obligation (1+2)	**¥ (44,605)**	¥ (56,567)	**$ (474,269)**
4. Unrecognized actuarial differences	**10,547**	23,471	**112,142**
5. Unrecognized prior service costs	**125**	143	**1,329**
6. Prepaid pension expenses	**391**	49	**4,157**
7. Allowance for employees' retirement benefits (3+4+5-6)	**¥ (34,324)**	¥ (33,002)	**$ (364,955)**

Note: Some consolidated subsidiaries adopt the simplified method to calculate projected benefit obligation.

(3) Details of retirement benefit expenses:

	Millions of yen 2013	Millions of yen 2012	Millions of yen 2011	Thousands of U.S. dollars 2013
1. Service costs—benefits earned during the year	**¥ 6,040**	¥ 5,906	¥5,053	**$ 64,221**
2. Interest costs on projected benefit obligation	**2,254**	2,461	2,453	**23,966**
3. Expected return on plan assets	**(1,483)**	(1,500)	(1,388)	**(15,768)**
4. Amortization of actuarial differences	**3,602**	3,465	3,334	**38,299**
5. Amortization of prior service costs	**26**	176	(17)	**276**
6. Other	**(11)**	36	107	**(117)**
7. Retirement benefit expenses (1+2+3+4+5+6)	**¥10,428**	¥10,544	¥9,542	**$110,877**

Note: Retirement benefit expenses of consolidated subsidiaries adopting the simplified method are included in service costs.

(4) Basis for measurement of projected benefit obligation and other items:

	2013		2012		2011	
1. Allocation method for the projected retirement benefits	**Straight-line method**		Straight-line method		Straight-line method	
2. Discount rates	**1.2–1.9%**		1.2–2.2%		1.2–2.5%	
3. Expected rates of return on plan assets	**1.0–2.5%**		1.0–2.5%		1.0–2.5%	
4. Years over which the prior service costs are allocated	**1–10 years**	**Straight-line method over a certain number of years within the average remaining service years**	1–10 years	Straight-line method over a certain number of years within the average remaining service years	1–10 years	Straight-line method over a certain number of years within the average remaining service years
5. Years over which the actuarial differences obligations are allocated	**5–10 years**	**Straight-line method over a certain number of years within the average remaining service years**	5–10 years	Straight-line method over a certain number of years within the average remaining service years	5–10 years	Straight-line method over a certain number of years within the average remaining service years

Note: Discount rate for the Company which was 2.5% for the year ended March 31, 2011 changed to 1.8% for the year ended March 31, 2012.

13. BANK LOANS, COMMERCIAL PAPER AND LONG-TERM DEBT

(1) Bank loans and commercial paper

Bank loans consist mainly of short-term notes and short-term borrowings under the loan agreements. The Company and its consolidated subsidiaries have had no difficulty in renewing such notes and borrowings, when they considered it appropriate to do so.

The amounts and the weighted average interest rates of bank loans and commercial paper at March 31, 2013 and 2012 are as follows:

	Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars 2013
Bank loans, with the weighted average interest rates of 0.55% in 2013 and 0.52% in 2012	**¥27,086**	¥32,157	**$287,996**
Commercial paper, with the weighted average interest rates of 0.11% in 2013 and in 2012	**27,000**	37,000	**287,081**

(2) Long-term debt

Long-term debt at March 31, 2013 and 2012 comprise the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Long-term loans, principally from banks and insurance companies:			
Loans secured by collateral or bank guarantees	¥ 186,156	¥ 9,270	$ 1,979,330
Unsecured loans	1,499,755	1,359,984	15,946,358
Total long-term loans, principally from banks and insurance companies	1,685,911	1,369,254	17,925,688
Bonds and debentures			
3.00% yen notes due 2013	10,000	10,000	106,326
2.25% yen notes due 2012	—	5,000	—
1.04% yen notes due 2013	10,000	10,000	106,326
1.81% yen notes due 2014	10,000	10,000	106,326
1.64% yen notes due 2014	10,000	10,000	106,326
1.65% yen notes due 2015	10,000	10,000	106,326
1.81% yen notes due 2016	20,000	20,000	212,655
1.99% yen notes due 2016	10,000	10,000	106,326
1.91% yen notes due 2016	20,000	20,000	212,655
1.54% yen notes due 2014	20,000	20,000	212,655
1.84% yen notes due 2017	10,000	10,000	106,326
2.06% yen notes due 2017	20,000	20,000	212,655
1.65% yen notes due 2014	10,000	10,000	106,326
1.97% yen notes due 2017	20,000	20,000	212,655
1.92% yen notes due 2018	10,000	10,000	106,326
2.09% yen notes due 2019	10,000	10,000	106,326
1.72% yen notes due 2019	10,000	10,000	106,326
1.63% yen notes due 2019	10,000	10,000	106,326
1.49% yen notes due 2019	10,000	10,000	106,326
1.50% yen notes due 2020	10,000	10,000	106,326
1.19% yen notes due 2020	10,000	10,000	106,326
1.06% yen notes due 2020	10,000	10,000	106,326
1.32% yen notes due 2020	10,000	10,000	106,326
2.30% yen notes due 2030	10,000	10,000	106,326
1.27% yen notes due 2021	10,000	10,000	106,326
1.17% yen notes due 2021	10,000	10,000	106,326
1.00% yen notes due 2022	10,000	—	106,326
0.96% yen notes due 2022	10,000	—	106,326
1.95% yen notes due 2032	10,000	—	106,326
0.27%–2.39% non-recourse notes due 2013–2017 (*1)	50,229	—	534,067
Total bonds and debentures	380,229	305,000	4,042,840
Less amount due within one year	212,347	227,765	2,257,810
Long-term debt due after one year	¥1,853,793	¥1,446,489	$19,710,718

(*1) Represents the total balance of asset backed securities issued by the Company's consolidated special purpose entities. The interest rates include both fixed rates and floating rates.

Long-term loans, principally from banks and insurance companies consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Due within one year			
Non-recourse, with the weighted average interest rate of 1.33% in 2013	¥ 1,647	¥ 83	$ 17,512
Other, with the weighted average interest rate of 1.76% in 2013	170,567	222,682	1,813,578
Sub-total	¥ 172,214	¥ 222,765	$ 1,831,090
Due after one year			
Non-recourse, with the weighted average interest rate of 1.14% in 2013	184,262	8,931	1,959,192
Other, with the weighted average interest rate of 1.37% in 2013	1,329,435	1,137,558	14,135,406
Sub-total	1,513,697	1,146,489	16,094,598
Total	¥1,685,911	¥1,369,254	$17,925,688

The weighted average interest rates of long-term loans, principally from banks and insurance companies in 2012 were 1.39% for those due within one year and 1.55% for those due after one year.

Bonds and debentures consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Due within one year			
Non-recourse	¥ 133	¥ —	$ 1,414
Other	40,000	5,000	425,306
Sub-total	40,133	5,000	¥426,720
Due after one year			
Non-recourse	50,096	—	532,653
Other	290,000	300,000	3,083,467
Sub-total	340,096	300,000	3,616,120
Total	¥380,229	¥305,000	$4,042,840

Long-term debt secured by collateral or bank guarantees consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Secured loans			
Long-term loans, principally from banks and insurance companies			
Non-recourse	¥185,909	¥ 257	$1,976,704
Other	247	9,013	2,626
Sub-total	186,156	9,270	1,979,330
Bonds and debentures			
Non-recourse	48,790	—	518,767
Sub-total	48,790	—	518,767
Total	¥234,946	¥9,270	$2,498,097

The following assets are pledged as collateral for secured loans:

	Millions of yen				Thousands of U.S. dollars	
	2013		2012		2013	
	Total	Non-recourse *	Total	Non-recourse *	Total	Non-recourse *
Real property for sale	¥199,425	¥199,425	¥ —	¥ —	$2,120,415	$2,120,415
Buildings and structures	59,151	54,441	22,040	17,096	628,931	578,852
Land	32,527	24,312	15,572	7,358	345,848	258,501
Other	28,920	28,899	549	525	307,496	307,272
Total	¥320,023	¥307,077	¥38,161	¥24,979	$3,402,690	$3,265,040

* Represents assets pledged as collateral for non-recourse loans.

As is customary in Japan, collateral must be given if requested, under certain circumstances, by a lending bank and such bank has the right to offset cash deposited with it against any debt or obligation that becomes due and, in case of default and certain other specified events, against all debt payable to the bank. The Company and its consolidated subsidiaries have never received any such requests nor do they expect that any such request will be made.

The annual maturities of long-term debt at March 31, 2013 and 2012 are as follows:

	Millions of yen					
	2013			2012		
	Non-recourse	Other	Total	Non-recourse	Other	Total
Due within 1 year	¥ 1,780	¥ 210,567	¥ 212,347	¥ 83	¥ 227,682	¥ 227,765
Due after 1 to 2 years	124,735	198,252	¥322,987	87	208,688	208,775
Due after 2 to 3 years	9,016	185,325	¥194,341	92	198,252	198,344
Due after 3 to 4 years	31,147	164,022	¥195,169	3,985	176,361	180,346
Due after 4 to 5 years	69,460	136,022	¥205,482	4,766	161,022	165,788
Thereafter	—	935,814	¥935,814	—	693,236	693,236
Total	¥236,138	¥1,830,002	¥2,066,140	¥9,013	¥1,665,241	¥1,674,254

	Thousands of U.S. dollars		
	2013		
	Non-recourse	Other	Total
Due within 1 year	$ 18,926	$ 2,238,884	$ 2,257,810
Due after 1 to 2 years	1,326,263	2,107,943	3,434,206
Due after 2 to 3 years	95,864	1,970,494	2,066,358
Due after 3 to 4 years	331,175	1,743,987	2,075,162
Due after 4 to 5 years	738,543	1,446,273	2,184,816
Thereafter	—	9,950,176	9,950,176
Total	$2,510,771	$19,457,757	$21,968,528

14. ASSET RETIREMENT OBLIGATIONS

(1) Asset retirement obligations recognized in the consolidated balance sheets as of March 31, 2013 and 2012

The Company and its consolidated subsidiaries, in connection with operating commercial facilities and parking business (Mitsui Repark), have entered into real estate lease contracts with terms ranging from several months to 20 years. Asset retirement obligations have been recognized in respect of the obligation of the Company and its consolidated subsidiaries to the landlords to remove the facilities from leased real estate at the end of those contracts. The liability has been calculated with expected useful lives ranging from several months to 20 years and discount rates ranging from 0 to 2.5%.

Asset retirement obligations are included in other current liabilities and other long-term liabilities on the consolidated balance sheets.

The following table summarizes the changes in the aggregate carrying amount of asset retirement obligations for the year ended March 31, 2013 and 2012:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Beginning of year	¥2,945	¥2,611	$31,313
Increase due to acquisition of fixed assets	313	269	3,328
Net increase due to revisions to original estimate*	26	246	276
Decrease due to settlement	(175)	(420)	(1,861)
Other	37	239	394
End of year	¥3,146	¥2,945	$33,450

* Increase for the year ended March 31, 2013 was mainly due to additions of decommissioning costs that have become measurable in a more accurate manner. Increase for the year ended March 31, 2012 was mainly due to additions of asbestos removal costs that have become reasonably measurable.

(2) Asset retirement obligations not recognized in the consolidated balance sheets as of March 31, 2013 and 2012

The Company and its consolidated subsidiaries own properties containing asbestos material and are obligated to remove those materials upon disposition of the properties. However, since sufficient information is not available to reasonably estimate the obligation amount due to uncertainty about the method and timing of settlement, asset retirement obligation is not recognized for the obligations to remove asbestos materials.

The Company and its consolidated subsidiaries, in connection with some commercial facilities, hotels and retail premises, have entered into real estate lease contracts and are obligated to the landlords to dismantle the facilities upon exit. However, sufficient information is not available to reasonably estimate the obligation amount due to uncertainty about the timing of settlement or lack of plan to settle. Thus asset retirement obligation regarding reestablishing the previous state is not recognized except for those mentioned in (1) above.

15. DEPOSITS FROM TENANTS

Deposits from tenants at March 31, 2013 and 2012 comprise the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Non-interest-bearing	¥341,525	¥349,694	$3,631,313
Interest-bearing	3,398	4,143	36,130
Total	¥344,923	¥353,837	$3,667,443
Average interest rate	1.10%	1.20%	

The Company and its consolidated subsidiaries generally make lease agreements with tenants under which they receive both interest-bearing deposits and non-interest-bearing deposits from tenants. The non-interest-bearing deposits and some of the interest-bearing deposits are not refundable during the life of the lease. The rest of the interest-bearing deposits are generally refundable to the tenant in equal annual or monthly payments with interest over certain periods of time commencing after the grace periods, depending on the terms of the contracts.

16. NET ASSETS

Net assets comprises four subsections, which are shareholders' equity, accumulated other comprehensive income, subscription rights to shares and minority interests, as applicable.

Under the Japanese Company Law (the "Law"), the entire amount paid for new shares is required to be designated as common stock. However, a company may, by resolution of the Board of Directors, designate an amount not exceeding one-half of the prices of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in-capital and legal earnings reserve must be set aside as additional paid-in-capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Law, legal earnings reserve and additional paid-in capital may be used to eliminate or reduce a deficit, or may be capitalized by resolution of the shareholders' meeting. Additional paid-in capital and legal earnings reserve may not be distributed as dividends. However, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with Japanese laws and regulations.

17. SUPPLEMENTAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(1) Changes in number of shares issued and outstanding during the years ended March 31, 2013, 2012 and 2011 are as follows:

	(Thousands)	
	Issued	Treasury stock
	Common stock	Common stock
Numbers of shares as of March 31, 2010	881,425	2,947
Numbers of shares increased (*1)	—	175
Numbers of shares decreased (*2)	—	(34)
Numbers of shares as of March 31, 2011	881,425	3,088
Numbers of shares increased (*1)	—	74
Numbers of shares decreased (*3)	—	(63)
Numbers of shares as of March 31, 2012	881,425	3,099
Numbers of shares increased (*1)	**—**	**97**
Numbers of shares decreased (*4)	**—**	**(16)**
Numbers of shares as of March 31, 2013	**881,425**	**3,180**

(*1) Treasury stock increased due to purchase of odd shares.
(*2) Treasury stock decreased due to sale of 31 thousand odd shares and exercise of 3 thousand shares of subscription rights.
(*3) Treasury stock decreased due to sale of 23 thousand odd shares and exercise of 40 thousand shares of subscription rights.
(*4) Treasury stock decreased due to sale of 6 thousand odd shares and exercise of 10 thousand shares of subscription rights.

(2) Information of subscription rights to shares is summarized as follows:

		Millions of yen		Thousands of U.S. dollars		
	Company	Consolidated subsidiaries	Total	Company	Consolidated subsidiaries	Total
Type of subscription rights to shares	Stock option					
Balance as of March 31, 2011	¥520	—	¥520			
Balance as of March 31, 2012	¥588	—	¥588			
Balance as of March 31, 2013	**¥729**	**—**	**¥729**	**$7,751**	**—**	**$7,751**

Number of shares regarding stock options as of March 31, 2013, 2012 and 2011 and number of such shares increased and decreased during the years then ended are not presented as they are insignificant.

(3) Information of dividends is summarized as follows:
(a) Dividends paid
The following resolution was approved by the ordinary general shareholders' meeting held on June 28, 2012, June 29, 2011 and June 29, 2010:

Date of shareholders' meeting	June 28, 2012	June 29, 2011	June 29, 2010
Type of stock	Common stock	Common stock	Common stock
Total amount	¥ 9,662 million ($102,733 thousand)	¥ 9,662 million	¥ 9,664 million
Per share amount	¥ 11 ($ 0.117)	¥11	¥11
Record date	March 31, 2012	March 31, 2011	March 31, 2010
Effective date	June 29, 2012	June 30, 2011	June 30, 2010

The following resolution was approved by the Board of Directors' meeting held on November 1, 2012, October 31, 2011 and October 29, 2010:

Date of board of directors' meeting	November 1, 2012	October 31, 2011	October 29, 2010
Type of stock	Common stock	Common stock	Common stock
Total amount	¥ 9,662 million ($102,733 thousand)	¥ 9,662 million	¥ 9,663 million
Per share amount	¥ 11 ($0.117)	¥ 11	¥ 11
Record date	September 30, 2012	September 30, 2011	September 30, 2010
Effective date	December 4, 2012	December 2, 2011	December 2, 2010

(b) Dividend whose record date falls within the current fiscal year but to be effective in the following fiscal year
The following resolution was approved by the ordinary general shareholders' meeting held on June 27, 2013, June 28, 2012 and June 29, 2011:

Date of shareholders' meeting	June 27, 2013	June 28, 2012	June 29, 2011
Type of stock	Common stock	Common stock	Common stock
Total amount	¥ 9,661 million ($102,722 thousand)	¥ 9,662 million	¥ 9,662 million
Source	Retained earnings	Retained earnings	Retained earnings
Per share amount	¥ 11 ($ 0.117)	¥ 11	¥ 11
Record date	March 31, 2013	March 31, 2012	March 31, 2011
Effective date	June 28, 2013	June 29, 2012	June 30, 2011

18. STOCK OPTION PLANS

The following table summarizes the stock option plans introduced by the Company.
Stock option expenses charged to income for the years ended March 31, 2013, 2012 and 2011 are as follows:

	Millions of yen			Thousands of U.S. dollars
	2013	2012	2011	2013
Cost of revenue from operations	¥ 42	¥ 28	¥ 34	$ 447
Selling, general and administrative expenses	119	107	115	1,265
Total	¥161	¥135	¥149	$1,712

The following table summarizes the contents and activity of stock options as of March 31, 2013 and for the year then ended:

	2012 plan		2011 plan	2010 plan	2009 plan	2008 plan	2007 plan
Grantees	Directors, corporate officers and group managing officers; 25 in total (*1)		Directors, corporate officers and group managing officers; 25 in total (*1)	Directors, corporate officers and group managing officers; 25 in total (*1)	Directors, corporate officers and group managing officers; 25 in total (*1)	Directors, corporate officers and group managing officers; 26 in total (*1)	Directors, corporate officers and group managing officers; 27 in total (*1)
Type of stock and number of shares granted	134,640 shares of common stock		143,040 shares of common stock	140,420 shares of common stock	109,650 shares of common stock	71,250 shares of common stock	48,880 shares of common stock
Grant date	August 17, 2012		August 12, 2011	August 13, 2010	August 14, 2009	August 15, 2008	September 18, 2007
Vesting conditions	(*2)		(*2)	(*2)	(*2)	(*2)	(*2)
Requisite service period	Not specified		Not specified	Not specified	Not specified	Not specified	Not specified
Exercise period(*2)	August 18, 2012 –August 17, 2042		August 13, 2011 –August 12, 2041	August 14, 2010 –August 13, 2040	August 15, 2009 –August 14, 2039	August 16, 2008 – August 15, 2038	September 19, 2007 – September 18, 2037
Non-vested options (number of shares):							
Outstanding at beginning of year	—		143,040	131,390	97,130	58,270	40,060
Granted	134,640		—	—	—	—	—
Forfeited	—		—	—	—	—	—
Vested	—		—	—	(2,340)	(4,440)	(3,220)
Outstanding at end of year	134,640		143,040	131,390	94,790	53,830	36,840
Vested options (number of shares):							
Outstanding at beginning of year	—		—	—	—	—	—
Vested	—		—	—	2,340	4,440	3,220
Exercised	—		—	—	(2,340)	(4,440)	(3,220)
Expired	—		—	—	—	—	—
Outstanding at end of year	—		—	—	—	—	—
	Yen	U.S. dollars	Yen	Yen	Yen	Yen	Yen
Exercise price	¥ 1	$ 0.01	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1
Average stock price on exercise date	—	—	—	—	1,548	1,945	1,984
Grant-date fair value	¥1,265	$13.45	¥919	¥1,029	¥1,493	¥1,967	¥2,357

(*1) Grantees consist of 9 directors (excluding outside directors), 9 corporate officers (non-directors) and 7 group managing officers for 2012 plan, 9 directors (excluding outside directors), 8 corporate officers (non-directors) and 8 group managing officers for 2011 plan, 8 directors (excluding outside directors), 9 corporate officers (non-directors) and 8 group managing officers for 2010 plan and 2009 plan, 6 directors (excluding outside directors), 12 corporate officers (non-directors) and 8 group managing officers for 2008 plan, and 6 directors (excluding outside directors), 13 corporate officers (non-directors) and 8 group managing officers for the 2007 plan.

(*2) Vesting conditions and exercise period:
Stock options granted are exercisable on the day following grantees leaving the positions of director, corporate officer or group managing officer, and for 5 years commencing on that date.

The fair value of options was estimated using the Black-Scholes option pricing-model under the following assumptions:

	2012 plan	2011 plan	2010 plan
Expected volatility (*1)	40%	40%	40%
Expected life (*2)	15 years	15 years	15 years
Expected dividend (*3)	¥22 ($0.23) per share	¥22 per share	¥22 per share
Risk-free rate (*4)	1.39%	1.58%	1.41%

(*1) Expected volatility is calculated based on the historical stock price for the 15-year period ending on the grant date.
(*2) Options are assumed to be exercised at the midpoint of the exercise period because of the difficulty to reasonably estimate expected life due to insufficient historical data.
(*3) Expected dividend is the expected dividend amount for the fiscal year in which the options are granted, estimated as of the grant date.
(*4) Risk-free rate represents the interest rate of Japanese government bonds whose life corresponds to the expected life of stock options.

Number of vesting options is estimated based on actual forfeitures due to difficulty in reasonably estimating future forfeitures.

19. IMPAIRMENT LOSS ON FIXED ASSETS

During the year ended March 31, 2013, the Company and certain consolidated subsidiaries recognized impairment losses for the following groups of assets.

Primary use	Type of assets	Location
Leasing properties, etc.	Buildings, land, etc.	Nagoya City, Aichi, etc.
Operating facilities	Buildings, land, etc.	Nara City, Nara

For the purpose of identifying fixed assets that are impaired, the Company and certain consolidated subsidiaries grouped their fixed assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets or groups of assets. The corporate headquarters' facilities are treated as common assets.

In the light of a significant decrease in the projected recoverable amount due to the Company's decision to sell the leasing properties early, the Company recorded impairment loss on those properties. In addition, considering significant deterioration of profitability due to a decline in current rental rates, adverse changes in market conditions and other factors, the Company reduced the book values of operating facilities to their recoverable amounts and recognized impairment losses.

Impairment losses totaling ¥7,769 million ($82,605 thousand) are comprised of ¥4,405 million ($46,837 thousand) of buildings and structures, ¥3,284 million ($34,918 thousand) of land and ¥80 million ($850 thousand) of others.

Recoverable amounts are measured by net realizable values or values in current use. Net realizable values are determined mainly based upon appraisal values calculated by real-estate appraisers. Values in current use are calculated based on the present values of future cash flows, using a discount rate of 5%.

During the year ended March 31, 2012, there were no impairment losses recognized by the Company and its consolidated subsidiaries.

During the year ended March 31, 2011, the Company and certain consolidated subsidiaries recognized impairment losses for the following groups of assets.

Primary use	Type of assets	Location
Leasing properties, etc.	Buildings, land, etc.	Chuo Ward, Tokyo, etc.
Operating facilities	Buildings, land, etc.	Usuki City, Oita, etc.

For the purpose of identifying fixed assets that are impaired, the Company and certain consolidated subsidiaries grouped their fixed assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets or groups of assets. The corporate headquarters' facilities are treated as common assets.

In the light of a significant decrease in the projected recoverable amount due to the Company's decision to sell the leasing properties early, the Company recorded impairment loss on those properties. In addition, considering significant deterioration of profitability due to a decline in current rental rates, adverse changes in market conditions and other factors, the Company reduced the book values of operating facilities to their recoverable amounts and recognized impairment losses.

Impairment losses totaling ¥4,115 million are comprised of ¥1,885 million of land, ¥1,134 million of buildings and structures, and ¥1,096 million of others.

Recoverable amounts are measured by net realizable values or values in current use. Net realizable values are determined mainly based upon appraisal values calculated by real-estate appraisers. Values in current use are calculated based on the present values of future cash flows, using a discount rate of 5%.

20. MAJOR COMPONENTS OF INTEREST, DIVIDENDS AND MISCELLANEOUS

	Millions of yen			Thousands of U.S. dollars
Years ended March 31,	2013	2012	2011	2013
Interest income	¥ 382	¥ 241	¥ 209	$ 4,062
Dividend income	3,332	3,221	3,201	35,428
Gain on sale of investment securities	3,442	—	20,965	36,598
Gain on sale of property and equipment	2,859	—	—	30,399
Gain on sales of investments in unconsolidated subsidiaries and affiliated companies	2,369	—	—	25,189
Other	3,290	2,392	2,669	34,980
Total	¥15,674	¥5,854	¥27,044	$166,656

21. MAJOR COMPONENTS OF COSTS AND EXPENSES—OTHER

	Millions of yen			Thousands of U.S. dollars
Years ended March 31,	2013	2012	2011	2013
Loss on sale of property and equipment	¥ 8,806	¥ —	¥ —	$ 93,631
Impairment loss on fixed assets	7,769	—	4,115	82,605
Loss on disposal of property and equipment	4,216	5,635	12,325	44,827
Other	5,529	8,710	20,241	58,787
Total	¥26,320	¥14,345	¥36,681	$279,850

22. COMPREHENSIVE INCOME

An analysis of each component of other comprehensive income (loss) and related tax effects for the year ended March 31, 2013 and 2012 is presented as follows.

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Net unrealized holding gains on securities			
Unrealized holding gains arising during the year	¥81,225	¥ 7,036	$863,636
Reclassification to income for the year	—	352	—
Pretax amount	81,225	7,387	863,636
Tax (expense) benefit	(28,945)	961	(307,761)
Net-of-tax amount	52,280	8,348	555,875
Net unrealized losses on hedging derivatives			
Unrealized losses arising during the year	(1,150)	(1,731)	(12,228)
Reclassification to income for the year	773	716	8,219
Pretax amount	(377)	(1,015)	(4,009)
Tax (expense) benefit	151	483	1,606
Net-of-tax amount	(226)	(531)	(2,403)
Reserve on land revaluation			
Tax (expense) benefit	26	23,503	276
Foreign currency translation adjustments			
Aggregated adjustment during the year resulting from foreign currency translation	8,872	(2,775)	94,333
Equity in other comprehensive loss of affiliated companies			
Unrealized losses arising during the year	5,852	(1,210)	62,222
Total other comprehensive income	¥66,804	¥27,335	$710,303

23. LEASES

As lessee:
(A) Finance leases
Assets leased under finance leases that do not transfer ownership to the lessee as of March 31, 2013 and 2012 consist mainly of Parking Facilities (Mitsui Repark). Such assets are capitalized as assets and depreciated using the straight-line method over their lease term assuming no residual value.

As described in Note 2 (P), finance leases that do not transfer ownership to the lessee whose commencement day falls on or before March 31, 2008 are accounted for as operating lease. Information on such leases is summarized as follows:
(1) Pro forma amounts of acquisition cost, accumulated depreciation and net book value at March 31, 2013 and 2012:

	Millions of yen						Thousands of U.S. dollars		
	2013			2012			2013		
	Buildings and structures	Machinery and equipment	Total	Buildings and structures	Machinery and equipment	Total	Buildings and structures	Machinery and equipment	Total
Acquisition cost	¥2,618	¥65	¥2,683	¥4,593	¥1,124	¥5,717	$27,836	$691	$28,527
Accumulated depreciation	1,680	45	1,725	2,602	1,064	3,666	17,863	478	18,341
Net book value	¥ 938	¥20	¥ 958	¥1,991	¥ 60	¥2,051	$ 9,973	$213	$10,186

(2) Future lease payment inclusive of interest at March 31, 2013 and 2012:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Amount due within one year	¥227	¥ 391	$ 2,414
Amount due after one year	731	1,660	7,772
Total	¥958	¥2,051	$10,186

(3) Lease expense and the pro forma amount of depreciation expense for the years ended March 31, 2013, 2012 and 2011:

	Millions of yen			Thousands of U.S. dollars
	2013	2012	2011	2013
Lease expense	¥389	¥597	¥749	$4,136
Depreciation expense	389	597	749	4,136

(4) Calculation of the pro forma amount of depreciation expense:
Pro forma depreciation amounts are computed using the straight-line method over the lease terms assuming no residual value.

(B) Operating leases
Future lease payments under non-cancellable operating leases at March 31, 2013 and 2012:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Amount due within one year	¥ 63,593	¥ 64,383	$ 676,162
Amount due after one year	136,866	151,417	1,455,247
Total	¥200,459	¥215,800	$2,131,409

As lessor:
Operating leases
Future lease revenue under non-cancellable operating leases at March 31, 2013 and 2012:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Amount due within one year	¥ 45,696	¥ 42,800	$ 485,869
Amount due after one year	216,510	209,522	2,302,074
Total	¥262,206	¥252,322	$2,787,943

24. BUSINESS TRANSACTIONS WITH SPECIAL PURPOSE ENTITIES

The Company invests in special purpose entities (SPEs) for securitizing its customers' real estate. SPEs utilized consist mainly of tokurei-yugen-kaisha, or limited liability companies, and tokutei-mokuteki-kaisha, or specific purpose companies ("TMK") under Securitization Law. The SPEs mainly acquire real estate and develop real estate projects, and developed properties are sold to investors.

Other than investments by the Company, SPEs are funded by borrowings from financial institutions, such as non-recourse loans and asset backed securities issued by TMK.

The Company plans to collect the appropriate amount of its investments at the exit of those projects referred to above. As of March 31, 2013, those projects are making progress as initially planned. The Company's risk exposure is limited to the amount of "equity investments in properties for sale" and etc.

The Company has no directors and/or employees dispatched to any SPE.

The Company invested in 25 and 30 SPEs which are subject to disclosure as of March 31, 2012 and 2011, respectively. There are no SPEs subject to disclosure as of March 31, 2013 since SPEs referred to above are included in scope of consolidation commencing the year ended March 31, 2013, as described in Note 2 (A).

The following tables summarize transactions with the SPEs as of March 31, 2012 and for the years ended March 31, 2012 and 2011.

	Millions of yen			
	Balance	Revenue and costs		
	2012		2012	2011
Investments (*1)	¥96,385	Revenue from operations (*2)	¥5,232	¥8,254
		Cost of revenue from operations (*3)	662	342
Management	—	Revenue from operations (*4)	868	1,401

(*1) Consists of ¥ 47,211 million of "equity investments in properties for sale" and ¥ 49,174 million of "investment securities" as of March 31, 2012, and includes investments in tokumei-kumiai (TK), or silent partnerships and preferred securities issued by TMK.
(*2) Dividends on the investments earned by the Company, and consists of ¥5,232 million and ¥5,044 million for leasing segment and ¥nil million and ¥3,210 million for property sales segment for the year ended March 31, 2012 and 2011, respectively.
(*3) Costs and losses incurred by the Company in connection with the investment such as costs incurred during development of real estate, and consists of ¥442 million and ¥322 million for the leasing segment and ¥220 million and ¥20 million for the property sales segment for the years ended March 31, 2012 and 2011, respectively.
(*4) Asset management fees earned by the Company and Mitsui Fudosan Investment Advisers, Inc., and are included in the management segment for the years ended March 31, 2012 and 2011.

Combined assets, liabilities and net assets of SPEs as of the latest closing date of each SPE is summarized as follows:

	Millions of yen
	2012
Assets	
Real property	¥445,433
Other	32,421
Total	¥477,854

	Millions of yen
	2012
Liabilities and net assets	
Borrowings (*5)	¥351,003
Capital (*6)	119,210
Other	7,641
Total	¥477,854

(*5) Consists of non-recourse loans and asset backed securities issued by TMK.
(*6) Consists of capital deposit in TK and preferred capital in TMK, and includes investments by the Company. (Refer to (*1) for respective ending balances.)

25. SEGMENT INFORMATION

Reportable Segment Information:

The reportable segments of the Company represent its components for which operating results are regularly reviewed, utilizing separately available financial information, by the management in deciding how to allocate resources and assessing segment performance.

The Company's Head Office organizes its business units based on products and services, with each unit controlling subsidiaries with related business, mainly consisting of leasing, property sales and management.

The Company employs a matrix form of segment categorized by business unit organized by Head Office and by services provided. The Company's segments have been aggregated based on the nature of products and services into the 5 reportable segments of "Leasing", "Property Sales", "Management", "Mitsui Home", a listed subsidiary, and "Other".

Descriptions of reportable segments are stated below.

(1) Leasing

Leasing of office buildings and commercial facilities, etc.

(2) Property Sales

Sales of condominiums and detached housing to individuals, and sales of rental housing and office buildings, etc. to investors.

(3) Management

Property management and brokerage and asset management, etc.

(4) Mitsui Home

New housing construction and renovation, etc.

(5) Other

Facility operations and merchandise sales, etc.

Financial information about reportable segments for the years ended March 31, 2013, 2012 and 2011 is summarized in the following tables. The accounting policies of segments are almost the same as those described in Note 2. Segment operating income is based on revenue from operations, cost of revenue from operations and selling, general and administrative expenses. Transactions and transfers between segments are made at amounts based on prevailing market prices.

	Millions of yen						
Year ended March 31, 2013	(1)	(2)	(3)	(4)	(5)	Adjustments (*1)	Consolidated
Revenue from operations:							
Outside customers	**¥ 441,712**	**¥ 393,454**	**¥297,934**	**¥209,029**	**¥103,515**	**¥ —**	**¥1,445,644**
Inter-segment	**16,644**	**80**	**50,662**	**9,359**	**3,731**	**(80,476)**	**—**
Total revenue from operations	**¥ 458,356**	**¥ 393,534**	**¥348,596**	**¥218,388**	**¥107,246**	**¥(80,476)**	**¥1,445,644**
Segment operating income	**¥ 104,352**	**¥23,058**	**¥ 41,579**	**¥ 567**	**¥ (85)**	**¥(21,286)**	**¥148,185**
Segment assets	**2,646,294**	**1,104,782**	**269,568**	**119,660**	**105,236**	**144,535**	**4,390,075**
Depreciation	**42,733**	**1,259**	**6,533**	**3,281**	**3,925**	**1,291**	**59,022**
Loss on impairment of fixed assets	**6,995**	**—**	**69**	**—**	**705**	**—**	**7,769**
Additions to property and equipment and intangible assets	**47,615**	**1,302**	**9,730**	**5,176**	**7,611**	**922**	**72,356**

	Millions of yen						
Year ended March 31, 2012	(1)	(2)	(3)	(4)	(5)	Adjustments (*2)	Consolidated
Revenue from operations:							
Outside customers	¥ 420,528	¥321,352	¥286,639	¥207,568	¥102,015	¥ —	¥1,338,102
Inter-segment	15,680	—	42,462	9,271	3,383	(70,796)	—
Total revenue from operations	¥ 436,208	¥321,352	¥329,101	¥216,839	¥105,398	¥(70,796)	¥1,338,102
Segment operating income	¥ 95,700	¥ 15,734	¥ 34,364	¥ 4,187	¥ (807)	¥(23,140)	¥ 126,038
Segment assets	2,474,791	753,266	240,120	113,152	110,232	176,851	3,868,412
Depreciation	37,141	1,470	6,053	3,579	3,615	1,373	53,231
Additions to property and equipment and intangible assets	91,341	762	10,438	3,680	4,566	969	111,756

	Millions of yen						
Year ended March 31, 2011	(1)	(2)	(3)	(4)	(5)	Adjustments (*3)	Consolidated
Revenue from operations:							
Outside customers	¥ 423,468	¥405,243	¥277,947	¥205,131	¥ 93,481	¥ —	¥1,405,270
Inter-segment	15,849	—	41,168	8,999	3,551	(69,567)	—
Total revenue from operations	¥ 439,317	¥405,243	¥319,115	¥214,130	¥ 97,032	¥ (69,567)	¥1,405,270
Segment operating income	¥ 88,929	¥ 16,193	¥ 32,121	¥ 3,764	¥ 1,002	¥ (21,916)	¥ 120,093
Segment assets	2,427,493	745,625	207,064	114,366	107,543	178,609	3,780,700
Depreciation	36,610	1,438	5,858	3,876	3,775	1,398	52,955
Loss on impairment of fixed assets	1,743	—	95	—	2,277	—	4,115
Additions to property and equipment and intangible assets	210,597	1,530	8,208	3,354	4,924	781	229,394

	Thousands of U.S. dollars						
Year ended March 31, 2013	(1)	(2)	(3)	(4)	(5)	Adjustments (*1)	Consolidated
Revenue from operations:							
Outside customers	**$ 4,696,566**	**$ 4,183,455**	**$3,167,826**	**$2,222,530**	**$1,100,638**	**$ —**	**$15,371,015**
Inter-segment	**176,970**	**851**	**538,671**	**99,511**	**39,670**	**(855,673)**	**—**
Total revenue from operations	**$ 4,873,536**	**$ 4,184,306**	**$3,706,497**	**$2,322,041**	**$1,140,308**	**$ (855,673)**	**$15,371,015**
Segment operating income	**$ 1,109,538**	**$ 245,167**	**$ 442,095**	**$ 6,028**	**$ (904)**	**$ (226,327)**	**$ 1,575,597**
Segment assets	**28,137,097**	**11,746,752**	**2,866,220**	**1,272,302**	**1,118,937**	**1,536,789**	**46,678,097**
Depreciation	**454,365**	**13,386**	**69,463**	**34,886**	**41,733**	**13,727**	**627,560**
Loss on impairment of fixed assets	**74,375**	**—**	**734**	**—**	**7,496**	**—**	**82,605**
Additions to property and equipment and intangible assets	**506,273**	**13,844**	**103,455**	**55,035**	**80,925**	**9,803**	**769,335**

(*1) Adjustments to segment operating income of ¥(21,286) million ($(226,327) thousand) consists of ¥116 million ($1,233 thousand) of inter-segment elimination and ¥(21,402) million ($(227,560) thousand) of corporate expenses, which mainly represent the Company's general and administrative expenses that are not allocable to any of the reportable segments. Adjustments to segment assets of ¥144,535 million ($1,536,789—thousand) consists of ¥(728,009) million ($(7,740,659) thousand) of inter-segment elimination, ¥736,154 million ($7,827,262 thousand) of corporate assets and investments in affiliated companies of ¥136,390 million ($1,450,186 thousand).

(*2) Adjustments to segment operating income of ¥(23,140) million consists of ¥15 million of inter-segment elimination and ¥(23,155) million of corporate expenses, which mainly represent the Company's general and administrative expenses that are not allocable to any of the reportable segments. Adjustments to segment assets of ¥176,851 million consists of ¥(730,484) million of inter-segment elimination, ¥785,179 million of corporate assets and investments in affiliated companies of ¥122,156 million.

(*3) Adjustments to segment operating income of ¥(21,916) million consists of ¥230 million of inter-segment elimination and ¥(22,146) million of corporate expenses, which mainly represent the Company's general and administrative expenses that are not allocable to any of the reportable segments. Adjustments to segment assets of ¥178,609 million consists of ¥(721,668) million of inter-segment elimination, ¥786,445 million of corporate assets and investments in affiliated companies of ¥113,832 million.

Reportable segment information regarding carrying amount and amortization of goodwill and income recognized from negative goodwill has been omitted due to their immateriality.

Products and Services Information:
Refer to reportable segment information.

Geographic Area Information:
Geographic area information has been omitted since revenue from outside customers in the Japan area and property and equipment located in the Japan area accounted for more than 90% of revenue from operations on the consolidated income statements and property and equipment on the consolidated balance sheets, respectively.

Customer Information:
Customer information has been omitted since revenue from no single customer exceeded 10% of revenue from operations on the consolidated income statements.

26. CONTINGENT LIABILITIES

Contingent liabilities at March 31, 2013 and 2012 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Loans guaranteed	¥32,988	¥42,014	$350,750

27. SUBSEQUENT EVENTS

There were no applicable items under this category.

KPMG

Independent Auditor's Report

To the Board of Directors of Mitsui Fudosan Co., Ltd.:

We have audited the accompanying consolidated financial statements of Mitsui Fudosan Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2013 and 2012, and the consolidated statements of income, statements of comprehensive income, statements of changes in net assets and statements of cash flows for each of the years in the three-year period ended March 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Mitsui Fudosan Co., Ltd. and its consolidated subsidiaries as at March 31, 2013 and 2012, and their financial performance and cash flows for each of the years in the three-year period ended March 31, 2013, in accordance with accounting principles generally accepted in Japan.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 (A) to the consolidated financial statements. Commencing from the year ended March 31, 2013, Mitsui Fudosan Co., Ltd. and its consolidated subsidiaries adopted "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, revised March 25, 2011) and related guidances.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2013 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

June 27, 2013
Tokyo, Japan

DOMESTIC NETWORK

Head Office

1-1, Nihonbashi-Muromachi 2-chome,
Chuo-ku, Tokyo 103-0022

Branch Offices

Kansai Head Office
Midosuji Mitsui Building
1-3, Bingo-machi 4-chome, Chuo-ku, Osaka-shi, Osaka
541-0051

Kyoto Branch
Kyoto Mitsui Building
8 Naginataboko-cho, Shijodori-Karasuma, Higashiiru,
Shimogyo-ku, Kyoto-shi, Kyoto 600-8008

Hokkaido Branch
Sapporo HS Building
10-2, Kitasanjyo Nishi 2-chome, Chuo-ku,
Sapporo-shi, Hokkaido 060-0003

Tohoku Branch
Sendai Honcho Mitsui Building
4-6, Honcho 2-chome, Aoba-ku, Sendai-shi,
Miyagi 980-0014

Chiba Branch
Chiba Chuo Twin Building No.1
11-1, Chuo 1-chome, Chuo-ku, Chiba-shi,
Chiba 260-0013

Yokohama Branch
Yokohama Mitsui Building
1-2, Takashima 1-chome, Nishi-ku,
Yokohama-shi, Kanagawa 220-0011

Chubu Branch
Nagoya Mitsui Main Building
24-30, Meieki Minami 1-chome,
Nakamura-ku, Nagoya-shi, Aichi 450-0003

Chugoku Branch
Nakamachi Mitsui Building
9-12, Nakamachi, Naka-ku, Hiroshima-shi,
Hiroshima 730-0037

Kyushu Branch
Hakata Mitsui Building
10-1, Kami Gofuku-machi, Hakata-ku, Fukuoka-shi,
Fukuoka 812-0036

OVERSEAS NETWORK

Mitsui Fudosan America, Inc.
1251 Avenue of the Americas, Suite 800,
New York, N.Y. 10020, U.S.A.
Tel : 1-212-403-5600
Fax: 1-212-403-5657

Halekulani Corporation
2222 Kalakaua Avenue, Suite 900,
Honolulu, Hawaii 96815, U.S.A.
Tel : 1-808-526-1186
Fax: 1-808-531-5651

Mitsui Fudosan (U.K.) Ltd.
7th Floor, Berger House, 38 Berkeley Square,
London, W1J 5AE, United Kingdom
Tel : 44-20-7318-4370
Fax: 44-20-7318-4371

Mitsui Fudosan (Asia) Pte. Ltd.
16 Raffles Quay, #37-01 Hong Leong Building,
Singapore 048581
Tel : 65-6220-8358
Fax: 65-6224-8783

Mitsui Fudosan (Shanghai) Consulting Co., Ltd.
Unit 2101, One ICC,
Shanghai International Commerce Center,
999 Middle Huaihai Road Xuhui District Shanghai,
200031, China
Tel : 86-21-5396-6969
Fax: 86-21-5396-6899

Mitsui Fudosan Consulting (Beijing) Co., Ltd.
17th Floor, Unit 17, China World Office I,
No.1 Jianguomenwai Avenue, Beijing, 100004, China
Tel : 86-10-6505-3101
Fax: 86-10-6505-3115

Mitsui Fudosan Consulting (Guangzhou) Co., Ltd.
Room 1405, R&F CENTRE No.10
Huaxia Road, Zhujiang New Town, Guangzhou,
510623, China
Tel : 86-20-2802-3188
Fax: 86-20-2802-3180

Mitsui Fudosan Co., Ltd. Hong Kong Branch
Level 3, Three Pacific Place,
1 Queen's Road East, Admiralty, Hong Kong
Tel : 852-2855-6951

1 LEASING SEGMENT

Company Name	Property Name (Location)	Type of Property	Structure and Scale	Date of Construction Completion / Acquisition	Total Floor Area (m²)	Total Land Area (m²)	Book Value (Millions of Yen)			
							Building	Land	Other	Total
1) Properties										
Mitsui Fudosan Co., Ltd.	Mitsui Main Building (Chuo Ward, Tokyo)	Office	Steel-reinforced concrete structure 7 floors above ground 2 basement floors	Mar. 1929	32,245	14,256	3,357	122,472	30	166,135
	Mitsui Building No.2 (Chuo Ward, Tokyo)	Office	Steel-reinforced concrete structure 11 floors above ground 3 basement floors	Feb. 1985	26,490		4,737		46	
	Nihonbashi Mitsui Tower (Chuo Ward, Tokyo)	Office	Steel construction / steel-reinforced concrete structure (portion) 39 floors above ground 4 basement floors	Jul. 2005	133,727		34,975		515	
	Mitsui Building Annex (Chuo Ward, Tokyo)	Office	Steel-reinforced concrete structure 9 floors above ground 2 basement floors	Jan. 1952	17,785	1,984	3,091	11,631	9	14,732
	Mitsui Building Annex No.2 (Chuo Ward, Tokyo)	Office	Steel-reinforced concrete structure 9 floors above ground 2 basement floors	Nov. 1956	14,300	1,468	1,154	12,679	15	13,848
	Muromachi Higashi-Mitsui Building (Chuo Ward, Tokyo)	Office, Retail facility	Steel construction / steel-reinforced concrete structure (portion) / reinforced concrete structure (portion) 22 floors above ground 4 basement floors	Oct. 2010	40,363	2,454	13,544	25,088	565	39,198
Mitsui Fudosan Co., Ltd. T Tower Corporation	Nihonbashi 1-Chome Building (Chuo Ward, Tokyo)	Office, Retail facility	Steel construction / steel-reinforced concrete structure (portion) 20 floors above ground 4 basement floors	Jan. 2004	98,063	8,185[*1]	18,149	58,848	305	77,303
Mitsui Fudosan Co., Ltd.	Yaesu Mitsui Building (Chuo Ward, Tokyo)	Office	Steel-reinforced concrete structure 10 floors above ground 3 basement floors	Jun. 1965	22,520[*1]	1,865[*1,*2]	1,231	15,811[*2]	21	17,065
	St. Luke's Tower (Chuo Ward, Tokyo)	Office, Hotel, Residential	*Office Tower* Steel construction / steel-reinforced concrete structure (portion) / reinforced concrete structure (portion) 51 floors above ground 4 basement floors *Hotel, Residential Tower* Steel-reinforced concrete structure / reinforced concrete structure (portion) 38 floors above ground 1 basement floors	May 1994	72,456[*1]	5,529[*1,*2]	10,651	—	75	10,726
	Kojun Building (Chuo Ward, Tokyo)	Retail facility	Steel-reinforced concrete structure 10 floors above ground 2 basement floors	Sep. 2004	13,662[*1]	1,316[*1]	2,800	7,832	65	10,698
	Sumitomo Mitsui Banking Corporation Head Office Building (Chiyoda Ward, Tokyo)	Office	Steel construction 23 floors above ground 4 basement floors	Jul. 2010	80,047	5,430	23,432	89,148	468	113,049
	Kasumigaseki Building (Chiyoda Ward, Tokyo)	Office	Steel construction / steel-reinforced concrete structure (portion) 36 floors above ground 3 basement floors	Apr. 1968	145,494[*1]	8,264[*1,*2]	18,604	1,356[*2]	1,143	21,103
	Shin-Kasumigaseki Building (Chiyoda Ward, Tokyo)	Office	Steel construction / steel-reinforced concrete structure (portion) 20 floors above ground 3 basement floors	Feb. 1987	14,895[*1]	2,891[*1]	1,311	16,597	11	17,920
	Toranomon Mitsui Building (Chiyoda Ward, Tokyo)	Office	Steel construction / steel-reinforced concrete structure (portion) 14 floors above ground 2 basement floors	Sep. 1972	23,606	3,264	1,669	32,292	18	33,981
	Marunouchi Mitsui Building (Chiyoda Ward, Tokyo)	Office	Steel-reinforced concrete structure 11 floors above ground 2 basement floors	Feb. 1981	20,373	1,851	3,259	23,690	22	26,971

	Jimbocho Mitsui Building (Chiyoda Ward, Tokyo)	Office	Steel construction / steel-reinforced concrete structure (portion) 23 floors above ground 2 basement floors	Mar. 2003	45,476[*1]	4,152[*1]	14,241	25,114	107	39,463
	Otemachi 1-Chome Mitsui Building (Chiyoda Ward, Tokyo)	Office	Steel construction / reinforced concrete structure (portion) 12 floors above ground 3 basement floors	Nov. 2007	48,282	5,372	1,486	117,309	9	118,805
	Gran Tokyo North Tower (Chiyoda Ward, Tokyo)	Office	Steel construction / steel-reinforced concrete structure (portion) / reinforced concrete structure (portion) 43 floors above ground 4 basement floors	Oct. 2007	82,001[*1]	3,723[*1]	18,474	43,778	434	62,687
	Otemachi PAL Building (Chiyoda Ward, Tokyo)	Office	Steel-reinforced concrete structure 9 floors above ground 3 basement floors	Mar. 2011	13,962[*1]	1,380[*1]	305	37,153	1	37,460
	Shiodome City Center (Minato Ward, Tokyo)	Office	Steel construction / steel-reinforced concrete structure (portion) 43 floors above ground 4 basement floors	Jan. 2003	15,775[*1]	1,322[*1]	2,361	9,468	14	11,844
	Celestine Shiba Mitsui Building (Minato Ward, Tokyo)	Office	Steel construction / steel-reinforced concrete structure (portion) 17 floors above ground 2 basement floors	Apr. 2002	52,770	6,734	7,330	21,869	108	29,308
Mitsui Fudosan Co., Ltd. RP Beta Tokutei Mokuteki Kaisha RP Gamma Tokutei Mokuteki Kaisha RP Eta Tokutei Mokuteki Kaisha RP Delta Tokutei Mokuteki Kaisha RP Epsilon Tokutei Mokuteki Kaisha	Tokyo Midtown (Minato Ward, Tokyo)	Office, Retail facility, Residential	Steel construction / steel-reinforced concrete structure (portion) / reinforced concrete structure (portion) 54 floors above ground 5 basement floors	Jan. 2007	281,901[*1]	34,465[*1]	59,967	148,163	2,102	210,234
Mitsui Fudosan Co., Ltd.	Gate City Ohsaki (Shinagawa Ward, Tokyo)	Office	Steel construction / steel-reinforced concrete structure (portion) / reinforced concrete structure (portion) 24 floors above ground 4 basement floors	Jan. 1999	29,604[*1]	5,339[*1]	6,669	13,334	117	20,122
	Shinjuku Mitsui Building (Shinjuku Ward, Tokyo)	Office	Steel construction / reinforced concrete structure (portion) 55 floors above ground 3 basement floors	Sep. 1974	179,697	14,449	11,736	186,668	170	198,575
	Urban Dock LaLaport TOYOSU (Koto Ward, Tokyo)	Retail facility	Steel construction / steel-reinforced concrete structure (portion) 5 floors above ground 1 basement floors	Aug. 2006	164,634	67,499[*2]	9,335	—	854	10,189
	LAZONA Kawasaki plaza (Kawasaki city, Kanagawa prefecture)	Retail facility	Steel construction / reinforced concrete structure (portion) 6 floors above ground 1 basement floors	Sep. 2006	69,081[*1]	72,013[*2]	3,958	26,022	301	30,282
	Yokohama Mitsui Building (Yokohama city, Kanagawa Prefecture)	Office	Steel construction / steel-reinforced concrete structure (portion) / reinforced concrete structure (portion) 30 floors above ground 2 basement floors	Feb. 2012	90,356	7,799	26,391	7,534	2,284	36,211

Mitsui Fudosan Co., Ltd.	LaLaPort Mitsui Building (Funabashi City, Chiba Prefecture)	Office	Steel-reinforced concrete structure / partial steel construction 14 floors above ground 1 basement floors	Jun. 1988	22,491[*1]	157,850	2,034	48,875	25	71,210
	LaLaport TOKYO-BAY (Funabashi City, Chiba Prefecture)	Retail facility	Reinforced concrete structure / partial steel construction / steel-reinforced concrete structure (portion) 10 floors above ground 1 basement floors	Apr. 1981	311,331[*1]		19,191		1,083	
	Nagoya Mitsui Main Building (Nagoya City, Aichi Prefecture)	Office	Steel construction 18 floors above ground 2 basement floors	Mar. 1987	31,257	3,526	3,321	9,875	99	13,295
	Otemachi Tatemono Nagoya Station Building (Nagoya City, Aichi Prefecture)	Office, Retail facility	Steel-reinforced concrete structure 11 floors above ground 2 basement floors	Aug. 2007	37,834	2,976	439	14,242	9	14,692
	Nakanoshima Mitsui Building (Osaka City, Osaka prefecture)	Office, Retail facility	Steel construction / steel-reinforced concrete structure (portion) 31 floors above ground 2 basement floors	Aug. 2002	71,269	4,456	10,575	12,131	189	22,895
	Yodoyabashi Mitsui Building (Osaka City, Osaka prefecture)	Office, Retail facility	Steel construction / steel-reinforced concrete structure (portion) / reinforced concrete structure (portion) 16 floors above ground 3 basement floors	Mar,. 2008	38,838[*1]	3,087[*1]	7,646	14,556	200	22,403
	Midosuji Mitsui Building (Osaka City, Osaka Prefecture)	Office	Steel-reinforced concrete structure 12 floors above ground 3 basement floors	Dec. 1976	28,715	2,724	5,379	15,060	16	20,456
	MITSUI OUTLET PARK MARINE PIA KOBE (Kobe City, Hyogo Prefecture)	Retail facility	*Factory Outlet* Steel construction, 3 floors above ground *Annex* Steel construction, 2 floors above ground	Jul. 1999	62,157	78,397	2,285	11,096	1,236	14,617
MITSUI FUDOSAN AMERICA, INC. (Overseas subsidiary)	1251 Avenue of the Americas (New York City, New York, U.S.A.)	Office	Steel construction 54 floors above ground 4 basement floors	Dec. 1986	214,106	9,232	29,048	19,233	—	48,281
	527 Madison Avenue (New York City, New York, U.S.A.)	Office	Steel construction 26 floors above ground 1 basement floors	Sep. 2008	22,017	1,082	11,959	9,104	—	21,063
	100 William Street (New York City, New York, U.S.A.)	Office	Steel construction 21 floors above ground 1 basement floors	Dec. 2007	35,832	1,720	10,893	4,980	0	15,874
	180 Montgomery (San Francisco, California, U.S.A.)	Office	Steel construction 25 floors above ground 1 basement floors	Jan. 2007	30,193	1,726	7,560	3,093	0	10,654
	Homer Building (Washington D.C., U.S.A.)	Office	Steel construction 12 floors above ground 5 basement floors	Jan. 2012	56,731	4,024[*2]	23,287	3,475[*2]	—	26,763
MITSUI FUDOSAN (U.K.) LTD. (Overseas subsidiary)	20 Old Bailey (London. U.K.)	Office	Steel-reinforced concrete structure 8 floors above ground 2 basement floors	Dec. 1988	23,798	3,289	4,607	6,828	547	11,983
	5 Hanover Square (London. U.K.)	Office	Steel construction 7 floors above ground 1 basement floors	Mar. 2012	7,957	1,122	3,160	8,480	1,366	13,007

2) Other

Mitsui Fudosan Co., Ltd.	Chuo Ward, Tokyo Land and building	Land and building development project	—	25,293	3,679	4,280	29,127	41	33,449
	Fujimi, Chiyoda Ward, Tokyo Land	Planned construction site	—	0	7,928	—	74,181	—	74,181
	Yurakucho, Chiyoda Ward, Tokyo Land	Planned construction site	—	0	10,702	—	121,375	—	121,375
	Funabashi City, Chiba Prefecture Land	Lot for rent	—	0	244,680*2	—	17,176*2	—	17,176
	Osaka City, Osaka Prefecture Land	Land development project	—	0	999	—	10,614	—	10,614

*1 Data for the subject land, buildings, and structures is based on the area in which the Group maintains an equity interest.
*2 Includes leasehold
Note: Land includes leasehold. Other is tangible fixed assets excluding buildings, land, and construction in progress.

2 OTHER

Company Name	Property Name (Location)	Type of Property	Structure and Scale	Date of Construction Completion / Acquisition	Total Floor Area (m²)	Total Land Area (m²)	Book Value (Millions of Yen)			
							Building	Land	Other	Total
Mitsui Fudosan Co., Ltd. Celestine Hotel Co., Ltd. Mitsui Fudosan Hotel Management Co., Ltd. Hotel Management Co., Ltd.	Mitsui Garden Hotel Ginza Premier Other domestic hotels in nine locations	Hotel	—	—	99,470*1	13,160*1,*2	11,844	10,566*2	742	23,152
MITSUI FUDOSAN AMERICA, INC. (Overseas subsidiary)	Halekulani One other overseas hotel in another location	Hotel	—	—	77,172	20,927*2	7,283	2,138*2	1,717	11,139
Mitsui Fudosan Co., Ltd. Mitsui Fudosan Golf Properties Co., Ltd. Nippon Midori Development Co., Ltd. Kyusin Kaihatsu Inc.	Mitsuinomori Karuizawa Country Club Six other locations	Golf course	—	—	32,608	6,849,607*2	2,203	5,353*2	8,964	16,521
Mitsui Fudosan Co., Ltd.	Tsunamachi Mitsui Club (Minato Ward, Tokyo)	State guest house	Floors: reinforced concrete structure Walls: masonry construction 2 floors above ground 1 basement floors	Feb. 1913	5,427	28,563	1,175	23,571	293	25,040

*1 Data for the subject land, buildings, and structures is based on the area in which the Group maintains an equity interest.
*2 Includes leasehold
Note: Land includes leasehold. Other is tangible fixed assets excluding buildings, land, and construction in progress.

HISTORY

(From Mitsui Fudosan's Corporate Profile 2013)

1673
- Opening of the Echigo-ya clothing store in Nihonbashi by Takatoshi Mitsui, founder of the House of Mitsui

1914
- Establishment of Mitsui Company and its real estate section

1929
- Completion of Mitsui Main Building

1941
- Separation of real estate division from the Mitsui Company, establishment of Mitsui Fudosan Co., Ltd. with 3 million yen in capital, wholly owned by the Mitsui family

1949
- Listing of stock

1951
- Foundation of Daiichi Engei Co., Ltd.

1956
- Liquidation and absorption of the Mitsui Company by Mitsui Fudosan

1959
- Capital participation in Fuji Sogo Development (now Cany Corporation)

1960
- Foundation of Oriental Land Co., Ltd.

1961
- Start of development and sales of residential and vacation property

1968
- Start of development and sales of condominiums
- Completion of Kasumigaseki Building (Tokyo), the first skyscraper in Japan

1969
- Start of construction and sales of houses
- Establishment of Mitsui Real Estate Sales Co., Ltd.

1971
- Completion of Mita Tsunamachi Park Mansion (Tokyo)

1972
- Completion of Ginza Mitsui Building (Tokyo)

1973
- Foundation of Mitsui Fudosan America, Inc.

1974
- Completion of Shinjuku Mitsui Building (Tokyo)
- Establishment of Mitsui Home Co., Ltd.

1975
- Foundation of Mashiko Country Club (Tochigi)

1976
- Foundation of Uniliving Co., Ltd.

1980
- Establishment of "Let's" system of joint development

1981
- Opening of LaLaport (now LaLaport TOKYO-BAY), Japan's first large-scale regional shopping center (Chiba)

1983
- Opening of Tokyo Disneyland (Chiba)

1984
- Opening of Mitsui Garden Hotel Osaka (now Mitsui Garden Hotel Osaka Yodoyabashi), Mitsui Fudosan's first hotel in Japan (Osaka)
- Opening of Halekulani Hotel in Hawaii

1986
- Acquisition of Exxon Building, (now 1251 Avenue of the Americas) (New York)

1987
- Opening of Waikiki Parc Hotel (Hawaii)

1990
- Opening of Alpark (Hiroshima)

1991
- Creation of new corporate logo " "

1993
- Full completion of Okawabata River City 21, West Block (Tokyo)
- Full completion of Bell Park City (Osaka)

1994
- Listing of Mitsui Home Co., Ltd. on Tokyo Stock Exchange
- Opening of Shonan Village (Kanagawa)

1995
- Opening of Tsurumi Hanaport Blossom (now MITSUI OUTLET PARK OSAKA TSURUMI), the first factory outlet mall in Japan (Osaka)

1998
- Registration of Mitsui Main Building as Important Cultural Property
- Completion of Yokohama Bayside Marina Shops and Restaurants (now MITSUI OUTLET PARK YOKOHAMA BAYSIDE) (Kanagawa)

1999
- Establishment of the Mitsui Fudosan Group Vision and Mission
- Completion of Gate City Ohsaki (Tokyo)
- Completion of MARINE PIA KOBE PORTO BAZAR Factory Outlets (now MITSUI OUTLET PARK MARINE PIA KOBE) (Hyogo)

2000
- Start of Office Building Fund operation
- Completion of La Fete Tama Minami Osawa (now MITSUI OUTLET PARK TAMA MINAMI OSAWA) (Tokyo)
- Completion of Mitsui Garden Hotel Okayama (Okayama)
- Completion of Garden Walk Makuhari (now MITSUI OUTLET PARK MAKUHARI) (Chiba)

2002
- Completion of Nakanoshima Mitsui Building (Osaka)
- Completion of JAZZ DREAM NAGASHIMA (now MITSUI OUTLET PARK JAZZ DREAM NAGASHIMA) (Mie)

2003
- Completion of Shiodome City Center (Tokyo)
- Establishment of Challenge Plan 2008, Mitsui Fudosan Group's long-term business strategy
- Completion of Roppongi T-CUBE (Tokyo)
- Completion of Aoyama Park Tower (Tokyo)
- Completion of Goodwood Gardens (Singapore)

2004
- Opening of Nihonbashi 1-Chome Building (COREDO Nihonbashi) (Tokyo)

2005
- Opening of office in Shanghai, China
- Completion of Nihonbashi Mitsui Tower (Tokyo)
- Opening of Mitsui Garden Hotel Ginza Premier (Tokyo)
- Establishment of Mitsui Fudosan Residential Co. Ltd.

2006
- Opening of Urban Dock LaLaport TOYOSU (Tokyo)
- Opening of LAZONA Kawasaki Plaza (Kanagawa)
- Opening of LaLaport KASHIWANOHA (Chiba)

2007
- Opening of LaLaport YOKOHAMA (Kanagawa)
- Opening of Tokyo Midtown (Tokyo)
- Establishment of New Challenge Plan 2016, Mitsui Fudosan Group's long-term business strategy
- Completion of Gran Tokyo North Tower (Tokyo)

2008
- Completion of Akasaka Biz Tower (in Akasaka Sacas) (Tokyo)
- Completion of Yodoyabashi Mitsui Building (Yodoyabashi Odona) (Osaka)
- Opening of MITSUI OUTLET PARK IRUMA (Saitama)
- Opening of MITSUI OUTLET PARK SENDAI PORT (Miyagi)

2009
- Opening of Mitsui Garden Hotel Yotsuya (Tokyo)
- Completion of Sendai Hon-cho Mitsui Building (Miyagi)
- Opening of LaLaport IWATA (Shizuoka)
- Opening of LaLaport SHIN-MISATO (Saitama)

2010
- Opening of MITSUI OUTLET PARK SAPPORO KITA HIROSHIMA (Hokkaido)
- Opening of Mitsui Garden Hotel Sapporo (Hokkaido)
- Full Completion of Tokyo Southern Garden (Tokyo)
- Opening of MITSUI OUTLET PARK SHIGA RYUO (Shiga)
- Opening of Mitsui Garden Hotel Ueno (Tokyo)
- Completion of Muromachi Higashi Mitsui Building (COREDO Muromachi) (Tokyo)

2011
- Opening of Shanjing Outlet Plaza, Ningbo (Zhejiang Province, PRC)
- Opening of MITSUI OUTLET PARK KURASHIKI (Okayama)

2012
- Completion of Yokohama Mitsui Building (Kanagawa)
- Establishment of Innovation 2017, Mitsui Fudosan Group's long-term business strategy
- Opening of MITSUI OUTLET PARK KISARAZU (Chiba)
- Opening of DiverCity Tokyo (Tokyo)

2013
- Completion of Nihonbashi Astellas Mitsui Building (Tokyo)

Mitsui Fudosan Co., Ltd.

Head Office:
1-1, Nihonbashi-Muromachi 2-chome,
Chuo-ku, Tokyo, 103-0022, Japan

Date of Establishment:
July 15, 1941

Capital:
¥174,296 million

Listings:
Tokyo, Osaka (Ticker: 8801)

Number of Shares:
Authorized: 3,290,000,000
Issued and outstanding: 881,424,727

Number of Shareholders:
31,957

Transfer Agent:
Sumitomo Mitsui Trust Bank, Limited

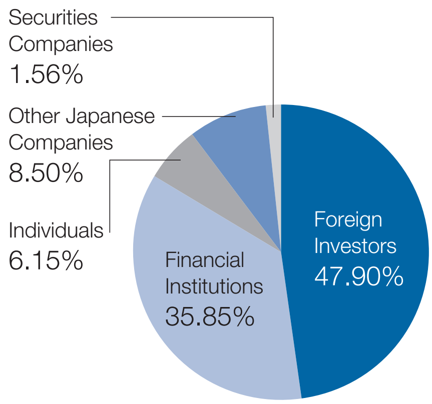
Number of Employees:
1,270 (Consolidated 16,377)

URL:
http://www.mitsuifudosan.co.jp/english

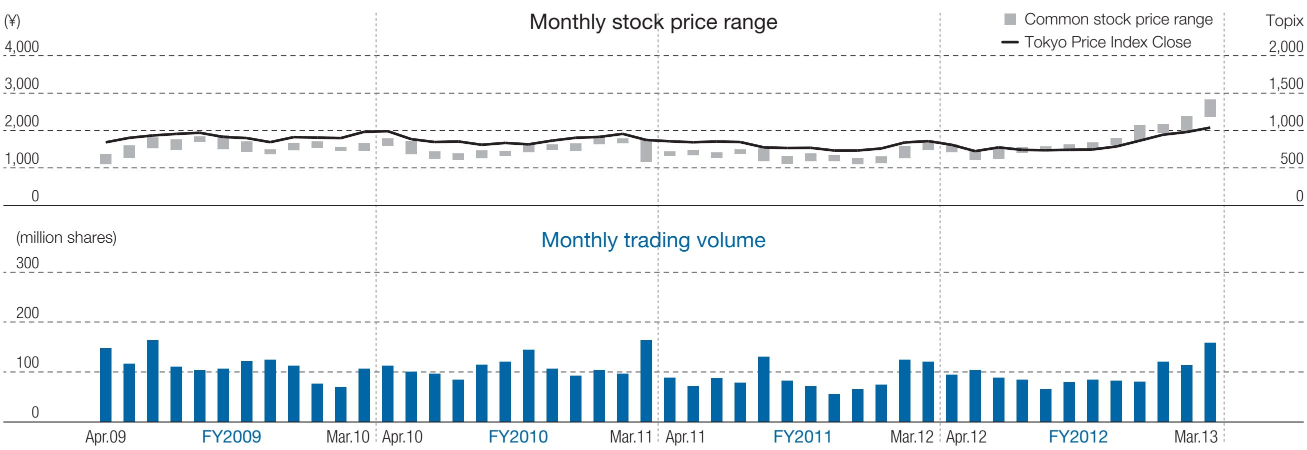
Major Shareholders

	Number of shares held (Thousands)	Percentage of total shares in issue
The Master Trust Bank of Japan, Ltd. (Trust account)	73,408	8.33
Japan Trustee Services Bank, Ltd. (Trust account)	52,312	5.93
Cbldn Stichting PGGM Depository - LISTED REAL ESTATE PF FUND	25,724	2.92
The Chase Manhattan Bank, N.A. London S.L.Omnibus Account	20,528	2.33
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS	19,309	2.19
Sumitomo Mitsui Banking Corporation	18,546	2.10
Sumitomo Mitsui Trust Bank, Limited	17,565	1.99
State Street Bank and Trust Company 505223	16,713	1.90
The Bank of New York Treaty JASDEC Account	14,064	1.60
State Street Bank and Trust Company	13,954	1.58
Total	272,123	30.87

Composition of Shareholders



Monthly Stock Data (TSE)



Notice concerning social and environment activities
Details of the Mitsui Fudosan Group's efforts to contribute to society and the environment are posted on the following website.
http://www.mitsuifudosan.co.jp/english/corporate/csr/2012/index.html

MITSUI FUDOSAN