

Fiscal Year Ended March 2010  
Earnings Announcement  
Presentation

May 10, 2010



**MITSUI FUDOSAN**  
[www.mitsuifudosan.co.jp/english](http://www.mitsuifudosan.co.jp/english)



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# 1. Performance Review (FY2007-FY2009)

**Abrupt changes in the external environment since the financial crisis of 2008 have significantly impacted results.**

- May 2007: Long-term business plan New Challenge Plan 2016 announced
- Summer 2007: Subprime loan problems emerge
- Autumn 2008: Lehman Bros. bankruptcy initiates the financial crisis
- 2009 Onward: Global and Japanese economies bottom out and begin to recover

(Billions of yen)

Results	FY2007	FY2008	FY2009
Operating income	179.2	171.5	120.5
Holding	81.8	91.2	89.8
Trading	57.7	48.5	11.9
Management	52.3	44.3	35.3
Net income	87.3	83.5	60.0

## 2. Economic Conditions Outlook

**The global and Japanese economies have begun generating positive growth and should avoid a double-dip recession.**

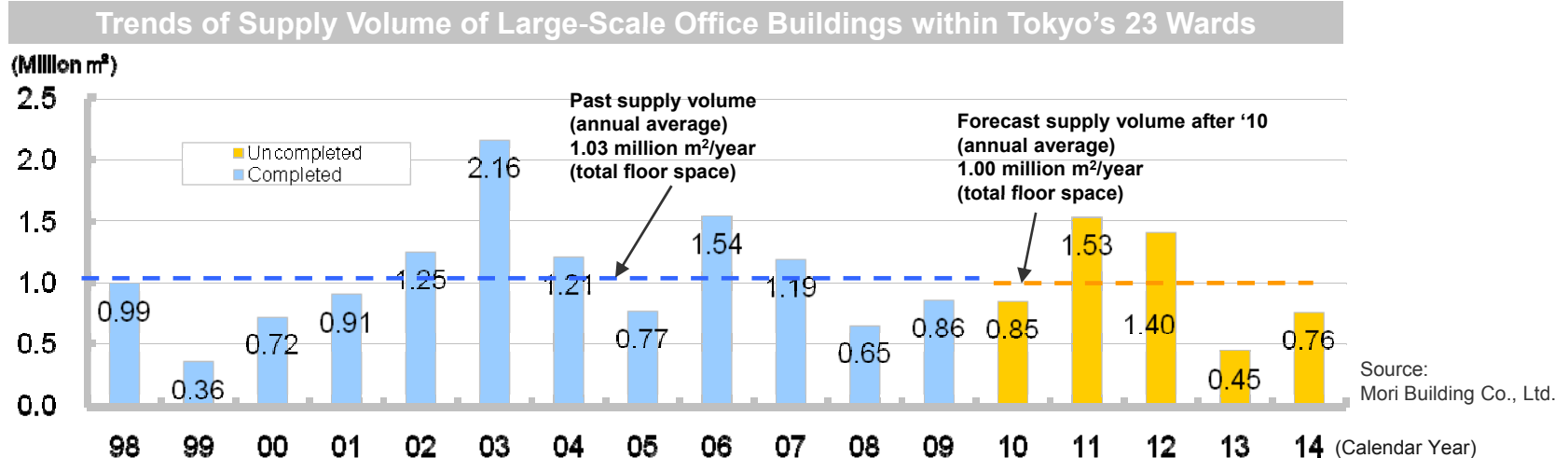
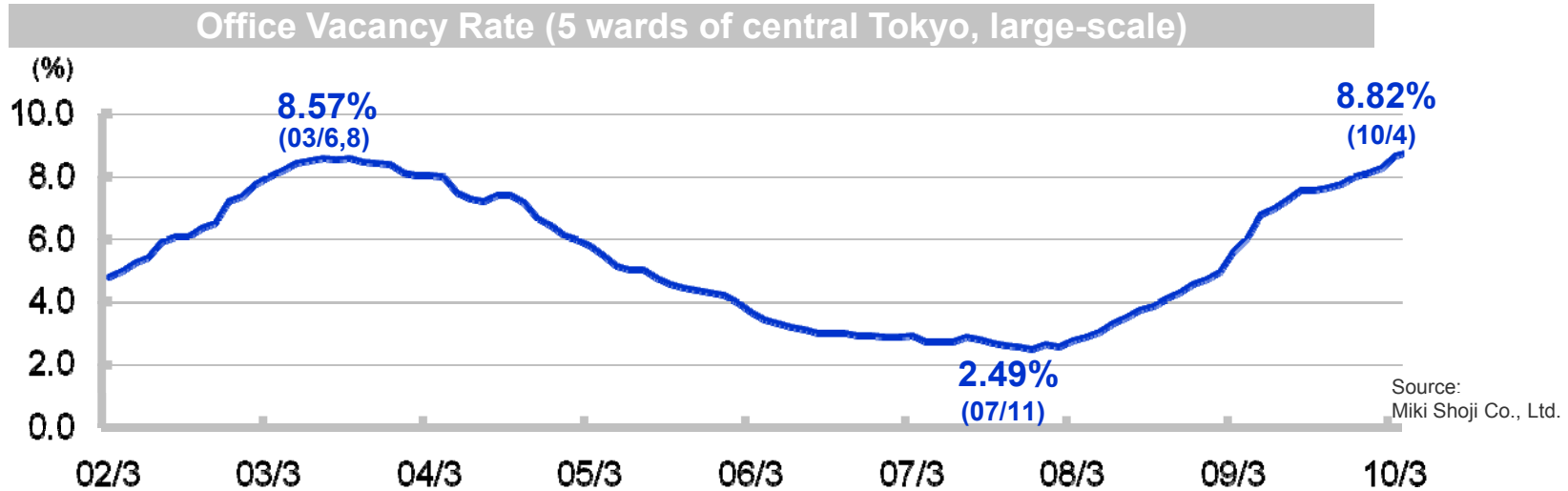
- Outlook for the global economy
  - Advanced economies stopped contracting in 2009 and are forecast to expand slowly in 2010.
  - Comparatively strong growth is forecast for emerging economies, particularly in Asia.
- Outlook for the Japanese economy
  - The Japanese economy stopped contracting in 2009. Moderate growth is forecast for 2010 despite concerns in areas such as employment and personal income.



While the outlook for the global and Japanese economies is hardly optimistic, the worst is over and recovery is forecast.

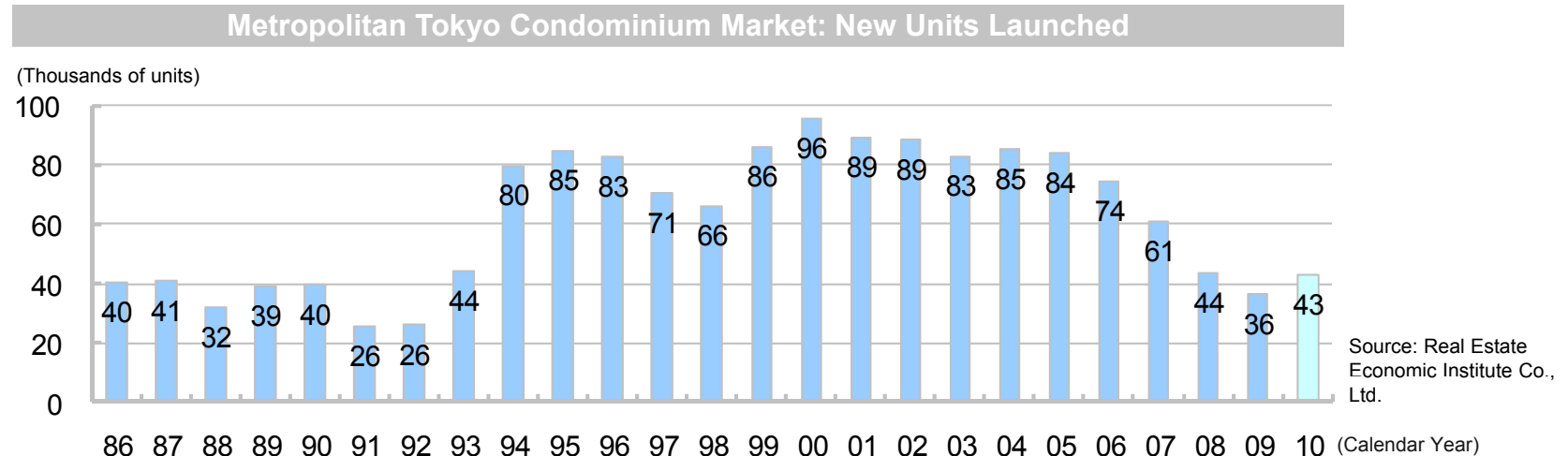
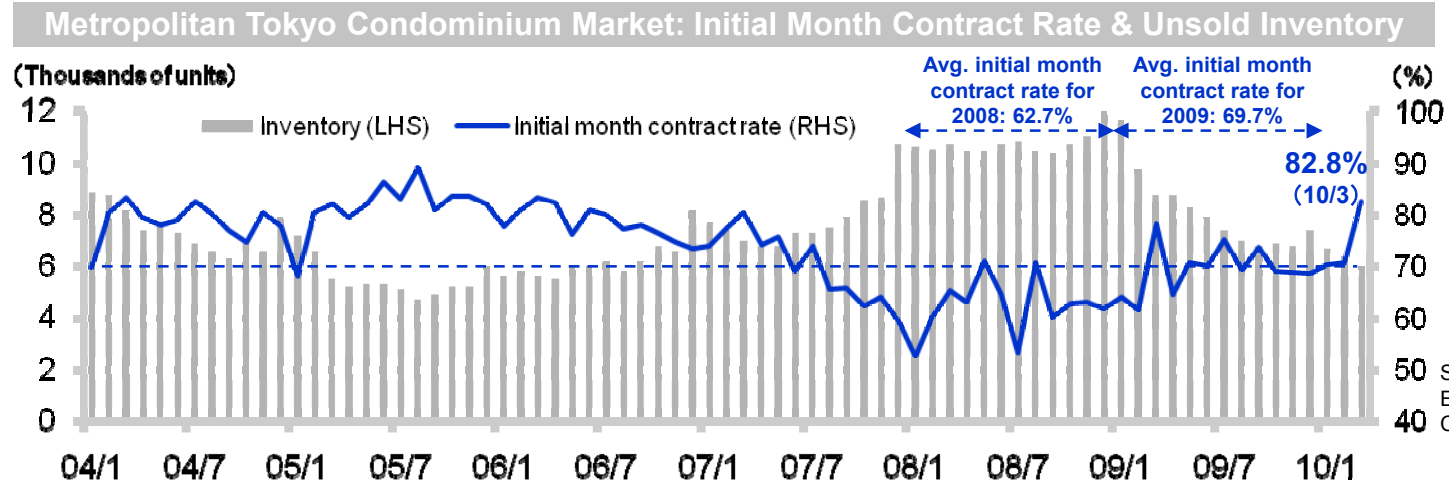
## 3-1. Operating Environment Outlook – Office Building Leasing

The rising vacancy rate in central Tokyo has moderated since summer 2009, but the increase continues. Although supply and demand trends require attention, positive signs include improved corporate earnings.



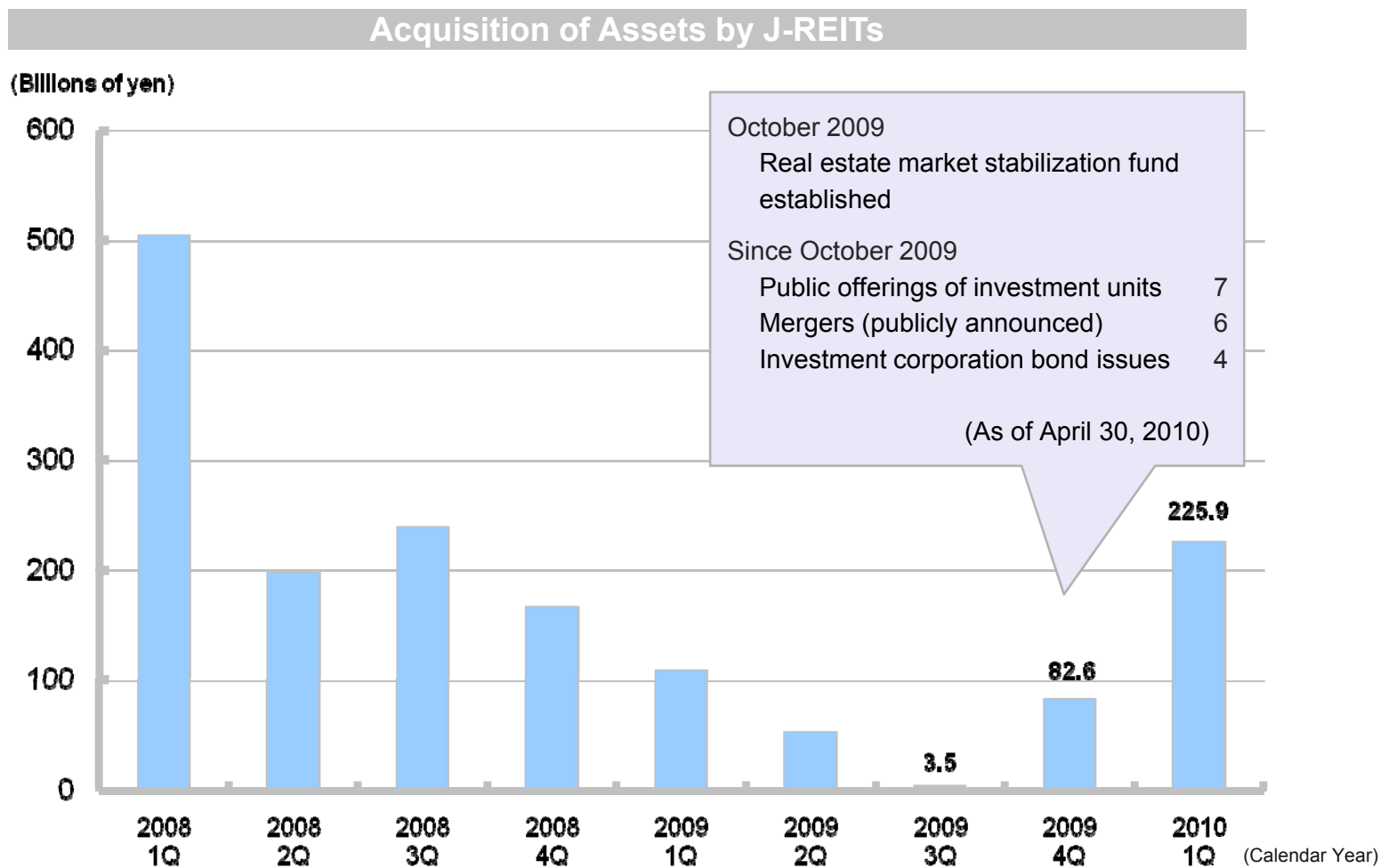
## 3-2. Operating Environment Outlook – Condominium Sales

Sales conditions are improving with economic recovery and government policies to support the housing market. Contract rates remain strong in metropolitan Tokyo, and unsold inventory is steadily trending downward. The market appears to have bottomed.



### 3-3. Operating Environment Outlook – Real Estate Investment Market

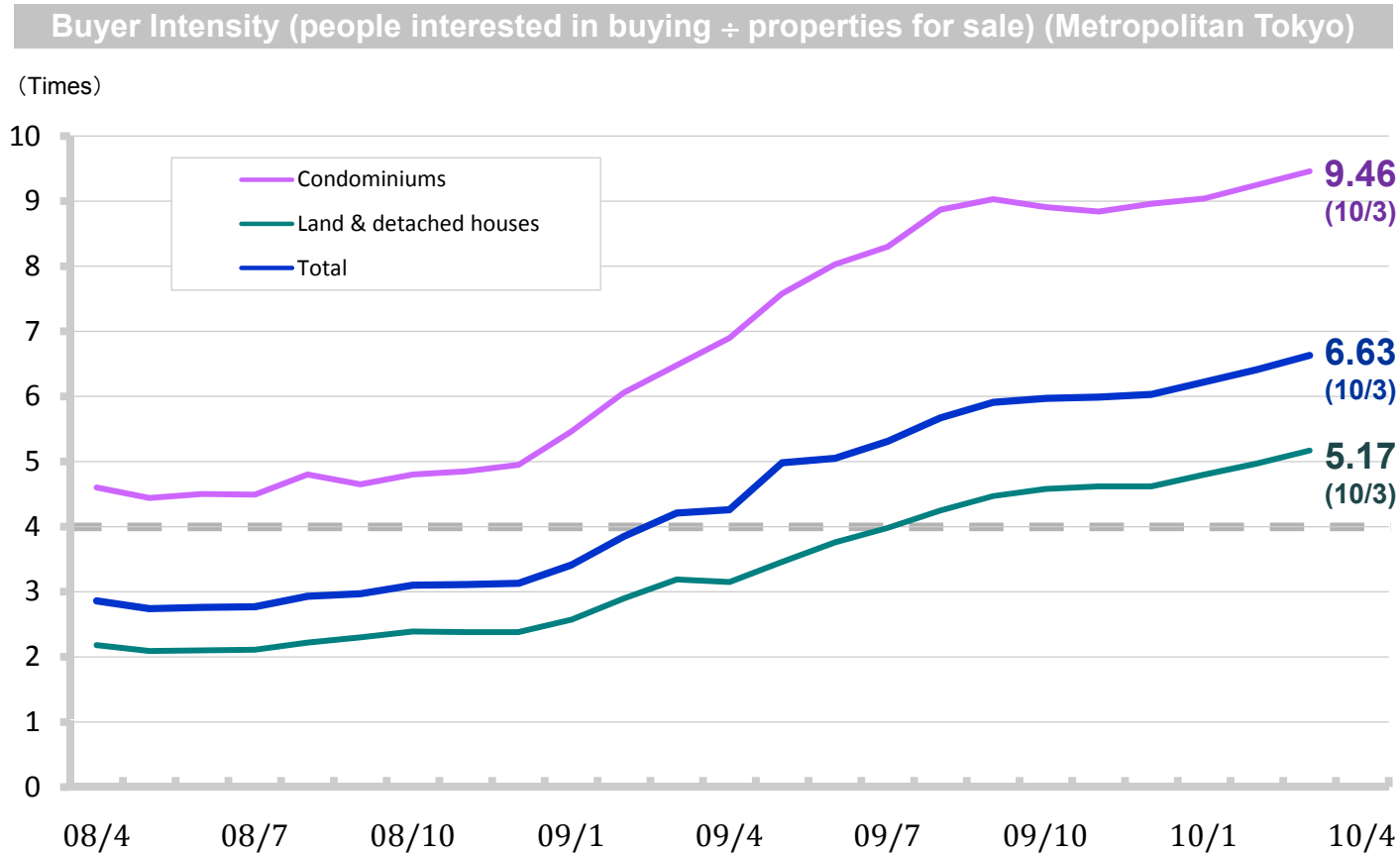
The autumn 2009 establishment of a real estate market stabilization fund has led to the resumption of capital increases through public offerings, investment corporation bond issues and property acquisition in the J-REIT market, and restructuring has progressed. The conditions that could support a recovery of the overall real estate investment market are now in place.



Source: The Association for Real Estate Securitization

## 3-4. Operating Environment Outlook – Existing Home Brokerage

The market is becoming stronger as the number of people interested in buying existing properties continues to trend upward.



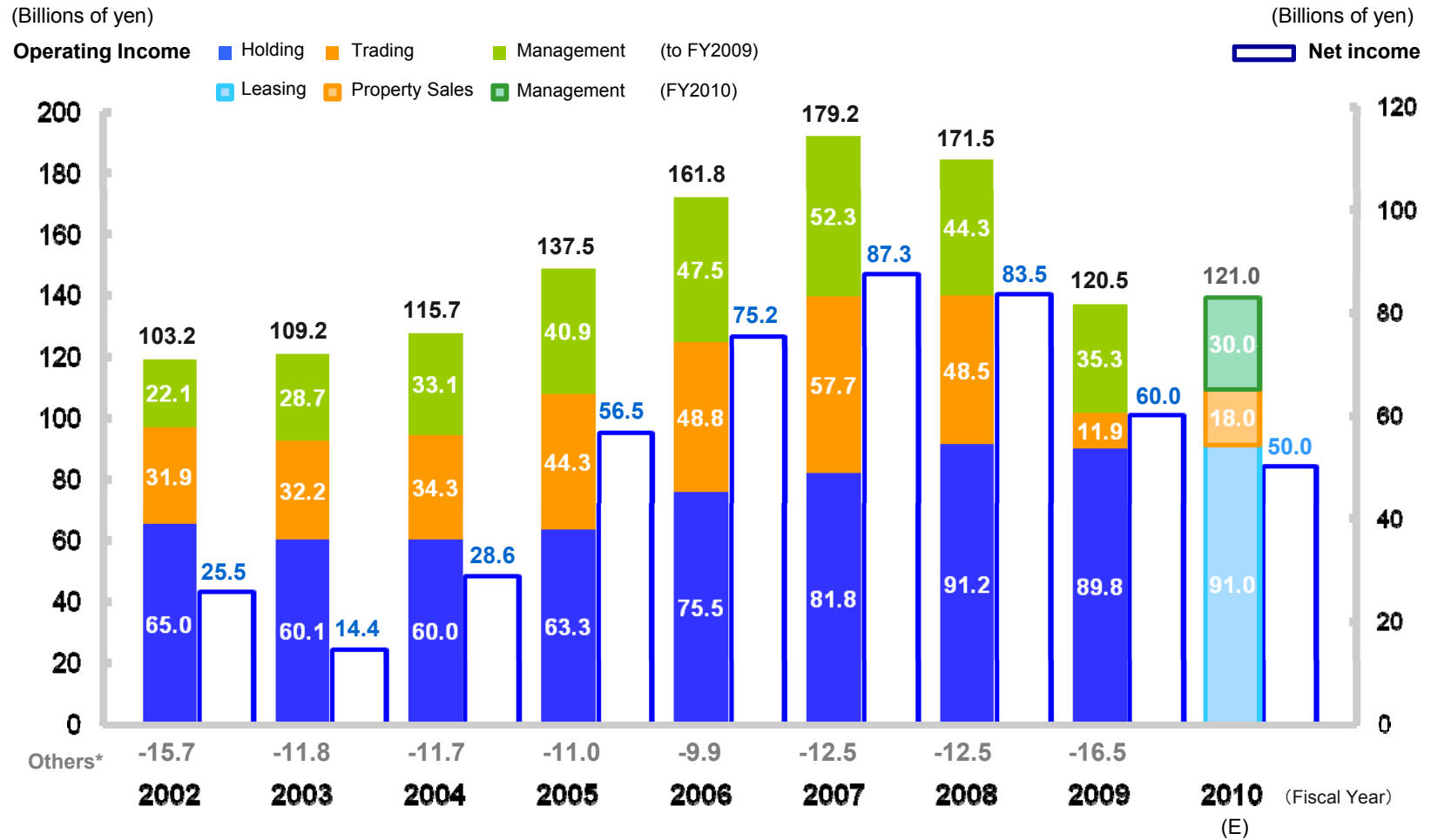
\*Buyer intensity is an indicator used in determining a buyer's or a seller's market. Generally, a number greater than 4 or 5 indicates a seller's market, while a number below indicates a buyer's market.

Source: Mitsui Real Estate Sales *Trend Monthly*



## 4. Earnings Trends and Forecast

Results bottomed in FY2009 and FY2010, and Mitsui Fudosan is now moving toward the next phase of growth.

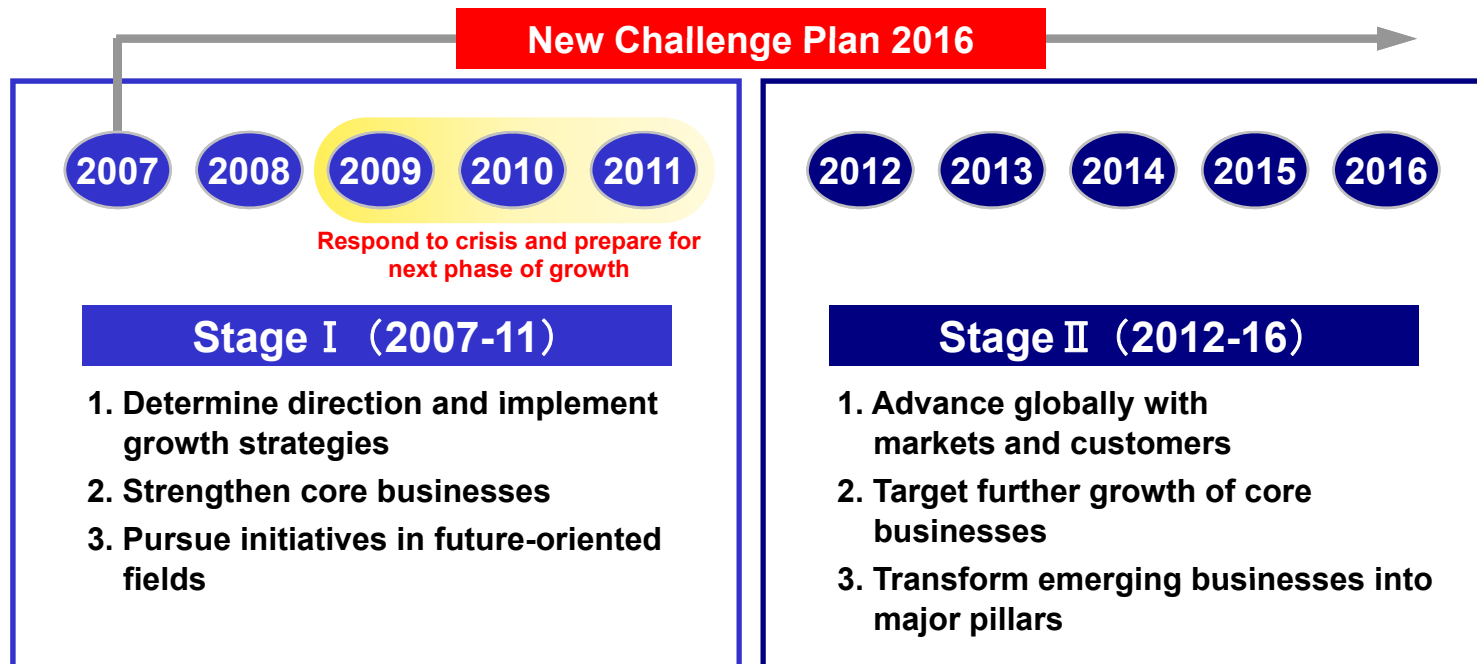


\*Others includes the Construction, Sales of Housing Materials and Merchandise, Facilities Operations, and Other segments, and parent company G&A expenses.

## 5. Measures for the Next Phase of Growth

In moving toward the next phase of growth, Mitsui Fudosan will simultaneously implement defensive and offensive measures.

- Review, strengthen and re-engineer each core business
- Response to maturity: business development that accommodates accelerating changes in the domestic market environment
- Response to globalization: specify growth strategies for China and other East Asian nations
- Maintain a sound financial structure that supports growth



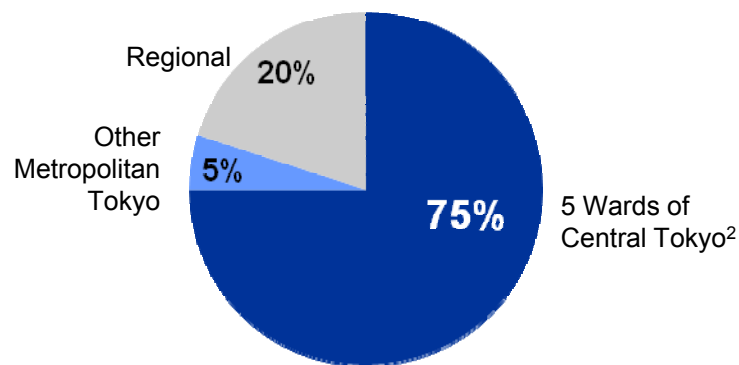
## 5-1-1. Leasing Business (Office Buildings)

### Office building development, leasing and management are core strengths

- A portfolio balanced among outstanding central Tokyo locations
- Redevelopment capabilities that enable steady progress in redevelopment projects
- Stable long-term relationships with approximately 3,000 tenant companies

**WORKERS FIRST**  
三井のオフィス

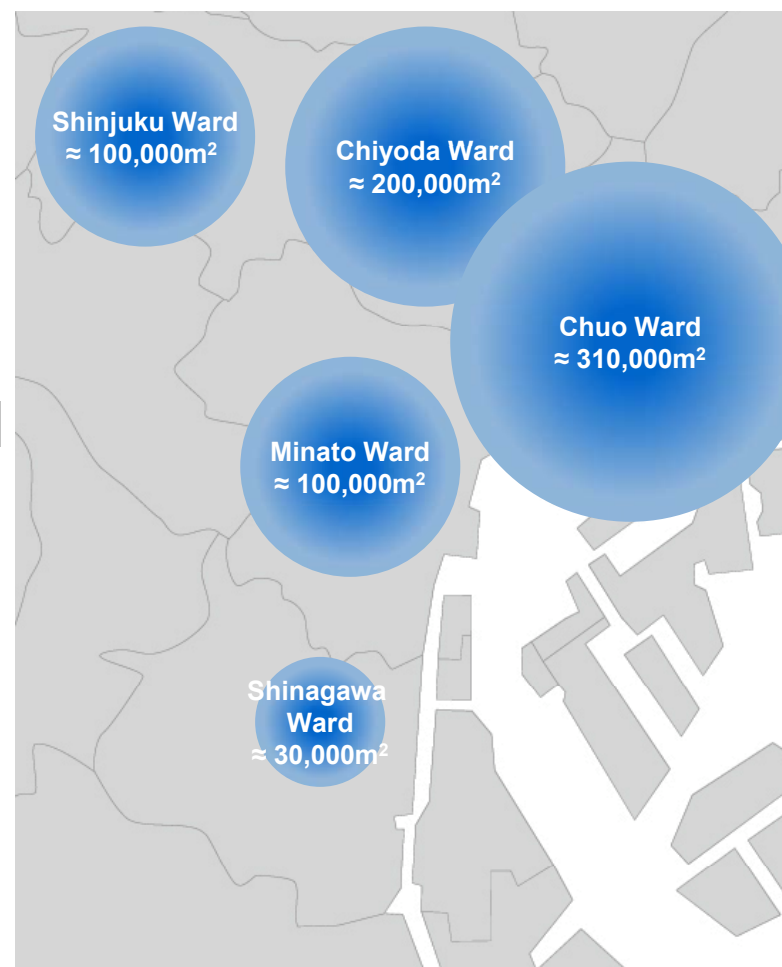
Floor Space of Mitsui Fudosan Properties by Area (As of March 31, 2010)<sup>1</sup>



Note 1: Consolidated basis, includes jointly held properties (in Japan)

Note 2: Chiyoda Ward, Chuo Ward, Minato Ward, Shinagawa Ward, Shinjuku Ward

Floor Space of Mitsui Fudosan Properties in 5 Wards of Central Tokyo (As of March 31, 2010)<sup>1</sup>



## 5-1-1. Leasing Business (Office Buildings)

### Sustained investment in carefully selected projects

Major Capital Expenditures	FY2006	FY2007	FY2008	FY2009	FY2010
Office buildings	Former JFE Building (land & building) ≈ 85.0 billion yen	Former Mitsui Life Insurance Otemachi Building (land & building) ≈ 118.0 billion yen Yodoyabashi Mitsui Building (land & building) ≈ 25.0 billion yen GranTokyo North Tower (building) ≈ 22.0 billion yen Yokohama Mitsui Building (land)	Chiyoda Fujimi 2-Chome Project (land) ≈ 36.0 billion yen		Sumitomo Mitsui Banking Corporation Head Office Building (former JFE Building) (building) Muromachi East District Development Projects Areas 2-2 (building)
Retail facilities	LaLaport Toyosu (building) ≈ 13.0 billion yen Lazona Kawasaki (Building)	Mitsui Outlet Park Marine Pia Kobe (land) ≈ 11.0 billion yen	LaLagarden Kawaguchi (building) Mitsui Outlet Park Sendai Port (building)	LaLagarden Nagamachi (building)	Mitsui Outlet Park Sapporo Kita-Hiroshima (building) Mitsui Outlet Park Shiga Ryuo (building)
<b>Capital Expenditures</b>	<b>220.3 billion yen</b>	<b>340.4 billion yen</b>	<b>165.0 billion yen</b>	<b>61.9 billion yen</b>	<b>140.0 billion yen (E)</b>

Schedule for Major Office Buildings	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Tokyo Midtown	Completed							
GranTokyo North Tower	Completed							
Yodoyabashi Mitsui Building	Completed							
Sumitomo Mitsui Banking Corporation Head Office Building (former JFE Building)	Acquired	Started	Completed					
Yokohama Mitsui Building		Acquired	Started	Completed				
Muromachi East District Development Projects Areas 2-2			Started	Completed				
Aomi Q Area Project			Acquired	Started	Completed			
Muromachi East District Development Projects Areas 2-3						Started	Completed	
Chiyoda Fujimi 2-Chome Project			Acquired				Start & Completion Planned	
Otemachi 1-Chome Mitsui Building (former Mitsui Life Insurance Otemachi Building)		Acquired		Business Plan Formulation			Start & Completion Planned	
Sanshin Building/Hibiya Mitsui Building Reconstruction Project				Business Plan Formulation				

## 5-1-1. Leasing Business (Office Buildings)

We deploy our development capabilities to continuously improve our portfolio.

### Major Newly Operational Projects

FY Completed	Project Name	Location	Rentable Floor Space
2010	Sumitomo Mitsui Banking Corporation Head Office Building	Chiyoda-ku, Tokyo	≈ 46,000 m <sup>2</sup>
	Muromachi East District Development Projects Areas 2-2	Chuo-ku, Tokyo	≈ 21,000 m <sup>2</sup>
2011	Hiroshima Kamiyacho Project	Naka-ku, Hiroshima	≈ 14,000 m <sup>2</sup>
	Nagoya Mitsui Building Shinkan	Nakamura-ku, Nagoya	≈ 11,000 m <sup>2</sup>
	Shimbashi 1-Chome Project	Minato-ku, Tokyo	≈ 5,000 m <sup>2</sup>
	Onarimon Project	Minato-ku, Tokyo	≈ 6,000 m <sup>2</sup>
	Nihonbashi Honcho 3-Chome Reconstruction Project	Chuo-ku, Tokyo	≈ 8,000 m <sup>2</sup>
	Tsukiji 5-Chome Project	Chuo-ku, Tokyo	≈ 12,000 m <sup>2</sup>
	Yokohama Mitsui Building	Nishi-ku, Yokohama	≈ 49,000 m <sup>2</sup>
2012	Nihonbashi Honcho 2-Chome Area Project	Chuo-ku, Tokyo	≈ 14,000 m <sup>2</sup>
	Aomi Q Area Project	Koto-ku, Tokyo	≈ 44,000 m <sup>2</sup>
2013	Muromachi East District Development Projects Areas 2-3	Chuo-ku, Tokyo	≈ 19,000 m <sup>2</sup>
	Muromachi East District Development Projects Areas 1-5	Chuo-ku, Tokyo	≈ 8,000 m <sup>2</sup>

Scheduled for completion in FY2014 and after

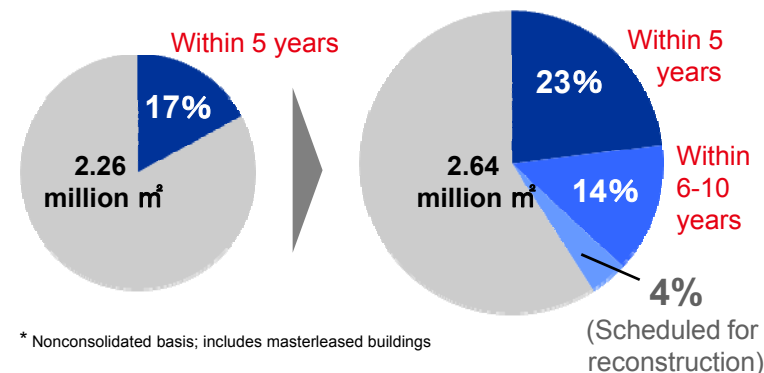
- Sapporo Mitsui Building Reconstruction Project (Chuo-ku, Sapporo)
- Chiyoda Fujimi 2-Chome Project (Chiyoda-ku, Tokyo)
- Kita-Shinagawa 5-Chome Area 1 Redevelopment Project (Shinagawa-ku, Tokyo)
- Sanshin Building/Hibiya Mitsui Building Reconstruction Project (Chiyoda-ku, Tokyo)
- Nihonbashi 2-Chome Project (Chuo-ku, Tokyo)
- Otemachi 1-Chome Mitsui Building (Chiyoda-ku, Tokyo)

FY completed and rentable floor space may change in the future. Some project names are tentative.

### Office Buildings by Year of Completion\*

March 31, 2003

March 31, 2010



Sumitomo Mitsui Banking Corporation Head Office Building



Chiyoda Fujimi 2-Chome Project

## 5-1-2. Leasing Business (Retail Facilities)

### Strength in retail facility development, leasing and management

- **Strong retail facility management track record**

- ✓ Retail facility management experience spanning approximately 30 years

- **A superior developer**

- ✓ Excellent tenant mix flexibility

- **Facilities in diverse categories**

- ✓ **Regional mall**  
三井ショッピングパーク  
 
- Lifestyle center**  
三井ショッピングパーク  
 **Urban Retail Facilities**

- **Strategy of partnering with tenants**

- ✓ Growing together with tenants by responding to the needs and strategies of their approximately 1,900 stores.

Growing Together

- **Integrated development generates synergy with other asset classes**

#### Retail Facility Categories



LaLaport Tokyo Bay



Mitsui Outlet Park Iruma



LaLagarden Nagamachi

#### Urban Retail Facilities



Kojun Building

## 5-1-2. Leasing Business (Retail Facilities)

### Concentrated, sustained investment in competitive facilities

#### Major Newly Operational Projects

FY Opened	Project Name (* indicates subleased or jointly owned property)	Location	Store floor space
2009	LaLaport Iwata	Iwata, Shizuoka	≈ 50,000 m <sup>2</sup>
	LaLaport Shin-Misato	Misato, Saitama	≈ 60,000 m <sup>2</sup>
	LaLagarden Nagamachi	Sendai, Miyagi	≈ 19,000 m <sup>2</sup>
2010	Ginza Trecious*	Chuo-ku, Tokyo	≈ 4,500 m <sup>2</sup>
	Mitsui Outlet Park Sapporo Kita-Hiroshima	Kita-Hiroshima, Hokkaido	≈ 23,000 m <sup>2</sup>
	Mitsui Outlet Park Shiga Ryuo	Gamo-gun, Shiga	≈ 27,000 m <sup>2</sup>
	G1 Project*	Chuo-ku, Tokyo	TBD
2011	Ginza Komatsu Reconstruction Project*	Chuo-ku, Tokyo	≈ 8,000 m <sup>2</sup>
	Ningbo Outlet Project*	Ningbo, Zhejiang, China	≈ 16,000 m <sup>2</sup>
	Mitsui Outlet Park Kurashiki	Kurashiki, Okayama	≈ 20,000 m <sup>2</sup>
2012	Aomi Q Area Project*	Koto-ku, Tokyo	≈ 49,000 m <sup>2</sup>
	Mitsui Outlet Park Kisarazu Kaneda	Kisarazu, Chiba	≈ 25,000 m <sup>2</sup>

FY opened and store floor space may change in the future. Some project names are tentative.



#### Urban Retail Facilities



Mitsui Outlet Park Sapporo Kita-Hiroshima



Mitsui Outlet Park Shiga Ryuo

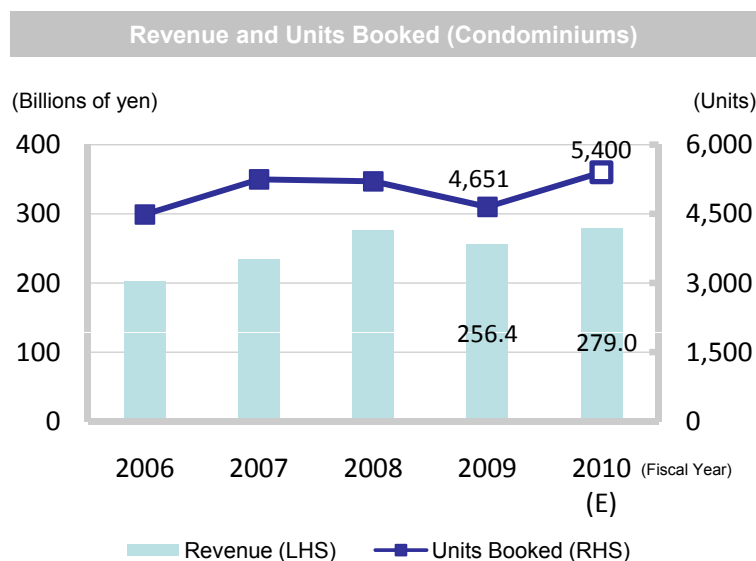


Ginza Trecious

## 5-1-3. Property Sales Business (Property Sales to Individuals)

### Consistent strength in high-value-added properties

- We have further differentiated our brands by enhancing our products
- Strength in high-value-added properties consistently supports operations
- We constantly acquire new land for development



Built-in desk space at Park Homes Narimasu Mark Residence, which won a 2009 Good Design award



## 5-1-3. Property Sales Business (Property Sales to Individuals)

### Competitive products primarily in metropolitan Tokyo

#### Major Projects

FY Booked	Property Name	Location	Total Units (Mitsui Fudosan Share)
2009	Park Court Akasaka The Tower	Minato-ku, Tokyo	479 ( 70%)
	Park City Hamadayama	Suginami-ku, Tokyo	522 (100%)
	Park City Musashi-Kosugi Mid Sky Tower	Kawasaki, Kanagawa	794 ( 80%)
	Hiroo Garden Forest	Minato-ku, Tokyo	667 ( 50%)
	Prime Arena Shin-Yurigaoka	Kawasaki, Kanagawa	393 ( 70%)
2010	Park Court Azabu-Juban The Tower	Minato-ku, Tokyo	369 ( 40%)
	Park Tower Gran Sky	Shinagawa-ku, Tokyo	613 (100%)
2011	Kemigawahama Residence	Chiba, Chiba	379 ( 43%)
	Park City Minami-Senrioka	Settsu, Osaka	586 (100%)
	Park City Kashiwanoha Campus Nibangai	Kashiwa, Chiba	880 (100%)
	THE ROPPONGI TOKYO (Roppongi 3-Chome Redevelopment)	Minato-ku, Tokyo	611 (45%)
2012	Meguro-ku Shimomeguro 2-Chome Project	Meguro-ku, Tokyo	231 (100%)
	Roppongi 1-Chome South Area Urban Redevelopment Project	Minato-ku, Tokyo	269 (100%)

FY2013 and after

- Musashikosugi Station South Exit Area Urban Redevelopment Project
- Iidabashi Station West Exit East Area Urban Redevelopment Project
- Kita-Shinagawa 5-Chome Area Urban Redevelopment Project
- Kashimada Station West Area Urban Redevelopment Project

Units become available for sale over multiple fiscal years at some properties. Moreover, the fiscal year in which units become available for sale may change in the future. Some project names are tentative.

#### Condominium Brand Lineup

**park HOMES**

Small-scale condominium properties with short sales cycle



Park Homes Kichijoji Gran Terrace

**park MANSION**

High-end condominiums

**park COURT**

High-grade urban condominiums



Park Court Akasaka The Tower

**park TOWER**

High-rise condominiums



Park Tower Gran Sky

**park CITY**

Large-scale developments that create their own environment



Park City Hamadayama

**park LUXE**

Urban condominiums for small households

**park SEASONS**

Resort condominiums

#### Land Bank (As of March 31, 2010)

- Land acquired (confirmed): approximately 19,000 units (Mitsui Fudosan share only)
- Project stage (incl. redevelopment): approximately 13,000 units (before sharing)

## 5-1-4. Property Sales Business (Property Sales to Investors)

**J-REIT market: various measures and the establishment of a real estate market stabilization fund have accelerated the trend toward recovery**

Since autumn 2009, institutional reform and measures to strengthen creditworthiness and support financing



### Trend toward recovery in the J-REIT market

Resumption of capital increases through public offerings

Resumption of investment corporation bond issues

Progress in mergers and restructuring

Improvement in the debt financing environment



The external growth cycle is beginning again  
with the resumption of new property acquisitions in the J-REIT market

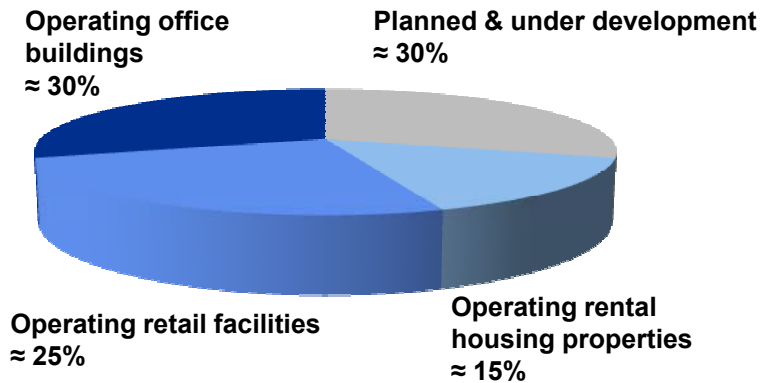


Recovery expected in the overall real estate investment market,  
which is central to the J-REIT market

## 5-1-4. Property Sales Business (Property Sales to Investors)

Mitsui Fudosan is keeping an eye on recovery in the real estate investment market while moving forward with current projects

Inventory of Properties for Sale to Investors\*



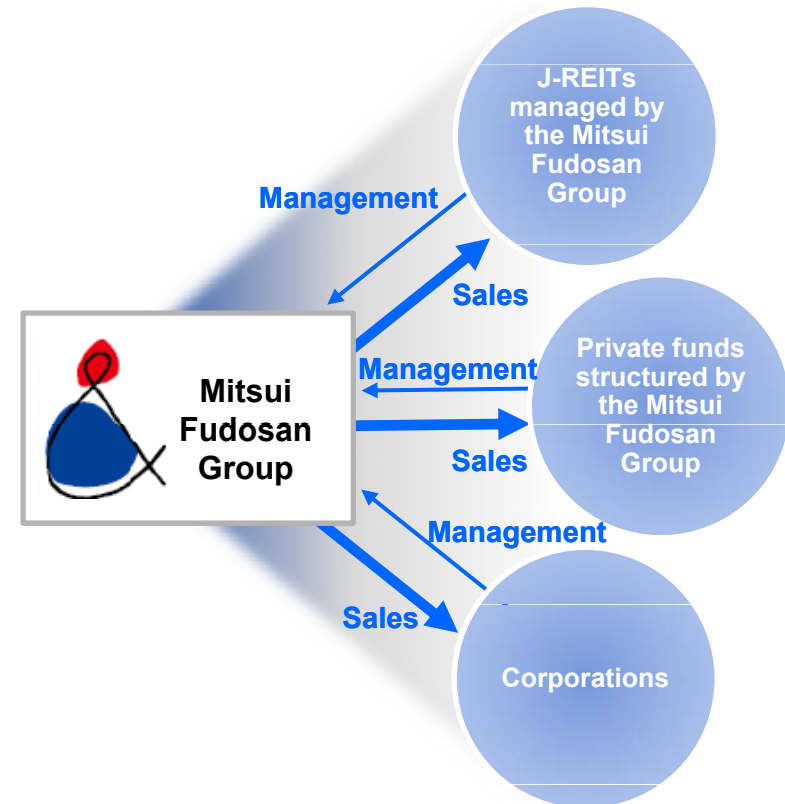
\* Consolidated basis. On-balance sheet real properties for sale including advances paid for purchases, and assets held by SPCs for the trading business

**Total: ≈ 519 billion yen** (As of March 31, 2010)

On balance sheet: 281 billion yen

Off balance sheet: 238 billion yen

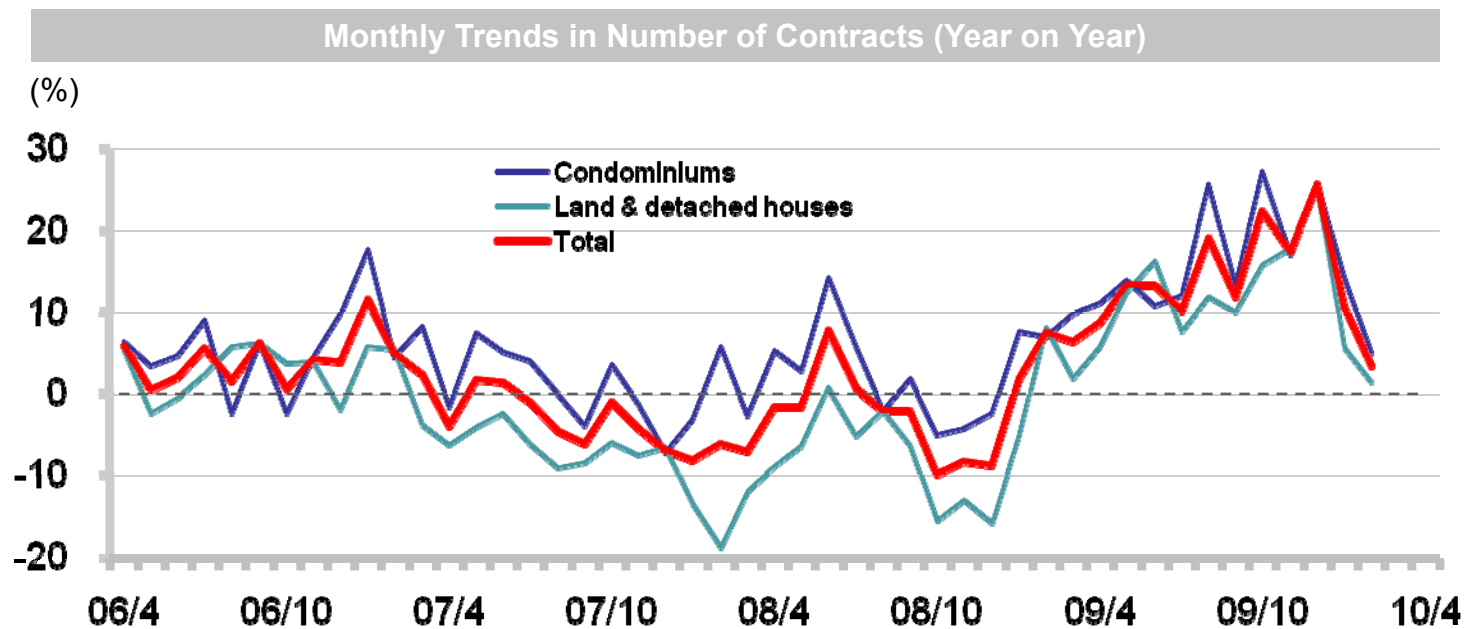
A model for growing in cooperation with a diverse array of investors



## 5-1-5. Management Business (Brokerage)

The Rehouse network in the Tokyo metropolitan area has been re-engineered, and residential brokerage is robust

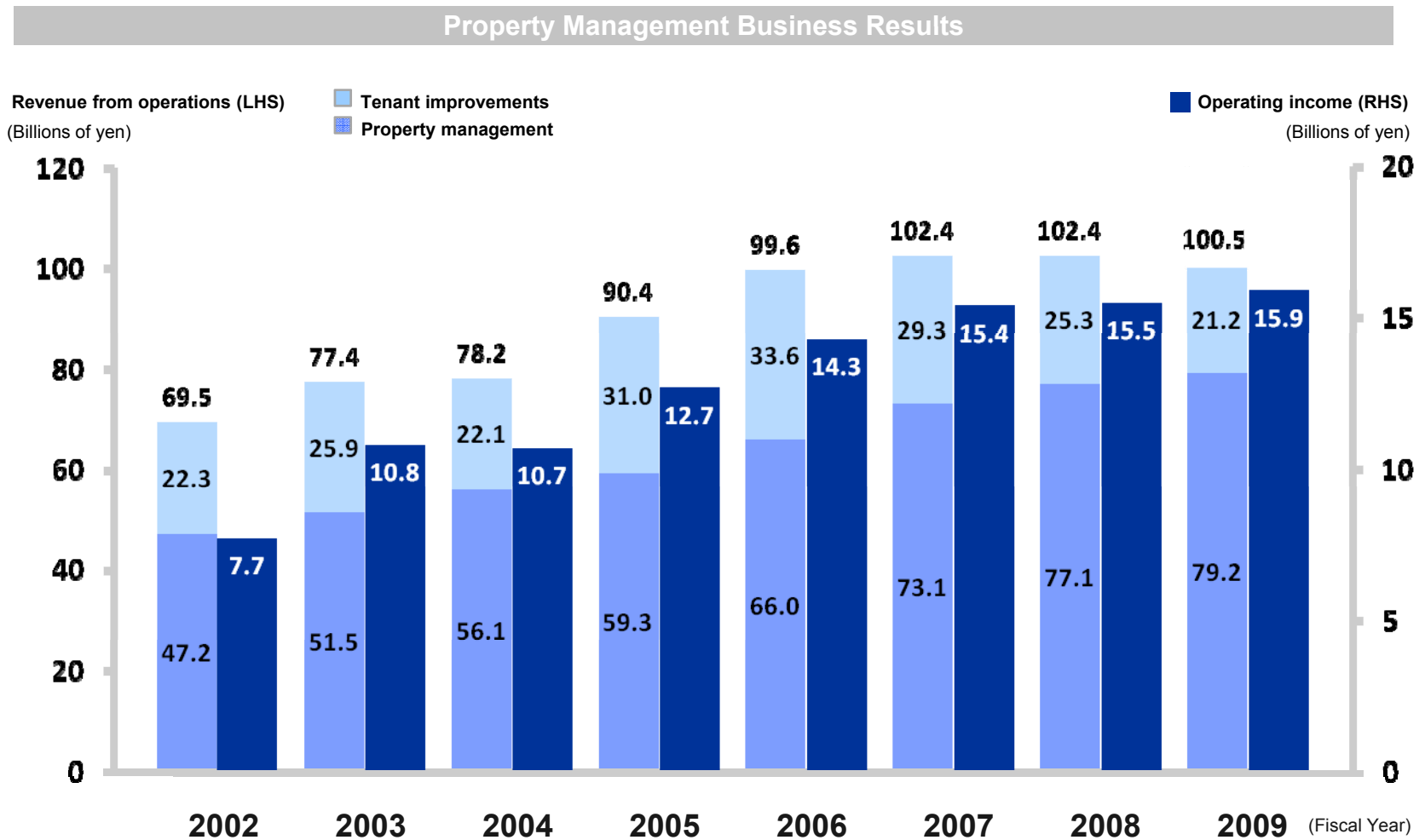
- Re-engineering of the brokerage business (Mitsui Rehouse affiliates)
- Recovery of residential brokerage
- Full-scale recovery of corporate brokerage expected



Source: Mitsui Real Estate Sales, *Monthly Trend*

## 5-1-6. Management Business (Property Management)

### Fee income based on stable property management



## 5-2-1. Response to Maturity & Globalization

**Mitsui Fudosan is innovating its business model by taking the perspective of customers regarding accelerating structural socioeconomic changes**

### Structural Socioeconomic Changes

#### Maturity

- ❑ Population composition (higher average age, low birthrate, population decline)
- ❑ Diversifying values and lifestyles
- ❑ Economics (intensifying corporate competition, streamlining in the public sector)
- ❑ Asset stock enhancement

#### Globalization

- ❑ Acceleration of cross-border real estate investment
- ❑ Globalization of corporate activities
- ❑ Intensifying economic competition among cities in East Asia
- ❑ Growing inbound business and tourism



### Mitsui Fudosan Group Responses

**Grasp socioeconomic changes to create new levels of value**

**Create enriched, affluent urban spaces**

**Becoming a real estate solution partner in the global market**



## 5-3. Response to Globalization

Mitsui Fudosan has finalized a pilot project to participate in China and other dynamic East Asian areas





## 5-3. Response to Globalization

Mitsui Fudosan is approaching markets prudently, formulating risk management strategies while using its strengths to accumulate expertise

### Ningbo Outlet Project

April 2010: Construction started  
 Spring 2011: Phase I planned to begin operation

Land area: 116,480m<sup>2</sup>  
 Building floor space:  
 Phase I ≈16,964m<sup>2</sup>



### Shanghai Ma Lu Project

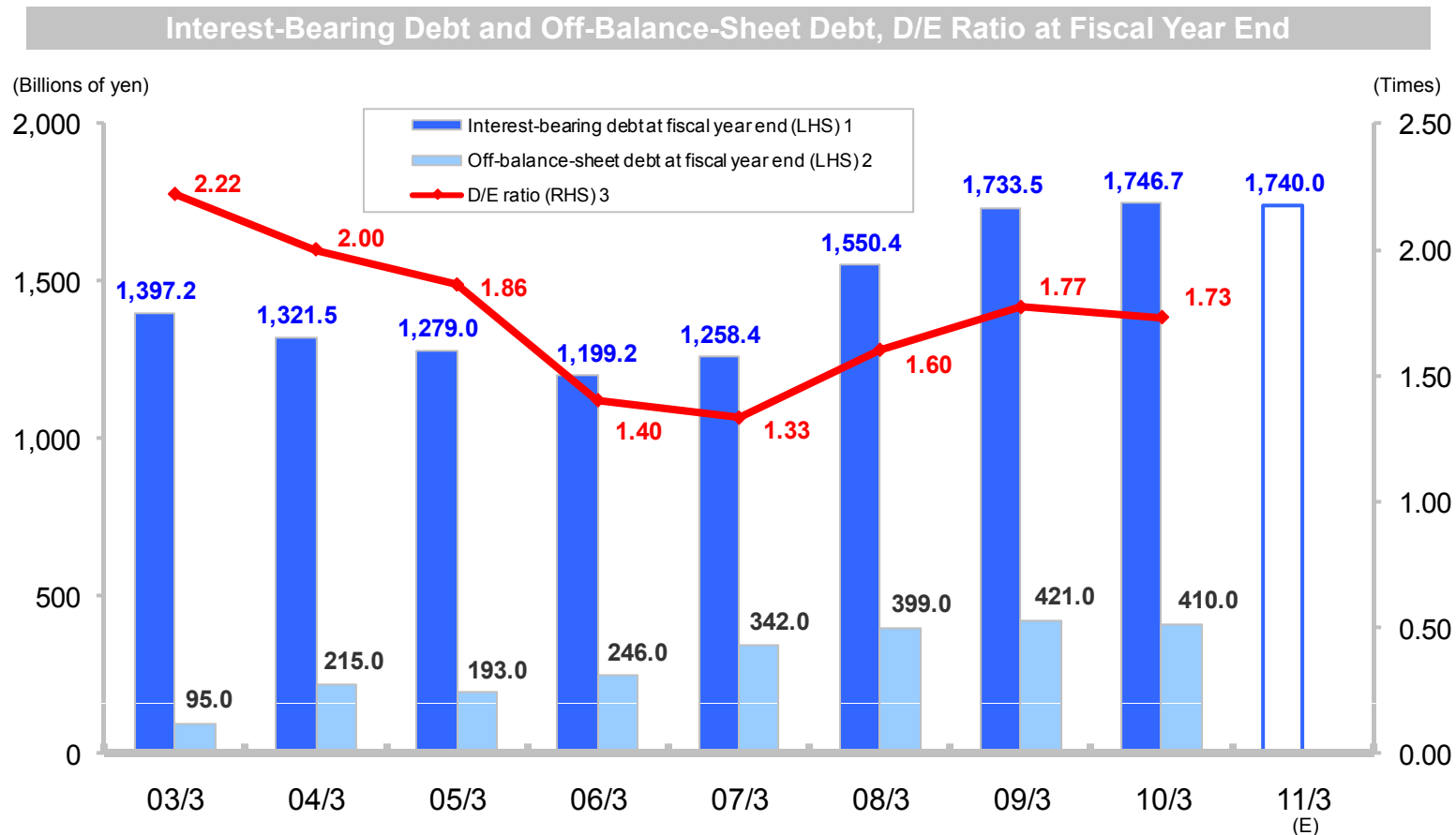
February 2010: Construction started  
 September 2010: Start of sales  
 December 2011 onward: Completion & delivery

Land area: 65,672m<sup>2</sup>  
 Total floor space  
 Housing & SOHO ≈ 97,800m<sup>2</sup>  
 (≈ 1,180 units)  
 Retail facility ≈ 44,000m<sup>2</sup>



## 5-4. Maintaining a Sound Financial Structure

**We will maintain a sound financial structure and our ability to invest in growth opportunities**



- 1: Interest-bearing debt at fiscal year end – the sum of bank loans, commercial paper, long-term debt due within one year and long-term debt due after one year
- 2: Off-balance-sheet debt at fiscal year end – The debt associated with investments in SPCs that is within the Company's scope of responsibility
- 3: D/E ratio: Interest-bearing debt / shareholders' equity

## 6. Environmental Initiatives

**&EARTH** communicates the environmental stance of the Mitsui Fudosan Group

# &EARTH

## &EARTH Message

To build a town is to build a part of our Earth.  
It's to build the future of our world.  
That's why Mitsui Fudosan Group thinks of Earth when we  
think of you.  
We imagine our future world while thinking of your tomorrow.

Mitsui Fudosan Group continues building new towns  
in ways that will bring affluence and comfort  
and lead to happy futures 50 and 100 years from now.

Under our philosophy of “coexistence in harmony with  
society,” we bring affluence and comfort to cities by joining  
hands with those who live, work and visit there.



Tokyo Midtown

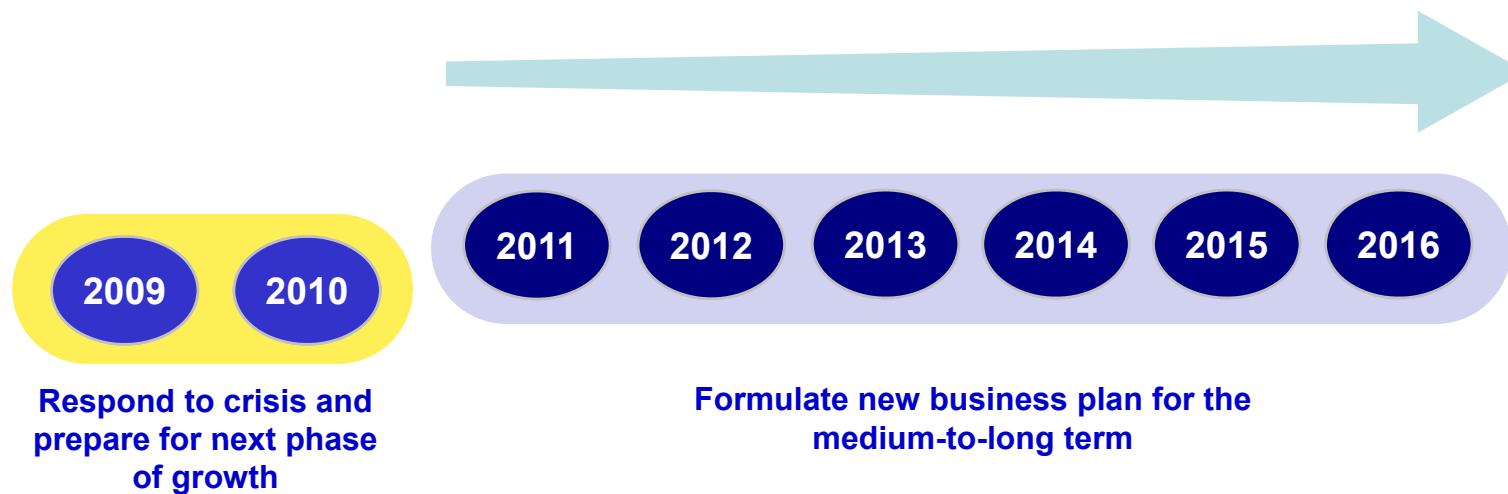


Kashiwanoha Campus City

## 7. Initiating the Next Phase of Growth

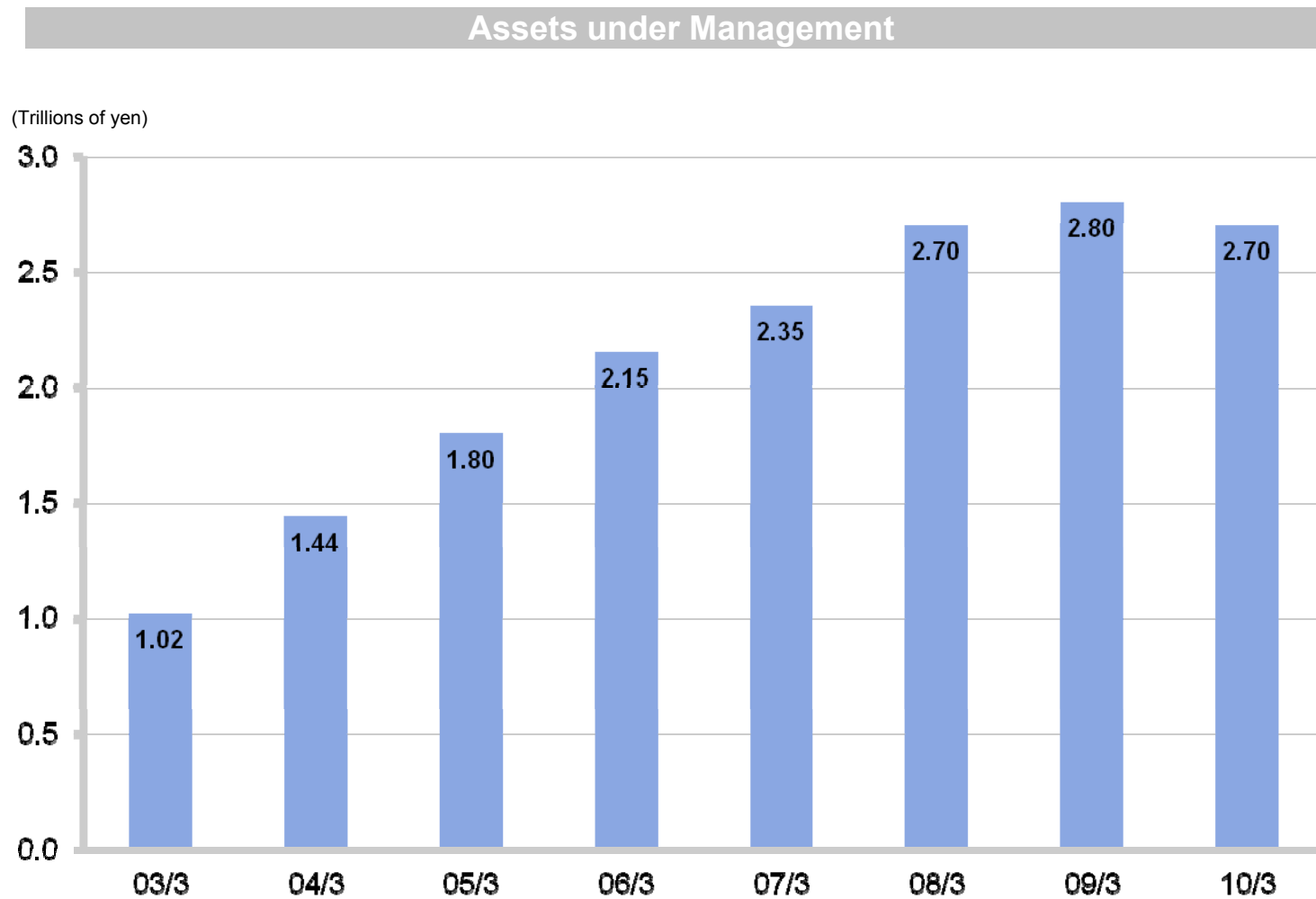
**Quickly complete crisis response and initiate the next phase of growth**

- Review, strengthen and re-engineer each core business
- Response to maturity: business development that accommodates accelerating changes in the domestic market environment
- Response to globalization: specify growth strategies for China and other East Asian nations
- Maintain a sound financial structure that supports growth



# Appendices

# Appendix 1: Mitsui Fudosan Group Assets under Management



## Appendix 2: SPC Investments and Off-Balance-Sheet Debt (At March 31, 2010)

Total exposure: 548.0 billion yen

(Billions of yen)

<b>Assets</b>	<b>548.0</b>	<b>Debt</b>	<b>410.0</b>
Assets to be valued up	65.0	Off-balance-sheet debt	410.0
Assets to be developed	173.0		
Assets for holding	310.0		
		<b>Equity</b>	<b>138.0</b>
		On-balance-sheet Investments	138.0

Equity investments in property for sale	73.0
+	
Investment securities	65.0

Assets for Trading Business:  
238.0 billion yen

Assets to be valued up	65.0
Assets to be developed	173.0

- Amounts on the right represent the total amount of assets, debt and equity corresponding to Mitsui Fudosan's equity share in each individual vehicle.
- Disclosure standards differ from those used for the "Guideline Applied to Disclosure of SPCs" presented since the year ended March 31, 2007.
- All figures are rounded off to the nearest billion yen.
- The categories "Assets to be valued up," "Assets to be developed," and "Assets for holding" conform to proprietary Mitsui Fudosan standards.

# Appendix 3: Operating Income by Segment

Accounting Segments		CP2016 Segments	
(Billions of yen)	FY09		FY09
Leasing	99.7	Holding (Office/Retail)	Holding 89.8
		<ul style="list-style-type: none"> <li>Master-leased properties                             <ul style="list-style-type: none"> <li>Office/Retail                                     <ul style="list-style-type: none"> <li>Masterleased in 2001 or prior</li> <li>Masterleased in 2002 or after</li> </ul> </li> <li>Residential property</li> </ul> </li> <li>Parking lots</li> </ul>	<b>Holding Business:</b> Leasing of office and retail properties
Sales of Housing, Office Buildings and Land	12.0	<ul style="list-style-type: none"> <li>Sales of Housing to Individuals</li> <li>Sales of Properties to Investors</li> </ul>	Trading 11.9
			<b>Trading Business:</b> Retail housing sales and wholesale commercial property sales
Brokerage, Consignment Sales and Consulting	7.4		Management 35.3
Property Management	15.9		<b>Management Business:</b> Masterleasing of office and other buildings, brokerage, consulting, asset management and property management
Others*	(14.5)		Others* (16.5)
<b>Total</b>	<b>120.5</b>		<b>Total 120.5</b>

\* Others includes the Construction, Sales of Housing Materials and Merchandise, Facilities Operations and Others segments, and parent company G&A expenses.



## Disclaimer

This presentation contains forward-looking statements that are based on information available and our judgment when we issued the presentation, and are subject to risks and uncertainties.

Actual results may differ from our forecasts depending on factors including changes in economic conditions, market trends and operating conditions.

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