

FACT BOOK

For the Six Months Ended September 30, 2012

November 01, 2012



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Corporate Data**Head Office:**

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

Date of Establishment:

July 15, 1941

Share Capital:

¥174,296 million

Number of Issued and Outstanding Shares:

881,424,727

Stock Exchange Listings:

Tokyo, Osaka (Code: 8801)

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Forward-Looking Statements

In this Fact Book, statements other than historical facts are forward-looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks and uncertainties related to internal and external factors that may cause actual results and achievements to differ from those anticipated in these statements. Therefore, we do not advise potential investors to base investment decisions solely on this Fact Book.

CONSOLIDATED FINANCIAL HIGHLIGHTS (UNAUDITED)

Consolidated Results

	Six Months Ended September 30		Change	
	2012	2011	(amount)	(%)
Revenue from Operations	¥615,709	¥573,483	¥42,226	7.4
Operating Income	61,181	47,037	14,143	30.1
Ordinary Income	47,091	35,928	11,163	31.1
Net Income	¥26,878	¥16,613	¥10,265	61.8

(¥ millions)

◆ Overview

● Revenue from operations for the six-month period under review was up ¥42.2 billion or 7.4% to ¥615.7 billion, operating income was up ¥14.1 billion or 30.1% to ¥61.1 billion, ordinary income was up ¥11.1 billion or 31.1% to ¥47.0 billion, and also net income was up ¥10.2 or 61.8% to ¥26.8 billion from the previous corresponding period. They made progress as expected with the full-year forecast.

● Starting from the six-month period under review, changes to accounting rules for consolidation of SPCs have been applied early and the 26 SPCs invested by the Company have been added to the scope of consolidation. The effect of SPCs consolidation is as follows: revenue from operations decreased by ¥1.3 billion, operating income increased by ¥5.4 billion, and ordinary income increased by ¥3.6 billion from the previous corresponding period.

◆ Segment Overview

● In the “Leasing” segment, revenue in the entire segment was up ¥10.4 billion to ¥218.1 billion and operating income was up ¥5.5 billion to ¥54.6 billion for the six-month period under review due to the contribution of “Mitsui Outlet Park Kisarazu” and “DiverCity Tokyo” which came on-stream during the period under review and also the full-term contribution of the properties which came on-stream during the previous period such as “Nagoya Mitsui Building New Building” and “Mitsui Outlet Park Kurashiki.” In addition, consolidation of the SPC which owned “Tokyo Midtown,” etc. made contribution.

● The leasing market of office buildings in the Tokyo Metropolitan Area seems recovering, and the vacancy rate of the Company's office buildings (non-consolidated) in the Tokyo Metropolitan Area was 5.0 % (5.3% as of June 30, 2012)

● In the “Property Sales” segment, in the “Property Sales to Individuals” category, revenue was up ¥27.1 billion and operating income was up ¥7.6 billion due to the increase in reported number of units and improvement of margin. In the entire segment including “Property Sales to Investors” category, revenue was up ¥27.4 billion to ¥124.2 billion and operating income was up ¥7.5 billion to ¥6.7 billion from the previous corresponding period.

● The status of condominium unit sales continued to be stable, and the progress rate of contracts as of September 30, 2012 was 76% of the 4,900 units, scheduled full-year number of condominium units sold.

● In the “Management” segment, revenue and earnings increased in the “Property Management” business partly due to an increase of the number of managed units in “Repark”(Car Park Leasing) business and consigned units of the retail facilities, while in “Brokerage and Asset Management, etc.” revenue and earnings increased partly due to the increase in the number of properties handled in our brokerage business for individuals in Mitsui Rehouse business. As a result, revenue was up ¥6.4 billion to ¥143.4 billion, operating income was up ¥3.3 billion to ¥17.8 billion from the previous corresponding period.

◆ Dividends

Interim dividends are ¥11.00 per share as announced at the beginning of the current fiscal year (¥11.00 in the previous corresponding period).

CONSOLIDATED BUSINESS OVERVIEW

Results of Operations

	Six Months Ended September 30		Change (amount)
	2012	2011	
	(¥ millions)		
Revenue from Operations	¥615,709	¥573,483	¥42,226
Leasing	218,151	207,674	10,476
Property Sales	124,217	96,737	27,480
Management	143,469	137,026	6,443
Mitsui Home	77,627	82,056	(4,429)
Other	52,243	49,988	2,255
Operating Income	61,181	47,037	14,143
Leasing	54,681	49,112	5,569
Property Sales	6,765	(790)	7,555
Management	17,857	14,554	3,302
Mitsui Home	(7,586)	(3,619)	(3,966)
Other	45	(725)	771
Elimination or Corporate	(10,582)	(11,492)	910
Non-Operating Income/Expenses	(14,089)	(11,109)	(2,980)
Equity in Net Income/Loss of Affiliated Companies	1,028	2,274	(1,245)
Interest Expense, in Net	(14,556)	(13,417)	(1,139)
Other, in Net	(561)	34	(596)
Ordinary Income	47,091	35,928	11,163
Extraordinary Gains/Losses	(2,630)	(3,028)	397
Extraordinary Gains	-	-	-
Extraordinary Losses	2,630	3,028	(397)
Income before Income Taxes	44,460	32,900	11,560
Income Taxes	19,469	17,741	1,728
Income before Minority Interests	24,991	15,158	9,832
Minority Interests	(1,887)	(1,454)	(433)
Net Income	¥26,878	¥16,613	¥10,265

- For the six-month period under review, revenue from operations totaled ¥615.7 billion, up ¥42.2 billion or 7.4% from the previous corresponding period.
- Operating income was up ¥14.1 billion or 30.1% to ¥61.1 billion.
- Ordinary income was up ¥11.1 billion or 31.1% to ¥47.0 billion.
- Net income for the period was up ¥10.2 billion or 61.8% to ¥26.8 billion.

- In addition, we early adopted the changes in accounting standard for consolidation of SPCs from the three-month period under review and newly regarded the 26 special purpose corporations (hereinafter referred to as SPC) invested by the Company as the scope of consolidation.

- As the results, revenue from operations, operating income, ordinary income and net income for the six-month period under review made progress as scheduled with the full-year forecasts which released on May 9, 2012.

Progress Comparison with Full Year Forecasts

	(¥ millions)		
	Six Months Ended September 30, 2012	Year to 3/13 (Forecast as of May 9, 2012)	6-Month Results/Full-Year Forecast (%)
Revenue from Operations	¥615,709	¥1,460,000	42.2
Operating Income	61,181	135,000	45.3
Ordinary Income	47,091	109,000	43.2
Net Income	¥26,878	¥55,000	48.9

Extraordinary Losses

(¥ millions)		
Loss on Disposal of Fixed Assets	¥1,483	Mitsui Fudosan, etc.
Loss on Valuation of Investment Securities	1,147	Mitsui Fudosan
Total	¥2,630	

Consolidated Statements of Comprehensive Income

	(¥ millions)	
	Six Months Ended September 30, 2012	Six Months Ended September 30, 2011
Net Income before Minority Interests	¥24,991	¥15,158
Other Comprehensive Income	1,370	(2,926)
Valuation Difference on Available-For-Sale Securities	(91)	(3,385)
Deferred Gains or Losses on Hedges	(113)	(143)
Foreign Currency Translation Adjustment	541	(200)
Share of Other Comprehensive Income of Associates	1,034	803
Accounted for Using Equity Method		
Comprehensive Income	¥26,361	¥12,232
(Comprehensive Income Attributable to Owners of the Parent)	28,196	13,614
(Comprehensive Income Attributable to Minority Interests)	(1,834)	(1,381)

[Reference] Nonconsolidated Operating Income/Expenses (Mitsui Fudosan)

(¥ millions)				
		Six Months Ended September 30	Six Months Ended September 30	Change (amount)
		2012	2011	
Revenue from Operations	Leasing	¥215,014	¥203,218	¥11,796
	Property Sales*	9,504	1,588	7,915
	Other	12,782	14,256	(1,474)
	Total	237,301	219,063	18,237
Gross Profit (%)	Leasing	18.5	18.9	(0.4)pt
	Property Sales*	25.9	(55.3)	-
	Other	38.0	49.4	(11.4)pt
Operating Income		¥37,181	¥33,861	¥3,319

*Mainly commercial properties

SEGMENT RESULTS

[1] LEASING

	Six Months Ended September 30		Change (amount)
	2012	2011	
Revenue from Operations	¥218,151	¥207,674	¥10,476
Operating Income	¥54,681	¥49,112	¥5,569

	Year to March 2013 (Forecast as of May 9, 2012)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2012
	Revenue from Operations	¥434,000	50.3
Operating Income	¥98,000	55.8	¥95,699

● For the six-month period under review, there was the contribution of “Mitsui Outlet Park Kisarazu” and “DiverCity Tokyo” which came on-stream during the period under review and also the full-term contribution of the properties which came on-stream during the previous period such as “Nagoya Mitsui Building New Building” and “Mitsui Outlet Park Kurashiki.” In addition to that, consolidation of the SPC which owned “Tokyo Midtown,” etc. made contribution. As a result, in the entire segment revenue was up ¥10.4 billion to ¥218.1 billion and operating income was up ¥5.5 billion to ¥54.6 billion.

● The leasing market of office buildings in the Tokyo Metropolitan Area seems recovering, and the vacancy rate of the Company's office buildings (non-consolidated) in the Tokyo Metropolitan Area was 5.0%. (5.3% as of June 30, 2012)

【Reference】 Nonconsolidated Results (Revenue from operations)

Newly on-stream projects (Mitsui Outlet Park Kisarazu, DiverCity Tokyo) and full-term contribution projects (Nagoya Mitsui Building New Building, Yokohama Mitsui Building, Mitsui Outlet Park Kurashiki, and Ginza Komatsu): ¥11.8 billion revenue increase; Existing properties: ¥1.5 billion revenue increase; Shifting and terminations: ¥1.6 billion revenue decrease

(Vacancy rate)

Office buildings in Tokyo Metropolitan Area: 5.0%

Breakdown of Leasing Operations (Nonconsolidated)

		At September 30					
		2012	2011	2012	2011	2012	2011
		Total		Tokyo Metropolitan Area		Regional Areas	
Office Buildings	Number of Buildings	170	172	138	141	32	31
	Leased Floor Space (1,000m ²)	2,536	2,500	2,238	2,219	298	280
	Leasing Revenue (¥ millions)	133,488	133,398	123,921	124,430	9,566	8,967
	Vacancy Rate (%)	5.1	4.3	5.0	3.8	6.1	7.7
Retail Facilities	Number of Buildings	71	68	46	43	25	25
	Leased Floor Space (1,000m ²)	1,728	1,696	1,114	1,056	614	639
	Leasing Revenue (¥ millions)	72,402	61,574	51,712	43,382	20,690	18,192
	Vacancy Rate (%)	0.4	0.4	0.5	0.4	0.4	0.6

Leased Floor Space

		At September 30		Change
		2012	2011	
Office Buildings and Retail Facilities	Revenue	¥142,461	¥142,440	¥20
	Office Buildings Retail Facilities	72,737	62,548	10,189
	Total Leased Floor Space (1,000 m ²):	4,706	4,490	216
	Office Buildings Owned	1,698	1,274	424
	Office Buildings Managed	1,242	1,517	(276)
	Retail Facilities Owned	1,288	1,056	232
	Retail Facilities Managed	477	642	(165)
Other	Revenue	2,952	2,685	267
Total Revenue		¥218,151	¥207,674	¥10,476

Vacancy Rate at End of Term

	9/12	6/12	3/12	3/11	3/10	3/09
Consolidated						
Office Buildings and Retail Facilities (including overseas)	3.6	3.7	2.9	3.5	3.1	2.2
Nonconsolidated						
Tokyo Metropolitan Area Office Buildings	5.0	5.3	4.4	4.0	3.9	2.5
Regional Area Office Buildings	6.1	7.2	6.4	7.6	7.1	6.6

Major Projects during the Period (six-month total)

(NEWLY ON-STREAM)

Mitsui Outlet Park KISARAZU (Kisarazu, Chiba)	Retail facility opened in April 2012
DiverCity Tokyo Office Tower (Koto-ku, Tokyo)	Office building completed in April 2012
DiverCity Tokyo Plaza (Koto-ku, Tokyo)	Retail facility opened in April 2012
LaLaport SHIN-MISATO ANNEX (Misato, Saitama)	Retail facility opened in April 2012

(FULL-TERM CONTRIBUTION)

Nagoya Mitsui Building New Building (Nagoya, Aichi)	Office building completed in June 2011
Onarimon M-SQUARE (Minato-ku, Tokyo)	Office building completed in July 2011
Mitsui Outlet Park JAZZ DREAM NAGASHIMA Stage 4 (Kuwana, Mie)	Retail facility opened in September 2011
Hamarikyu Mitsui Building (Chuo-ku, Tokyo)	Office building completed in November 2011
Mitsui Outlet Park KURASHIKI (Kurashiki, Okayama)	Retail facility opened in December 2011
Hiroshima Train Vert Building (Hiroshima, Hiroshima)	Office building completed in February 2012
Yokohama Mitsui Building (Yokohama, Kanagawa)	Office building completed in February 2012
Ginza Komatsu (Chuo-ku, Tokyo)	Retail facility opened in March 2012

[2] PROPERTY SALES

	Six Months Ended September 30		Change (amount)
	2012	2011	
Revenue from Operations	¥124,217	¥96,737	¥27,480
Operating Income	¥6,765	¥(790)	¥7,555

	Year to March 2013 (Forecast as of May 9, 2012)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2012
	Revenue from Operations	¥405,000	30.7
Operating Income	¥22,000	30.8	¥15,734

● For the six-month period under review, revenue in the “Property Sales to Individuals” category was up ¥27.1 billion and operating income was up ¥7.6 billion due to the increase in reported number of units and improvement of margin. In addition, in the “Property Sales to Investors” category, revenue was up ¥0.3 billion from the previous corresponding period. Accordingly, in the entire segment revenue was up ¥27.4 billion to ¥124.2 billion, and operating income was up ¥7.5 billion to ¥6.7 billion from the previous corresponding period.

● In addition, the status of condominium unit sales continued to be stable, while completed inventories of condominiums (condominiums + detached housing) as of September 30, 2012 was up 62 units to 466 units from 404 units at the end of the previous period. The progress rate of contracts as of September 30, 2012 was 76% (77% as of September 30, 2011) of the 4,900 condominium units, scheduled full-year number of condominium units sold.

Major Projects Undertaken during the Period (six-month total)

Park Court Roppongi Hill Top (Minato-ku, Tokyo)	Condominiums
Nakano Twin Mark Tower (Nakano-ku, Tokyo)	Condominiums
KOTESASHI TOWERS (Tokorozawa, Saitama)	Condominiums
Park Tower Yachiyo-midorigaoka (Yachiyo, Chiba)	Condominiums
Park Homes Meguro The Residence (Meguro-ku, Tokyo)	Condominiums
Fine Court Meguro (Meguro-ku, Tokyo)	Detached housing

Property Sales to Individuals and Investors

		Six Months Ended September 30						Change			
		2012			2011			Revenue	Units	Unit Price (¥10 thousand)	
		Revenue	Units	Unit Price (¥10 thousand)	Revenue	Units	Unit Price (¥10 thousand)				
Property Sales to Individuals	Condominiums	Tokyo Metropolitan Area	¥87,458	1,660	¥5,269	¥47,188	912	¥5,174	¥40,270	748	¥95
		Other	7,039	175	4,023	16,803	518	3,244	(9,763)	(343)	779
		Subtotal	94,498	1,835	5,150	63,991	1,430	4,475	30,506	405	675
	Detached Housing	Tokyo Metropolitan Area	16,983	276	6,153	19,825	354	5,601	(2,842)	(78)	552
		Other	2,501	54	4,632	3,063	71	4,315	(562)	(17)	317
		Subtotal	19,484	330	5,904	22,889	425	5,386	(3,405)	(95)	518
Revenue		113,983	2,165	5,265	86,881	1,855	4,684	27,101	310	581	
Operating Income		5,207		(2,457)		7,665					
Property Sales to Investors		Revenue		10,234		9,855		378			
Operating Income		1,557		1,667		(109)					
Total Revenue		124,217		96,737		27,480					
Total Operating Income		¥6,765		¥(790)		¥7,555					

Inventories (Property Sales to Individuals)

	(Units)					
	9/12	6/12	3/12	3/11	3/10	3/09
Condominiums	431	454	380	638	872	826
Detached Housing	35	35	24	46	40	93
Total	466	489	404	684	912	919

Contracted for Sale (Property Sales to Individuals)

	(Units)					
	Contracts at Beginning of Term	Contracts during Term	Total	Reported No. of Units	Contracts at End of Term	Newly Launched during Term
Condominiums	2,387	2,748	5,135	1,835	3,300	2,950
Detached Housing	113	270	383	330	53	272
Total	2,500	3,018	5,518	2,165	3,353	3,222

Note: Figures except for Reported No. of Units include those scheduled for completion in the next fiscal year and after.

[3] MANAGEMENT

(¥ millions)

	Six Months Ended September 30		Change (amount)
	2012	2011	
Revenue from Operations	¥143,469	¥137,026	¥6,443
Operating Income	¥17,857	¥14,554	¥3,302

(¥ millions)

	Year to March 2013 (Forecast as of May 9, 2012)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2012
Revenue from Operations	¥294,000	48.8	¥286,638
Operating Income	¥33,000	54.1	¥34,363

● For the six-month period under review, revenue and earnings in “Property Management” category increased party due to an increase in the number of managed units in the “Repark” (Car Park Leasing) business and the number of consigned units of retail facilities, and also the number of handover units in our brokerage business for individuals in Mitsui Rehouse business. As a results, in the entire segment revenue was up ¥6.4 billion to ¥143.4 billion and operating income was up ¥3.3 billion to ¥17.8 billion from the previous corresponding period.

(¥ millions)

		Six Months Ended September 30		Change (amount)
		2012	2011	
Property Management	Revenue	¥108,721	¥103,579	¥5,141
	Operating Income	13,550	11,610	1,939
Brokerage, Asset Management, etc.	Revenue	34,748	33,446	1,302
	Operating Income	4,306	2,943	1,363
Total	Revenue	143,469	137,026	6,443
	Operating Income	17,857	14,554	3,302

Property Management Business: Car Park Leasing (including “Property Management” category)

(Units)

	At September 30, 2012	At September 30, 2011
Total Managed Units	138,537	130,056

Brokerage Business: Mitsui Fudosan Realty (including “Brokerage and Asset Management, etc.” category)

(¥ millions)

	Six Months Ended September 30				Change (amount)	
	2012		2011		Revenue	Units
Brokerage	Revenue	Units	Revenue	Units		
	¥583,181	18,620	¥542,818	17,389		

Note: Above figures for brokerage revenue and units represent the entire Mitsui Fudosan Realty Group, including Rehouse, an equity-method affiliate.

Consignment Sales Business: Mitsui Fudosan Residential (including “Brokerage and Asset Management, etc.” category)

(¥ millions)

	Six Months Ended September 30				Change (amount)	
	2012		2011		Revenue	Units
Consignment Sales	Revenue	Units	Revenue	Units		
	¥31,783	719	¥20,932	491		

[4] MITSUI HOME, [5] OTHER

[4] MITSUI HOME

	Six Months Ended September 30		Change (amount)
	2012	2011	
Revenue from Operations	¥77,627	¥82,056	¥(4,429)
Operating Income	¥(7,586)	¥(3,619)	¥(3,966)

	Year to March 2013 (Forecast as of May 9, 2012)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2012
Revenue from Operations	¥216,000	35.9	¥207,568
Operating Income	¥4,800	-	¥4,187

● For the six-month period under review, revenue decreased due to drop in the number of units sold since order backlogs under construction at the beginning of the first quarter was less than that in the previous corresponding period, and also an increase in selling, general and administrative expenses mainly due to expanding sales staff, revenue in the entire segment was down ¥4.4 billion to ¥77.6 billion and operating income decreased ¥3.9 billion to ¥7.5 billion operating loss from the previous corresponding period. This segment reported an operating loss because the completion and handover of properties under consignment are concentrated in the fourth quarter.

		Six Months Ended September 30		Change (amount)
		2012	2011	
New Construction	Revenue	¥54,170	¥59,557	¥(5,387)
	Orders	75,227	73,294	1,933
Reform/Renewal	Revenue	8,687	7,999	687
	Orders	11,873	12,078	(205)
Lease Management		9,144	8,815	329
Other		5,625	5,684	(59)
Total Revenue		¥77,627	¥82,056	¥(4,429)

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.

[5] OTHER

	Six Months Ended September 30		Change (amount)
	2012	2011	
Revenue from Operations	¥52,243	¥49,988	¥2,255
Operating Income	¥45	¥(725)	¥771

	Year to March 2013 (Forecast as of May 9, 2012)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2012
Revenue from Operations	¥111,000	47.1	¥102,014
Operating Income	¥0	-	¥(806)

● For the six-month period under review, revenue increased in Facility Operations due to good progress of hotel operation business and also recovery from a decrease of revenue in the previous corresponding period due to the impact of the earthquake. In entire segment, revenue was up ¥2.2 billion to ¥52.2 billion and operating income was ¥45.0 million, improved ¥0.7 billion from the previous corresponding period.

	Six Months Ended September 30		Change (amount)
	2012	2011	
Facility Operations	¥25,295	¥23,534	¥1,760
Merchandise	20,204	20,829	(625)
Other	6,743	5,623	1,120
Total Revenue	¥52,243	¥49,988	¥2,255

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)			
	September 30, 2012 (Amount)	March 31, 2012 (Amount)	Change (Amount)
ASSETS:			
I. Current Assets:	¥1,159,921	¥941,729	¥218,191
Cash and Time Deposits	80,279	62,274	18,005
Accounts Receivable—Trade	23,904	26,538	(2,633)
Marketable Securities	29	14	14
Real Property for Sale (including Advances Paid for Purchases)	882,767	642,809	239,957
Expenditure on Contracts in Progress	17,411	9,235	8,175
Other Inventories	9,121	8,667	454
Short-Term Loans	8,631	9,620	(988)
Equity Investments in Properties for Sale	10,293	57,568	(47,275)
Deferred Income Taxes	39,208	34,544	4,664
Other Current Assets	89,127	91,335	(2,208)
Allowance for Doubtful Accounts	(853)	(878)	25
II. Fixed Assets:	3,154,279	2,926,681	227,597
1. Tangible Fixed Assets:	2,530,913	2,269,956	260,956
Buildings and Structures	658,825	583,815	75,009
Machinery, Equipment and Materials Handling Equipment	10,278	8,667	1,611
Land	1,797,240	1,614,433	182,806
Construction in Progress	31,658	31,430	227
Other Tangible Fixed Assets	32,910	31,609	1,300
2. Intangible Fixed Assets:	39,818	34,852	4,965
Tangible and Intangible Fixed Assets:	2,570,731	2,304,809	265,922
3. Investments and Other Assets:	583,548	621,872	(38,324)
Investment Securities	359,812	397,647	(37,835)
Long-Term Loans	6,941	5,489	1,452
Lease Deposits	158,589	160,846	(2,256)
Deferred Income Taxes	9,862	9,760	101
Deferred Tax Assets on Land Revaluation	1,233	1,233	-
Other Investments and Assets	53,624	53,424	200
Allowance for Doubtful Accounts	(6,515)	(6,529)	13
Total Assets	¥4,314,200	¥3,868,411	¥445,788

[Real Property for Sale] (a) Breakdown by Company

(¥ millions)			
	At September 30, 2012	At March 31, 2012	Change (amount)
Mitsui Fudosan Residential	¥405,600	¥407,233	¥(1,632)
SPCs Total	238,267	-	238,267
Mitsui Fudosan	225,108	211,016	14,092
Other and Elimination	13,790	24,559	(10,769)
Consolidated Total	¥882,767	¥642,809	¥239,957

(b) Accounts of Real Property for Sale

(¥ millions)					
Six Months Ended September 30	At Beginning of Period	New Investments	Cost Recovery	Others	At September 30, 2012
2012	¥842,835	145,487	(97,153)	(8,401)	¥882,767
2011	¥634,479	94,810	(79,299)	365	¥650,355

Note: Due to the consolidation of SPCs, the balance as of the start of this period under review increased by ¥200.0 billion from the balance at the end of the previous period.

Note: Land acquisition-related expenditures by Mitsui Fudosan Residential Co., Ltd., totaled ¥34.5 billion for the six-month period under review.

[Tangible and Intangible Assets]

The consolidated balance of tangible and intangible fixed assets was ¥2,570.7 billion, up ¥265.9 billion from March 31, 2012. The increase stemmed partly from redevelopment projects and new investment in retail facilities by Mitsui Fudosan and acquisition of office buildings by Mitsui Fudosan America Group. And also SPC consolidation from the start of this period under review contributed to the increase.

(a) Breakdown by Company

(¥ millions)			
	At September 30, 2012	At March 31, 2012	Change (amount)
Mitsui Fudosan	¥2,044,698	¥2,050,214	¥(5,516)
SPCs Total	233,416	-	233,416
Mitsui Fudosan America Group	130,149	101,896	28,252
Mitsui Fudosan UK Group	29,120	27,184	1,936
Mitsui Home Group	27,647	25,613	2,033
Other and Elimination	105,699	99,900	5,799
Consolidated Total	¥2,570,731	¥2,304,809	¥265,922

(b) Accounts of Tangible and Intangible Fixed Assets

(¥ millions)					
Six Months Ended September 30	At Beginning of Period	Capital Expenditure	Depreciation	Disposal/Sale	At September 30, 2012
2012	¥2,545,610	35,777	(29,049)	18,393	¥2,570,731
2011	¥2,252,287	46,512	(25,739)	(5,551)	¥2,267,507

Note: Due to the consolidation of SPCs, the balance as of the start of this period under review increased by ¥240.8 billion from the balance at the end of the previous period.

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	(¥ millions)		
	September 30, 2012 (Amount)	March 31, 2012 (Amount)	Change (Amount)
LIABILITIES:			
I. Current Liabilities:	¥769,403	¥692,309	¥77,093
Accounts Payable—Trade	64,930	101,321	(36,390)
Short-Term Debt	259,238	254,922	4,315
Commercial Paper	99,000	37,000	62,000
Bond Redeemable Within One Year	76,883	5,000	71,883
Income Taxes Payable	18,744	11,650	7,093
Advances from Contracts in Progress	20,819	12,996	7,822
Allowance for Completed Project Indemnities	1,202	1,351	(148)
Allowance for Possible Guarantee Losses	121	180	(59)
Deferred Income Taxes	396	396	-
Provision for Loss on Disaster	744	1,692	(948)
Other Current Liabilities	227,323	265,797	(38,473)
II. Long-Term Liabilities:	2,403,071	2,075,694	327,376
Corporate Bonds	411,672	300,000	111,672
Long-Term Debt	1,353,462	1,146,489	206,973
Deposits from Tenants	354,575	353,837	738
Allowance for Employees' Retirement Benefits	36,356	33,001	3,354
Allowance for Directors' and Corporate Auditors' Retirement Benefits	951	957	(5)
Deferred Income Taxes	37,397	32,470	4,926
Deferred Tax Liabilities on Land Revaluation	168,130	168,130	-
Other Long-Term Liabilities	40,524	40,808	(284)
Total Liabilities	3,172,474	2,768,004	404,470
NET ASSETS:			
Common Stock	174,296	174,296	-
Additional Paid-in Capital	248,297	248,296	0
Retained Earnings	378,970	363,877	15,092
Treasury Stock	(5,425)	(5,385)	(39)
Reserve on Land Revaluation	292,702	294,109	(1,406)
Net Unrealized Holding Gains on Securities	50,255	50,355	(99)
Deferred Gains or Losses on Hedges	(971)	(869)	(102)
Foreign Currency Translation Adjustment	(44,977)	(46,496)	1,518
New Share Subscription Rights	649	587	62
Minority Interests in Consolidated Subsidiaries	47,928	21,636	26,292
Total Net Assets	1,141,725	1,100,407	41,318
Total Liabilities and Net Assets	¥4,314,200	¥3,868,411	¥445,788

Note: Debt-Equity Ratio 2.01 times (1.62 times at March 31, 2012)

Interest-Bearing Debt:	2,200,256	1,743,411	456,844
Non-recourse Debt	381,260	9,013	372,247
Surplus lease deposits/guarantee deposits	195,986	192,991	2,995

[Interest-Bearing Debt]

As of September 30, 2012, interest-bearing debt stood at ¥2,200.2 billion, up ¥456.8 billion from March 31, 2012. The increase was mainly due to cashout of ¥33.6 billion in operating activities caused by the excess of the new investments in real properties for sale over collection and of ¥56.5 billion in investing activities caused by the new investments in tangible and intangible fixed assets, as well as due to ¥359.5 billion increase by SPC consolidation from the start of this period under review.

Breakdown by Company

	(¥ millions)		
	At September 30, 2012	At March 31, 2012	Change (amount)
Mitsui Fudosan	¥1,751,054	¥1,670,126	¥80,928
SPCs Total	359,562	-	359,562
Mitsui Fudosan Residential	358,200	299,400	58,800
Mitsui Fudosan America Group	71,961	57,437	14,523
Loans to Subsidiaries	(457,549)	(396,664)	(60,885)
Other and Elimination	117,026	113,111	3,914
Consolidated Total	¥2,200,256	¥1,743,411	¥456,844
(Non-recourse Debt of Total)	381,260	9,013	372,247

SEGMENT INFORMATION (UNAUDITED)

Six Months Ended September 30, 2012

(¥ millions)

	Revenue from Operations			Segment Income	Segment Assets	Depreciation	Increase in Tangible and Intangible Fixed Assets
	(1) Outside Customers	(2) Inter-segment	Total				
(1)Leasing	¥218,151	¥8,231	¥226,382	¥54,681	¥2,690,093	¥21,070	¥24,059
(2)Property Sales	124,217	-	124,217	6,765	1,059,531	640	501
(3)Management	143,469	23,050	166,520	17,857	226,575	3,176	4,492
(4)Mitsui Home	77,627	3,751	81,378	(7,586)	106,699	1,736	2,748
(5)Other	52,243	1,718	53,961	45	108,547	1,792	3,338
Elimination or Corporate	-	(36,751)	(36,751)	(10,582)	122,753	634	636
Consolidated	¥615,709	-	¥615,709	¥61,181	¥4,314,200	¥29,049	¥35,777

Six Months Ended September 30, 2011

(¥ millions)

	Revenue from Operations			Segment Income	Segment Assets	Depreciation	Increase in Tangible and Intangible Fixed Assets
	(1) Outside Customers	(2) Inter-segment	Total				
(1)Leasing	¥207,674	¥7,795	¥215,470	¥49,112	¥2,417,212	¥17,959	¥36,614
(2)Property Sales	96,737	-	96,737	(790)	755,231	752	472
(3)Management	137,026	19,748	156,774	14,554	210,244	2,823	5,274
(4)Mitsui Home	82,056	4,266	86,323	(3,619)	107,120	1,763	1,997
(5)Other	49,988	1,522	51,510	(725)	108,272	1,722	1,859
Elimination or Corporate	-	(33,333)	(33,333)	(11,492)	208,111	668	295
Consolidated	¥573,483	-	¥573,483	¥47,037	¥3,806,192	¥25,739	¥46,512

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Six Months Ended September 30	
	2012 (Amount)	2011 (Amount)
I. Revenue from Operations	¥615,709	¥573,483
II. Cost of Revenue from Operations	480,792	458,262
Gross Operating Profit	134,917	115,220
III. Selling, General and Administrative Expenses	73,735	68,183
Operating Income	61,181	47,037
IV. Non-Operating Income:	4,179	5,303
Interest Income	149	114
Dividend Income	1,933	1,649
Equity in Net Income of Affiliated Companies	1,028	2,274
Other Non-Operating Income	1,066	1,265
V. Non-Operating Expenses:	18,268	16,413
Interest Expenses	14,706	13,531
Other Non-Operating Expenses	3,562	2,881
Ordinary Income	47,091	35,928
VI. Extraordinary Losses:	2,630	3,028
Loss on Disposal of Fixed Assets	1,483	-
Loss on Valuation of Investment Securities	1,147	2,619
Loss on Disaster	-	408
Income before Income Taxes	44,460	32,900
Income Taxes	19,469	17,741
Income (Loss) before Minority Interests	24,991	15,158
Minority Interests	(1,887)	(1,454)
Net Income	¥26,878	¥16,613

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	(¥ millions)	
	Six Months Ended September 30	
	2012 (Amount)	2011 (Amount)
I. Cash Flows From Operating Activities:		
Income before Income Taxes	¥44,460	¥32,900
Depreciation and Amortization	29,049	25,739
Gain/Loss from Valuation of Investment Securities	1,147	2,619
Interest and Dividend Income Receivable	(2,090)	(1,764)
Interest Expense	14,706	13,531
Gain/Loss on Equity-Method Investments	(1,028)	(2,274)
Increase/Decrease in Accounts Receivable	2,671	672
Increase/Decrease in Accounts Payable	(11,392)	(8,993)
Increase/Decrease in Real Property for Sale	(71,231)	(33,610)
Other	(25,322)	3,061
Subtotal	(19,030)	31,882
Cash Receipts of Interest and Dividend Income	3,198	3,415
Cash Payments of Interest Expense	(15,001)	(13,568)
Income Taxes Paid	(2,840)	(25,894)
Net Cash Provided by Operating Activities	(33,673)	(4,164)
II. Cash Flows From Investing Activities:		
Purchase of Tangible and Intangible Fixed Assets	(44,187)	(49,949)
Sales of Tangible and Intangible Fixed Assets	8,926	476
Purchase of Investment Securities	(12,596)	(9,917)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(9,759)	-
Proceeds from Receipt of Rental Deposits and Guarantees	(3,559)	(3,668)
Proceeds from Recovery of Rental Deposits and Guarantees	7,155	9,990
Decrease in Deposits from Tenants	(20,063)	(21,126)
Increase in Deposits from Tenants	16,664	22,114
Increase in Loans (Outlays for Loans)	(5,779)	(6,532)
Decrease in Loans (Proceeds from Recovery of Loans)	4,127	6,065
Other	2,473	5,061
Net Cash Used in Investing Activities	¥(56,598)	¥(47,486)

	(¥ millions)	
	Six Months Ended September 30	
	2012 (Amount)	2011 (Amount)
III. Cash Flows From Financing Activities:		
Proceeds from Short-Term Debt	¥870,386	¥668,103
Repayment of Short-Term Debt	(795,912)	(559,021)
Proceeds from Long-Term Debt	171,033	50,500
Repayment of Long-Term Debt	(174,831)	(111,916)
Proceeds from Issuance of Bonds	34,600	20,000
Redemption of Bonds	(10,541)	-
Cash Dividends Paid	(9,661)	(9,659)
Proceeds from Stock Issuance to Minority Shareholders	6,540	-
Cash Dividends Paid to Minority Interests	(739)	(707)
Repayment of Finance Lease Obligations	(1,347)	(1,067)
Increase/Decrease in Treasury Stock	(52)	(37)
Other	(40)	-
Net Cash Used in Financing Activities	89,433	56,191
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	51	79
V. Net Increase (Decrease) in Cash and Cash Equivalents	(788)	4,620
VI. Cash and Cash Equivalents at Beginning of Year	61,726	56,675
VII. Increase in cash and cash equivalents from newly consolidated subsidiary	18,665	-
VIII. Cash and Cash Equivalents at End of the Period	¥79,603	¥61,296

CONSOLIDATED EARNING FORECASTS

For the Year Ending March 31, 2013 (Unchanged from originally announced on May 9, 2012)

(¥ millions)

	Year to March 31		Change (amount)
	2013 (forecast)	2012 (actual)	
Revenue from Operations	¥1,460,000	¥1,338,102	¥121,898
Leasing	434,000	420,528	13,472
Property Sales	405,000	321,352	83,648
Management	294,000	286,638	7,362
Mitsui Home	216,000	207,568	8,432
Other	111,000	102,014	8,986
Operating Income	135,000	126,038	8,962
Leasing	98,000	95,699	2,301
Property Sales	22,000	15,734	6,266
Management	33,000	34,363	(1,363)
Mitsui Home	4,800	4,187	613
Other	0	(806)	806
Elimination or Corporate	(22,800)	(23,140)	340
Non-Operating Income/Expenses	(26,000)	(23,528)	(2,472)
Interest Expense, Net	(32,000)	(26,507)	(5,493)
Other, Net	6,000	2,978	3,022
Ordinary Income	109,000	102,509	6,491
Extraordinary Gains/Losses	(10,000)	(8,008)	(1,992)
Income before Income Taxes	99,000	94,500	4,500
Income Taxes	43,000	43,790	(790)
Minority Interests	1,000	580	420
Net Income	¥55,000	¥50,129	¥4,871

●Leasing: Retail facilities scheduled to newly open in the next fiscal year, “Mitsui Outlet Park Kisarazu” and “DiverCity Tokyo,” would contribute to revenue; thus, we expect an increase of revenue by ¥13.4 billion and an increase of operating income by ¥2.3 billion for the entire segment.

●Property Sales: We expect an increase in both revenue and earnings from factors including an increase in the number of units booked and an improved profit ratio in “Property Sales to Individuals” category, and we also expect an increase in both revenue and earnings in “Property Sales to Investors.” For the entire segment, we expect a ¥83.6 billion increase in revenue and a ¥6.2 billion increase in operating income.

●Management: While revenue was increased due to a higher number of properties handled in our brokerage business for individuals and an increase in the number of units entrusted for property management, asset management fee for fund arrangement was recorded in the current fiscal year. Thus, we expect an increase in revenue by ¥7.3 billion and a decrease of operating income by ¥1.3 billion for the entire segment.

●Other: Due to a business expansion by Mitsui Fudosan Reform Co., Ltd. and a steady improvement of revenue in Hotel business category, we expect improvement in revenue and earnings.

● As a result, we forecast ¥1,460.0 billion in revenue from operations, an increase of ¥121.8 billion, ¥135.0 billion of operating income, an increase of ¥8.9 billion, and ¥109.0 billion of ordinary income, an increase of ¥6.4 billion.

● Net income is expected to be ¥55.0 billion, an increase of ¥4.8 billion, taking into account of a ¥10.0 billion net extraordinary losses.

Note: Since the early application of a change in the accounting standards regarding a consolidation of special purpose entities is planned for the fiscal year ending March 31, 2013, the consolidated performance forecasts listed in this document incorporate such effects.

CONSOLIDATED EARNING FORECASTS

Real Property for Sale

(¥ millions)

	Year to March 2013	Year Ended March 2012	YoY Change
	(forecast)	(actual)	(amount)
New Investments	¥330,000	¥284,263	¥45,737
Recovery of Costs	¥350,000	¥258,365	¥91,635

Note: Real Property for Sale: real property for sale + real property for sale in progress + land for development
+ advances paid for purchases

Tangible and Intangible Assets

(¥ millions)

	Year to March 2013	Year Ended March 2012	YoY Change
	(forecast)	(actual)	(amount)
New Investments	¥160,000	¥111,755	¥48,245
Depreciation	¥65,000	¥53,231	¥11,769

Note: Major capital investment: Sumitomo Mitsui Banking Corporation Head Office Building and Muromachi-Higashi Mitsui Building (Muromachi East District Projects Areas 2-2), Tokyo.

Interest-Bearing Debt

(¥ millions)

	At March 31, 2013	At March 31, 2012	YoY Change
	(forecast)	(actual)	(amount)
Interest-Bearing Debt	¥2,120,000	¥1,743,411	¥376,589

【Property Sales to Individuals】

Revenue, Operating Margin

(¥ millions)

	Year to March 2013	Year Ended March 2012	YoY Change
	(forecast)	(actual)	(amount)
Revenue from Operations:	¥280,000	¥257,243	¥22,757
Condominiums	228,000	213,839	14,161
Detached Housing	52,000	43,403	8,597
Operating Margin (%)	5.0	4.0	1.0pt

Number of Housing Units

(Units)

	Year to March 2013	Year Ended March 2012	YoY Change
	(forecast)	(actual)	(amount)
Condominiums	4,900	4,512	388
Detached Housing	900	804	96
Total	5,800	5,316	484