

# FACT BOOK

*For the Six Months Ended September 30, 2014*

November 6, 2014



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

<http://www.mitsuifudosan.co.jp/english/>

**Corporate Data**

(As of September 30, 2014)

**Head Office:**

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

**Date of Establishment:**

July 15, 1941

**Share Capital:**

¥339,766 million

**Number of Issued and Outstanding Shares:**

991,424,727

**Stock Exchange Listings:**

Tokyo (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 BUSINESS OVERVIEW

## Results of Operations

(¥ millions)

	Six Months Ended September 30		Change
	2014	2013	
<b>Revenue from Operations</b>	¥748,001	¥636,151	¥111,850
Leasing	225,940	221,929	4,011
Property Sales	229,433	118,701	110,731
Management	152,860	150,664	2,195
Mitsui Home	104,156	94,317	9,838
Other	35,610	50,538	(14,927)
<b>Operating Income</b>	92,147	69,207	22,939
Leasing	53,103	55,455	(2,352)
Property Sales	29,506	2,308	27,197
Management	22,141	24,191	(2,050)
Mitsui Home	(2,648)	(4,415)	1,767
Other	2,287	2,057	229
Elimination or Corporate	(12,242)	(10,390)	(1,852)
<b>Non-Operating Income/Expenses</b>	(14,363)	(12,388)	(1,975)
Equity in Net Income/Loss of Affiliated Companies	661	802	(140)
Interest Income/Expense, in Net	(12,996)	(14,581)	1,584
Other, in Net	(2,028)	1,390	(3,418)
<b>Ordinary Income</b>	77,783	56,819	20,964
<b>Extraordinary Gains/Losses</b>	5,185	10,817	(5,632)
Extraordinary Gains	5,185	13,188	(8,003)
Extraordinary Losses	-	2,371	(2,371)
<b>Income before Income Taxes</b>	82,968	67,636	15,332
Income Taxes	33,078	27,633	5,445
<b>Income before Minority Interests</b>	49,890	40,003	9,886
Minority Interests	2,878	150	2,727
<b>Net Income</b>	¥47,011	¥39,852	¥7,158

### ◆ Overview

● For the six-month period under review, both revenue and earnings improved in the “Property Sales” segment. In addition to an increase in the reported number of units as well as profit margins in “Property Sales to Individuals,” this improvement was also attributable to steady progress in “Property Sales to Investors” and other factors including the increase in revenue and improvement in earnings in the “Mitsui Home” segment. Accounting for each of these factors, overall revenue from operations increased ¥111.8 billion, or 17.6%, compared with the corresponding period of the previous fiscal year to ¥748.0 billion. From a profit perspective, operating income grew ¥22.9 billion, or 33.1%, to ¥92.1 billion, ordinary income climbed ¥20.9 billion, or 36.9%, to ¥77.7 billion, and net income improved ¥7.1 billion, or 18.0%, to ¥47.0 billion. On this basis, the Company is making steady progress toward achieving its forecasts for the full fiscal year.

### ◆ Dividends

● The interim dividend is ¥11 per share (¥11 per share for the corresponding period of the previous fiscal year). This is unchanged from the forecast level announced at the beginning of the period.

## Progress Comparison with Full Year Forecasts

(¥ millions)

	Six Months Ended September 30, 2014	Year to 3/15 (Forecast as of May 12, 2014)	6-Month Results/Full-Year Forecast (%)
Revenue from Operations	¥748,001	¥1,540,000	48.6
Operating Income	92,147	183,000	50.4
Ordinary Income	77,783	156,000	49.9
Net Income	¥47,011	¥90,000	52.2

## Extraordinary Gains/Losses

【Extraordinary Gains】		(¥ millions)
Gain on Sales of Shares of Affiliated Companies		¥5,185
<b>Total</b>		¥5,185

## Consolidated Statements of Comprehensive Income

(¥ millions)

	Six Months Ended September 30	
	2014	2013
Net Income before Minority Interests	¥49,890	¥40,003
Other Comprehensive Income	28,466	33,026
Valuation Difference on Available-For-Sale Securities	34,279	14,720
Deferred Gains or Losses on Hedges	120	208
Foreign Currency Translation Adjustment	(4,047)	12,173
Remeasurements of Defined Benefit Plans	384	-
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	(2,269)	5,923
Comprehensive Income	¥78,356	¥73,029
(Comprehensive Income Attributable to Owners of the Parent)	75,521	72,715
(Comprehensive Income Attributable to Minority Interests)	2,835	313

## 【Reference】 Nonconsolidated Operating Income/Expenses (Mitsui Fudosan)

(¥ millions)

		Six Months Ended September 30		Change
		2014	2013	
Revenue from Operations	Leasing	¥221,079	¥216,269	¥4,809
	Property Sales	35,128	13,371	21,757
	Other	18,359	12,656	5,703
	<b>Total</b>	274,567	242,296	32,270
Gross Profit (%)	Leasing	17.2	18.0	(0.8) pt
	Property Sales	18.4	17.3	1.1 pt
	Other	50.4	37.6	12.8 pt
<b>Operating Income</b>		¥43,406	¥36,484	¥6,922

# SEGMENT RESULTS

## [1] LEASING

(¥ millions)

	Six Months Ended September 30		Change
	2014	2013	
Revenue from Operations	¥225,940	¥221,929	¥4,011
Operating Income	53,103	55,455	(2,352)

	Year to March 2015 (Forecast as of May 12, 2014)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2014
Revenue from Operations	¥458,000	49.3	¥449,699
Operating Income	102,000	52.1	109,205

● For the six-month period under review, overall revenue from operations improved ¥4.0 billion compared with the corresponding period of the previous fiscal year. This largely reflected newly opened and full-year contributing office buildings and retail facilities. Operating income, on the other hand, declined ¥2.3 billion year on year owing mainly to the increase in depreciation expenses as a result of the completion of new properties including Idabashi Grand Bloom as well as such factors as the termination of operations in connection with redevelopment.

● The vacancy rate for the Company's office buildings located in the Tokyo Metropolitan Area was 5.9% on a non-consolidated basis as of September 30, 2014. This was primarily attributable to the impact of new buildings.

### 【Reference】 Non-consolidated Results

(Revenue from operations)

- Newly on-stream (Idabashi Grand Bloom, etc.) and full-term contribution projects (Muromachi Furukawa Mitsui Building (COREDO Muromachi 2), Muromachi Chibagin Mitsui Building (COREDO Muromachi 3), etc.): ¥5.6 billion year-on-year increase in revenue
- Existing properties: ¥0.4 billion year-on-year increase in revenue
- Shifting and terminations: ¥1.3 billion year-on-year decrease in revenue

### Breakdown of Leasing Operations (Nonconsolidated)

		At September 30					
		2014		2013		2013	
		Total		Tokyo Metropolitan Area		Regional Areas	
Office Buildings	Number of Buildings	136	149	105	119	31	30
	Leased Floor Space (1,000m <sup>2</sup> )	2,473	2,497	2,149	2,206	324	290
	Leasing Revenue (¥ millions)	128,311	129,849	118,667	120,438	9,643	9,410
	Vacancy Rate (%)	5.7	4.8	5.9	4.5	4.3	7.0
Retail Facilities	Number of Buildings	71	69	48	45	23	24
	Leased Floor Space (1,000m <sup>2</sup> )	1,697	1,721	1,094	1,106	603	615
	Leasing Revenue (¥ millions)	81,951	76,425	58,722	54,425	23,228	21,999
	Vacancy Rate (%)	0.7	0.6	0.7	0.6	0.8	0.6

### Leased Floor Space

(¥ millions)

		At September 30		Change		
		2014	2013			
Office Buildings and Retail Facilities	Revenue	Office Buildings	¥138,787	¥141,857	¥(3,069)	
		Retail Facilities	82,317	76,645	5,671	
		Total Leased Floor Space (1,000 m <sup>2</sup> ):	4,425	4,580	(155)	
		Office Buildings	Owned	1,555	1,649	(95)
			Managed	1,137	1,177	(39)
		Retail Facilities	Owned	1,206	1,246	(40)
		Managed	527	508	19	
Other	Revenue		4,836	3,426	1,409	
<b>Total Revenue</b>			<b>¥225,940</b>	<b>¥221,929</b>	<b>¥4,011</b>	

### Vacancy Rate at End of Term

(%)

	9/14	3/14	3/13	3/12	3/11
<b>Consolidated</b>					
Office Buildings and Retail Facilities (including overseas)	4.6	3.5	3.3	2.9	3.5
<b>Non-consolidated</b>					
Tokyo Metropolitan Area Office Buildings	5.9	3.3	3.8	4.4	4.0
Regional Area Office Buildings	4.3	4.3	5.3	6.4	7.6

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

#### (NEWLY OPENED)

GATE SQUARE (Kashiwa, Chiba)	Office building completed in April 2014
LaLa Terrace Musashikosugi (Kawasaki, Kanagawa)	Retail facility opened in April 2014
Okachimachi Yoshiike Head Store Building (Taito-ku, Tokyo)	Retail facility opened in April 2014
Idabashi Grand Bloom (Chiyoda-ku, Tokyo)	Office building completed in June 2014
Sapporo Mitsui JP Building (Sapporo, Hokkaido)	Office building completed in August 2014
(Akarenga TERRACE (Sapporo, Hokkaido))	Retail facility opened in August 2014)

#### (FULL-TERM CONTRIBUTION)

LoveLa 2 (Niigata, Niigata)	Retail facility opened in November 2013
Muromachi Furukawa Mitsui Building (Chuo-ku, Tokyo)	Office building completed in February 2014
(COREDO Muromachi 2 (Chuo-ku, Tokyo))	Retail facility opened in March 2014)
Muromachi Chibagin Mitsui Building (Chuo-ku, Tokyo)	Office building completed in February 2014
(COREDO Muromachi 3 (Chuo-ku, Tokyo))	Retail facility opened in March 2014)
Ikebukuro Globe (Toshima-ku, Tokyo)	Retail facility opened in February 2014

## [2] PROPERTY SALES

(¥ millions)

	Six Months Ended September 30		Change
	2014	2013	
Revenue from Operations	¥229,433	¥118,701	¥110,731
Operating Income	29,506	2,308	27,197

	Year to March 2015 (Forecast as of May 12, 2014)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2014
Revenue from Operations	¥442,000	51.9	¥409,466
Operating Income	46,000	64.1	27,099

● For the six-month period under review, overall revenue from operations and operating income in the “Property Sales” segment increased ¥110.7 billion and ¥27.1 billion, respectively, compared with the corresponding period of the previous fiscal year. In the “Property Sales to Individuals” category, the reported number of units increased. At the same time, the profit margin improved. Accounting for these factors, revenue from operations in this category climbed ¥42.7 billion while operating income improved ¥12.9 billion year on year. Revenue from operations in the “Property Sales to Investors” category increased ¥67.9 billion compared with the corresponding period of the previous fiscal year due to the progress of property sales and operating income grew ¥14.1 billion year on year.

● Sales in the “Property Sales to Individuals” category remained robust. The contract rate as of September 30, 2014 was 90% (86% as of September 30, 2013) of the 5,000 scheduled full fiscal year number of condominium units sold.

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

Park Court Chiyoda Fujimi The Tower (Chiyoda-ku, Tokyo)	Condominiums
Park Tower Kitahama (Osaka, Osaka)	Condominiums
Park Court Kagurazaka Reserea (Shinjuku-ku, Tokyo)	Condominiums
Park Homes LaLa Shinmisato (Misato, Saitama)	Condominiums
Misorashia Yokohama Sakuragaoka (Yokohama, Kanagawa)	Condominiums
Fine Court Suginami Shimoigusa Kanadenomachi Masters Court (Suginami-ku, Tokyo)	Detached Housing

### Property Sales to Individuals and Investors

(¥ millions)

		Six Months Ended September 30						Change			
		2014			2013						
		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	¥87,166	1,395	¥6,248	¥61,793	1,405	¥4,398	¥25,373	(10)	¥1,850
		Other	22,158	574	3,860	5,522	150	3,682	16,635	424	178
		Subtotal	109,324	1,969	5,552	67,315	1,555	4,329	42,008	414	1,223
	Detached Housing	Tokyo Metropolitan Area	17,679	330	5,357	16,592	290	5,721	1,087	40	(364)
		Other	2,296	48	4,785	2,657	62	4,286	(360)	(14)	499
		Subtotal	19,975	378	5,285	19,249	352	5,469	726	26	(184)
Revenue		129,300	2,347	5,509	86,565	1,907	4,539	42,735	440	970	
Operating Income		11,739		(1,257)				12,997			
Property Sales to Investors		Revenue		100,132		32,136		67,996			
		Operating Income		17,766		3,566		14,199			
<b>Total Revenue</b>		<b>229,433</b>		<b>118,701</b>		<b>110,731</b>					
<b>Total Operating Income</b>		<b>¥29,506</b>		<b>¥2,308</b>		<b>¥27,197</b>					

### Inventories (Property Sales to Individuals)

(Units)

	9/14	3/14	3/13	3/12	3/11	3/10
Condominiums	96	170	223	380	638	872
Detached Housing	71	65	57	24	46	40
<b>Total</b>	<b>167</b>	<b>235</b>	<b>280</b>	<b>404</b>	<b>684</b>	<b>912</b>

### 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	5,142	2,139	7,281	1,969	5,312	2,515
Detached Housing	107	358	465	378	87	383
<b>Total</b>	<b>5,249</b>	<b>2,497</b>	<b>7,746</b>	<b>2,347</b>	<b>5,399</b>	<b>2,898</b>

### [3] MANAGEMENT

	Six Months Ended September 30		Change
	2014	2013	
Revenue from Operations	¥152,860	¥150,664	¥2,195
Operating Income	22,141	24,191	(2,050)

	Year to March 2015 (Forecast as of May 12, 2014)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2014
Revenue from Operations	¥321,000	47.6	¥314,230
Operating Income	50,000	44.3	49,945

● For the six-month period under review, revenue from operations in the “Management” segment climbed ¥2.1 billion compared with the corresponding period of the previous fiscal year. In contrast, operating income increased ¥2.0 billion year on year. Both revenue and earnings in the “Property Management” category improved. However, revenue and earnings in the “Brokerage and Asset Management, etc.” category declined. Despite firm trends in the “Mitsui Rehouse” (brokerage business for individuals) business, this downturn was largely attributable to the drop in number of brokerage properties handled compared with the corresponding period of the previous fiscal year.

		Six Months Ended September 30		Change
		2014	2013	
Property Management	Revenue	¥114,527	¥107,680	¥6,847
	Operating Income	13,951	13,601	349
Brokerage, Asset Management, etc.	Revenue	38,332	42,983	(4,651)
	Operating Income	8,190	10,590	(2,400)
<b>Total</b>	Revenue	<b>152,860</b>	<b>150,664</b>	<b>2,195</b>
	Operating Income	<b>¥22,141</b>	<b>¥24,191</b>	<b>¥(2,050)</b>

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

	Six Months Ended September 30		Change
	2014	2013	
Total Managed Units	159,677	149,666	10,011

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

	Six Months Ended September 30				Change	
	2014		2013		Transaction Volume	Units
	Transaction Volume	Units	Transaction Volume	Units		
Brokerage	¥594,843	18,031	¥716,420	21,084	¥(121,577)	(3,053)

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)

	Six Months Ended September 30				Change	
	2014		2013		Transaction Volume	Units
	Transaction Volume	Units	Transaction Volume	Units		
Consignment Sales	¥33,284	538	¥47,278	770	¥(13,994)	(232)

## [4] MITSUI HOME, [5] OTHER

### [4] MITSUI HOME

	Six Months Ended September 30		Change
	2014	2013	
Revenue from Operations	¥104,156	¥94,317	¥9,838
Operating Income	(2,648)	(4,415)	1,767

	Year to March 2015 (Forecast as of May 12, 2014)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2014
Revenue from Operations	¥239,000	43.6	¥237,068
Operating Income	3,800	-	4,192

● For the six-month period under review, revenue for the segment as a whole increased ¥9.8 billion while the operating loss improved ¥1.7 billion year on year. This was due to such factors as the higher amount of orders at the beginning of the period compared with the previous period in the “New Construction” category. 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
		2014	2013	
New Construction	Revenue	¥75,358	¥66,445	¥8,913
	Orders	72,693	103,397	(30,704)
Reform/Renewal	Revenue	11,393	12,183	(789)
	Orders	17,380	18,097	(717)
Lease Management		10,445	9,844	600
Housing-Related Material Sales		6,959	5,844	1,114
<b>Total Revenue</b>		<b>¥104,156</b>	<b>¥94,317</b>	<b>¥9,838</b>

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
	2014	2013	
Revenue from Operations	¥35,610	¥50,538	¥(14,927)
Operating Income	2,287	2,057	229

	Year to March 2015 (Forecast as of May 12, 2014)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2014
Revenue from Operations	¥80,000	44.5	¥104,787
Operating Income	4,000	57.2	3,071

● For the six-month period under review, revenue from operations in the “Other” segment declined ¥14.9 billion compared with the corresponding period of the previous fiscal year. This was mainly attributable to the sale of shares of Uniliving Co., Ltd. in the “Merchandise” category at the beginning of the period. Operating income climbed ¥0.2 billion year on year.

		Six Months Ended September 30		Change
		2014	2013	
Facility Operations		¥23,702	¥24,246	¥(543)
Merchandise		2,058	18,615	(16,557)
Other		9,849	7,676	2,173
<b>Total Revenue</b>		<b>¥35,610</b>	<b>¥50,538</b>	<b>¥(14,927)</b>

# CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	(¥ millions)		
ASSETS:	September 30, 2014	March 31, 2014	Change
<b>I. Current Assets:</b>	¥1,415,741	¥1,316,170	¥99,571
Cash and Time Deposits	98,638	127,882	(29,244)
Accounts Receivable—Trade	28,207	34,399	(6,192)
Marketable Securities	120,355	243	120,112
Real Property for Sale (including Advances Paid for Purchases)	975,164	961,449	13,715
Expenditure on Contracts in Progress	25,353	17,445	7,907
Other Inventories	5,400	10,503	(5,102)
Short-Term Loans	10,662	10,205	456
Equity Investments in Properties for Sale	11,481	12,065	(583)
Deferred Income Taxes	29,566	28,617	948
Other	111,256	113,687	(2,431)
Allowance for Doubtful Accounts	(344)	(330)	(14)
<b>II. Fixed Assets:</b>	3,311,075	3,232,651	78,423
1. Tangible Fixed Assets:	2,512,142	2,467,642	44,499
Buildings and Structures	667,032	621,300	45,732
Machinery, Equipment and Materials Handling Equipment	23,890	15,002	8,887
Land	1,743,675	1,743,527	147
Construction in Progress	44,067	55,575	(11,508)
Other	33,477	32,236	1,240
2. Intangible Fixed Assets:	58,664	58,497	166
Tangible and Intangible Fixed Assets:	2,570,806	2,526,139	44,666
3. Investments and Other Assets:	740,269	706,511	33,757
Investment Securities	533,524	495,726	37,798
Long-Term Loans	14,357	13,419	938
Lease Deposits	130,178	135,770	(5,592)
Net Defined Benefit Asset	1,201	80	1,121
Deferred Income Taxes	11,295	13,287	(1,991)
Deferred Tax Assets on Land Revaluation	3	3	-
Other	52,808	51,303	1,505
Allowance for Doubtful Accounts	(3,100)	(3,077)	(22)
<b>Total Assets</b>	<b>¥4,726,817</b>	<b>¥4,548,822</b>	<b>¥177,995</b>

## [Real Property for Sale]

	(¥ millions)		
(a) Breakdown by Company	At September 30, 2014	At March 31, 2014	Change
Mitsui Fudosan Residential	¥366,853	¥362,501	¥4,352
Mitsui Fudosan	304,141	295,776	8,365
SPCs Total	271,339	251,740	19,599
Other and Elimination	32,829	51,430	(18,601)
<b>Consolidated Total</b>	<b>¥975,164</b>	<b>¥961,449</b>	<b>¥13,715</b>

	(¥ millions)					
(b) Accounts of Real Property for Sale	Six Months Ended September 30	At Beginning of Period	New Investments*	Cost Recovery	Others	At End of Period
<b>2014</b>		¥961,449	¥197,473	¥(177,670)	¥(6,086)	¥975,164
<b>2013</b>		¥915,222	¥114,081	¥(95,064)	¥(5,282)	¥928,956

Note: Land acquisition-related expenditures by Mitsui Fudosan Residential Co., Ltd., totaled ¥41.8 billion for the six-month period under review.

\* New investments include the increase in real property for sale at subsidiaries in which the Company invested during the period.

## [Tangible and Intangible Assets]

The consolidated balance of tangible and intangible fixed assets stood at ¥2,570.8 billion as of September 30, 2014, up ¥44.6 billion compared with the end of the previous fiscal year. This increase stemmed mainly from new investments by the Company in Iidabashi Grand Bloom, Sapporo Mitsui JP Building, and other properties as well as such factors as new investments by Mitsui Fudosan UK Group. (Foreign currency exchange rate: ¥101.36:US\$1 as of September 30, 2014; ¥105.39:US\$1 as of March 31, 2014)

	(¥ millions)		
(a) Breakdown by Company	At September 30, 2014	At March 31, 2014	Change
Mitsui Fudosan	¥2,073,042	¥2,025,638	¥47,403
SPCs Total	193,060	194,319	(1,258)
Mitsui Fudosan America Group	133,259	138,361	(5,102)
Mitsui Fudosan UK Group	55,998	48,789	7,209
Mitsui Home Group	28,917	28,828	88
Other and Elimination	86,528	90,202	(3,674)
<b>Consolidated Total</b>	<b>¥2,570,806</b>	<b>¥2,526,139</b>	<b>¥44,666</b>

Above figures include revaluation reserve for land.

	(¥ millions)					
(b) Accounts of Tangible and Intangible Fixed Assets	Six Months Ended September 30	At Beginning of Period	New Investments*	Depreciation	Others	At End of Period
<b>2014</b>		¥2,526,139	¥84,954	¥(28,795)	¥(11,491)	¥2,570,806
<b>2013</b>		¥2,503,977	¥60,154	¥(27,285)	¥(15,385)	¥2,521,460

\* New investments include the increase in tangible and intangible fixed assets at subsidiaries in which the Company invested during the period.



## CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	September 30, 2014	March 31, 2014	Change
<b>I. Current Liabilities:</b>	¥521,616	¥846,312	¥(324,695)
Accounts Payable—Trade	72,536	130,695	(58,158)
Short-Term Debt	165,394	284,048	(118,654)
Bond Redeemable Within One Year	52	50,100	(50,047)
Income Taxes Payable	24,178	22,374	1,804
Advances from Contracts in Progress	25,550	22,887	2,662
Allowance for Completed Project Indemnities	1,319	1,294	24
Allowance for Possible Guarantee Losses	59	76	(16)
Deferred Income Taxes	1,858	2,113	(254)
Other	230,667	332,722	(102,055)
<b>II. Long-Term Liabilities:</b>	2,482,137	2,377,089	105,048
Corporate Bonds	380,078	296,585	83,493
Long-Term Debt	1,412,983	1,409,338	3,645
Deposits from Tenants	348,669	345,617	3,052
Allowance for Directors' and Corporate Auditors' Retirement Benefits	729	794	(65)
Net Defined Benefit Liability	35,038	37,405	(2,367)
Deferred Income Taxes	98,299	79,761	18,537
Deferred Tax Liabilities on Land Revaluation	170,148	170,148	-
Other	36,190	37,439	(1,249)
<b>Total Liabilities</b>	3,003,754	3,223,401	(219,647)
<b>NET ASSETS:</b>			
Common Stock	339,766	174,296	165,470
Capital Surplus	413,762	248,293	165,468
Retained Earnings	493,965	454,750	39,214
Treasury Stock	(6,045)	(5,926)	(119)
Reserve on Land Revaluation	296,828	296,703	125
Net Unrealized Holding Gains on Securities	145,399	111,120	34,278
Deferred Gains or Losses on Hedges	(752)	(840)	87
Foreign Currency Translation Adjustment	(7,645)	(1,442)	(6,203)
Remeasurements of Defined Benefit Plans	(2,253)	(2,601)	347
New Share Subscription Rights	901	823	77
Minority Interests in Consolidated Subsidiaries	49,135	50,241	(1,105)
<b>Total Net Assets</b>	1,723,062	1,325,420	397,642
<b>Total Liabilities and Net Assets</b>	<b>¥4,726,817</b>	<b>¥4,548,822</b>	<b>¥177,995</b>

Note: Debt-Equity Ratio 1.17 times (1.60 times at March 31, 2014)

<b>Interest-Bearing Debt:</b>	1,958,509	2,040,071	(81,562)
Non-recourse Debt	258,477	236,266	22,211
<b>Surplus lease deposits/guarantee deposits</b>	218,491	209,846	8,644

### [Interest-Bearing Debt]

As of September 30, 2014, the balance of interest-bearing debt stood at ¥1,958.5 billion on a consolidated basis, down ¥81.5 billion compared with the end of the previous fiscal year. During the period under review, Mitsui Fudosan witnessed a cash inflow from the issuance of shares totaling ¥329.1 billion, a cash outflow from operating activities of ¥25.0 billion, a cash outflow from investing activities of ¥116.7 billion, and a cash outflow of ¥9.6 billion attributable to cash dividends paid. The net increase in cash and cash equivalents was ¥91.1 billion.

### Breakdown by Company

(¥ millions)

	At September 30, 2014	At March 31, 2014	Change (amount)
Mitsui Fudosan	¥1,605,284	¥1,703,310	¥(98,026)
SPCs Total	372,707	349,807	22,900
Mitsui Fudosan Residential	299,143	206,144	92,998
Mitsui Fudosan America Group	56,793	58,256	(1,462)
Loans to Subsidiaries	(485,117)	(414,939)	(70,177)
Other and Elimination	109,698	137,492	(27,794)
<b>Consolidated Total</b>	<b>¥1,958,509</b>	<b>¥2,040,071</b>	<b>¥(81,562)</b>
(Non-recourse Debt of Total)	<b>258,477</b>	<b>236,266</b>	<b>22,211</b>

## SEGMENT INFORMATION (UNAUDITED)

Six Months Ended September 30, 2014

(¥ millions)

	Revenue from Operations			Segment Income	Segment Assets	Depreciation	Increase in Tangible and Intangible Fixed Assets
	(1) Outside Customers	(2) Intersegment	Total				
(1)Leasing	¥225,940	¥8,683	¥234,624	¥53,103	¥2,721,888	¥20,712	¥76,347
(2)Property Sales	229,433	-	229,433	29,506	1,211,207	641	457
(3)Management	152,860	29,875	182,735	22,141	249,226	3,519	4,436
(4)Mitsui Home	104,156	3,617	107,774	(2,648)	119,340	1,462	1,866
(5)Other	35,610	1,134	36,745	2,287	89,139	1,846	1,309
Elimination or Corporate	-	(43,311)	(43,311)	(12,242)	336,014	613	535
Consolidated	¥748,001	-	¥748,001	¥92,147	¥4,726,817	¥28,795	¥84,954

Six Months Ended September 30, 2013

(¥ millions)

	Revenue from Operations			Segment Income	Segment Assets	Depreciation	Increase in Tangible and Intangible Fixed Assets
	(1) Outside Customers	(2) Intersegment	Total				
(1)Leasing	¥221,929	¥8,346	¥230,275	¥55,455	¥2,656,168	¥19,386	¥49,705
(2)Property Sales	118,701	-	118,701	2,308	1,123,308	538	489
(3)Management	150,664	27,574	178,239	24,191	245,091	3,296	5,494
(4)Mitsui Home	94,317	3,350	97,667	(4,415)	117,865	1,508	2,058
(5)Other	50,538	2,083	52,622	2,057	108,930	2,009	1,951
Elimination or Corporate	-	(41,354)	(41,354)	(10,390)	205,439	545	453
Consolidated	¥636,151	-	¥636,151	¥69,207	¥4,456,804	¥27,285	¥60,154

## CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Six Months Ended September 30	
	2014	2013
<b>I. Revenue from Operations</b>	¥748,001	¥636,151
<b>II. Cost of Revenue from Operations</b>	587,735	496,763
<b>Gross Operating Profit</b>	160,265	139,387
<b>III. Selling, General and Administrative Expenses</b>	68,118	70,179
<b>Operating Income</b>	92,147	69,207
<b>IV. Non-Operating Income:</b>	4,234	5,239
Interest Income	342	263
Dividend Income	1,954	2,084
Equity in Net Income of Affiliated Companies	661	802
Other Non-Operating Income	1,275	2,089
<b>V. Non-Operating Expenses:</b>	18,598	17,627
Interest Expenses	13,339	14,844
Other Non-Operating Expenses	5,258	2,783
<b>Ordinary Income</b>	77,783	56,819
<b>VI. Extraordinary Gains:</b>	5,185	13,188
Gains on Sales of Fixed Assets	-	13,188
Gain on Sales of Shares of Affiliated Companies	5,185	-
<b>VII. Extraordinary Losses:</b>	-	2,371
Loss on Disposal of Fixed Assets	-	2,371
<b>Income before Income Taxes</b>	82,968	67,636
<b>Income Taxes</b>	33,078	27,633
<b>Income (Loss) before Minority Interests</b>	49,890	40,003
<b>Minority Interests</b>	2,878	150
<b>Net Income</b>	¥47,011	¥39,852

# CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(¥ millions)

	Six Months Ended September 30	
	2014	2013
<b>I. Cash Flows From Operating Activities:</b>		
Income before Income Taxes	¥82,968	¥67,636
Depreciation and Amortization	28,795	27,285
(Gain) Loss on Sales of Fixed Assets	-	(13,187)
Loss on Disposal of Fixed Assets	-	1,025
Interest and Dividend Income Receivable	(2,297)	(2,348)
(Gain) Loss on Sales of Marketable Securities	(5,185)	-
Interest Expense	13,339	14,844
(Gain) Loss on Equity-Method Investments	(661)	(802)
(Increase) Decrease in Accounts Receivable	5,940	4,782
Increase (Decrease) in Accounts Payable	(17,791)	(12,229)
(Increase) Decrease in Real Property for Sale	(60,064)	(45,923)
Other	(27,901)	4,904
Subtotal	17,142	45,988
Cash Receipts of Interest and Dividend Income	3,420	3,009
Cash Payments of Interest Expense	(13,736)	(15,135)
Income Taxes Paid	(31,870)	(34,625)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(25,043)</b>	<b>(763)</b>
<b>II. Cash Flows From Investing Activities:</b>		
Purchase of Tangible and Intangible Fixed Assets	(134,194)	(62,309)
Sales of Tangible and Intangible Fixed Assets	4	44,174
Purchase of Investment Securities	(946)	(4,951)
Proceeds from Receipt of Rental Deposits and Guarantees	(3,159)	(967)
Proceeds from Recovery of Rental Deposits and Guarantees	6,554	10,129
Decrease in Deposits from Tenants	(23,077)	(21,494)
Increase in Deposits from Tenants	25,429	19,746
Payment of Loan Receivable	(6,470)	(5,883)
Collection of Loan Receivable	12,306	4,788
Proceeds from Sales of Investments in Subsidiaries Resulting in Change in Scope of Consolidation	6,126	6,025
Other	650	753
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>¥(116,775)</b>	<b>¥(9,988)</b>

(¥ millions)

	Six Months Ended September 30	
	2014	2013
<b>III. Cash Flows From Financing Activities:</b>		
Proceeds from Short-Term Debt	¥333,384	¥1,040,325
Repayment of Short-Term Debt	(345,501)	(1,001,026)
Proceeds from Long-Term Debt	99,545	83,585
Repayment of Long-Term Debt	(200,743)	(95,280)
Proceeds from Issuance of Bonds	88,940	10,110
Redemption of Bonds	(55,493)	(20,993)
Proceeds from Issuance of Common Stock	329,125	-
Cash Dividends Paid	(9,665)	(9,666)
Proceeds from Stock Issuance to Minority Shareholders	579	42
Cash Dividends Paid to Minority Interests	(3,906)	(885)
Repayments to Minority Shareholders	(1,200)	-
Repayment of Finance Lease Obligations	(1,497)	(1,363)
(Increase) Decrease in Treasury Stock	(129)	(224)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>233,438</b>	<b>4,621</b>
<b>IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(513)</b>	<b>1,694</b>
<b>V. Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>91,105</b>	<b>(4,435)</b>
<b>VI. Cash and Cash Equivalents at Beginning of Year</b>	<b>127,337</b>	<b>101,588</b>
<b>VII. Cash and Cash Equivalents at End of the Period</b>	<b>¥218,442</b>	<b>¥97,152</b>

## CONSOLIDATED STATEMENTS OF EARNING FORECASTS

For the Year Ending March 31, 2015 (Unchanged from originally announced on May 12, 2014)

(¥ millions)

	Year to March 31		Change
	2015 (forecast)	2014 (actual)	
<b>Revenue from Operations</b>	¥1,540,000	¥1,515,252	¥24,748
Leasing	458,000	449,699	8,301
Property Sales	442,000	409,466	32,534
Management	321,000	314,230	6,770
Mitsui Home	239,000	237,068	1,932
Other	80,000	104,787	(24,787)
<b>Operating Income</b>	183,000	172,567	10,433
Leasing	102,000	109,205	(7,205)
Property Sales	46,000	27,099	18,901
Management	50,000	49,945	55
Mitsui Home	3,800	4,192	(392)
Other	4,000	3,071	929
Elimination or Corporate	(22,800)	(20,947)	(1,853)
<b>Non-Operating Income/Expenses</b>	(27,000)	(27,980)	980
Interest Income/Expense, in Net	(31,000)	(30,281)	(719)
Other, in Net	4,000	2,301	1,699
<b>Ordinary Income</b>	156,000	144,587	11,413
<b>Extraordinary Gains/Losses</b>	(5,000)	(17,876)	12,876
<b>Income before Income Taxes</b>	151,000	126,710	24,290
Income Taxes	56,000	47,034	8,966
Minority Interests	5,000	2,832	2,168
<b>Net Income</b>	¥90,000	¥76,843	¥13,157

● **Leasing:** Revenue from operations and operating income are forecast to climb ¥14.2 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 forecast results 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 ¥11.0 billion and ¥0.4 billion, respectively. These forecast results 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.

● Taking each of the aforementioned into consideration, revenue from operations is forecast to amount to ¥1,530.0 billion, an increase of ¥84.3 billion compared with the fiscal year under review. On the earnings front, operating income is expected to reach ¥160.0 billion, up ¥11.8 billion and ordinary income is anticipated to total ¥132.0 billion, an improvement of ¥8.9 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.

# CONSOLIDATED STATEMENTS OF EARNING FORECASTS

## Real Property for Sale

(¥ millions)

	Year to March 2015 (forecast)	Year Ended March 2014 (actual)	YoY Change
New Investments	¥430,000	¥374,952	¥55,048
Recovery of Costs	400,000	324,827	75,173

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 2015 (forecast)	Year Ended March 2014 (actual)	YoY Change
New Investments	¥220,000	¥149,525	¥70,475
Depreciation	60,000	56,030	3,970

## Interest-Bearing Debt

(¥ millions)

	Year to March 2015 (forecast)	Year Ended March 2014 (actual)	YoY Change
Interest-Bearing Debt	¥2,230,000	¥2,040,071	¥189,929

## 【Property Sales】

### Revenue, Operating Margin

(¥ millions)

	Year to March 2015 (forecast)	Year Ended March 2014 (actual)	YoY Change
<b>Property Sales to Individuals</b>			
Revenue from Operations:	¥306,000	¥345,172	¥(39,172)
Condominiums	257,000	295,482	(38,482)
Detached Housing	49,000	49,689	(689)
Operating Income	24,500	22,781	1,719
Operating Margin (%)	8.0	6.6	1.4pt
<b>Property Sales to Investors</b>			
Revenue from Operations:	136,000	64,294	71,706
Operating Income	21,500	4,317	17,183
<b>Total</b>			
Revenue from Operations:	442,000	409,466	32,534
Operating Income	¥46,000	¥27,099	¥18,901

## Number of Housing Units

(Units)

	Year to March 2015 (forecast)	Year Ended March 2014 (actual)	YoY Change
Condominiums	¥5,000	¥6,557	¥(1,557)
Detached Housing	900	916	(16)
<b>Total</b>	¥5,900	¥7,473	¥(1,573)