

FACT BOOK

For the Six Months Ended September 30, 2015

November 6, 2015



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

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

Corporate Data

(As of September 30, 2015)

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
	2015	2014	
Revenue from Operations	¥798,978	¥748,001	¥50,976
Leasing	245,267	225,940	19,326
Property Sales	249,833	229,433	20,400
Management	160,880	152,860	8,020
Mitsui Home	103,819	104,156	(337)
Other	39,178	35,610	3,567
Operating Income	109,614	92,147	17,467
Leasing	62,842	53,103	9,739
Property Sales	37,116	29,506	7,610
Management	25,594	22,141	3,452
Mitsui Home	(3,328)	(2,648)	(680)
Other	3,047	2,287	760
Elimination or Corporate	(15,657)	(12,242)	(3,414)
Non-Operating Income/Expenses	(6,017)	(14,363)	8,346
Equity in Net Income/Loss of Affiliated Companies	4,848	661	4,187
Interest Income/Expense, in Net	(12,172)	(12,996)	824
Other, in Net	1,306	(2,028)	3,334
Ordinary Income	103,597	77,783	25,814
Extraordinary Gains/Losses	-	5,185	(5,185)
Extraordinary Gains	-	5,185	(5,185)
Extraordinary Losses	-	-	-
Income before Income Taxes	103,597	82,968	20,628
Income Taxes	36,922	33,078	3,843
Profit	66,675	49,890	16,784
Profit (Loss) Attributable to Non-Controlling Interests	(411)	2,878	(3,290)
Profit Attributable to Owners of Parent	¥67,086	¥47,011	¥20,075

* The accounting line item net income has been renamed as profit. This reflects changes in the overall concept and accounting line item designation of net income in accordance with revisions to accounting standards in Japan.

◆ Overview

● In the six-month period under review, new and full-term contributions from office buildings and retail facilities as well as other factors led to positive results in the “Leasing” segment. In the “Property Sales” segment, the Company recorded an increase in the reported number of units to individuals and progress in “Property Sales to Investors.” Taking these and other factors into consideration, revenue from operations expanded ¥50.9 billion, or 6.8%, year on year, to ¥798.9 billion; operating income grew ¥17.4 billion, or 19.0%, to ¥109.6 billion; ordinary income increased ¥25.8 billion, or 33.2%, to ¥103.5 billion; and profit attributable to owners of parent climbed ¥20.0 billion, or 42.7%, to ¥67.0 billion.

◆ Dividends

● The interim dividend is ¥14 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, 2015	Year to 3/16 (Forecast as of May 11, 2015)	6-Month Results/Full-Year Forecast (%)
Revenue from Operations	¥798,978	¥1,610,000	49.6
Operating Income	109,614	195,000	56.2
Ordinary Income	103,597	171,000	60.6
Profit Attributable To Owners of Parent	¥67,086	¥107,000	62.7

Extraordinary Gains/Losses

(¥ millions)

Extraordinary Gains	-
Extraordinary Losses	-

Consolidated Statements of Comprehensive Income

(¥ millions)

	Six Months Ended September 30	
	2015	2014
Profit	¥66,675	¥49,890
Other Comprehensive Income	(57,463)	28,466
Valuation Difference on Available-For-Sale Securities	(61,587)	34,279
Deferred Gains or Losses on Hedges	43	120
Revaluation Reserve for Land	344	-
Foreign Currency Translation Adjustment	3,592	(4,047)
Remeasurements of Defined Benefit Plans, Net of Tax	163	384
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	(19)	(2,269)
Comprehensive Income	¥9,212	¥78,356
(Comprehensive Income Attributable to Owners of the Parent)	9,696	75,521
(Comprehensive Income Attributable to Non-Controlling Interests)	(484)	2,835

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

(¥ millions)

		Six Months Ended September 30		Change
		2015	2014	
Revenue from Operations	Leasing	¥236,507	¥221,079	¥15,428
	Property Sales	21,953	35,128	(13,175)
	Other	28,913	18,359	10,553
	Total	287,374	274,567	12,806
Gross Profit (%)	Leasing	19.3	17.2	2.1pt
	Property Sales	22.6	18.4	4.2pt
	Other	68.4	50.4	17.9pt
Operating Income		¥57,563	¥43,406	¥14,157

SEGMENT RESULTS

[1] LEASING

(¥ millions)

	Six Months Ended September 30		Change
	2015	2014	
Revenue from Operations	¥245,267	¥225,940	¥19,326
Operating Income	62,842	53,103	9,739

	Year to March 2016 (Forecast as of May 11, 2015)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2015
Revenue from Operations	¥496,000	49.4	¥464,842
Operating Income	116,000	54.2	107,863

● For the six-month period under review, overall revenue from operations rose ¥19.3 billion compared with the corresponding period of the previous fiscal year, and operating income increased ¥9.7 billion. In addition to revenue and earnings contributions from the newly opened LaLaport FUJIMI and MITSUI OUTLET PARK HOKURIKU OYABE, these improvements were due to the full-term contributions from office buildings and retail facilities completed in the previous fiscal year, and the effect generated from large-scale renovations and expanded floor space at retail facilities..

● The vacancy rate for the Company's office buildings located in the Tokyo metropolitan area was 3.8% on a non-consolidated basis as of September 30, 2015.

【Reference】 Non-consolidated Results

(Revenue from operations)

- Newly on-stream and full-term contribution projects: ¥15.1 billion year-on-year increase in revenue
- Existing properties: ¥4.4 billion year-on-year increase in revenue
- Shifting and terminations: ¥4.2 billion year-on-year decrease in revenue

Breakdown of Leasing Operations (Nonconsolidated)

		At September 30					
		2015		2014		2014	
		Total	Tokyo Metropolitan Area	Regional Areas			
Office Buildings	Number of Buildings	135	136	104	105	31	31
	Leased Floor Space (1,000m ²)	2,560	2,473	2,234	2,149	326	324
	Leasing Revenue (¥ millions)	130,219	128,311	119,741	118,667	10,477	9,643
	Vacancy Rate (%)	3.8	5.7	3.8	5.9	4.0	4.3
Retail Facilities	Number of Buildings	75	71	53	48	22	23
	Leased Floor Space (1,000m ²)	1,764	1,697	1,181	1,094	583	603
	Leasing Revenue (¥ millions)	93,281	81,951	66,693	58,722	26,587	23,228
	Vacancy Rate (%)	0.9	0.7	1.0	0.7	0.6	0.8

Leased Floor Space

(¥ millions)

		At September 30		Change	
		2015	2014		
Office Buildings and Retail Facilities	Revenue	Office Buildings	¥145,096	¥138,787	¥6,308
		Retail Facilities	93,780	82,317	11,463
	Total Leased Floor Space (1,000 m ²):		4,581	4,425	156
	Office Buildings	Owned	1,610	1,555	56
		Managed	1,158	1,137	21
Retail Facilities	Owned	1,349	1,206	143	
	Managed	464	527	(63)	
Other	Revenue	6,389	4,836	1,553	
Total Revenue		¥245,267	¥225,940	¥19,326	

Vacancy Rate at End of Term

(%)

	9/15	3/15	3/14	3/13	3/12
Consolidated					
Office Buildings and Retail Facilities (including overseas)	3.3	3.2	3.5	3.3	2.9
Non-consolidated					
Tokyo Metropolitan Area Office Buildings	3.8	3.2	3.3	3.8	4.4
Regional Area Office Buildings	4.0	4.1	4.3	5.3	6.4

Major Projects during the Period (six-month total)

(NEWLY OPENED)

OSAKI BRIGHT TOWER (Shinagawa-ku, Tokyo)	Office building completed in April 2015
OSAKI BRIGHT CORE (Shinagawa-ku, Tokyo)	Office building completed in April 2015
LaLaport FUJIMI (Fujimi, Saitama)	Retail facility opened in April 2015
MITSUI OUTLET PARK KLIA SEPANG (Selangor, Malaysia)	Retail facility opened in May 2015
MITSUI OUTLET PARK HOKURIKU OYABE (Oyabe, Toyama)	Retail facility opened in July 2015

(FULL-TERM CONTRIBUTION)

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
8-10 Moorgate (City of London, U.K.)	Office building completed in May 2014
Iidabashi 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)
1200 17th Street (Washington D.C., U.S.A)	Office building completed in September 2014
Shinjuku Nakamura Building (Shinjuku-ku, Tokyo)	Retail facility opened in October 2014
LaLaport IZUMI (Izumi, Osaka)	Retail facility opened in October 2014
70 Mark Lane (City of London, U.K.)	Office building completed in November 2014
Shin-Kawasaki Square (Kawasaki, Kanagawa)	Retail facility opened in March 2015

[2] PROPERTY SALES

(¥ millions)

	Six Months Ended September 30		Change
	2015	2014	
Revenue from Operations	¥249,833	¥229,433	¥20,400
Operating Income	37,116	29,506	7,610

	Year to March 2016 (Forecast as of May 11, 2015)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2015
Revenue from Operations	¥446,000	56.0	¥425,442
Operating Income	50,000	74.2	45,493

● For the six-month period under review, the reported number of units increased in the “Property Sales to Individuals” category. As a result of this and other factors, revenue from operations and operating income in this category improved ¥37.7 billion and ¥5.1 billion, respectively, compared with the corresponding period of the previous fiscal year. In the “Property Sales to Investors” category, revenue from operations fell, but the sale of highly profitable properties and other factors boosted profits. Taking each of these factors into consideration, overall revenue from operations in this segment rose ¥20.4 billion compared with the corresponding period of the previous fiscal year, and operating income increased ¥7.6 billion.

● In newly constructed condominiums, the Company’s contract rate as of September 30, 2015 was 97% of the 4,500 units projected for the year compared with 93% as of September 30, 2014.

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

Tomihisa Cross Comfort Tower (Shinjuku-ku, Tokyo)	Condominiums
Sakura Josui Gardens (Setagaya-ku, Tokyo)	Condominiums
Park City OSAKI The Tower (Shinagawa-ku, Tokyo)	Condominiums
CAPITAL GATE PLACE (Chuo-ku, Tokyo)	Condominiums
THE RESIDENCE TSUDANUMA KANADENOMORI (Narashino, Chiba)	Condominiums
Fine Court Sengawa (Chofu, Tokyo)	Detached Housing

Property Sales to Individuals and Investors

(¥ millions)

		Six Months Ended September 30						Change			
		2015			2014			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	¥129,770	2,035	¥6,377	¥87,166	1,395	¥6,248	¥42,604	640	¥129
		Other	21,064	592	3,559	22,158	574	3,860	(1,094)	18	(301)
		Subtotal	150,834	2,627	5,742	109,324	1,969	5,552	41,510	658	190
	Detached Housing	Tokyo Metropolitan Area	14,079	261	5,394	17,679	330	5,357	(3,599)	(69)	37
		Other	2,138	38	5,628	2,296	48	4,785	(158)	(10)	843
		Subtotal	16,218	299	5,424	19,975	378	5,285	(3,757)	(79)	139
Revenue		167,053	2,926	5,710	129,300	2,347	5,509	37,752	579	201	
Operating Income		16,910		11,739		5,170					
Property Sales to Investors		Revenue		82,780		100,132		(17,352)			
Operating Income		20,206		17,766		2,439					
Total Revenue		249,833		229,433		20,400					
Total Operating Income		¥37,116		¥29,506		¥7,610					

Inventories (Property Sales to Individuals)

(Units)

	9/15	6/15	3/15	3/14	3/13	3/12
Condominiums	79	56	83	170	223	380
Detached Housing	88	69	100	65	57	24
Total	167	125	183	235	280	404

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	4,351	2,066	6,417	2,627	3,790	1,791
Detached Housing	71	317	388	299	89	321
Total	4,422	2,383	6,805	2,926	3,879	2,112

[3] MANAGEMENT

	Six Months Ended September 30		Change
	2015	2014	
Revenue from Operations	¥160,880	¥152,860	¥8,020
Operating Income	25,594	22,141	3,452

(¥ millions)

	Year to March 2016 (Forecast as of May 11, 2015)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2015
Revenue from Operations	¥337,000	47.7	¥317,818
Operating Income	50,000	51.2	49,317

● For the six-month period under review, in the “Brokerage and Asset Management, etc.” category, the “Mitsui Rehouse” business (brokerage business for individuals) generated higher revenue and earnings due to an increase in the number of brokerage properties handled and other factors, as a result, revenue from operations in this segment climbed ¥8.0 billion compared with the corresponding period of the previous fiscal year, and operating income rose ¥3.4 billion year on year.

		Six Months Ended September 30		Change
		2015	2014	
Property Management	Revenue	¥118,055	¥114,527	¥3,527
	Operating Income	13,885	13,951	(65)
Brokerage, Asset Management, etc.	Revenue	42,824	38,332	4,492
	Operating Income	11,708	8,190	3,518
Total	Revenue	160,880	152,860	8,020
	Operating Income	¥25,594	¥22,141	¥3,452

(¥ millions)

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

	Six Months Ended September 30		Change
	2015	2014	
Total Managed Units	176,463	159,677	16,786

(Units)

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

	Six Months Ended September 30				Change	
	2015		2014			
	Transaction Volume	Units	Transaction Volume	Units	Transaction Volume	Units
Brokerage	¥679,223	18,551	¥594,843	18,031	¥84,380	520

(¥ millions)

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	
	2015		2014			
	Transaction Volume	Units	Transaction Volume	Units	Transaction Volume	Units
Consignment Sales	¥81,002	1,300	¥33,284	538	¥47,718	762

(¥ millions)

[4] MITSUI HOME, [5] OTHER

[4] MITSUI HOME

	Six Months Ended September 30		Change
	2015	2014	
Revenue from Operations	¥103,819	¥104,156	¥(337)
Operating Income	(3,328)	(2,648)	(680)

	Year to March 2016 (Forecast as of May 11, 2015)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2015
Revenue from Operations	¥242,000	42.9	¥242,150
Operating Income	3,500	-	4,017

● For the six-month period under review, revenue from the “Reform/Renewal” and “Lease Management” categories increased while orders at the beginning of the period were lower than for the corresponding period of the previous fiscal year in the “New Construction” category. As a result, revenue from operations for this segment as a whole was down ¥0.3 billion year on year. The operating loss for this segment expanded ¥0.6 billion owing mainly to the lower gross profit margin 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
		2015	2014	
New Construction	Revenue	¥71,749	¥75,358	¥(3,608)
	Orders	74,508	72,693	1,815
Reform/Renewal	Revenue	13,839	11,393	2,445
	Orders	19,133	17,380	1,753
Lease Management		11,180	10,445	735
Housing-Related Material Sales		7,050	6,959	90
Total Revenue		¥103,819	¥104,156	¥(337)

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
	2015	2014	
Revenue from Operations	¥39,178	¥35,610	¥3,567
Operating Income	3,047	2,287	760

	Year to March 2016 (Forecast as of May 11, 2015)	6-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2015
Revenue from Operations	¥89,000	44.0	¥78,782
Operating Income	5,500	55.4	5,186

● For the six-month period under review, revenue from operations in the “Other” segment increased ¥3.5 billion compared with the corresponding period of the previous fiscal year, and operating income rose ¥0.7 billion year on year. These improvements were mainly attributable to the performance contribution from hotel operations in the “Facility Operations” category.

		Six Months Ended September 30		Change
		2015	2014	
Facility Operations		¥27,845	¥23,702	¥4,142
Other		11,333	11,908	(575)
Total Revenue		¥39,178	¥35,610	¥3,567

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	September 30, 2015	March 31, 2015	Change
I. Current Assets:	¥1,461,649	¥1,374,892	¥86,756
Cash and Time Deposits	88,405	107,151	(18,745)
Accounts Receivable—Trade	29,107	34,760	(5,652)
Marketable Securities	2,209	12,303	(10,093)
Real Property for Sale (including Advances Paid for Purchases)	1,096,490	1,031,080	65,410
Expenditure on Contracts in Progress	31,832	22,583	9,249
Other Inventories	5,409	4,991	417
Short-Term Loans	12,834	10,682	2,151
Equity Investments in Properties for Sale	10,172	9,692	479
Deferred Income Taxes	26,005	23,619	2,385
Other	159,583	118,381	41,202
Allowance for Doubtful Accounts	(401)	(353)	(48)
II. Fixed Assets:	3,669,521	3,702,255	(32,734)
1. Tangible Fixed Assets:	2,774,188	2,721,519	52,668
Buildings and Structures	734,098	712,910	21,187
Machinery, Equipment and Materials Handling Equipment	32,547	32,680	(133)
Land	1,839,379	1,829,026	10,353
Construction in Progress	132,282	110,960	21,322
Other	35,880	35,942	(61)
2. Intangible Fixed Assets:	68,413	67,113	1,299
Tangible and Intangible Fixed Assets:	2,842,602	2,788,633	53,968
3. Investments and Other Assets:	826,919	913,621	(86,702)
Investment Securities	610,829	700,697	(89,868)
Long-Term Loans	10,561	11,931	(1,370)
Lease Deposits	130,487	127,978	2,509
Net Defined Benefit Asset	6,988	7,882	(894)
Deferred Income Taxes	10,334	10,336	(2)
Deferred Tax Assets on Land Revaluation	2	3	(0)
Other	60,337	57,404	2,933
Allowance for Doubtful Accounts	(2,623)	(2,613)	(10)
Total Assets	¥5,131,170	¥5,077,148	¥54,021

[Real Property for Sale]

(a) Breakdown by Company

(¥ millions)

	At September 30, 2015	At March 31, 2015	Change
Mitsui Fudosan Residential	¥385,915	¥394,477	¥(8,561)
Mitsui Fudosan	374,565	316,718	57,846
SPCs Total	236,238	267,743	(31,504)
Other and Elimination	99,770	52,140	47,629
Consolidated Total	¥1,096,490	¥1,031,080	¥65,410

(b) Accounts of Real Property for Sale

(¥ millions)

Six Months Ended September 30	At Beginning of Period	New Investments*	Cost Recovery	Others	At End of Period
2015	¥1,031,080	¥263,042	¥(189,126)	¥(8,506)	¥1,096,490
2014	¥961,449	¥197,473	¥(177,670)	¥(6,086)	¥975,164

Note: Land acquisition-related expenditures by Mitsui Fudosan Residential Co., Ltd., totaled ¥48.6 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 assets stood at ¥2,842.6 billion as of September 30, 2015, up ¥53.9 billion compared with the end of the previous fiscal year. This increase stemmed mainly from new investments by the Company in LaLaport EBINA and the Hibiya Project and by the Mitsui Fudosan America, Inc. Group in the Fifty Five Hudson Yards Project.

(Foreign currency exchange rates: ¥122.45:US\$1 as of September 30, 2015, ¥120.55:US\$1 as of March 31, 2015; ¥192.72:£1 as of September 30, 2015, ¥187.03:£1 as of March 31, 2015)

(a) Breakdown by Company

(¥ millions)

	At September 30, 2015	At March 31, 2015	Change
Mitsui Fudosan	¥2,193,560	¥2,163,558	¥30,002
SPCs Total	220,941	222,485	(1,543)
Mitsui Fudosan America Group	219,208	210,941	8,266
Mitsui Fudosan UK Group	74,542	68,704	5,837
Mitsui Home Group	28,188	28,554	(365)
Other and Elimination	106,160	94,390	11,770
Consolidated Total	¥2,842,602	¥2,788,633	¥53,968

Above figures include revaluation reserve for land.

(b) Accounts of Tangible and Intangible Fixed Assets

(¥ millions)

Six Months Ended September 30	At Beginning of Period	New Investments*	Depreciation	Others	At End of Period
2015	¥2,788,633	¥81,358	¥(31,897)	¥4,507	¥2,842,602
2014	¥2,526,139	¥84,954	¥(28,795)	¥(11,491)	¥2,570,806

* 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, 2015	March 31, 2015	Change
I. Current Liabilities:	¥676,253	¥672,430	¥3,822
Accounts Payable—Trade	63,940	98,247	(34,306)
Short-Term Debt	183,383	209,527	(26,144)
Commercial Paper	53,000	-	53,000
Bond Redeemable Within One Year	48,052	37,517	10,535
Income Taxes Payable	26,810	32,133	(5,322)
Advances from Contracts in Progress	25,006	18,130	6,875
Allowance for Completed Project Indemnities	1,243	1,299	(55)
Allowance for Possible Guarantee Losses	50	53	(2)
Deferred Income Taxes	1,276	1,212	64
Other	273,488	274,309	(820)
II. Long-Term Liabilities:	2,523,356	2,472,633	50,722
Corporate Bonds	311,676	342,587	(30,911)
Long-Term Debt	1,491,429	1,386,517	104,912
Deposits from Tenants	370,967	365,297	5,669
Allowance for Directors' and Corporate Auditors' Retirement Benefits	691	733	(41)
Net Defined Benefit Liability	31,629	31,191	437
Deferred Income Taxes	122,248	151,848	(29,599)
Deferred Tax Liabilities on Land Revaluation	147,614	147,959	(344)
Other	47,099	46,498	601
Total Liabilities	3,199,609	3,145,064	54,545
NET ASSETS:			
Common Stock	339,766	339,766	-
Capital Surplus	413,680	413,797	(117)
Retained Earnings	603,230	549,660	53,570
Treasury Stock	(6,166)	(6,065)	(100)
Reserve on Land Revaluation	298,257	298,230	27
Net Unrealized Holding Gains on Securities	193,530	255,074	(61,543)
Deferred Gains or Losses on Hedges	(821)	(879)	57
Foreign Currency Translation Adjustment	23,140	19,553	3,587
Remeasurements of Defined Benefit Plans	2,896	2,784	112
New Share Subscription Rights	972	914	57
Non-Controlling Interests	63,071	59,247	3,824
Total Net Assets	1,931,560	1,932,084	(523)
Total Liabilities and Net Assets	¥5,131,170	¥5,077,148	¥54,021
Note: Debt-Equity Ratio 1.12 times (1.06 times at March 31, 2015)			
Interest-Bearing Debt:	2,087,542	1,976,150	111,392
Non-recourse Debt	287,902	271,592	16,310
Surplus Lease Deposits/Guarantee Deposits	240,479	237,319	3,159

[Interest-Bearing Debt]

As of September 30, 2015, interest-bearing debt stood at ¥2,087.5 billion on a consolidated basis, up ¥111.3 billion compared with the end of the previous fiscal year. During the period under review, Mitsui Fudosan witnessed a cash outflow from operating activities of ¥2.1 billion owing mainly to new investments in real property for sale, a cash outflow from investing activities of ¥101.3 billion attributable largely to new investments in tangible and intangible assets and a cash outflow from financing activities of ¥13.8 billion reflecting cash dividends paid.

Breakdown by Company

(¥ millions)

	At September 30, 2015	At March 31, 2015	Change
Mitsui Fudosan	¥1,626,675	¥1,558,709	¥67,966
SPCs Total	363,090	380,598	(17,508)
Mitsui Fudosan Residential	327,684	293,167	34,517
Mitsui Fudosan America Group	142,370	124,526	17,844
Loans to Subsidiaries	(519,741)	(493,406)	(26,335)
Other and Elimination	147,462	112,555	34,907
Consolidated Total	¥2,087,542	¥1,976,150	¥111,392
(Non-recourse Debt of Total)	287,902	271,592	16,310

SEGMENT INFORMATION (UNAUDITED)

Six Months Ended September 30, 2015

(¥ millions)

	Revenue from Operations			Segment Income	Segment Assets	Depreciation	Increase in Tangible and Intangible Fixed Assets
	(1) Outside Customers	(2) Intersegment	Total				
(1)Leasing	¥245,267	¥9,007	¥254,274	¥62,842	¥2,975,469	¥23,273	¥68,308
(2)Property Sales	249,833	3,196	253,030	37,116	1,365,757	725	1,052
(3)Management	160,880	29,460	190,340	25,594	277,760	3,846	4,047
(4)Mitsui Home	103,819	4,080	107,899	(3,328)	120,433	1,480	1,280
(5)Other	39,178	1,240	40,418	3,047	101,497	2,000	8,735
Elimination or Corporate	-	(46,985)	(46,985)	(15,657)	290,252	571	(2,066)
Consolidated	¥798,978	-	¥798,978	¥109,614	¥5,131,170	¥31,897	¥81,358

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

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Six Months Ended September 30	
	2015	2014
I. Revenue from Operations	¥798,978	¥748,001
II. Cost of Revenue from Operations	613,592	587,735
Gross Operating Profit	185,386	160,265
III. Selling, General and Administrative Expenses	75,771	68,118
Operating Income	109,614	92,147
IV. Non-Operating Income:	8,931	4,234
Interest Income	397	342
Dividend Income	2,188	1,954
Equity in Net Income of Affiliated Companies	4,848	661
Other Non-Operating Income	1,496	1,275
V. Non-Operating Expenses:	14,948	18,598
Interest Expenses	12,570	13,339
Other Non-Operating Expenses	2,378	5,258
Ordinary Income	103,597	77,783
VI. Extraordinary Gains:	-	5,185
Gain on Sales of Shares of Affiliated Companies	-	5,185
Income before Income Taxes	103,597	82,968
Income Taxes	36,922	33,078
Profit	66,675	49,890
Profit (Loss) Attributable to Non-Controlling Interests	(411)	2,878
Profit Attributable to Owners of Parent	¥67,086	¥47,011

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	(¥ millions)	
	Six Months Ended September 30	
	2015	2014
I. Cash Flows From Operating Activities:		
Income before Income Taxes	¥103,597	¥82,968
Depreciation and Amortization	31,897	28,795
Interest and Dividend Income Receivable	(2,586)	(2,297)
(Gain) Loss on Sales of Stocks of Subsidiaries and Affiliates	-	(5,185)
Interest Expense	12,570	13,339
(Gain) Loss on Equity-Method Investments	(4,848)	(661)
(Increase) Decrease in Accounts Receivable	5,559	5,940
Increase (Decrease) in Accounts Payable	(15,543)	(17,791)
(Increase) Decrease in Real Property for Sale	(39,972)	(60,064)
Other	(38,997)	(27,901)
Subtotal	51,675	17,142
Cash Receipts of Interest and Dividend Income	4,039	3,420
Cash Payments of Interest Expense	(12,623)	(13,736)
Income Taxes Paid	(45,276)	(31,870)
Net Cash Provided by (Used in) Operating Activities	(2,184)	(25,043)
II. Cash Flows From Investing Activities:		
Purchase of Tangible and Intangible Fixed Assets	(86,879)	(134,194)
Sales of Tangible and Intangible Fixed Assets	847	4
Purchase of Investment Securities	(5,883)	(946)
Payment of Lease Deposits	(6,083)	(3,159)
Proceeds from Collection of Lease Deposits	2,428	6,554
Repayment of Deposits from Tenants	(16,316)	(23,077)
Proceeds from Deposits from Tenants	21,847	25,429
Payment of Loan Receivable	(15,340)	(6,470)
Collection of Loan Receivable	9,968	12,306
Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	(6,328)	-
Proceeds from Sales of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	-	6,126
Other	396	650
Net Cash Provided by (Used in) Investing Activities	¥(101,344)	¥(116,775)

	(¥ millions)	
	Six Months Ended September 30	
	2015	2014
III. Cash Flows From Financing Activities:		
Proceeds from Short-Term Debt	¥1,546,858	¥333,384
Repayment of Short-Term Debt	(1,511,925)	(345,501)
Proceeds from Long-Term Debt	169,092	99,545
Repayment of Long-Term Debt	(92,275)	(200,743)
Proceeds from Issuance of Bonds	9,715	88,940
Redemption of Bonds	(30,091)	(55,493)
Proceeds from Issuance of Common Stock	-	329,125
Cash Dividends Paid	(13,837)	(9,665)
Proceeds from Share Issuance to Non-Controlling Shareholders	1,640	579
Dividends Paid to Non-Controlling Shareholders	(849)	(3,906)
Repayments to Non-Controlling Shareholders	(1,274)	(1,200)
Repayment of Finance Lease Obligations	(1,712)	(1,497)
(Increase) Decrease in Treasury Stock	(131)	(129)
Payments from Changes in Ownership Interests in Subsidiaries Not Resulting in Change in Scope of Consolidation	(1,692)	-
Net Cash Provided by (Used in) Financing Activities	73,515	233,438
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	269	(513)
V. Net Increase (Decrease) in Cash and Cash Equivalents	(29,745)	91,105
VI. Cash and Cash Equivalents at Beginning of the Period	118,960	127,337
VII. Cash and Cash Equivalents at End of the Period	¥89,215	¥218,442

CONSOLIDATED STATEMENTS OF EARNING FORECASTS

For the Year Ending March 31, 2016

(Unchanged from originally announced on May 11, 2015)

(¥ millions)

	Year to March 31		Change
	2016 (forecast)	2015 (actual)	
Revenue from Operations	¥1,610,000	¥1,529,036	¥80,964
Leasing	496,000	464,842	31,158
Property Sales	446,000	425,442	20,558
Management	337,000	317,818	19,182
Mitsui Home	242,000	242,150	(150)
Other	89,000	78,782	10,218
Operating Income	195,000	186,074	8,926
Leasing	116,000	107,863	8,137
Property Sales	50,000	45,493	4,507
Management	50,000	49,317	683
Mitsui Home	3,500	4,017	(517)
Other	5,500	5,186	314
Elimination or Corporate	(30,000)	(25,804)	(4,196)
Non-Operating Income/Expenses	(24,000)	(22,701)	(1,299)
Interest Income/Expense, in Net	(28,000)	(25,657)	(2,343)
Other, in Net	4,000	2,956	1,044
Ordinary Income	171,000	163,373	7,627
Extraordinary Gains/Losses	-	3,467	(3,467)
Income before Income Taxes	171,000	166,840	4,160
Income Taxes	62,000	61,692	308
Profit (*)	109,000	105,147	3,853
Profit Attributable to Non-controlling Interests	2,000	4,962	(2,962)
Profit Attributable to Owners of Parent	¥107,000	¥100,185	¥6,815

* The accounting line item net income has been renamed as profit. This reflects changes in the overall concept and accounting line item designation of net income in accordance with revisions to accounting standards in Japan.

● **Leasing:** Revenue from operations and operating income are forecast to climb ¥31.1 billion and ¥8.1 billion, respectively. This is largely attributable to the contributions from retail facilities scheduled to open during the next period including LaLaport Fujimi, LaLaport Ebina, and EXPOCITY, increase in rents at existing buildings, and the full-term contribution from properties completed during the fiscal year under review including Iidabashi Grand Bloom.

● **Property Sales:** Revenue from operations in the "Property Sales to Individuals" category is expected to increase on the back of continued robust conditions. Taking into consideration the absence of the sale of a large scale condominium with a high profit margin recorded during the previous period, earnings are projected to decline. On a positive note, Mitsui Fudosan is factoring in an increase in earnings in the "Property Sales to Investors" category. Accounting for these factors, revenue from operations in the "Property Sales" segment as a whole is anticipated to increase ¥20.5 billion and earnings are forecast to increase ¥4.5 billion.

● **Management:** Revenue from operations in this segment as a whole is projected to improve ¥19.1 billion while earnings are forecast to climb ¥0.6 billion compared with the fiscal year under review. These forecasts reflect a variety of factors including ongoing robust trends in the "Brokerage" business for individuals and the "Repark (Car Park leasing)" business undertaken by Mitsui Fudosan Realty.

● **Other:** Both revenue from operations and earnings are anticipated to increase in this segments as a whole. This is mainly attributable to ongoing strong trends in the "Hotel Operation" business.

● Taking each of the aforementioned factors into consideration, revenue from operations is forecast to amount to ¥1,610.0 billion, an increase of ¥80.9 billion compared with the fiscal year under review. From a profit perspective, operating income is expected to reach ¥195.0 billion, up ¥8.9 billion, ordinary income is anticipated to total ¥171.0 billion, up ¥7.6 billion, and profit attributable to owners of parent is estimated to amount to ¥107.0 billion, an improvement of ¥6.8 billion.

● In the fiscal year ending March 31, 2016, Mitsui Fudosan is expected to report historic highs in revenue from operations, operating income, ordinary income, and profit attributable to owners of parent.

● Mitsui Fudosan is expecting to increase its dividend per share for the fiscal year ending March 31, 2016 to ¥28 per share comprising an interim and period-end dividend of ¥14 per share.

CONSOLIDATED STATEMENTS OF EARNING FORECASTS

【Tangible and Intangible Assets】

(¥ millions)

	Year to March 2016 (forecast)	Year Ended March 2015 (actual)	YoY Change
New Investments	¥240,000	¥274,812	¥(34,812)
Depreciation	65,000	61,242	3,758

【Real Property for Sale】

(¥ millions)

	Year to March 2016 (forecast)	Year Ended March 2015 (actual)	YoY Change
New Investments	¥550,000	¥453,225	¥96,775
Recovery of Costs	340,000	332,356	7,644

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

【Interest-Bearing Debt】

(¥ millions)

	Year to March 2016 (forecast)	Year Ended March 2015 (actual)	YoY Change
Interest-Bearing Debt	¥2,240,000	¥1,976,150	¥263,850

【Property Sales】 Revenue, Operating Margin

(¥ millions)

	Year to March 2016 (forecast)	Year Ended March 2015 (actual)	YoY Change
Property Sales to Individuals			
Revenue from Operations:	¥312,000	¥298,126	¥13,874
Condominiums	262,000	249,528	12,472
Detached Housing	50,000	48,598	1,402
Operating Income	24,000	26,730	(2,730)
Operating Margin (%)	7.7	9.0	(1.3)pt
Property Sales to Investors			
Revenue from Operations:	134,000	127,315	6,685
Operating Income	26,000	18,763	7,237
Total			
Revenue from Operations:	446,000	425,442	20,558
Operating Income	¥50,000	¥45,493	¥4,507

Number of Housing Units

(Units)

	Year to March 2016 (forecast)	Year Ended March 2015 (actual)	YoY Change
Condominiums	4,500	4,858	(358)
Detached Housing	800	899	(99)
Total	5,300	5,757	(457)

【Mitsui Home (Consolidated)】

(¥ millions)

	Year to March 2016 (forecast)	Year Ended March 2015 (actual)	YoY Change
Revenue from Operations	252,000	252,982	(982)
Operating Income	3,500	4,017	(517)
Ordinary Income	3,700	4,228	(528)
Profit Attributable to Owners of Parent	1,700	1,852	(152)

* The accounting line item net income has been renamed as profit attributable to owners of parent. This reflects changes in the overall concept and accounting line item designation of net income in accordance with revisions to accounting standards in Japan.

IMPORTANT SUBSEQUENT EVENTS

(Important Subsequent Events)

(Transaction under Common Control)

Control of the residential business (residential leasing business) within the Leasing segment of Mitsui Fudosan Co., Ltd. was transferred to Mitsui Fudosan Residential Co., Ltd. by way of a company split undertaken on October 1, 2015.

1. Overview of the transaction

(1) Name and details of the business subject to transfer

Business name: Residential leasing business

Business details: Construction, leasing, and sale of leased condominiums

(2) Categories and book values of assets, liabilities and net assets transferred

(¥ millions)

Assets		Liabilities	
Category	Book Value	Category	Book Value
Current assets	52,199	Current liabilities	2,250
Fixed assets	10,699	Long-term liabilities	36,413
		Net assets	1,098
Total	62,899	Total	39,761

(3) Date of business combination

October 1, 2015

(4) Legal form of business combination

Mitsui Fudosan is the company undertaking the company split and Mitsui Fudosan Residential is the successor company in the absorption-type split.

(5) Name of the company after combination

Mitsui Fudosan Residential Co., Ltd.

(6) Allocation of shares

500,000 common shares of Mitsui Fudosan Residential was allocated and delivered to Mitsui Fudosan. Mitsui Fudosan holds all of the issued and outstanding shares of Mitsui Fudosan Residential. Moreover, all of the new common shares issued by Mitsui Fudosan Residential at the time of the subject company split were delivered to Mitsui Fudosan. As a result, there will be no change in the shareholders' equity of the Company irrespective of the number of shares delivered.

(7) Item concerning overview of other transactions

Recognizing changes in people's lifestyles in line with the maturity of society, the residential leasing business of Mitsui Fudosan and the residential property sales business of Mitsui Fudosan Residential were combined in a bid to provide customers with one-stop services and to address the diverse residential needs of customers with increased speed and agility.

In this manner, every effort is being made to expand the variations available with respect to product planning and the conduct of such activities as urban development that includes property sales and leasing, centralize site acquisition functions, strengthen capabilities across a wide range of areas including work orders and improve business efficiency.

2. Overview of the accounting treatment of the transaction

The company split was accounted for as a transaction under common control in accordance with the Accounting Standard for Business Combination (Accounting Standards Board of Japan (ASBJ) Statement No. 21 issued on September 13, 2013) and Guidance of Accounting Standard for Business Combination and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 issued on September 13, 2013).