

# FACT BOOK

*For the Nine Months Ended December 31, 2020*

February 5, 2021



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

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

**Corporate Data**

(As of December 31, 2020)

**Head Office:**

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

**Date of Establishment:**

July 15, 1941

**Share Capital:**

¥339,897 million

**Number of Issued and Outstanding Shares:**

965,281,777

**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)		
	Nine Months Ended December 31		Change
	2020	2019	
<b>Revenue from Operations</b>	¥1,468,035	¥1,295,461	¥172,573
Leasing	459,922	475,657	(15,734)
Property Sales	526,423	284,151	242,271
Management	294,729	312,978	(18,248)
Other	186,959	222,674	(35,715)
<b>Operating Income</b>	164,444	170,338	(5,893)
Leasing	96,468	118,038	(21,569)
Property Sales	97,735	43,736	53,998
Management	25,191	41,429	(16,238)
Other	(20,887)	395	(21,282)
Elimination or Corporate	(34,063)	(33,261)	(801)
<b>Non-Operating Income/Expenses</b>	(21,176)	(13,710)	(7,465)
Equity in Net Income/Loss of Affiliated Companies	(841)	5,161	(6,003)
Interest Income/Expense, in Net	(20,102)	(21,094)	992
Other, in Net	(231)	2,222	(2,454)
<b>Ordinary Income</b>	143,268	156,627	(13,359)
<b>Extraordinary Gains/Losses</b>	(197)	(1,826)	1,628
Extraordinary Gains	47,177	3,603	43,574
Extraordinary Losses	47,374	5,429	41,945
<b>Income before Income Taxes</b>	143,071	154,801	(11,730)
Income Taxes	44,235	51,787	(7,552)
<b>Profit</b>	98,835	103,013	(4,177)
Profit (Loss) Attributable to Non-Controlling Interests	(50)	719	(770)
<b>Profit Attributable to Owners of Parent</b>	¥98,886	¥102,294	¥(3,407)

## ◆ Overview

● In the first quarter of the fiscal year ending March 31, 2021, revenue and earnings decreased substantially owing to such factors as the closure of retail facilities, hotels, and stores in the “Mitsui Rehouse” business (brokerage business for individuals) in response to the spread of COVID-19.

In addition to a recovery in revenue at retail facilities, hotels, and resorts as well as the “Mitsui Rehouse,” “Repark,” and other businesses, results were favorably impacted by continued growth in leasing revenue from existing office buildings and robust sales and steady handover progress in the Property Sales (Domestic) category in the first half of the fiscal year under review.

Accounting for these and other factors, revenue from operations increased ¥172.5 billion, or 13.3%, compared with the corresponding period of the previous fiscal year in the third quarter (nine-month period ended December 31, 2020). On the earnings front, operating income declined ¥5.8 billion, or 3.5%, ordinary income fell ¥13.3 billion, or 8.5%, and profit attributable to owners of parent decreased ¥3.4 billion, or 3.3%, year on year.

Despite this downturn in earnings, the progress rate of operating income and profit attributable to owners of parent with respect to full fiscal year forecasts exceeded 82%.

Looking at conditions as they currently stand, and with signs that the decision by the government to once again declare a state of emergency at the beginning of the year is having an impact on customer traffic at retail facilities, “Repark” business operations, reservations at hotels and resort facilities, and other activities, steps will be taken to closely monitor future trends.

## ■ Consolidated Forecasts

Forecasts for revenue from operations, operating income, ordinary income, and profit attributable to owners of parent announced on November 5, 2020 remain unchanged.

Progress Comparison with Full Year Forecasts	(¥ millions)		
	Nine Months Ended December 31, 2020	Year to March 2021 (Forecast as of November 5, 2020)	9-Month Results / Full-Year Forecast (%)
Revenue from Operations	¥1,468,035	¥1,950,000	75.3
Operating Income	164,444	200,000	82.2
Ordinary Income	143,268	169,000	84.8
Profit Attributable to Owners of Parent	98,886	120,000	82.4

## Extraordinary Gains/Losses

【Extraordinary Gains】	(¥ millions)
Gain on Sales of Investment Securities	¥44,552
Gain on sales of shares of associates	2,625
<b>Total</b>	<b>¥47,177</b>

## 【Extraordinary Losses】

Impairment Loss*	¥33,088
Loss Related to COVID-19	14,286
<b>Total</b>	<b>¥47,374</b>

\* Posted in connection with the disposition of the Shinjuku Mitsui Building.

Consolidated Statements of Comprehensive Income	(¥ millions)	
	Nine Months Ended December 31	
	2020	2019
Profit	¥98,835	¥103,013
Other Comprehensive Income	45,403	49,978
Valuation Difference on Available-For-Sale Securities	59,035	61,746
Deferred Gains or Losses on Hedges	1,794	(132)
Foreign Currency Translation Adjustment	(10,813)	(8,645)
Remeasurements of Defined Benefit Plans, Net of Tax	1,010	(599)
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	(5,622)	(2,392)
Comprehensive Income	¥144,239	¥152,991
(Comprehensive Income Attributable to Owners of the Parent)	144,685	152,718
(Comprehensive Income Attributable to Non-Controlling Interests)	(446)	272

【Reference】 Nonconsolidated Operating Income/Expenses (Mitsui Fudosan)		(¥ millions)		
		Nine Months Ended December 31		Change
		2020	2019	
Revenue from Operations	Leasing	¥404,966	¥434,773	¥(29,806)
	Property Sales	172,810	34,359	138,451
	Other	41,035	26,743	14,291
	<b>Total</b>	<b>618,813</b>	<b>495,876</b>	<b>122,936</b>
Gross Profit Margin (%)	Leasing	14.2	18.3	(4.1)pt
	Property Sales	20.2	49.3	(29.1)pt
	Other	46.1	21.6	24.5 pt
	<b>Operating Income</b>	<b>¥80,133</b>	<b>¥73,619</b>	<b>¥6,514</b>

# SEGMENT RESULTS

## [1] LEASING

	Nine Months Ended December 31		Change
	2020	2019	
	Revenue from Operations	¥459,922	¥475,657
Operating Income	96,468	118,038	(21,569)

  

	Year to March 2021 (Forecast as of November 5, 2020)	9-Month Results / Full-Year Forecast (%)	Year Ended March 31, 2020
	Revenue from Operations	¥620,000	74.2
Operating Income	128,000	75.4	145,893

● In the Office category, leasing revenue from existing office buildings has continued to grow from the first quarter of the fiscal year under review. Revenue and earnings decreased substantially owing to such factors as the closure of facilities in response to the spread of COVID-19 in the first quarter. Revenue from operations at existing retail facilities recovered from the second quarter and into the third quarter. Revenue and earnings also saw a positive turnaround due to a variety of factors including contributions from newly opened properties. As a result, overall revenue from operations declined ¥15.7 billion and operating income decreased ¥21.5 billion in the “Leasing” segment in the nine-month period under review. The vacancy rate for the Company’s office buildings in the Tokyo metropolitan area was 3.5% on a non-consolidated basis as of December 31, 2020.

### Breakdown of Leasing Operations (Non-consolidated)

		At December 31					
		2020	2019	2020	2019	2020	2019
		Total		Tokyo Metropolitan Area		Regional Areas	
Office Buildings	Number of Buildings	140	138	113	110	27	28
	Leased Floor Space (1,000m <sup>2</sup> )	2,947	2,822	2,629	2,496	318	326
	Leasing Revenue (¥ millions)	237,044	232,788	220,399	216,356	16,644	16,431
	Vacancy Rate (%)	3.5	1.5	3.5	1.5	3.2	1.3
Retail Facilities	Number of Buildings	99	91	72	65	27	26
	Leased Floor Space (1,000m <sup>2</sup> )	2,277	2,115	1,485	1,385	791	730
	Leasing Revenue (¥ millions)	146,074	175,599	99,695	121,378	46,378	54,220
	Vacancy Rate (%)	1.3	1.1	1.5	1.2	1.1	0.9

### Leased Floor Space

		At December 31		Change
		2020	2019	
Office Buildings and Retail Facilities	Revenue			
	Office Buildings	¥274,805	¥268,483	¥6,322
	Retail Facilities	151,817	181,647	(29,830)
	Total Leased Floor Space (1,000 m <sup>2</sup> ):	5,824	5,424	400
	Office Buildings			
	Owned	2,162	2,087	75
Managed	1,243	1,168	75	
Retail Facilities				
Owned	1,869	1,639	230	
Managed	550	531	19	
Other	Revenue	33,299	25,526	7,773
<b>Total Revenue</b>		<b>¥459,922</b>	<b>¥475,657</b>	<b>¥(15,734)</b>

### Vacancy Rate

	12/2020	9/2020	6/2020	3/2020	3/2019	3/2018
<b>Consolidated</b>						
Office Buildings and Retail Facilities (including overseas)	2.7	2.4	2.1	2.3	1.8	2.4
<b>Non-consolidated</b>						
Tokyo Metropolitan Area Office Buildings	3.5	2.6	2.1	1.9	1.7	2.2
Regional Area Office Buildings	3.2	1.9	1.6	1.3	1.8	2.3

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

#### (NEWLY OPENED)

BUNKYO GARDEN GATETOWER (Bunkyo-ku, Tokyo)	Office building completed in April 2020
MITSUI OUTLET PARK YOKOHAMA BAYSIDE (Yokohama, Kanagawa)	Retail facility opened in June 2020
RAYARD MIYASHITA PARK (Shibuya-ku, Tokyo)	Retail facility opened in July 2020
LaLaport AICHI TOGO (Aichi-gun, Aichi)	Retail facility opened in September 2020
RAYARD Hisaya-odori Park (Nagoya, Aichi)	Retail facility opened in September 2020

#### (FULL-TERM CONTRIBUTION)

LaLaport NUMAZU (Numazu, Shizuoka)	Retail facility opened in October 2019
Otemachi One Tower (Chiyoda-ku, Tokyo)	Office building completed in February 2020
TOYOSU BAYSIDE CROSS TOWER (Koto-ku, Tokyo)	Office building completed in March 2020

## [2] PROPERTY SALES

	Nine Months Ended December 31		Change
	2020	2019	
	Revenue from Operations	¥526,423	¥284,151
Operating Income	97,735	43,736	53,998

  

	Year to March 2021 (Forecast as of November 5, 2020)	9-Month Results / Full-Year Forecast (%)	Year Ended March 31, 2020
	Revenue from Operations	¥660,000	79.8
Operating Income	114,000	85.7	123,745

● In addition to robust sales and steady handover progress in the Property Sales (Domestic) category from the first quarter of the fiscal year under review, property sales to investors progressed significantly in the third quarter. As a result, overall revenue from operations climbed ¥242.2 billion and operating income grew ¥53.9 billion in the “Property Sales” segment in the nine-month period ended December 31, 2020.

Meanwhile, in newly constructed domestic condominiums, the Company’s contract rate as of December 31, 2020 was 97% of the 3,800 units projected for the fiscal year.

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

#### (Property Sales to Individuals (Domestic))

THE TOWER YOKOHAMA KITANAKA (Yokohama, Kanagawa)	Condominiums
Park City Musashi-Koyama The Tower (Shinagawa-ku, Tokyo)	Condominiums
THE COURT Jingu-Gaien (Shibuya-ku, Tokyo)	Condominiums
Kosugi 3rd Avenue The Residence (Kawasaki, Kanagawa)	Condominiums
Fine Court Inage Kaigan Mihama-no-Mori (Chiba, Chiba)	Detached Housing

#### (Property Sales to Investors and Individuals (Overseas))

SHINBASHI M-SQUARE Bright (Minato-ku, Tokyo)	Office building
Nagoya Mitsui Main Building (Nagoya, Aichi)	Office building
Nagoya Mitsui New Building (Nagoya, Aichi)	Office building
OSAKI BRIGHT TOWER (Shinagawa-ku, Tokyo)	Office building
MFLP Sakai (Sakai, Osaka)	Logistics
MFLP Ibaraki (Ibaraki, Osaka)	Logistics
MFLP Kawaguchi I (Kawaguchi, Saitama)	Logistics
Park Axis Toyocho Shinsui Koen (Koto-ku, Tokyo)	Rental Housing

### Property Sales to Individuals and Investors

	Nine Months Ended December 31						Change			
	2020			2019			Revenue	Units	Unit Price (¥10 thousand)	
	Revenue	Units	Unit Price (¥10 thousand)	Revenue	Units	Unit Price (¥10 thousand)				
Property Sales to Individuals (Domestic)	Condominiums	¥226,120	2,969	¥7,616	¥171,395	2,285	¥7,501	¥54,725	684	¥115
	Detached Housing	23,387	351	6,663	22,137	323	6,854	1,250	28	(191)
	Subtotal	249,508	3,320	7,515	193,532	2,608	7,421	55,976	712	94
	Operating Income	31,771				22,534		9,236		
Property Sales to Investors and Individuals (Overseas), etc.	Revenue	276,914		90,618		186,295				
	Operating Income	65,963		21,201		44,762				
<b>Total Revenue</b>	<b>526,423</b>			<b>284,151</b>			<b>242,271</b>			
<b>Total Operating Income</b>	<b>¥97,735</b>			<b>¥43,736</b>			<b>¥53,998</b>			

### Breakdown for the Revenue from the Property Sales to Individuals (Domestic)

	Nine Months Ended December 31						Change	
	2020		2019		Revenue	Units	Revenue	Units
	Revenue	Units	Revenue	Units				
Condominiums	Tokyo Metropolitan Area	¥204,318	2,464	¥149,935	1,795	¥54,382	669	
	Other	21,802	505	21,459	490	342	15	
	Total	226,120	2,969	171,395	2,285	54,725	684	
Detached Housing	Tokyo Metropolitan Area	22,346	333	21,494	310	852	23	
	Other	1,041	18	643	13	398	5	
	Total	¥23,387	351	¥22,137	323	¥1,250	28	

### Inventories of Property Sales to Individuals (Domestic)

	(Units)					
	12/2020	9/2020	6/2020	3/2020	3/2019	3/2018
Condominiums	151	203	260	128	141	108
Detached Housing	36	63	66	58	30	40
<b>Total</b>	<b>187</b>	<b>266</b>	<b>326</b>	<b>186</b>	<b>171</b>	<b>148</b>

### Contracted for Sale from the Property Sales to Individuals (Domestic)

	(Units)					
	Contracts at Beginning of Term	Contracts during Term	Total	Reported No. of Units	Contracts at End of Term	Newly Launched during Term
Condominiums	3,673	2,082	5,755	2,969	2,786	2,073
Detached Housing	64	436	500	351	149	416
<b>Total</b>	<b>3,737</b>	<b>2,518</b>	<b>6,255</b>	<b>3,320</b>	<b>2,935</b>	<b>2,489</b>

### [3] MANAGEMENT

(¥ millions)

	Nine Months Ended December 31		Change
	2020	2019	
Revenue from Operations	¥294,729	¥312,978	¥(18,248)
Operating Income	25,191	41,429	(16,238)

	Year to March 2021 (Forecast as of November 5, 2020)	9-Month Results / Full-Year Forecast (%)	Year Ended March 31, 2020
	Revenue from Operations	¥390,000	75.6
Operating Income	33,000	76.3	55,670

● In the first quarter of the fiscal year ending March 31, 2021, revenue and earnings declined substantially due to a variety of factors including the closure of stores in the “Mitsui Rehouse” business (brokerage business for individuals) in response to the spread of COVID-19 and a drop in occupancy rates in the “Repark” (car park leasing) business as people refrained from going out.

From the second quarter and over the third quarter of the fiscal year under review, revenue and earnings improved. This was attributable to an increase in the number of brokerage units handled in the “Mitsui Rehouse” business, a positive turnaround in occupancy rates in the “Repark” business, and other factors. Accounting for these factors, overall revenue from operations in the “Management” segment fell ¥18.2 billion and operating income declined ¥16.2 billion in the nine-month period ended December 31, 2020.

(¥ millions)

		Nine Months Ended December 31		Change
		2020	2019	
Property Management	Revenue	¥228,505	¥234,738	¥(6,233)
	Operating Income	14,353	24,793	(10,439)
Brokerage, Asset Management, etc.	Revenue	66,224	78,239	(12,014)
	Operating Income	10,837	16,636	(5,798)
<b>Total</b>	Revenue	<b>¥294,729</b>	<b>¥312,978</b>	<b>¥(18,248)</b>
	Operating Income	<b>25,191</b>	<b>41,429</b>	<b>(16,238)</b>

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

(Units)

	At December 31, 2020	At December 31, 2019	Change
Total Managed Units	274,868	264,301	10,567

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

(¥ millions)

	Nine Months Ended December 31				Change	
	2020		2019		Transaction Volume	Units
Brokerage	Transaction Volume	Units	Transaction Volume	Units		
	¥1,084,549	27,519	¥1,264,437	31,956		

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

(¥ millions)

		Nine Months Ended December 31				Change	
		2020		2019		Transaction Volume	Units
Consignment Sales	Transaction Volume	Units	Transaction Volume	Units	¥25,482		
	¥74,049	851	¥48,567	634			

#### [4] OTHER

(¥ millions)			
	Nine Months Ended December 31		Change
	2020	2019	
Revenue from Operations	¥186,959	¥222,674	¥(35,715)
Operating Income	(20,887)	395	(21,282)

  

	Year to March 2021 (Forecast as of November 5, 2020)	9-Month Results / Full-Year Forecast (%)	Year Ended March 31, 2020
Revenue from Operations	¥280,000	66.8	¥324,001
Operating Income	(26,000)	80.3	2,291

● As far as the “Facility Operations” category is concerned, revenue and earnings decreased substantially owing to such factors as the closure of hotels and resorts in response to the spread of COVID-19 in the first quarter of the fiscal year ending March 31, 2021. Despite signs of a recovery due to a variety of factors including the positive flow-on effects of the GoTo Campaign put in place by the government from the second quarter into the third quarter, revenue from operations decreased ¥35.7 billion and operating income declined ¥21.2 billion in the “Other” segment overall in the nine-month period ended December 31, 2020.

(¥ millions)			
	Nine Months Ended December 31		Change
	2020	2019	
New Construction under Consignment	¥96,935	¥102,972	¥(6,037)
Facility Operations	25,938	53,876	(27,938)
Other	64,085	65,824	(1,739)
<b>Total Revenue</b>	<b>¥186,959</b>	<b>¥222,674</b>	<b>¥(35,715)</b>

	Nine Months Ended December 31		Change
	2020	2019	
Revenue from New Construction under Consignment Orders Received	¥89,691	¥101,091	¥(11,399)

#### Major Projects Undertaken during the Period (nine-month total) (NEWLY OPENED)

Mitsui Garden Hotel Fukuoka Nakasu (Fukuoka, Fukuoka)	Hotel opened in July 2020
sequence MIYASHITA PARK (Shibuya-ku, Tokyo)	Hotel opened in August 2020
sequence KYOTO GOJO (Kyoto, Kyoto)	Hotel opened in August 2020
Mitsui Garden Hotel Toyosu BAYSIDE CROSS (Koto-ku, Tokyo)	Hotel opened in August 2020
MGH Mitsui Garden Hotel Taipei Zhongxiao (Taipei, Taiwan)	Hotel opened in August 2020
Four Seasons Hotel Tokyo Otemachi (Chiyoda-ku, Tokyo)	Hotel opened in September 2020
Mitsui Garden Hotel Kyoto Kawaramachi Jokyoji (Kyoto, Kyoto)	Hotel opened in September 2020
HOTEL THE MITSUI KYOTO (Kyoto, Kyoto)	Hotel opened in November 2020
sequence SUIDOBASHI (Chiyoda-ku, Tokyo)	Hotel opened in November 2020

#### (FULL-TERM CONTRIBUTION)

Mitsui Garden Hotel Fukuoka Gion (Fukuoka, Fukuoka)	Hotel opened in June 2019
Halekulani Okinawa (Kunigami-gun, Okinawa)	Hotel opened in July 2019
Mitsui Garden Hotel Kyoto Station Front (Kyoto, Kyoto)	Hotel opened in August 2019
Mitsui Garden Hotel Ginza-gocho (Chuo-ku, Tokyo)	Hotel opened in September 2019
Mitsui Garden Hotel Jingugaien Tokyo Premier (Shinjuku-ku, Tokyo)	Hotel opened in November 2019
Mitsui Garden Hotel Roppongi Premier (Minato-ku, Tokyo)	Hotel opened in January 2020
Mitsui Garden Hotel Sapporo West (Sapporo, Hokkaido)	Hotel opened in February 2020

#### [REFERENCE] OVERSEAS BUSINESS

(¥ millions)				
		Nine Months Ended December 31		Change
		2020	2019	
		Leasing	Revenue	
	Operating Income	11,853	15,624	(3,771)
Property Sales	Revenue	9,265	26,544	(17,278)
	Operating Income	(162)	789	(952)
Management, Other, etc.	Revenue	3,318	10,151	(6,833)
	Operating Income	(941)	825	(1,766)
Pro forma Operating Income of Overseas Affiliates *1		6,421	5,419	1,001
Total Overseas Income		17,170	22,659	(5,488)
Overseas Income Ratio*2		10.0%	12.9%	(2.9)pt

\*1: The sum of the following amounts:

• Calculated by multiplying the operating income or the amount equivalent to operating income of each overseas equity-method affiliated company by the Company's equity interest

Note: The amount equivalent to operating income is the amount of profit calculated on a simplified basis after taking into consideration the tax burden.

• Gain on sale of shares of overseas equity-method affiliated companies

(Limited to overseas equity-method affiliated companies whose principal business is the sale of real estate)

\*2: Total overseas income / (Operating income + Proforma operating income of overseas affiliates) × 100

# CONSOLIDATED BALANCE SHEETS

	(¥ millions)		
ASSETS:	December 31, 2020	March 31, 2020	Change
Cash and Time Deposits	¥179,540	¥183,412	¥(3,871)
Accounts Receivable—Trade	35,898	38,908	(3,009)
Marketable Securities	87	219	(131)
Real Property for Sale	1,034,929	1,043,889	(8,959)
Real Property for Sale in Process	512,498	516,997	(4,498)
Real Property for Development	323,262	318,411	4,851
Expenditure on Contracts in Progress	28,415	17,149	11,266
Other Inventories	5,003	5,308	(305)
Advance Payments—Trade	14,242	28,541	(14,299)
Short-Term Loans	18,700	18,543	157
Equity Investments in Properties for Sale	7,320	6,682	637
Other	229,761	215,803	13,957
Allowance for Doubtful Accounts	(537)	(300)	(237)
<b>Current Assets</b>	<b>2,389,123</b>	<b>2,393,566</b>	<b>(4,443)</b>
Buildings and Structures	2,017,210	1,965,266	51,944
Accumulated Depreciation—Buildings and Structures	(798,379)	(757,561)	(40,817)
Buildings and Structures, Net	1,218,831	1,207,705	11,126
Machinery, Equipment and Vehicles	102,567	99,723	2,844
Accumulated Depreciation—Machinery, Equipment and Vehicles	(46,143)	(40,943)	(5,199)
Machinery, Equipment and Vehicles	56,424	58,780	(2,355)
Land	2,166,672	2,175,707	(9,035)
Construction in Progress	225,255	177,433	47,822
Other	168,687	155,755	12,931
Accumulated Depreciation	(106,971)	(97,772)	(9,198)
Other, Net	61,716	57,983	3,732
<b>Tangible Fixed Assets</b>	<b>3,728,900</b>	<b>3,677,609</b>	<b>51,290</b>
Leaschold Interests in Land	40,081	40,993	(911)
Other	36,319	34,539	1,780
<b>Intangible Fixed Assets</b>	<b>76,400</b>	<b>75,532</b>	<b>868</b>
Investment Securities	1,003,015	888,056	114,958
Long-Term Loans	9,930	7,586	2,343
Lease Deposits	146,879	145,413	1,465
Net Defined Benefit Asset	28,466	28,994	(527)
Deferred Income Taxes	27,871	25,943	1,927
Deferred Tax Assets on Land Revaluation	2	2	-
Other	186,900	153,717	33,183
Allowance for Doubtful Accounts	(1,060)	(1,065)	4
<b>Investments and Other Assets</b>	<b>1,402,005</b>	<b>1,248,650</b>	<b>153,355</b>
<b>Total Non-Current Assets</b>	<b>5,207,307</b>	<b>5,001,792</b>	<b>205,514</b>
<b>Total Assets</b>	<b>¥7,596,431</b>	<b>¥7,395,359</b>	<b>¥201,071</b>

## [Real Property for Sale]

	(¥ millions)		
(a) Breakdown by Company	At December 31, 2020	At March 31, 2020	Change
Mitsui Fudosan Residential	¥719,775	¥717,860	¥1,915
Mitsui Fudosan	581,446	582,181	(735)
Mitsui Fudosan America Group	408,979	355,724	53,255
SPCs Total	120,274	192,689	(72,415)
Mitsui Fudosan UK Group	39,413	46,072	(6,658)
Other and Elimination	15,043	13,310	1,732
<b>Consolidated Total</b>	<b>¥1,884,933</b>	<b>¥1,907,839</b>	<b>¥(22,906)</b>

(¥ millions)					
(b) Accounts of Real Property for Sale					
Nine Months Ended December 31	At Beginning of Period	New Investments*	Cost Recovery	Others	At End of Period
2020	¥1,907,839	¥409,897	¥(393,704)	¥(39,098)	¥1,884,933
2019	¥1,630,558	¥419,621	¥(197,004)	¥(22,673)	¥1,830,502

Note: Land acquisition-related expenditures by Mitsui Fudosan Residential Co., Ltd., totaled ¥67.5 billion for the nine-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 Fixed Assets]

The consolidated balance of tangible and intangible fixed assets stood at ¥3,805.3 billion as of December 31, 2020, up ¥52.1 billion compared with the end of the previous fiscal year. This largely reflects new investments in such projects as RAYARD MIYASHITA PARK by Mitsui Fudosan and 50 Hudson Yards by Mitsui Fudosan America Group.

Foreign currency exchange rates:

¥105.80:US\$1 as of December 31, 2020, ¥109.56:US\$1 as of March 31, 2020;

¥136.09:£1 as of December 31, 2020, ¥143.48:£1 as of March 31, 2020

	(¥ millions)		
(a) Breakdown by Company	At December 31, 2020	At March 31, 2020	Change
Mitsui Fudosan	¥2,931,635	¥2,815,017	¥116,618
Mitsui Fudosan America Group	451,797	421,554	30,242
SPCs Total	118,805	228,744	(109,939)
Mitsui Fudosan Residential	68,623	64,600	4,023
Mitsui Fudosan UK Group	54,489	58,365	(3,875)
Other and Elimination	179,950	164,859	15,090
<b>Consolidated Total</b>	<b>¥3,805,301</b>	<b>¥3,753,141</b>	<b>¥52,159</b>

Above figures include revaluation reserve for land.

(¥ millions)					
(b) Accounts of Tangible and Intangible Fixed Assets					
Nine Months Ended December 31	At Beginning of Period	New Investments*	Depreciation	Others	At End of Period
2020	¥3,753,141	¥193,036	¥(71,967)	¥(68,909)	¥3,805,301
2019	¥3,500,482	¥256,277	¥(66,600)	¥(22,330)	¥3,667,829

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



# CONSOLIDATED BALANCE SHEETS

(¥ millions)

LIABILITIES:	December 31, 2020	March 31, 2020	Change
Accounts Payable—Trade	¥67,926	¥147,075	¥(79,149)
Short-Term Debt	377,669	143,025	234,643
Non-Recourse Short-Term Debt	68,857	21,416	47,441
Commercial Papers	189,000	173,000	16,000
Bond Redeemable Within One Year	20,000	55,000	(35,000)
Non-Recourse Bond Redeemable Within One Year	21,635	47,500	(25,865)
Income Taxes Payable	9,295	36,905	(27,610)
Advances from Contracts in Progress	26,172	21,635	4,537
Allowance for Completed Project Indemnities	730	797	(67)
Allowance for Possible Guarantee Losses	1	3	(2)
Other	347,036	393,401	(46,365)
<b>Current Liabilities</b>	<b>1,128,324</b>	<b>1,039,761</b>	<b>88,562</b>
Corporate Bonds	681,760	612,603	69,156
Non-Recourse Corporate Bonds	63,350	81,935	(18,585)
Long-Term Debt	1,910,432	1,893,813	16,619
Non-Recourse Deposits from Tenants	386,755	452,823	(66,067)
Deposits from Tenants	433,706	436,595	(2,888)
Deferred Income Taxes	175,482	147,786	27,696
Deferred Tax Liabilities on Land Revaluation	151,544	151,544	-
Net Defined Benefit Liability	46,203	46,196	7
Allowance for Directors' and Corporate Auditors' Retirement Benefits	869	800	69
Other	45,267	44,973	293
<b>Long-Term Liabilities</b>	<b>3,895,372</b>	<b>3,869,071</b>	<b>26,300</b>
<b>Total Liabilities</b>	<b>5,023,696</b>	<b>4,908,833</b>	<b>114,863</b>
<b>NET ASSETS:</b>			
Common Stock	339,897	339,766	130
Capital Surplus	345,296	372,162	(26,865)
Retained Earnings	1,143,338	1,070,239	73,098
Treasury Stock	(4,134)	(14,364)	10,229
<b>Total Shareholders' Equity</b>	<b>1,824,397</b>	<b>1,767,804</b>	<b>56,593</b>
Net Unrealized Holding Gains on Securities	379,031	319,993	59,037
Deferred Gains or Losses on Hedges	1,549	(222)	1,771
Reserve on Land Revaluation	313,562	330,305	(16,743)
Foreign Currency Translation Adjustment	(31,048)	(14,793)	(16,254)
Remeasurements of Defined Benefit Plans	6,659	5,592	1,066
<b>Total Accumulated Other Comprehensive Income</b>	<b>669,753</b>	<b>640,875</b>	<b>28,878</b>
New Share Subscription Rights	1,450	1,454	(3)
Non-Controlling Interests	77,132	76,391	741
<b>Total Net Assets</b>	<b>2,572,734</b>	<b>2,486,525</b>	<b>86,208</b>
<b>Total Liabilities and Net Assets</b>	<b>¥7,596,431</b>	<b>¥7,395,359</b>	<b>¥201,071</b>

Note: Debt-Equity Ratio 1.49 times (1.45 times at March 31, 2020)

<b>Interest-Bearing Debt:</b>	<b>3,719,459</b>	<b>3,481,117</b>	<b>238,342</b>
Non-Recourse Debt	540,597	603,674	(63,076)
<b>Surplus lease deposits/guarantee deposits</b>	<b>286,827</b>	<b>291,181</b>	<b>(4,354)</b>

## [Interest-Bearing Debt]

Interest-bearing debt increased ¥238.3 billion to ¥3,719.4 billion.

This was mainly comprised of a cash outflow from investment activities of ¥232.9 billion on the back of such factors as new investments in tangible and intangible assets.

## Breakdown by Company

(¥ millions)

	At December 31, 2020	At March 31, 2020	Change
Mitsui Fudosan	¥2,907,972	¥2,630,106	¥277,865
Mitsui Fudosan America Group	679,373	681,207	(1,833)
Mitsui Fudosan Residential	664,400	594,900	69,500
SPCs Total	182,305	345,355	(163,050)
Mitsui Fudosan Asia Group	89,663	81,735	7,927
Mitsui Fudosan UK Group	48,750	51,909	(3,158)
Loans to Subsidiaries	(980,983)	(990,427)	9,443
Other and Elimination	127,978	86,330	41,647
<b>Consolidated Total</b>	<b>¥3,719,459</b>	<b>¥3,481,117</b>	<b>¥238,342</b>
(Non-recourse Debt of Total)	<b>540,597</b>	<b>603,674</b>	<b>(63,076)</b>

# CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Nine Months Ended December 31	
	2020	2019
<b>Revenue from Operations</b>	<b>¥1,468,035</b>	<b>¥1,295,461</b>
Cost of Revenue from Operations	1,163,243	988,256
<b>Gross Operating Profit</b>	<b>304,791</b>	<b>307,205</b>
Selling, General and Administrative Expenses	140,346	136,866
<b>Operating Income</b>	<b>164,444</b>	<b>170,338</b>
Interest Income	1,118	886
Dividend Income	5,563	6,354
Equity In Net Income of Affiliated Companies	-	5,161
Other Non-Operating Income	2,705	1,908
<b>Non-Operating Income</b>	<b>9,388</b>	<b>14,311</b>
Interest Expenses	21,221	21,981
Share of Loss of Entities Accounted For Using Equity Method	841	-
Other Non-Operating Expenses	8,501	6,040
<b>Non-Operating Expenses</b>	<b>30,564</b>	<b>28,022</b>
<b>Ordinary Income</b>	<b>143,268</b>	<b>156,627</b>
Gain on Sales of Investment Securities	44,552	3,603
Gain on Sales of Shares of Subsidiaries and Associates	2,625	-
<b>Extraordinary Income</b>	<b>47,177</b>	<b>3,603</b>
Loss on Retirement of Non-Current Assets	-	2,468
Impairment Loss	33,088	-
Loss on Sale of Businesses	-	2,961
Loss Related to COVID-19 *	14,286	-
<b>Extraordinary Losses</b>	<b>47,374</b>	<b>5,429</b>
<b>Income Before Income Taxes</b>	<b>143,071</b>	<b>154,801</b>
<b>Income Taxes</b>	<b>44,235</b>	<b>51,787</b>
<b>Profit</b>	<b>98,835</b>	<b>103,013</b>
<b>Profit (Loss) Attributable to Non-Controlling Interests</b>	<b>(50)</b>	<b>719</b>
<b>Profit Attributable to Owners of Parent</b>	<b>¥98,886</b>	<b>¥102,294</b>

\* Losses attributable to COVID-19 mainly comprise fixed costs, including land and rental fees applicable to retail facilities, hotels, and other properties for the duration of closure as well as depreciation and amortization.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

(¥ millions)

	Nine Months Ended December 31	
	2020	2019
<b>Cash Flows From Operating Activities</b>		
Income before Income Taxes	¥143,071	¥154,801
Depreciation and Amortization	71,967	66,600
Impairment Loss	33,088	-
Interest and Dividend Income Receivable	(6,682)	(7,241)
Interest Expense	21,221	21,981
(Gain) Loss on Equity-Method Investments	841	(5,161)
(Gain) Loss on Sales of Investment Securities	(44,552)	(3,603)
(Gain) Loss on Sales of Shares of Associates	(2,625)	-
Loss on retirement of fixed assets	-	2,468
Loss on Sale of Businesses	-	2,961
Loss Related to COVID-19	14,286	-
(Increase) Decrease in Accounts Receivable	3,044	5,368
Increase (Decrease) in Accounts Payable	(14,452)	(9,282)
(Increase) Decrease in Real Property for Sale	(73,965)	(235,206)
Other	(31,579)	(17,872)
<b>Subtotal</b>	<b>113,662</b>	<b>(24,186)</b>
Cash Receipts of Interest and Dividend Income	12,298	15,591
Cash Payments of Interest Expense	(20,031)	(19,628)
Payments Related to COVID-19	(11,869)	-
Proceeds from Subsidy Income	1,445	-
Income Taxes Paid	(74,943)	(67,071)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>20,561</b>	<b>(95,294)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of Tangible and Intangible Fixed Assets	(223,089)	(372,954)
Proceeds from Sale of Tangible and Intangible Fixed Assets	2,522	1,420
Purchase of Investment Securities	(59,569)	(34,020)
Proceeds from Sale of Investment Securities	52,141	7,381
Payment of Lease Deposits	(8,872)	(5,491)
Proceeds from Collection of Lease Deposits	6,980	4,020
Repayment of Deposits from Tenants	(34,188)	(22,170)
Proceeds from Deposits from Tenants	32,114	35,648
Payment of Loan Receivable	(12,875)	(15,142)
Collection of Loan Receivable	9,139	13,050
Proceeds from Withdrawal of Time Deposits	2,646	19,885
Payments for Sales of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	(160)	-
Other	272	(26,416)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>¥(232,937)</b>	<b>¥(394,789)</b>

(¥ millions)

	Nine Months Ended December 31	
	2020	2019
<b>Cash Flows From Financing Activities</b>		
Proceeds from Short-Term Debt	¥1,073,841	¥2,259,938
Repayment of Short-Term Debt	(862,562)	(2,018,516)
Proceeds from Long-Term Debt	196,894	373,018
Repayment of Long-Term Debt	(132,375)	(170,794)
Proceeds from Issuance of Bonds	137,650	180,500
Redemption of Bonds	(142,100)	(69,200)
Cash Dividends Paid	(42,489)	(45,010)
Proceeds from Share Issuance to Non-Controlling Shareholders	5,459	6,467
Dividends Paid to Non-Controlling Shareholders	(2,082)	(1,656)
Repayment to Non-Controlling Shareholders	(379)	(136)
Repayment of Finance Lease Obligations	(3,450)	(3,243)
(Increase) Decrease in Treasury Stocks	(16,824)	(16,011)
Payments from Changes in Ownership Interests in Subsidiaries Not Resulting in Change in Scope of Consolidation	-	(2,673)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>211,581</b>	<b>492,682</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(324)</b>	<b>(1,554)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,118)</b>	<b>1,043</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>	<b>179,472</b>	<b>157,682</b>
<b>Cash and Cash Equivalents at End of the Period</b>	<b>¥178,354</b>	<b>¥158,725</b>

# [REFERENCE] CONSOLIDATED STATEMENTS OF EARNING FORECASTS

(Announced on November 5, 2020)

For the Year Ending March 31, 2021	Year to March 31, 2021			(¥ millions)
	Latest forecast (As of November 5, 2020)	Previous forecast (As of May 12, 2020)	Difference	<Reference>
				Year to March 31, 2020 (actual)
<b>Revenue from Operations</b>	¥1,950,000	¥1,850,000	¥100,000	¥1,905,642
Leasing	620,000	600,000	20,000	636,056
Property Sales	660,000	540,000	120,000	524,094
Property Sales to Individuals (Domestic)	310,000	310,000	-	268,661
Property Sales to Investors and Individuals (Overseas), etc.	350,000	230,000	120,000	255,433
Management	390,000	410,000	(20,000)	421,490
Other	280,000	300,000	(20,000)	324,001
<b>Operating Income</b>	200,000	200,000	-	280,617
Leasing	128,000	113,000	15,000	145,893
Property Sales	114,000	103,000	11,000	123,745
Property Sales to Individuals (Domestic)	33,000	33,000	-	29,624
Property Sales to Investors and Individuals (Overseas), etc.	81,000	70,000	11,000	94,120
Management	33,000	50,000	(17,000)	55,670
Other	(26,000)	(13,000)	(13,000)	2,291
Elimination or Corporate	(49,000)	(53,000)	4,000	(46,982)
<b>Non-Operating Income/Expenses</b>	(31,000)	(31,000)	-	(22,107)
Interest Income/Expense, in Net	(30,000)	(30,000)	-	(28,009)
Other, in Net	(1,000)	(1,000)	-	5,902
<b>Ordinary Income</b>	169,000	169,000	-	258,510
<b>Extraordinary Gains/Losses</b>	10,000	10,000	-	2,706
<b>Income before Income Taxes</b>	179,000	179,000	-	261,217
Income Taxes	58,000	58,000	-	76,522
<b>Profit</b>	121,000	121,000	-	184,694
Profit (Loss) Attributable to Non-controlling Interests	1,000	1,000	-	721
<b>Profit Attributable to Owners of Parent</b>	¥120,000	¥120,000	-	¥183,972

## [Difference between Revised and Previous Forecasts (Announced on May 12, 2020)]

•Calculations pertaining to full fiscal year forecasts announced at the beginning of the period (May 12, 2020) reflect certain expectations. These expectations are based on the assumption that the harsh restrictions imposed on economic activity in the first quarter will continue and that the business environment will gradually normalize from the second quarter and over the end of the fiscal year under review.

•The Mitsui Fudosan Group recognizes that economic activity is heading toward a gradual recovery following steps by the government to lift its state of emergency declaration on May 25, 2020. At the same time, the Group acknowledges that while the business environment has recovered more quickly than initially expected for certain businesses, the pace of recovery for other businesses is slower than anticipated. Taking into consideration these factors as well as the Group's financial results for the first half of the fiscal year under review and current conditions, the decision has been made to partially revise the segment breakdown of revenue from operations and operating income of the initially announced full fiscal year forecasts.

•Financial results forecasts are based on the assumption that the COVID-19 pandemic will not have a major impact on economic activities in the second half of the fiscal year under review. Depending on the future status of COVID-19 and other factors. The Group will disclose details in a timely manner should the need for further revision arise in the future.

•In light of progress in "Property Sales to Investors," operating income is projected to each ¥1,950 billion, up ¥100 billion compared with previous forecasts

•Previously announced forecasts for operating income, ordinary income, and profit attributable to owners of parent remain unchanged.

•Operating income for each segment has been revised as follows:

**Leasing Segment:** Reflecting the shorter than anticipated period of retail facility closure compared with forecasts at the beginning of the period, and the quick recovery in facility sales after the resumption of operations, which have exceeded initial expectations, operating income is estimated to reach ¥128 billion, an improvement of ¥15 billion compared with the previous forecast.

**Property Sales Segment:** Reflecting expectations that the impact on the real estate sales market will be more limited than initially anticipated, and the current status of progress in the "Property Sales to Investors" category, operating income is estimated to reach ¥114 billion, an improvement of ¥11 billion compared with the previous forecast.

**Management:** Recognizing the moderate pace of demand recovery in the Repark (Car Park Leasing) business compared with expectations at the beginning of the year, and other factors including the substantial downturn in the "Mitsui Rehouse" business (brokerage business for individuals,) despite conditions having generally recovered to initially expected levels, operating income is estimated to come in at ¥33 billion, down ¥17 billion compared with the previous forecast.

**Other Segment:** Reflecting such factors as the moderate pace of accommodation demand recovery mainly in the hotel business compared with forecasts at the beginning of the period, operating loss is projected to come in at ¥26 billion, up ¥13 billion compared with the previous forecast.

•Dividend per share forecast of ¥44 (interim dividend ¥22 and period-end dividend ¥22) remains unchanged.

# [REFERENCE] CONSOLIDATED STATEMENTS OF EARNING FORECASTS

(Announced on November 5, 2020)

## 【Property Sales】

### Revenue, Operating Margin

(¥ millions)

	Year to March (Forecast as of November 5, 2020)	Year to March (Forecast as of May 12, 2020)	YoY Change
<b>Property Sales to Individuals</b>			
Revenue from Operations:	¥310,000	¥310,000	-
Condominiums	270,000	270,000	-
Detached Housing	40,000	40,000	-
Operating Income	33,000	33,000	-
Operating Margin (%)	10.6	10.6	-
<b>Property Sales to Investors</b>			
Revenue from Operations:	350,000	230,000	120,000
Operating Income	81,000	70,000	11,000
<b>Total</b>			
Revenue from Operations:	660,000	540,000	120,000
Operating Income	¥114,000	¥103,000	¥11,000

### Number of Domestic Housing Units

(Units)

	Year to March (Forecast as of November 5, 2020)	Year to March (Forecast as of May 12, 2020)	YoY Change
Condominiums	3,800	3,800	-
Detached Housing	500	500	-
<b>Total</b>	4,300	4,300	-

## 【Tangible and Intangible Assets】

(¥ millions)

	Year to March (Forecast as of November 5, 2020)	Year to March (Forecast as of May 12, 2020)	YoY Change
New Investments	* ¥550,000	¥250,000	¥300,000
Depreciation	100,000	100,000	-

\* As a result of the tender offer for the common stock of Tokyo Dome Corporation ("Tokyo Dome") details of which were announced on November 27, 2020, Tokyo Dome was included in the Company's scope of consolidation as a consolidated subsidiary as of January 25, 2021 (the commencement date of settlement of the tender offer).

Based on the aforementioned, the amount of new investment in tangible and intangible fixed assets in the fiscal year ending March 31, 2021 is projected to total ¥550 billion.

## 【Real Property for Sale】

(¥ millions)

	Year to March (Forecast as of November 5, 2020)	Year to March (Forecast as of May 12, 2020)	YoY Change
New Investments	¥700,000	¥700,000	-
Recovery of Costs	490,000	380,000	110,000

## 【Interest-Bearing Debt】

(¥ millions)

	Year to March (Forecast as of November 5, 2020)	Year to March (Forecast as of May 12, 2020)	YoY Change
Interest-Bearing Debt	¥3,800,000	¥3,800,000	-

## CONTINGENT LIABILITIES

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In response to concerns regarding the faulty installation of foundation piles at a condominium complex located in Yokohama and sold by Mitsui Fudosan Residential Co., Ltd., a consolidated subsidiary of Mitsui Fudosan, the company received a report confirming that a portion of the piling used in construction failed to reach the necessary depth and required bearing layer from Sumitomo Mitsui Construction Co., Ltd., the building contractor, on April 11, 2016. Furthermore, Mitsui Fudosan Residential received a notice from the City of Yokohama that the subject condominium complex violated the Building Standards Law and a request that the company take all responsible measures to address and correct the situation in line with discussions with condominium owners on August 26, 2016.

In outlining its stance toward corrective measures including the reconstruction of the condominium complex impacted by faulty installation as well as compensation, Mitsui Fudosan Residential executed an agreement with the condominium association on May 8, 2016, confirming that the company would shoulder all expenses. Later, on September 19, 2016, the condominium association resolved that it would seek the complete reconstruction of the entire condominium complex in accordance with the Act on Building Unit Ownership, etc.

According to the report issued by Sumitomo Mitsui Construction, which noted that construction records had been diverted and modified in connection with the installation of foundation piles and that certain foundation piles failed to reach the necessary depth and required bearing layer, the condominium complex was deemed to be in violation of the Building Standards Law. As a result, and in accordance with the aforementioned agreement, Mitsui Fudosan Residential has decided to seek damages including reconstruction costs as well as expenses relating to the temporary housing of residents during the period of construction under such remedies as tort liability and warranties against defects from Sumitomo Mitsui Construction, as well as Hitachi High-Technologies Corporation and Asahi Kasei Construction Materials Corporation, who installed the foundation piles. Based on this decision to seek damages, Mitsui Fudosan Residential filed a lawsuit for total compensation amounting to around ¥50.9 billion against the three companies identified above on November 28, 2017. Mitsui Fudosan has posted all related temporary payments undertaken by Mitsui Fudosan Residential up to the end of the third quarter of the fiscal year under review as current assets on its consolidated quarterly balance sheet.

Depending on the flow of future events, any incidence of expenditure may impact the consolidated results of the Mitsui Fudosan Group. At this stage, however, the Company is unable to provide a reasonable estimate of any such impact.

## ADDITIONAL INFORMATION

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In determining whether or not to post an impairment loss on fixed assets, and in such accounting estimates as the valuation of real properties for sale, the Mitsui Fudosan Group has assumed that COVID-19 will have a certain impact on future earnings based on information available at the time quarterly consolidated financial statements were prepared. In specific terms, we recognize that economic activities have been gradually moving toward a period of normalization since the second quarter. While there are certain businesses where the environment is recovering rapidly, we are aware that as far as the Group is concerned, the pace of recovery is modest in some areas, mainly in the hotel business in the fiscal year under review. Looking at the impact on the Group associated with the further spread of the pandemic including the government's decision to again declare a state of emergency on January 7, 2021, we will closely monitor future trends while at the same time taking into account current conditions. Having said this, there have been no significant changes to the assumptions used for accounting estimates at the time consolidated financial statements for the second quarter of the fiscal year under review were prepared that the operating environment will gradually normalize toward the end of the fiscal year.

## SUBSEQUENT EVENTS

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### Business Combination

#### 1. Overview of the Business Combination

##### (1) Name and business of the acquired company

Name: Tokyo Dome Corporation

Business: Tokyo Dome City business, secondary market business, real estate business, Atami business, bicycle race business

##### (2) Principal purpose of the business combination

Recognizing the critical need to take full advantage of its track record, know-how, financial strength, and other attributes nurtured through various activities in urban development and to fully benefit from the experience and expertise of the acquired company in the management of stadiums and arenas, the Company decided to acquire the shares of Tokyo Dome Corporation and implement growth measures. The Company therefore acquired the shares of the acquired company through a tender offer cognizant of the possibility that the corporate value of both companies would increase and that the acquisition would help Tokyo Dome Corporation recover from the effects of the COVID-

##### (3) Date of the business combination

January 25, 2021

##### (4) Legal form of the business combination

Acquisition of shares for cash consideration

##### (5) Name following the business combination

No change

##### (6) Ratio of voting rights acquired

Before acquisition: - %

After acquisition: 84.82%

##### (7) Rationale behind deciding on the company to be acquired

Due to the Company's acquisition of shares for cash

#### 2. Period of Financial Results of the Acquired Company Included in the Quarterly Consolidated

Statement of Income of the Quarterly Consolidated Cumulative Period

As the deemed acquisition date of the acquired company is January 31, 2021, the financial results of the acquired company are not included in the quarterly consolidated statement of income of the third quarter cumulative period of the fiscal year ending March 31, 2021.

#### 3. Acquisition Cost of the Acquired Company and Type of Consideration

Acquisition of shares through tender offer

Acquisition consideration: Cash ¥102,228 million

Acquisition cost: ¥102,228 million

#### 4. Reasons for Incidence of Goodwill and Amount, Amortization Method and Period

Yet to be determined at this time

#### 5. The consolidated balance sheet and consolidated statement of income of Tokyo Dome Corporation

will be included in the Company's consolidated balance sheet and consolidated statement of income as of March 31, 2021 and from the start of the fiscal year ending March 31, 2022, respectively.