

FACT BOOK

For the Nine Months Ended December 31, 2021

February 4, 2022



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

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

Corporate Data

(As of December 31, 2021)

Head Office:

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

Date of Establishment:

July 15, 1941

Share Capital:

¥340,162 million

Number of Issued and Outstanding Shares:

965,481,947

Stock Exchange Listings:

Tokyo (Code: 8801)

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Note: The fiscal year ending March 31, 2022, the Company will omit the disclosure of quarterly consolidated statements of cash flows for the first and third quarters.

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
	2021	2020	
Revenue from Operations	¥1,466,906	¥1,468,035	¥(1,128)
Leasing	493,136	459,922	33,213
Property Sales	405,586	526,423	(120,836)
Management	318,548	294,729	23,818
Other	249,634	186,959	62,675
Operating Income	154,529	164,444	(9,915)
Leasing	101,488	96,468	5,019
Property Sales	75,414	97,735	(22,321)
Management	41,557	25,191	16,366
Other	(26,199)	(20,887)	(5,312)
Elimination or Corporate	(37,730)	(34,063)	(3,667)
Non-Operating Income/Expenses	(16,711)	(21,176)	4,465
Equity in Net Income/Loss of Affiliated Companies	478	(841)	1,319
Interest Income/Expense, in Net	(21,793)	(20,102)	(1,690)
Other, in Net	4,604	(231)	4,836
Ordinary Income	137,818	143,268	(5,450)
Extraordinary Gains/Losses	46,953	(197)	47,150
Extraordinary Gains	51,175	47,177	3,998
Extraordinary Losses	4,222	47,374	(43,152)
Income before Income Taxes	184,771	143,071	41,700
Income Taxes	63,023	44,235	18,787
Profit	121,748	98,835	22,912
Profit (Loss) Attributable to Non-Controlling Interests	(1,755)	(50)	(1,704)
Profit Attributable to Owners of Parent	¥123,503	¥98,886	¥24,616

■ Overview

Amid the ongoing impact of COVID-19, retail facility leasing exhibited a recovery and revenue and earnings from such activities as the “Repark” (car park leasing) and “Rehouse” (brokerage for individuals) businesses grew year on year in the nine months ended December 31, 2021. In contrast, due to a decline in the reported number of units in the “Property Sales to Individuals (Domestic)” category, the concentrated handover of properties in the “Property Sales to Investors” category in the fourth quarter, and other factors, revenue from operations edged down ¥1.1 billion, or 0.1%, compared with the corresponding period of the previous fiscal year. On the earnings front, operating income declined ¥9.9 billion, or 6.0%, and ordinary income decreased ¥5.4 billion, or 3.8%, year on year.

Profit attributable to owners of parent increased ¥24.6 billion, or 24.9%, (a record third quarter high) compared with the corresponding period of the previous fiscal year due to a variety of factors including the sales of policy-holdings shares posted as extraordinary gains.

■ Consolidated Forecasts

In light of such factors as the Company’s results for the nine months ended December 31, 2021, Mitsui Fudosan has upwardly revised its consolidated forecasts for the fiscal year under review. In specific terms, operating income is projected to come in at ¥240 billion (previous forecast ¥230 billion), ordinary income ¥215 billion (previous forecast ¥205 billion), and profit attributable to owners of parent ¥175 billion (previous forecast ¥160 billion). Forecast for revenue from operations remains unchanged.

Progress Comparison with Full Year Forecasts	(¥ millions)		
	Nine Months Ended December 31, 2021	Year to March 2022 (Forecast as of February 4, 2022)	9-Month Results / Full-Year Forecast (%)
Revenue from Operations	¥1,466,906	¥2,150,000	68.2
Operating Income	154,529	240,000	64.4
Ordinary Income	137,818	215,000	64.1
Profit Attributable to Owners of Parent	123,503	175,000	70.6

Extraordinary Gains/Losses

【Extraordinary Gains】 (¥ millions)	
Gain on Sales of Investment Securities	¥51,175
Total	¥51,175
【Extraordinary Losses】	
Loss Related to COVID-19	4,222
Total	4,222

Consolidated Statements of Comprehensive Income

	(¥ millions)	
	Nine Months Ended December 31	
	2021	2020
Profit	¥121,748	¥98,835
Other Comprehensive Income	39,059	45,403
Valuation Difference on Available-For-Sale Securities	7,818	59,035
Deferred Gains or Losses on Hedges	(33)	1,794
Foreign Currency Translation Adjustment	25,635	(10,813)
Remeasurements of Defined Benefit Plans, Net of Tax	(1,550)	1,010
Share of Other Comprehensive Income of Associates Accounted	7,188	(5,622)
Comprehensive Income	¥160,807	¥144,239
(Comprehensive Income Attributable to Owners of the Parent)	161,415	144,685
(Comprehensive Income Attributable to Non-Controlling Interests)	(608)	(446)

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

		(¥ millions)		
		Nine Months Ended December 31		
		2021	2020	Change
Revenue from Operations	Leasing	¥433,391	¥404,966	¥28,425
	Property Sales	103,963	172,810	(68,847)
	Other	30,066	41,035	(10,968)
	Total	567,422	618,813	(51,391)
Gross Profit Margin (%)	Leasing	15.0	14.2	0.8 pt
	Property Sales	28.6	20.2	8.4 pt
	Other	27.1	46.1	(19.0)pt
Operating Income		¥67,276	¥80,133	¥(12,857)

SEGMENT RESULTS

[1] LEASING

	(¥ millions)		Change
	Nine Months Ended December 31		
	2021	2020	
Revenue from Operations	¥493,136	¥459,922	¥33,213
Operating Income	101,488	96,468	5,019

	Year to March 2022 (Forecast as of February 4, 2022)	9-Month Results / Full-Year Forecast (%)	Year Ended March 31, 2021
	Revenue from Operations	¥680,000	72.5
Operating Income	130,000	78.1	120,777

(Leasing)

Amid the ongoing impact of COVID-19, overall revenue from operations and operating income in the “Leasing” segment grew ¥33.2 billion and ¥5.0 billion, respectively, in the nine months ended December 31, 2021. This was mainly due to the year-on-year recovery in sales at retail facilities, the full-term contribution from Bunkyo Garden Gate Tower, which was completed during the previous fiscal year, and an increase in leasing revenue and income from existing office buildings. On a separate note, the Company’s office vacancy rate in the Tokyo metropolitan area as of December 31, 2021 (non-consolidated) was 4.1%.

Breakdown of Leasing Operations (Non-consolidated)

		At December 31					
		2021		2020		2021	
		Total	Tokyo Metropolitan Area	Regional Areas			
Office Buildings	Number of Buildings	135	140	110	113	25	27
	Leased Floor Space (1,000m ²)	2,915	2,947	2,621	2,629	294	318
	Leasing Revenue (¥ millions)	246,442	237,044	228,913	220,399	17,529	16,644
	Vacancy Rate (%)	4.1	3.5	4.1	3.5	4.3	3.2
Retail Facilities	Number of Buildings	99	99	73	72	26	27
	Leased Floor Space (1,000m ²)	2,229	2,277	1,479	1,485	750	791
	Leasing Revenue (¥ millions)	161,159	146,074	111,892	99,695	49,266	46,378
	Vacancy Rate (%)	1.8	1.3	2.0	1.5	1.6	1.1

Leased Floor Space

		(¥ millions)				
		At December 31		Change		
		2021	2020			
Office Buildings and Retail Facilities	Revenue	Office Buildings	¥288,808	¥274,805	¥14,003	
		Retail Facilities	166,635	151,817	14,818	
		Total Leased Floor Space (1,000 m ²):	5,739	5,824	(85)	
		Office Buildings	Owned	1,923	2,162	(239)
			Managed	1,439	1,243	196
		Retail Facilities	Owned	1,803	1,869	(66)
		Managed	574	550	24	
Other	Revenue		37,691	33,299	4,392	
Total Revenue			¥493,136	¥459,922	¥33,213	

Vacancy Rate

	12/2021	9/2021	6/2021	3/2021	3/2020	3/2019
Consolidated						
Office Buildings and Retail Facilities (including overseas)	3.5	3.7	3.7	2.9	2.3	1.8
Non-consolidated						
Tokyo Metropolitan Area Office Buildings	4.1	3.9	4.7	3.1	1.9	1.7
Regional Area Office Buildings	4.3	4.2	3.9	3.5	1.3	1.8

Major Projects during the Period (nine-month total)

(NEWLY OPENED)

LaLaport SHANGHAI JINQIAO (Shanghai, China)	Retail facility opened in April 2021
OMIYAKADOMACHI SQUARE (Saitama, Saitama)	Office building completed in October 2021

(FULL-TERM CONTRIBUTION)

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
Nagoya Mitsui North Building (Nagoya, Aichi)	Office building completed in January 2021

[2] PROPERTY SALES

	(¥ millions)		Change
	Nine Months Ended December 31		
	2021	2020	
Revenue from Operations	¥405,586	¥526,423	¥(120,836)
Operating Income	75,414	97,735	(22,321)

	Year to March 2022 (Forecast as of February 4, 2022)	9-Month Results / Full-Year Forecast (%)	Year Ended March 31, 2021
	Revenue from Operations	¥670,000	60.5
Operating Income	137,000	55.0	118,213

(Property Sales)

Revenue and earnings in the “Property Sales to Individuals (Domestic)” category decreased. This was mainly due to the year-on-year decline in the reported number of condominium units. Owing to the concentrated handover of contracted properties in the fourth quarter, revenue and earnings in the “Property Sales to Investors and Individuals (Overseas) etc.” category also declined in the nine months ended December 31, 2021. In overall terms, revenue from operations and operating income in the “Property Sales” segment decreased ¥120.8 billion and ¥22.3 billion, respectively.

Of the 3,200 new condominium units in Japan being recorded in the fiscal year ending March 31, 2022, the Company had contracts in place for 99% as of December 31, 2021.

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

(Property Sales to Individuals (Domestic))

Park Court SHIBUYA The Tower (Shibuya-ku, Tokyo)	Condominiums
Park Court BUNKYO KOISHIKAWA The Tower (Bunkyo-ku, Tokyo)	Condominiums
Park Homes Kashiwa Tower Residence (Kashiwa, Chiba)	Condominiums
Fine Court Eifuku 4-Chome (Suginami-ku, Tokyo)	Detached Housing

(Property Sales to Investors and Individuals (Overseas))

Iidabashi Grand Bloom (Chiyoda-ku, Tokyo)	Office building
Ginza 5-chome GLOBE (Chuo-ku, Tokyo)	Retail facility
Takeshita-dori Square (Shibuya-ku, Tokyo)	Retail facility
Park Axis Kiba Canal West (Koto-ku, Tokyo)	Rental Housing
Park Axis Toyocho Shinsui Koen (Koto-ku, Tokyo)	Rental Housing
8-10 Moorgate (London, UK)	Office building

Property Sales to Individuals and Investors

	(¥ millions)						Change			
	Nine Months Ended December 31									
	2021			2020						
	Revenue	Units	Unit Price (¥10 thousand)	Revenue	Units	Unit Price (¥10 thousand)	Revenue	Units	Unit Price (¥10 thousand)	
Property Sales to Individuals (Domestic)	Condominiums	¥157,659	2,398	¥6,575	¥226,120	2,969	¥7,616	¥(68,461)	(571)	¥(1,041)
	Detached Housing	28,908	377	7,668	23,387	351	6,663	5,520	26	1,005
	Subtotal	186,567	2,775	6,723	249,508	3,320	7,515	(62,940)	(545)	(792)
	Operating Income	20,521		31,771		(11,250)				
Property Sales to Investors and Individuals (Overseas), etc.	Revenue	219,019		276,914		(57,895)				
	Operating Income	54,892		65,963		(11,071)				
Total Revenue	405,586			526,423			(120,836)			
Total Operating Income	¥75,414			¥97,735			¥(22,321)			

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

		(¥ millions)				Change	
		Nine Months Ended December 31					
		2021		2020			
	Revenue	Units	Revenue	Units	Revenue	Units	
Condominiums	Tokyo Metropolitan Area	¥136,323	1,851	¥204,318	2,464	(67,994)	(613)
	Other	21,335	547	21,802	505	(466)	42
	Total	157,659	2,398	226,120	2,969	(68,461)	(571)
Detached Housing	Tokyo Metropolitan Area	27,001	345	22,346	333	4,655	12
	Other	1,906	32	1,041	18	865	14
	Total	¥28,908	377	¥23,387	351	¥5,520	26

Inventories of Property Sales to Individuals (Domestic)

	(Units)					
	12/2021	9/2021	6/2021	3/2021	3/2020	3/2019
Condominiums	109	139	121	150	128	141
Detached Housing	2	3	6	17	58	30
Total	111	142	127	167	186	171

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	3,043	3,125	6,168	2,398	3,770	3,054
Detached Housing	145	374	519	377	142	357
Total	3,188	3,499	6,687	2,775	3,912	3,411

[3] MANAGEMENT

(¥ millions)

	Nine Months Ended December 31		Change
	2021	2020	
Revenue from Operations	¥318,548	¥294,729	¥23,818
Operating Income	41,557	25,191	16,366

	Year to March 2022 (Forecast as of February 4, 2022)	9-Month Results / Full-Year Forecast (%)	Year Ended March 31, 2021
Revenue from Operations	¥435,000	73.2	¥402,929
Operating Income	57,000	72.9	39,969

(Management)

In the “Property Management” category, revenue and earnings increased owing mainly to continuous efforts to reduce costs and the year-on-year recovery in occupancy rates in the “Repark” (car park leasing) business.

Revenue and earnings in the “Brokerage and Asset Management, etc.” category also improved. This was due to a variety of factors including increases in the number of brokerage units and improvements in unit prices per transaction handled in the “Rehouse” (brokerage for individuals) business compared with the corresponding period of the previous fiscal year.

Accordingly, overall revenue from operations in the “Management” segment increased ¥23.8 billion and operating income grew ¥16.3 billion.

(¥ millions)

		Nine Months Ended December 31		Change
		2021	2020	
Property Management	Revenue	¥239,806	¥228,505	¥11,301
	Operating Income	22,792	14,353	8,438
Brokerage, Asset Management, etc.	Revenue	78,741	66,224	12,517
	Operating Income	18,765	10,837	7,927
Total	Revenue	¥318,548	¥294,729	¥23,818
	Operating Income	41,557	25,191	16,366

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

(Units)

	At December 31, 2021	At December 31, 2020	Change
Total Managed Units	256,090	274,868	(18,778)

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

(¥ millions)

	Nine Months Ended December 31				Change	
	2021		2020		Transaction Volume	Units
Brokerage	Transaction Volume	Units	Transaction Volume	Units		
	¥1,377,402	30,748	¥1,084,549	27,519	¥292,852	3,229

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

(¥ millions)

		Nine Months Ended December 31				Change	
		2021		2020		Transaction Volume	Units
Consignment Sales	Transaction Volume	Units	Transaction Volume	Units	Transaction Volume		
	¥45,584	576	¥74,049	851	¥(28,465)	(275)	

[4] OTHER

(¥ millions)			
	Nine Months Ended December 31		Change
	2021	2020	
Revenue from Operations	¥249,634	¥186,959	¥62,675
Operating Income	(26,199)	(20,887)	(5,312)

	Year to March 2022 (Forecast as of February 4, 2022)	9-Month Results / Full-Year Forecast (%)	Year Ended March 31, 2021
	Revenue from Operations	¥365,000	68.4
Operating Income	(31,000)	84.5	(27,215)

(Other)

Overall revenue from operations in the “Other” segment increased ¥62.6 billion while operating income declined ¥5.3 billion. This was mainly due to the inclusion of the revenue and operating loss of Tokyo Dome Group and the recovery trend exhibited by the hotel and resort business in the Facility Operations category amid the ongoing impact of COVID-19.

(¥ millions)			
	Nine Months Ended December 31		Change
	2021	2020	
New Construction under Consignment	¥113,944	¥96,935	¥17,009
Facility Operations	¥33,783	¥25,938	¥7,844
Tokyo Dome	¥33,896	-	¥33,896
Other	68,010	64,085	3,925
Total Revenue	¥249,634	¥186,959	¥62,675

	Nine Months Ended December 31		Change
	2021	2020	
Revenue from New Construction under Consignment Orders Received	¥103,909	¥89,691	¥14,218

Major Projects Undertaken during the Period (nine-month total) (FULL-TERM CONTRIBUTION)

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 Tokyo (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

[REFERENCE] OVERSEAS BUSINESS

(¥ millions)				
		Nine Months Ended December 31		Change
		2021	2020	
Leasing	Revenue	¥55,092	¥50,180	¥4,912
	Operating Income	11,743	11,853	(110)
Property Sales	Revenue	32,136	9,265	22,871
	Operating Income	11,838	(162)	12,001
Management, Other, etc.	Revenue	640	3,318	(2,677)
	Operating Income	(4,243)	(941)	(3,302)
Pro forma Operating Income of Overseas Affiliates *1		2,786	6,421	(3,635)
Total Overseas Income		22,124	17,170	4,953
Overseas Income Ratio*2		14.1%	10.0%	4.1 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, 2021	March 31, 2021	Change
Cash and Time Deposits	¥219,190	¥189,542	¥29,647
Accounts Receivable—Trade	-	41,368	(41,368)
Accounts Receivable—Trade and Contract Assets	64,548	-	64,548
Marketable Securities	99	87	12
Real Property for Sale	1,154,053	1,080,339	73,713
Real Property for Sale in Process	585,762	536,766	48,995
Real Property for Development	298,657	297,576	1,080
Expenditure on Contracts in Progress	10,848	17,710	(6,862)
Other Inventories	10,664	6,204	4,459
Advance Payments—Trade	13,401	15,844	(2,443)
Short-Term Loans	21,247	17,186	4,060
Equity Investments in Properties for Sale	9,998	10,013	(14)
Other	287,804	243,928	43,875
Allowance for Doubtful Accounts	(786)	(574)	(212)
Current Assets	2,675,490	2,455,996	219,493
Buildings and Structures	2,283,735	2,166,326	117,408
Accumulated Depreciation—Buildings and Structures	(937,477)	(882,174)	(55,303)
Buildings and Structures, Net	1,346,257	1,284,152	62,105
Machinery, Equipment and Vehicles	117,114	117,169	(55)
Accumulated Depreciation—Machinery, Equipment and Vehicles	(62,627)	(58,129)	(4,498)
Machinery, Equipment and Vehicles	54,486	59,040	(4,553)
Land	2,094,940	2,058,993	35,947
Construction in Progress	289,463	249,386	40,077
Other	207,719	186,073	21,645
Accumulated Depreciation	(131,395)	(120,480)	(10,915)
Other, Net	76,324	65,593	10,730
Tangible Fixed Assets	3,861,472	3,717,166	144,306
Leasehold Interests in Land	37,247	40,952	(3,704)
Other	39,848	38,681	1,167
Intangible Fixed Assets	77,096	79,633	(2,537)
Investment Securities	1,098,622	1,049,085	49,537
Long-Term Loans	9,031	8,857	173
Lease Deposits	162,993	160,943	2,049
Net Defined Benefit Asset	49,905	50,677	(771)
Deferred Income Taxes	26,001	26,586	(585)
Other	227,410	194,222	33,187
Allowance for Doubtful Accounts	(1,046)	(1,198)	152
Investments and Other Assets	1,572,918	1,489,174	83,743
Total Non-Current Assets	5,511,487	5,285,975	225,511
Total Assets	¥8,186,977	¥7,741,972	¥445,005

[Real Property for Sale]

(¥ millions)			
(a) Breakdown by Company	At December 31, 2021	At December 31, 2020	Change
Mitsui Fudosan Residential	¥685,163	¥693,200	¥(8,037)
Mitsui Fudosan	678,061	645,179	32,882
Mitsui Fudosan America Group	503,587	410,208	93,378
SPCs Total	118,265	120,010	(1,745)
Mitsui Fudosan UK Group	44,042	39,979	4,062
Other and Elimination	22,754	21,948	805
Consolidated Total	¥2,051,875	¥1,930,528	¥121,346

(¥ 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
	2021	¥1,930,528	¥389,124	¥(297,311)	¥29,534	¥2,051,875
	2020	¥1,907,839	¥409,897	¥(393,704)	¥(39,098)	¥1,884,933

Note: Land acquisition-related expenditures by Mitsui Fudosan Residential Co., Ltd., totaled ¥98.8 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]

Tangible and intangible fixed assets rose ¥141.7 billion, to ¥3,938.5 billion.
Main reasons for the increase were new investments in 50 Hudson Yards in the U.S. and LaLaPort SHANGHAI JINQIAO in China as well as the impact of exchange rate fluctuations at overseas subsidiaries.

Foreign currency exchange rates:
¥111.92:US\$1 as of December 31, 2021, ¥103.50:US\$1 as of March 31, 2021;
¥150.43:£1 as of December 31, 2021, ¥139.82:£1 as of March 31, 2021

(¥ millions)			
(a) Breakdown by Company	At December 31, 2021	March 31, 2021	Change
Mitsui Fudosan	¥2,613,756	¥2,608,459	¥5,297
Mitsui Fudosan America Group	561,066	469,998	91,067
Tokyo Dome Group	283,132	286,617	(3,484)
SPCs Total	126,628	122,968	3,659
Mitsui Fudosan Residential	91,604	74,856	16,748
Mitsui Fudosan UK Group	49,850	55,636	(5,786)
Other and Elimination	212,529	178,264	34,265
Consolidated Total	¥3,938,568	¥3,796,800	¥141,768

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
	2021	¥3,796,800	¥196,678	¥(82,253)	¥27,343	¥3,938,568
	2020	¥3,753,141	¥193,036	¥(71,967)	¥(68,909)	¥3,805,301

* 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, 2021	March 31, 2021	Change
Accounts Payable—Trade	¥83,935	¥97,969	¥(14,033)
Short-Term Debt	536,347	231,152	305,195
Non-Recourse Short-Term Debt	127,884	75,708	52,175
Commercial Papers	196,000	99,500	96,500
Bond Redeemable Within One Year	40,000	35,042	4,957
Non-Recourse Bond Redeemable Within One Year	21,700	21,635	65
Income Taxes Payable	20,135	50,339	(30,204)
Advances from Contracts in Progress	-	21,566	(21,566)
Contract Liabilities	118,568	-	118,568
Allowance for Completed Project Indemnities	684	705	(21)
Allowance for Possible Guarantee Losses	0	1	(0)
Other	276,445	367,546	(91,101)
Current Liabilities	1,421,701	1,001,167	420,533
Corporate Bonds	654,443	733,697	(79,253)
Non-Recourse Corporate Bonds	48,800	63,350	(14,550)
Long-Term Debt	1,979,534	1,981,443	(1,908)
Non-Recourse Deposits from Tenants	355,236	381,909	(26,672)
Deposits from Tenants	440,289	435,929	4,360
Deferred Income Taxes	273,451	269,233	4,218
Deferred Tax Liabilities on Land Revaluation	94,835	94,835	-
Net Defined Benefit Liability	48,707	48,066	640
Allowance for Directors' and Corporate Auditors' Retirement Benefits	828	846	(17)
Other	93,729	75,501	18,227
Long-Term Liabilities	3,989,857	4,084,813	(94,956)
Total Liabilities	5,411,558	5,085,981	325,577
NET ASSETS:			
Common Stock	340,162	339,897	265
Capital Surplus	372,473	372,293	180
Retained Earnings	1,342,803	1,259,715	83,087
Treasury Stock	(20,890)	(5,920)	(14,970)
Total Shareholders' Equity	2,034,549	1,965,986	68,563
Net Unrealized Holding Gains on Securities	402,252	394,873	7,379
Deferred Gains or Losses on Hedges	5,075	5,165	(89)
Reserve on Land Revaluation	202,652	202,686	(34)
Foreign Currency Translation Adjustment	(2,429)	(34,524)	32,094
Remeasurements of Defined Benefit Plans	20,226	21,697	(1,471)
Total Accumulated Other Comprehensive Income	627,777	589,898	37,878
New Share Subscription Rights	1,380	1,422	(42)
Non-Controlling Interests	111,712	98,683	13,028
Total Net Assets	2,775,419	2,655,991	119,428
Total Liabilities and Net Assets	¥8,186,977	¥7,741,972	¥445,005

Note: Debt-Equity Ratio 1.49 times (1.42 times at March 31, 2021)

[Interest-Bearing Debt]

Breakdown by Company

	(¥ millions)		
	At December 31, 2021	At December 31, 2020	Change
Mitsui Fudosan	¥3,006,293	¥2,650,410	¥355,883
Mitsui Fudosan America Group	884,698	688,186	196,512
Mitsui Fudosan Residential	669,400	621,000	48,400
SPCs Total	186,020	184,905	1,115
Tokyo Dome Group	154,718	167,875	(13,156)
Mitsui Fudosan Asia Group	102,603	88,850	13,752
Mitsui Fudosan UK Group	25,365	43,348	(17,982)
Loans to Subsidiaries	(1,260,347)	(979,603)	(280,744)
Other and Elimination	191,193	158,465	32,727
Consolidated Total	¥3,959,945	¥3,623,438	¥336,507
(Non-recourse Debt of Total)	553,620	542,602	11,017

CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Nine Months Ended December 31	
	2021	2020
Revenue from Operations	¥1,466,906	¥1,468,035
Cost of Revenue from Operations	1,161,558	1,163,243
Gross Operating Profit	305,347	304,791
Selling, General and Administrative Expenses	150,818	140,346
Operating Income	154,529	164,444
Interest Income	884	1,118
Dividend Income	6,094	5,563
Equity In Net Income of Affiliated Companies	478	-
Subsidy Income	4,056	1,530
Other Non-Operating Income	1,375	1,175
Non-Operating Income	12,888	9,388
Interest Expenses	22,678	21,221
Share of Loss of Entities Accounted For Using Equity Method	-	841
Other Non-Operating Expenses	6,921	8,501
Non-Operating Expenses	29,600	30,564
Ordinary Income	137,818	143,268
Gain on Sales of Investment Securities	51,175	44,552
Gain on Sales of Shares of Subsidiaries and Associates	-	2,625
Extraordinary Income	51,175	47,177
Impairment Loss	-	33,088
Loss Related to COVID-19 *	4,222	14,286
Extraordinary Losses	4,222	47,374
Income Before Income Taxes	184,771	143,071
Income Taxes	63,023	44,235
Profit	121,748	98,835
Profit (Loss) Attributable to Non-Controlling Interests	(1,755)	(50)
Profit Attributable to Owners of Parent	¥123,503	¥98,886

* 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.

[REFERENCE] CONSOLIDATED STATEMENTS OF EARNING FORECASTS

(Announced on February 4, 2022)

For the Year Ending March 31, 2022	Year to March 31, 2022			(¥ millions)
	Latest forecast (As of February 4, 2022)	Previous forecast (As of May 14, 2021)	Difference	<Reference>
				Year to March 31, 2021 (actual)
Revenue from Operations	¥2,150,000	¥2,150,000	-	¥2,007,554
Leasing	680,000	680,000	-	623,073
Property Sales	670,000	670,000	-	714,739
Property Sales to Individuals (Domestic)	270,000	270,000	-	325,364
Property Sales to Investors and Individuals (Overseas), etc.	400,000	400,000	-	389,374
Management	435,000	420,000	15,000	402,929
Other	365,000	380,000	(15,000)	266,812
Operating Income	240,000	230,000	10,000	203,770
Leasing	130,000	128,000	2,000	120,777
Property Sales	137,000	133,000	4,000	118,213
Property Sales to Individuals (Domestic)	24,000	22,000	2,000	40,003
Property Sales to Investors and Individuals (Overseas), etc.	113,000	111,000	2,000	78,209
Management	57,000	44,000	13,000	39,969
Other	(31,000)	(22,000)	(9,000)	(27,215)
Elimination or Corporate	(53,000)	(53,000)	-	(47,974)
Non-Operating Income/Expenses	(25,000)	(25,000)	-	(34,904)
Interest Income/Expense, in Net	(28,000)	(28,000)	-	(26,476)
Other, in Net	3,000	3,000	-	(8,428)
Ordinary Income	215,000	205,000	10,000	168,865
Extraordinary Gains/Losses	40,000	30,000	10,000	22,954
Income before Income Taxes	255,000	235,000	20,000	191,820
Income Taxes	80,000	75,000	5,000	62,092
Profit	175,000	160,000	15,000	129,727
Profit (Loss) Attributable to Non-controlling Interests	(0)	(0)	-	151
Profit Attributable to Owners of Parent	¥175,000	¥160,000	¥15,000	¥129,576

[Difference between Revised and Previous Forecasts (Announced on May 14, 2021)]

Current conditions remain uncertain due to a variety of factors including the spread of new virus variants and the impact of subsequent priority measures aimed at preventing further infection. While the status of recovery differs from business to business, the Group's business performance is progressing on an overall recovery trend.

In light of the fact that profit line items below operating income are expected to exceed the full fiscal year forecasts announced at the beginning of the period (May 14, 2021), the Company has revised its consolidated forecasts for the fiscal year under review as follows.

•Leasing Segment

Reflecting the improvement in profit largely on the back of measures undertaken to reduce costs on a continuous basis, operating income is estimated to exceed the previous forecast by ¥2.0 billion.

•Property Sales Segment

Taking into consideration improvements in operating income margins in the "Property Sales to Individuals (Domestic)" category, together with progress in the sale of properties in the "Property Sales to Investors" category as a result of the firm real estate purchase and sale market, operating income is estimated to exceed the previous forecast by ¥4.0 billion on an overall basis.

•Management Segment

Taking into account the robust Brokerage business, recovery in demand in the "Repark" (car park leasing) business, and ongoing cost reductions, revenue from operations and operating income are estimated to exceed previous forecasts by ¥15.0 billion and ¥13.0 billion, respectively.

•Other Segment

Reflecting such factors as the impact of COVID-19, which exceeded initial expectations, mainly in the hotel and resort business, revenue from operations is estimated to fall below the previous forecast by ¥15.0 billion and the operating loss is expected to exceed the previous forecast by ¥9.0 billion.

After factoring in each of the aforementioned, operating income is estimated to come in at ¥240.0 billion, up ¥10.0 billion compared with the previous forecast. Ordinary income is expected to reach ¥215.0 billion, also up ¥10.0 billion compared with the previous forecast. Profit attributable to owners of parent is anticipated to come in at ¥175.0 billion, an improvement of ¥15.0 billion compared with the previous forecast.

[REFERENCE] CONSOLIDATED STATEMENTS OF EARNING FORECASTS

(Announced on February 4, 2022)

【Property Sales】

Revenue, Operating Margin (¥ millions)

	Year to March (Forecast as of February 4, 2022)	Year to March (Forecast as of May 14, 2021)	YoY Change
Property Sales to Individuals			
Revenue from Operations:	¥270,000	¥270,000	-
Condominiums	230,000	230,000	-
Detached Housing	40,000	40,000	-
Operating Income	24,000	22,000	2,000
Operating Margin (%)	8.9	8.1	0.8pt
Property Sales to Investors			
Revenue from Operations	400,000	400,000	-
Operating Income	113,000	111,000	2,000
Total			
Revenue from Operations	670,000	670,000	-
Operating Income	¥137,000	¥133,000	¥4,000

Number of Domestic Housing Units (Units)

	Year to March (Forecast as of February 4, 2022)	Year to March (Forecast as of May 14, 2021)	YoY Change
Condominiums	3,200	3,100	100
Detached Housing	550	550	-
Total	3,750	3,650	100

【Tangible and Intangible Assets】

(¥ millions)

	Year to March (Forecast as of February 4, 2022)	Year to March (Forecast as of May 14, 2021)	YoY Change
New Investments	¥230,000	¥230,000	-
Depreciation	110,000	110,000	-

【Real Property for Sale】

(¥ millions)

	Year to March (Forecast as of February 4, 2022)	Year to March (Forecast as of May 14, 2021)	YoY Change
New Investments	¥600,000	¥600,000	-
Recovery of Costs	¥490,000	¥490,000	-

【Interest-Bearing Debt】

(¥ millions)

	Year to March (Forecast as of February 4, 2022)	Year to March (Forecast as of May 14, 2021)	YoY Change
Interest-Bearing Debt	¥3,700,000	¥3,700,000	-

NOTES TO QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

Contingent Liabilities

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. This reconstruction was completed on February 25, 2021.

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.

Adoption of Specific Accounting Policies for Quarterly Consolidated Financial Statements

Tax expenses are calculated by multiplying income before income taxes by a reasonably estimated effective tax rate, after applying tax effect accounting to income before income taxes for the consolidated fiscal year that includes the third quarter under review.

Change in Accounting Policies

Application of the Accounting Standard for Revenue Recognition, etc.

The Company has applied the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29 issued on March 31, 2020) and other accounting standards effective from the start of the first quarter of the fiscal year under review and has decided to recognize the amount expected to be received in exchange for goods or services as revenue when the control of promised goods or services has been transferred to the customer. The Accounting Standard for Revenue Recognition, etc. is applied in accordance with the transitional procedures set forth in the proviso of paragraph 84 of the Accounting Standard for Revenue Recognition. Under this application method, the cumulative effect of retroactively applying the new accounting policies to before the start of the first quarter of the fiscal year under review, is added to or deducted from the retained earnings at the start of the first quarter of the fiscal year under review, and the new accounting policies are applied from said starting balance. Meanwhile, the impact of this change on the consolidated financial statements for the third quarter of the fiscal year under review is immaterial.

Due to the application of the Accounting Standard for Revenue Recognition, etc., "Accounts Receivable-Trade," which were presented under "Current Assets" in the consolidated balance sheet for the previous fiscal year, have been included in "Accounts Receivable-Trade and Contract Assets," starting the first quarter of the fiscal year under review. Moreover, "Advances from Contracts in Progress" and a portion of "Advances Received" included in "Other," which were presented under "Current Liabilities," have been included in "Contract Liabilities" from the first quarter of the fiscal year under review. In accordance with the transitional procedures set forth in paragraph 89-2 of the Accounting Standard for Revenue Recognition, reclassification based on the new presentation method has not been carried out for the previous fiscal year.

Application of the Accounting Standard for Fair Value Measurement

The Company has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued on July 4, 2019) and other standards effective from the start of the first quarter of the fiscal year under review and has decided to apply the new accounting policy set forth by the Accounting Standard for Fair Value Measurement, etc. into the future in accordance with the transitional procedures stipulated in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued on July 4, 2019).

As a result, the Company changed the valuation basis for other marketable securities with market prices from the market value method based on the average market price during the month prior to the balance sheet date to the market value method as of the balance sheet date.

Meanwhile, the impact of this change on the consolidated financial statements for the third quarter of the fiscal year under review is immaterial.

Additional Information

Based on the information available at the time quarterly consolidated financial statements were prepared, the Group assumes that the COVID-19 pandemic will have a certain impact on future earnings in accounting estimates such as determining whether or not to record impairment losses on fixed assets and valuations of real property for sale.

Specifically, in addition to the closure of certain Group facilities, shortened operating hours, and restrictions on the ability to attract customers, the Company experienced both a downturn in the number of facility visitors as a result of requests to refrain from going out, and a decline in facility operating rates during the nine months ended December 31, 2021 in response to requests from the government and local governments following the declaration of a state of emergency and implementation of other initiatives. Although the economic environment is expected to recover going forward, conditions remain unpredictable owing to such factors as the spread of virus variants. On this basis, the impact of COVID-19 is anticipated to linger to throughout fiscal 2021. While anticipating a recovery in occupancy rates in the hotel business largely on the back of efforts to capture domestic demand, the economic environment is projected to be harsh owing to the significant impact of COVID-19. There are no significant changes in assumptions since the end of the previous fiscal year.