

FACT BOOK

For the 6 months ended September 30, 2001



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Corporate Data

Mitsui Fudosan Co., Ltd.

Head Office:

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Date of Establishment:

July 15, 1941

Stock Exchange Listing:

Tokyo, Osaka, Sapporo (Code:8801)

Please visit our website at:

www.mitsuifudosan.co.jp/english/

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Forward-Looking Statements

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

Consolidated Financial Highlights (Unaudited)
For the Six Months Ended September 30, 2001

(¥ million)

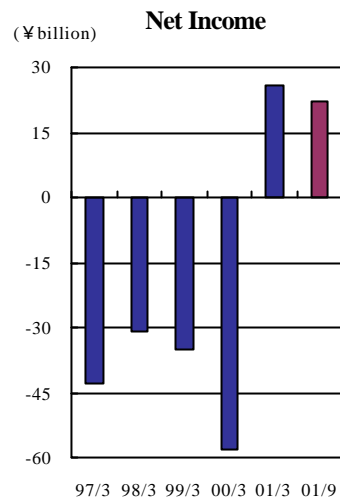
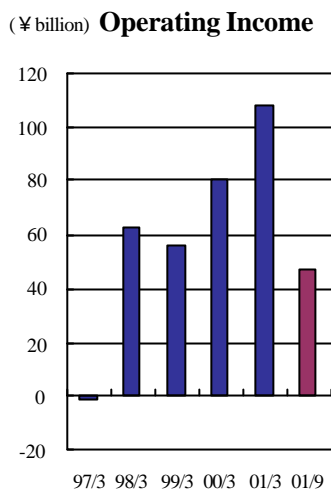
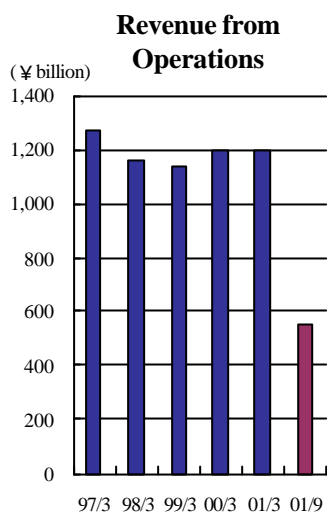
Operating Results:	Six Months Ended Sep. 30, 2001	Six Months Ended Sep. 30, 2000	Change	Year Ended March 31, 2001
Revenue from Operations	¥554,087	¥513,460	¥40,626	¥1,193,080
Operating Income	47,137	44,914	2,223	108,334
Income before Income Taxes	40,537	32,666	7,870	62,439
Net Income	22,089	10,595	11,494	26,112
Financial Position:	Sep. 30, 2001	March 31, 2001	Change	Sep. 30, 2000
Total Assets	¥2,777,008	¥2,846,467	¥69,459	¥2,899,007
Interest-Bearing Debt	1,557,965	1,554,360	3,605	1,617,044
Shareholders' Equity	433,549	411,097	22,452	414,942
Cash Flows:	Six Months Ended Sep. 30, 2001	Six Months Ended Sep. 30, 2000	Change	Year Ended March 31, 2001
Cash Flows from Operating Activities	¥8,772	¥23,812	¥32,585	¥173,664
Cash Flows from Investing Activities	31,515	867	30,648	32,088
Cash Flows from Financing Activities	6,329	48,709	42,380	150,001
Cash and Cash Equivalents at End of Period	112,930	139,937	27,006	158,435

Segment Information

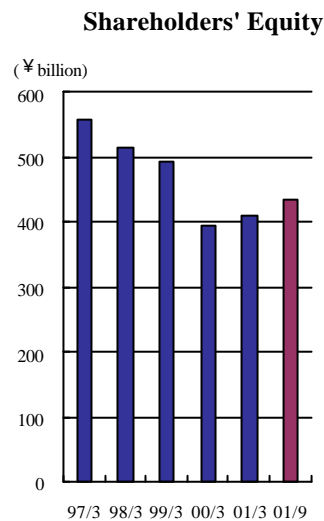
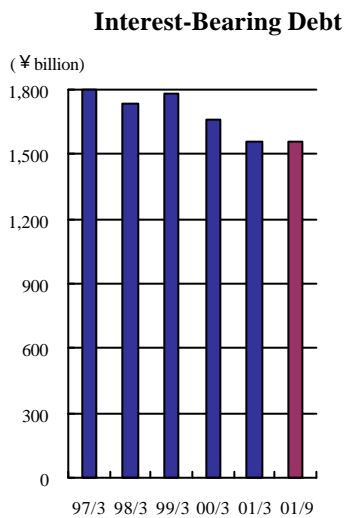
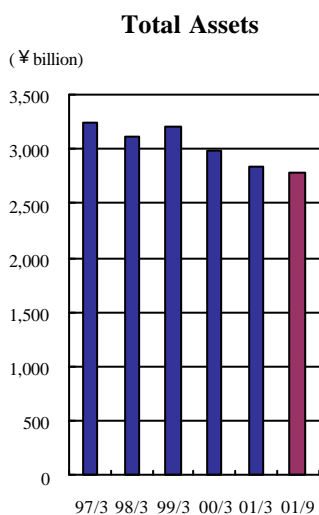
(¥ million)

Leasing	Six Months Ended Sep. 30, 2001	Six Months Ended Sep. 30, 2000	Change	Year Ended March 31, 2001
Revenue from Operations	¥168,299	¥163,461	¥4,837	¥329,834
Operating Income	36,939	34,593	2,346	68,550
Sales of Housing, Office Buildings and Land				
Revenue from Operations	167,577	116,484	51,093	328,281
Operating Income	12,772	10,409	2,362	20,606
Construction				
Revenue from Operations	94,966	109,806	14,839	283,806
Operating Income	6,853	2,325	4,527	6,718
Brokerage, Consignment Sales and Consulting				
Revenue from Operations	19,916	16,893	3,023	41,547
Operating Income	6,262	3,871	2,391	13,607
Property Management				
Revenue from Operations	33,203	37,902	4,699	70,872
Operating Income	3,472	3,478	5	7,298
Sales of Housing Materials and Merchandise				
Revenue from Operations	37,686	35,450	2,236	70,583
Operating Income	808	519	288	834
Facility Operations				
Revenue from Operations	24,015	23,097	917	47,387
Operating Income	204	595	391	55
Other				
Revenue from Operations	8,421	10,364	1,942	20,766
Operating Income	655	2,127	1,471	3,807

Note: The accompanying consolidated financial statements have been prepared from the accounts maintained by Mitsui Fudosan Co., Ltd., and its consolidated subsidiaries in accordance with provisions set forth in the Japanese Commercial Code and other countries' regulations and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Accounting Standards. Figures have been rounded down to eliminate amounts less than one million yen. Sales by segment refers to sales to outside customers.



Note: "01/9" indicates interim results for the six months ended September 30, 2001.



Note: "01/9" indicates figures as of September 30, 2001.

Consolidated Business Overview

RESULTS OF OPERATIONS

(¥ million)

	Six Months Ended September 30		Change	
	2001	2000	Amount	Percentage
Revenue from Operations	554,087	513,460	40,626	7.9
Leasing	168,299	163,461	4,837	3.0
Sales of Housing, Office Buildings and Land	167,577	116,484	51,093	43.9
Construction	94,966	109,806	14,839	13.5
Brokerage, Consignment Sales and Consulting	19,916	16,893	3,023	17.9
Property Management	33,203	37,902	4,699	12.4
Sales of Housing Materials and Merchandise	37,686	35,450	2,236	6.3
Facility Operations	24,015	23,097	917	4.0
Other	8,421	10,364	1,942	18.7
Operating Income	47,137	44,914	2,223	5.0
Leasing	36,939	34,593	2,346	6.8
Sales of Housing, Office Buildings and Land	12,772	10,409	2,362	22.7
Construction	6,853	2,325	4,527	-
Brokerage, Consignment Sales and Consulting	6,262	3,871	2,391	61.8
Property Management	3,472	3,478	5	0.2
Sales of Housing Materials and Merchandise	808	519	288	55.7
Facility Operations	204	595	391	-
Other	655	2,127	1,471	69.2
Elimination	6,717	7,164	446	-
Non-Operating Income/Expenses	17,962	16,757	1,204	-
Equity in Net Income/Loss of Affiliated Companies	119	853	733	86.0
Interest Expense, in Net	14,990	15,860	870	-
Other	3,091	1,750	1,341	-
Ordinary Income	29,175	28,156	1,018	3.6
Extraordinary Gains/Losses	11,362	4,510	6,851	151.9
Extraordinary Gains	16,109	46,151	30,041	65.1
Extraordinary Losses	4,747	41,640	36,893	88.6
Income before Income Taxes	40,537	32,666	7,870	24.1
Income Taxes	19,406	22,373	2,967	13.3
Minority Interests	958	301	656	-
Net Income	22,089	10,595	11,494	108.5

[Revenue from Operations and Operating Income]

- Revenues from leasing operations rose ¥4.8 billion as a slight decline in parent company revenues was outweighed by gains from Mitsui Real Estate Sales and Mitsui Real Estate America owing to a favorable U.S. dollar exchange rate. Operating income in this segment increased ¥2.3 billion owing to decline in leasing expenses by the parent company, as well as commencement of factory outlet operations, higher profitability of Mitsui Real Estate Sales, and the favorable U.S. dollar exchange rate, which benefited Mitsui Real Estate America.
- Revenue from sales of housing, office buildings, and land increased, due mainly to higher sales by the parent company. Operating income also rose owing to higher profitability of the parent company, as well as the sale of a building in France.
- In the construction segment, both revenue from operations and operating income declined, due mainly to a drop in orders of the Mitsui Home Group.

- Both revenue and operating income from Brokerage, Consignment Sales and Consulting increased owing to favorable performances by the parent company, Mitsui Real Estate Sales, and Mitsui Fudosan Investment Advisors .
- In the property management segment, the Company did not benefit from large-scale tenant contracted projects (as it did in the previous corresponding interim period), leading to declines in revenue and operating income in the tenant improvement category. The property management category, however, saw favorable performances by the parent company and various subsidiaries. For the overall segment, therefore, operating income remained mostly unchanged despite the fall in revenue.
- Both revenue and income from sales of housing materials and merchandise increased thanks to higher revenues and income from merchandise sales, stemming from the opening of new stores and other factors. Revenue and income from sales of housing materials, however, declined due to a drop in orders of the Mitsui Home Group.
- Revenue and income from facility operations increased owing to favorable conditions in the Company's hotel business in Hawaii. Skidome "SSAWS" and domestic hotel business, however, continued to struggle.

[Ordinary Income]

Ordinary income climbed ¥1.0 billion, to ¥29.2 billion. Although the net interest burden improved by ¥900 million due to ongoing low interest rates, the Group reported a fall in equity in net income of affiliated companies.

[Equity in net income of affiliated companies]

TID: ¥20 million loss (down ¥1.3 billion from the previous corresponding interim period)

Oriental Land: ¥270 million income (up ¥350 million from the previous corresponding interim period)

[Extraordinary Gains/Losses]

The Group reported a ¥15.4 billion gain from the sale of fixed assets, stemming from the securitization of a residential complex held by MF Properties. The parent company recorded a ¥3.0 billion loss on devaluation of investments in securities. Net extraordinary income amounted to ¥11.4 billion.

[Net Income]

As a result, net income totaled ¥22.1 billion, up ¥11.5 billion from the previous corresponding interim period.

ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY

(¥ million)

ASSETS:	Six Months Ended September 30, 2001	Year Ended March 31, 2001	Change
Cash and Time Deposits	114,748	159,405	44,656
Marketable Securities	183	315	132
Real Property for Sale*	435,855	453,053	17,198
Tangible & Intangible Fixed Assets	1,460,267	1,456,692	3,575
Investment Securities	197,656	189,137	8,519
Short-Term & Long-Term Loans	61,261	60,421	840
Lease Deposits	230,250	238,967	8,717
Deferred Income Taxes	70,070	66,808	3,262
Other Assets	206,714	221,665	14,950
TOTAL ASSETS	2,777,008	2,846,467	69,459

*Real Property for Sale includes Advances Paid for Purchases.

LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY	Six Months Ended September 30, 2001	Year Ended March 31, 2001	Change
Interest-Bearing Debt	1,557,965	1,554,360	3,605
Deposits from Tenants	336,040	345,101	9,060
Deferred Income Taxes	22,463	14,777	7,685
Other Liabilities	389,808	483,378	93,569
TOTAL LIABILITIES	2,306,278	2,397,617	91,339
MINORITY INTEREST	37,180	37,752	572
SHAREHOLDERS' EQUITY			
Common Stock	134,433	134,433	-
Additional Paid-in Capital	204,693	204,693	-
Retained Earnings	117,785	98,643	19,141
Unrealized Gains/Losses on Securities	408	728	1,137
Foreign Currency Translation Adjustment	22,948	27,396	4,448
Treasury Stock	4	5	0
TOTAL SHAREHOLDERS' EQUITY	433,549	411,097	22,452
TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY	2,777,008	2,846,467	69,459

[Real Property for Sale]

In line with the increase in revenue from sales of housing, progress was made in recovering costs, leading to a ¥14.4 billion decline in property for sale by the parent company. Real property for sale held by subsidiaries also declined. As a result, overall property for sale fell ¥17.2 billion.

[Tangible and Intangible Assets]

The consolidated tangible and intangible asset total at interim term-end was ¥3.6 billion higher than at March 31, 2001. Within this change, such assets held by the parent company grew ¥9.3 billion. Those held by subsidiaries declined, due to the sale of a residential complex by MF Properties. The U.S. dollar exchange rate also helped raise the overall asset level.

[Interest-Bearing Debt]

Consolidated interest-bearing debt rose ¥3.6 billion. Such debt held by the parent company was up ¥26.2 billion, while that held by MF Properties fell ¥17.8 billion due to the sale of the said residential complex. Other subsidiaries also reduced their interest-bearing debt. However, the overall figure was also pushed up by the effect of exchange rates on debt held by Mitsui Fudosan America.

[Retained Earnings]

After net income of ¥22.1 billion and cash dividends, consolidated retained earnings at interim term-end amounted to ¥117.8 billion, up ¥19.1 billion from March 31, 2001.

< Real Property for Sale (including Advances Paid for Purchases) >

(¥ million)

	Six Months Ended September 30, 2001	Year Ended March 31, 2001	Change
Mitsui Fudosan	379,619	394,040	14,421
Sanko Urban Development	488	2,215	1,727
Other and Elimination	55,748	56,798	1,050
Consolidated Total	435,855	453,053	17,198

<Tangible and Intangible Assets>

(¥ million)

	Six Months Ended September 30, 2001	Year Ended March 31, 2001	Change
Mitsui Fudosan	889,220	879,937	9,283
Mitsui Real Estate Sales	125,042	125,099	57
Mitsui Fudosan America	106,578	99,123	7,454
Mitsui Home	58,405	57,361	1,043
MF Properties	2,513	14,780	12,267
Other and Elimination	278,509	280,392	1,882
Consolidated Total	1,460,267	1,456,692	3,575

< Interest-Bearing Debt >

(¥ million)

	Six Months Ended September 30, 2001	Year Ended March 31, 2001	Change
Mitsui Fudosan	1,034,910	1,008,705	26,205
Mitsui Real Estate Sales	110,649	112,292	1,643
Mitsui Fudosan America	96,127	95,961	165
Mitsui Home	24,453	24,154	299
MF Properties	15,900	33,685	17,785
Other and Elimination	275,926	279,563	3,636
Consolidated Total	1,557,965	1,554,360	3,605

< Contingent Liabilities >

(¥ million)

	Six Months Ended September 30, 2001	Year Ended March 31, 2001	Change
Loans Guaranteed	240,052	261,804	21,752

CASH FLOWS

(¥ million)

	Six Months Ended September 30		Change
	2001	2000	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Profit*	50,157	51,435	1,278
Purchase/Sale of Real Property for Sale	17,756	19,034	1,277
Other Changes in Assets and Liabilities	41,173	8,588	32,585
Net Cash Provided by Operating Activities (1)	8,772	23,812	32,585
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase/Sale of Marketable and Investment Securities	4,491	53,312	57,804
Purchase/Sale of Tangible and Intangible Fixed Assets	6,174	39,079	32,905
Increase/Decrease in Lease Deposits	982	4,093	3,111
Other	19,867	11,007	8,859
Net Cash Used in Investing Activities (2)	31,515	867	30,648
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/Decrease in Short-Term Debt	21,908	30,864	52,772
Proceeds from/Repayment of Long-Term Debt	25,480	30,610	5,130
Proceeds from Issuance of Corporate Bonds	-	15,000	15,000
Cash Dividends Paid	2,757	2,234	522
Net Cash Used in Financing Activities	6,329	48,709	42,380
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,112	385	727
Net Decrease in Cash and Cash Equivalents	45,505	25,379	20,126
Cash and Cash Equivalents at Beginning of Year	158,435	165,316	6,880
Increase in Cash and Cash Equivalents due to Changes in Consolidated Subsidiaries	-	-	-
Cash and Cash Equivalents at End of Year	112,930	139,937	27,006
Free Cash Flows (1) +(2)	40,288	22,945	63,233

*Note: Cash profit refers to income before income taxes, plus/minus gains/losses not related to the movement of cash, after adjustments for interest payments and taxes on a cash basis.

[Cash Flows from Operating Activities]

Although cash profit declined slightly (down ¥1.3 billion), outflows from purchase/sale of real property for sale decreased. As a result, the sum of cash profit and purchase/sale of real property for sale remained largely unchanged. Other changes in assets and liabilities (including accounts receivable and accounts payable) saw cash outflows of ¥41.2 billion, due largely to a decline in accounts payable related to the construction business. As a result, net cash provided by operating activities amounted to ¥8.8 billion. (Other changes in assets and liabilities for the six months ended September 30, 1999, saw a negative cash flow of ¥38.6 billion.)

[Cash Flows from Investing Activities]

Cash outflows from purchase and sale of tangible and intangible fixed assets were ¥6.2 billion, due mainly to cash outflows of ¥34.4 billion from capital expenditures by the parent company, which contrasted with a net cash inflow from a residential complex sale by MF Properties. Net cash used in investing activities in the interim term under review amounted to ¥31.5 billion. (Purchase/sale of marketing and investment securities in the previous year's interim term included ¥46.3 billion cash inflow due to the sale of shares in Oriental Land.)

[Cash Flows from Financing Activities]

Exclusive of cash dividends paid, interest-bearing debt on a cash basis fell ¥3.6 billion. Due to an increase in interest-bearing debt of overseas subsidiaries stemming from exchange rate fluctuations, interest-bearing debt shown on the balance sheets increased ¥3.6 billion.

SEGMENT INFORMATION
Six Months Ended September 30, 2001

(¥ million)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	. Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	168,299	1,528	169,827	132,888	36,939	1,630,241	13,709	22,697
(2) Sales of Housing, Office Buildings and Land	167,577	-	167,577	154,805	12,772	449,716	200	200
(3) Construction	94,966	1,988	96,955	103,808	6,853	145,731	990	2,070
(4) Brokerage, Consignment Sales and Consulting	19,916	4,671	24,587	18,325	6,262	36,409	343	645
(5) Property Management	33,203	8,756	41,960	38,488	3,472	30,236	288	353
(6) Sales of Housing Materials and Merchandise	37,686	12,542	50,229	49,420	808	51,569	603	397
(7) Facility Operations	24,015	-	24,015	24,219	204	166,886	2,627	1,566
(8) Other	8,421	4,731	13,152	12,496	655	59,828	2,002	2,394
Total	554,087	34,220	588,307	534,452	53,855	2,570,621	20,766	30,327
Elimination or Corporate	-	(34,220)	(34,220)	(27,502)	(6,717)	206,386	171	260
Consolidated	554,087	-	554,087	506,949	47,137	2,777,008	20,938	30,587

Six Months Ended September 30, 2000

(¥ million)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	. Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	163,461	1,735	165,196	130,603	34,593	1,660,906	14,197	19,468
(2) Sales of Housing, Office Buildings and Land	116,484	-	116,484	106,074	10,409	476,434	228	62
(3) Construction	109,806	6,949	116,755	119,081	2,325	181,216	775	1,900
(4) Brokerage, Consignment Sales and Consulting	16,893	3,080	19,973	16,102	3,871	44,108	279	547
(5) Property Management	37,902	11,353	49,256	45,778	3,478	26,093	468	441
(6) Sales of Housing Materials and Merchandise	35,450	14,210	49,661	49,141	519	47,636	632	299
(7) Facility Operations	23,097	-	23,097	23,693	595	178,331	2,681	2,923
(8) Other	10,364	4,450	14,814	12,687	2,127	70,780	2,337	2,299
Total	513,460	41,781	555,241	503,163	52,078	2,685,508	21,600	27,941
Elimination or Corporate	-	(41,781)	(41,781)	(34,616)	(7,164)	213,498	208	263
Consolidated	513,460	-	513,460	468,546	44,914	2,899,007	21,808	28,205

Leasing

Leasing of office buildings, commercial facilities, residential properties, etc.

Sales of Housing, Office Buildings and Land

Sales of detached housing, condominiums, buildings and land, etc.

Construction

Construction of housing and office buildings, port civil engineering and construction contracts for housing development projects (including planning and design). A decision has been made to sell all shares issued and outstanding in Mitsui Harbour and Urban Construction Co., Ltd., a wholly owned subsidiary in this segment to Nittodaito Construction Co., Ltd., in the current fiscal year.

Brokerage, Consignment Sales and Consulting

Real estate agency, sales agency and sales consignment services, as well as project management services for development of office buildings and commercial facilities

Property Management

Property management services (including tenant improvement)

Sales of Housing Materials and Merchandise

Manufacture and sale of housing materials, as well as wholesale and retail sale of general goods

Facility Operations

Operation of hotels and golf courses, etc.

Other

Financing operations for housing loans and leasing business, etc.

(Summary of Business Segments)

[1] LEASING

		Six Months Ended September 30		Year Ended March 31, 2001
		2001	2000	
Office and Commercial	Revenue (¥ million)	134,303	132,992	267,568
	Floor space (㎡):			
	Owned	2,046,531	2,020,097	2,026,852
	Managed	1,278,714	1,251,577	1,276,948
	Total	3,325,245	3,271,674	3,303,800
Residential	Revenue (¥ million)	22,847	21,234	42,923
	Units:			
	Owned	350	919	909
	Managed	29,717	26,811	28,708
	Total	30,067	27,730	29,617
Other	Revenue (¥ million)	11,148	9,234	19,343
TOTAL		168,299	163,461	329,834

[2] SALES OF HOUSING, OFFICE BUILDINGS AND LAND

(a) Housing Sales

	Six Months Ended September 30						Year Ended March 31, 2001		
	2001			2000					
	Units	Revenue (¥ million)	Unit Price (¥ million)	Units	Revenue (¥ million)	Unit Price (¥ million)	Units	Revenue (¥ million)	Unit Price (¥ million)
Detached Housing									
Tokyo Area	227	14,833	5,355	280	17,708	6,325	542	33,927	6,260
Other	87	3,899	4,482	78	2,935	3,764	227	9,319	4,106
Total	364	18,733	5,146	358	20,644	5,767	769	43,247	5,624
Condominiums									
Tokyo Area	1,970	108,191	5,491	1,121	63,174	5,636	3,589	188,447	5,251
Other	803	26,871	3,346	568	20,012	3,523	1,626	55,159	3,392
Total	2,773	135,062	4,870	1,689	83,186	4,925	5,215	243,607	4,671
Total Housing Sales									
Tokyo Area	2,247	123,024	5,475	1,401	80,883	5,773	4,131	222,374	5,384
Other	890	30,770	3,457	646	22,948	3,552	1,853	64,479	3,480
Total	3,137	153,795	4,902	2,047	103,831	5,072	5,984	286,854	4,794

(b) Other Sales Revenue

	Six Months Ended September 30		Year Ended March 31, 2001
	2001	2000	
	Revenue (¥ million)	Revenue (¥ million)	Revenue (¥ million)
Land	10,226	12,005	24,174
Buildings	3,515	647	17,252
TOTAL	13,782	12,652	41,426

[3] CONSTRUCTION

(a) Orders, Order Backlogs and Project Completions

(¥ million)

	Six Months Ended September 30						Year Ended		
	2001			2000			March 31, 2001		
	Building Construction	Civil Engineering	Total	Building Construction	Civil Engineering	Total	Building Construction	Civil Engineering	Total
Orders:									
Work-on-Hand at Beginning of Period	96,007	53,916	149,923	105,802	65,832	171,634	105,802	65,832	171,634
Orders during Period	72,279	18,452	90,731	82,301	38,093	120,394	157,448	59,421	216,869
Total	168,286	72,368	240,655	188,103	103,925	292,028	263,250	125,253	388,504
Project Completions	57,953	13,610	71,563	69,845	21,423	91,268	167,242	71,337	238,580
Work-on-Hand at End of Period	110,332	58,758	169,091	118,258	82,501	200,760	96,007	53,916	149,923

(b) Projects

(¥ million)

	Six Months Ended September 30						Year Ended		
	2001			2000			March 31, 2001		
	Building Construction	Civil Engineering	Total	Building Construction	Civil Engineering	Total	Building Construction	Civil Engineering	Total
Project Completions:	57,953	13,610	71,563	69,845	21,423	91,268	167,242	71,337	238,580
Work-on-Hand at End of Period	110,332	58,758	169,091	118,258	82,501	200,760	96,007	53,916	149,923
Work in progress	17,580	18,578	36,158	18,966	20,672	39,638	12,002	9,471	21,474
As a percentage of Work-on-Hand at End of Period	15.9%	31.6%	21.4%	16.0%	25.1%	19.7%	12.5%	17.6%	14.3%
Projects during Period	63,526	22,717	86,244	75,186	29,992	105,179	165,621	68,706	234,327

[4] BROKERAGE, CONSIGNMENT SALES AND CONSULTING

	Six Months Ended September 30				Year Ended	
	2001		2000		March 31, 2001	
	Units	Revenue (¥ million)	Units	Revenue (¥ million)	Units	Revenue (¥ million)
Brokerage	11,746	13,238	10,943	12,673	22,941	26,909
Consignment Sales	2,058	3,630	1,333	2,209	5,436	8,469
Consulting	-	3,047	-	2,009	-	6,168
TOTAL	-	19,916	-	16,893	-	41,547

[5] PROPERTY MANAGEMENT

(¥ million)

	Six Months Ended September 30		Year Ended
	2001	2000	March 31, 2001
	Revenue	Revenue	Revenue
Property Management	23,393	20,722	41,177
Tenant Improvement	9,810	17,180	29,695
TOTAL	33,203	37,902	70,872

[6] SALES OF HOUSING MATERIALS AND MERCHANDISE

(¥ million)

	Six Months Ended September 30		Year Ended March 31, 2001
	2001	2001	
	Revenue	Revenue	Revenue
Housing Materials	10,109	9,643	21,451
Merchandise	27,577	25,806	49,131
TOTAL	37,686	35,450	70,583

[7] FACILITY OPERATIONS

(¥ million)

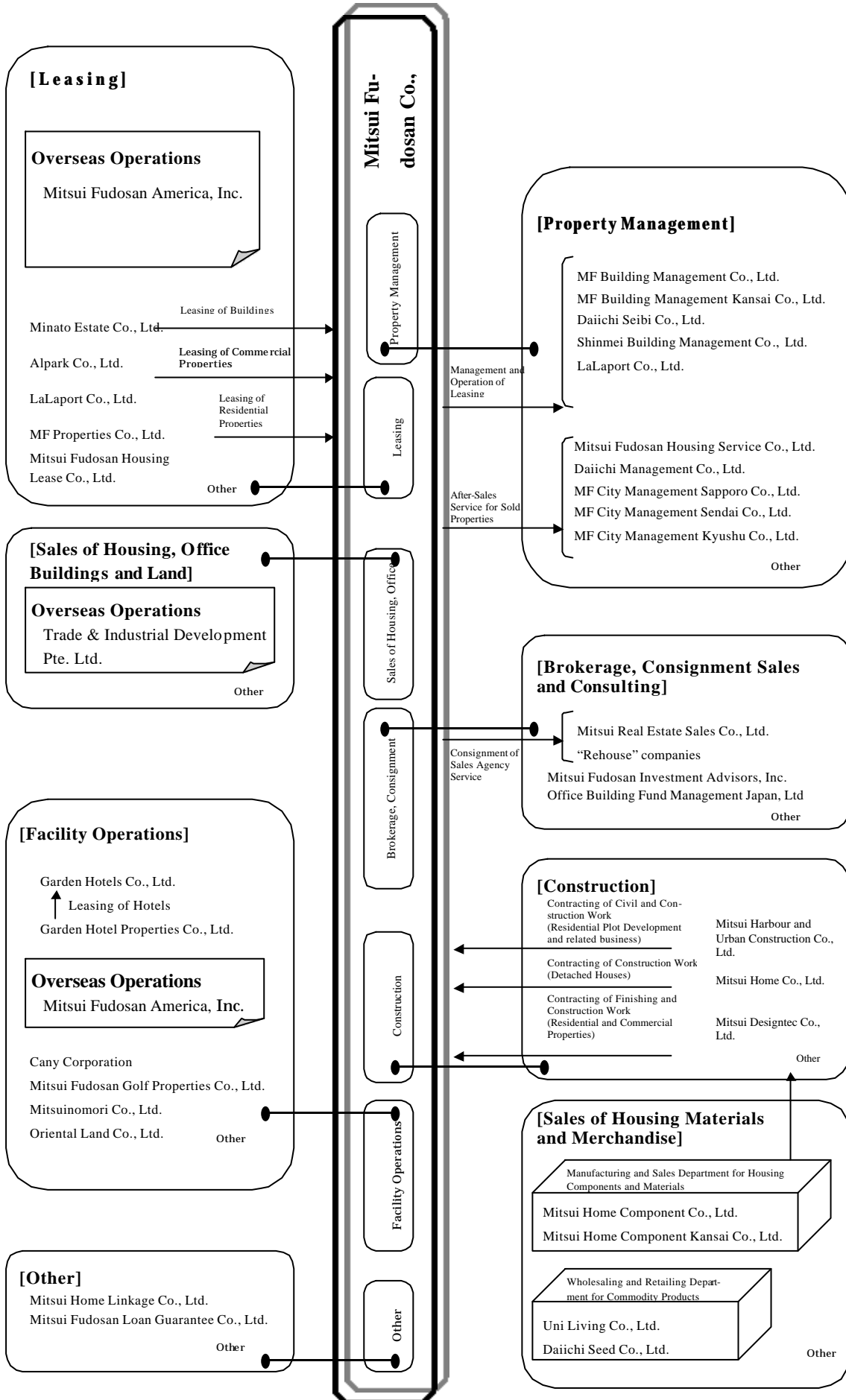
	Six Months Ended September 30		Year Ended March 31, 2001
	2001	2000	
	Revenue	Revenue	Revenue
Hotels	14,382	14,040	29,548
Other	9,632	9,057	17,838
TOTAL	24,015	23,097	47,387

[8] OTHER

(¥ million)

	Six Months Ended September 30		Year Ended March 31, 2001
	2001	2000	
	Revenue	Revenue	Revenue
Finance and Lease	2,098	2,321	4,068
Other	6,322	8,042	16,698
TOTAL	8,421	10,364	20,766

Business lines of major affiliates and their relationship with Mitsui Fudosan Co., Ltd.



Consolidated Earning Forecast for the Year Ending March 31, 2002

(¥ million)

	Year Ending March 31, 2002			Year Ended
	Current Forecast	Previous Forecast (May 2001)	Change from Previous Forecast	March 31, 2001 (Result)
Revenue from Operations (Consolidated/Nonconsolidated Ratio)	1,165,000 (1.94)	1,200,000 (1.98)	35,000 (0.04)	1,193,080 (2.00)
Leasing	332,000	332,000	0	329,834
Sales of Housing, Office Buildings and Land	340,000	344,000	4,000	328,281
Construction	249,000	277,000	28,000	283,806
Brokerage, Consignment Sales and Consulting	46,000	44,000	2,000	41,547
Property Management	63,500	64,500	1,000	70,872
Sales of Housing Materials and Merchandise	72,000	71,500	500	70,583
Facility Operations	46,000	49,000	3,000	47,387
Other	16,500	18,000	1,500	20,766
Operating Income (Consolidated/Nonconsolidated Ratio)	103,000 (1.54)	106,000 (1.68)	3,000 (0.15)	108,334 (1.62)
Leasing	70,500	68,000	2,500	68,550
Sales of Housing, Office Buildings and Land	24,500	21,500	3,000	20,606
Construction	3,000	5,500	8,500	6,718
Brokerage, Consignment Sales and Consulting	18,000	15,500	2,500	13,607
Property Management	6,500	6,500	0	7,298
Sales of Housing Materials and Merchandise	1,000	500	500	834
Facility Operations	2,500	0	2,500	55
Other	2,000	2,500	500	3,807
Elimination	14,000	14,000	0	13,032
Non-Operating Income	32,000	33,000	1,000	34,914
Equity in Net Income of Affiliated Companies	2,000	1,000	1,000	509
Interest Expense, in Net	29,000	31,000	2,000	32,055
Other	5,000	3,000	2,000	3,368
Ordinary Income (Consolidated/Nonconsolidated Ratio)	71,000 (1.48)	73,000 (1.62)	2,000 (0.14)	73,420 (1.51)
Extraordinary Gains/Losses	5,000	0	5,000	10,980
Income Before Income Taxes	66,000	73,000	7,000	62,439
Income Taxes	28,000	32,000	4,000	34,255
Minority Interests	0	2,000	2,000	2,071
Net Income (Consolidated/Nonconsolidated Ratio)	38,000 (2.00)	39,000 (1.90)	1,000 (0.10)	26,112 (1.58)

【 Revenue and Income from Operations 】

- Despite a slight decline expected in the parent company's leasing revenues, subsidiaries in the United States and other subsidiaries are expected to post increases. Total leasing revenues, therefore, are forecast to remain mostly unchanged from the previous forecast, at ¥332.0 billion. Operating income in this segment is projected to grow ¥2.5 billion thanks mostly to increased profitability of the parent company.
- Sales of housing, office buildings, and land are expected to fall ¥4.0 billion, with declines forecast for both the parent company and certain subsidiaries. Operating income in this segment is projected to climb ¥3.0 billion owing to higher profitability of the parent company and the sale of Amfac Center (office building) in Hawaii of the United States.

- Construction revenues and income are expected to drop significantly due to declining orders of the Mitsui Home Group.
- Revenue from brokerage, consignment sales and consulting and sales of housing materials and merchandise are forecast to increase. However revenue from property management will decline due mainly to a fall in revenue from the tenant improvement category. Operating income is expected to grow in the wake of profits from brokerage and consulting services provided by the parent company and Mitsui Fudosan Investment Advisors.
- Both revenue and income from facility operations are expected to decline as the parent company's Skidome "SSAWS" and golf club operations are affected by weak economic conditions. The Group's hotel business in Hawaii is also expected to deteriorate in the latter half of FY2001 following the recent terrorist attacks.

【Ordinary Income and Extraordinary Income/Loss】

- Equity in net income of affiliated companies is expected to rise ¥1.0 billion owing to the favorable performance of Oriental Land.
- The net interest burden is expected to improve due to ongoing low interest rates. However, other expenses will increase, mainly due to the parent company's non-operating expenses. As a result, ordinary income for the year is predicted to fall ¥2.0 billion.
- Due to an anticipated ¥5.0 billion decline in net extraordinary income/loss by the parent company, a similar ¥5.0 billion is expected on a consolidated basis.

(¥ million)

	Year Ending March 31, 2002			Year Ended March 31, 2001 (Result)
	Current Forecast	Previous Forecast (May 2001)	Change from Previous Forecast	
Capital Expenditure	55,000	55,000	-	67,478
Depreciation	45,000	45,000	-	44,418

Forecast for Major Subsidiaries and Affiliates for the Year Ending March 31, 2002

(¥ million)

	Mitsui Real Estate Sales Co., Ltd.		Mitsui Home Co., Ltd.		Oriental Land Co., Ltd.		Mitsui Fudosan Co., Ltd.	
	Current Forecast	Change from Previous Forecast	Current Forecast	Change from Previous Forecast	Current Forecast	Change from Previous Forecast	Current Forecast	Change from Previous Forecast
Revenue from Operations	86,000	-	222,000	23,000	274,700	10,200	600,000	5,000
Operating Income	11,300	200	4,800	8,400	-	-	67,000	4,000
Ordinary Income	8,500	-	4,950	8,650	13,100	8,700	48,000	3,000
Net Income	6,000	-	3,850	5,350	5,900	5,200	19,000	1,500

CASH FLOWS

(¥ billion)

	Current Forecast	Previous Forecast (May 2001)	Change from Previous Forecast
CASH FLOWS FROM OPERATING ACTIVITIES :			
Cash Profit*	110	110	0
Purchase/Sale of Real Property for Sale	19	25	6
Other Changes in Assets and Liabilities	15	15	0
Net Cash Provided by Operating Activities (1)	114	120	6
CASH FLOWS FROM INVESTING ACTIVITIES :			
Purchase/Sale of Marketable and Investment Securities	0	0	0
Purchase/Sale of Tangible and Intangible Fixed Assets	29	29	0
Increase/Decrease in Lease Deposits	7	5	2
Other	36	15	21
Net Cash Used in Investing Activities (2)	72	49	23
CASH FLOWS FROM FINANCING ACTIVITIES :			
Proceeds and Repayments	52	65	13
Cash Dividends Paid	6	6	0
Net Cash Used in Financing Activities	58	71	13
Effect of Exchange Rate Changes on Cash and Cash Equivalents	0	0	0
Net Increase (Decrease) in Cash and Cash Equivalents	16	0	16
Cash and Cash Equivalents at Beginning of Year	158	158	0
Cash and Cash Equivalents at End of Year	142	158	16
Free Cash Flows (1) +(2)	42	71	29

*Note: Cash profit refers to income before income taxes, plus/minus gains/losses not related to the movement of cash, after adjustments for interest payments and taxes on a cash basis.

[Cash Flows and Interest-Bearing Debt]

- The Company expects to report ¥114.0 billion in net cash provided by operating activities. Despite a predicted ¥2.0 billion decline in ordinary income, cash profit amounting to ¥110.0 billion is forecast (same level as previous forecast), due primarily to parent company activities. The Company also forecasts a ¥6.0 billion decrease in purchase/sale of real property for sale compared with the previous forecast, mainly by the parent company due to delays in the sale of major properties.
- Net cash used in investing activities is expected to total ¥72.0 billion. Main factor of this cash outflows will stem from ¥23.0 billion investments by the parent company.
- Interest-bearing debt is forecast to remain at ¥1.49 trillion, unchanged from the previous forecast. Factors in this amount include ¥52.0 billion repayment in net cash used in financing activities and a decline in interest-bearing debt stemming from the exclusion of Mitsui Harbour and Urban Construction Co., Ltd. from the scope of consolidation

Consolidated Financial Summary (FY1998-2001)

(¥ million)

		Year Ended March 31				Six Months Ended Sep. 30	
		1998	1999	2000	2001	2001	
P/L		1,158,715	1,140,242	1,194,837	1,193,080	554,087	
	Revenue from Operations	63,635	56,934	81,923	108,334	47,137	
	Operating Income	16,571	9,436	52,259	73,420	29,175	
	Ordinary Income	31,523	35,794	58,417	26,112	22,089	
	Net Income (Loss)						
Segment	Leasing	Revenue from Operations	321,053	321,876	329,768	336,025	169,827
		Operating Income	57,206	63,840	61,147	68,550	36,939
	Sales of Housing, Office Buildings and Land	Revenue from Operations	309,096	327,974	359,326	328,281	167,577
		Operating Income	7,802	11,425	8,881	20,606	12,772
	Construction	Revenue from Operations	365,559	289,558	292,598	300,112	96,955
		Operating Income	6,593	4,552	6,031	6,718	6,853
	Brokerage, Consignment Sales and Consulting	Revenue from Operations	-	42,629	49,364	50,590	24,587
		Operating Income	-	7,720	13,353	13,607	6,262
	Property Management	Revenue from Operations	-	76,598	84,500	93,966	41,960
		Operating Income	-	3,608	5,871	7,298	3,472
	Sales of Housing Materials and Merchandise	Revenue from Operations	-	94,036	102,500	103,401	50,229
		Operating Income	-	583	301	834	808
	Facility Operations	Revenue from Operations	-	49,531	46,234	47,387	24,015
		Operating Income	-	566	25	55	204
	Other	Revenue from Operations	258,429	25,778	29,950	30,254	13,152
		Operating Income	12,287	2,119	2,831	3,807	655
B/S	Total Assets	3,106,788	3,202,426	2,991,203	2,846,467	2,777,008	
	Real Property for Sale	698,885	647,330	482,182	453,053	435,855	
	Tangible Fixed Assets	1,379,939	1,523,396	1,467,055	1,456,692	1,460,267	
	Capital Expenditures	137,323	133,152	83,945	67,478	30,587	
	Depreciation	42,283	42,249	45,776	44,418	20,938	
	Interest-Bearing Debt	1,729,274	1,781,271	1,660,127	1,554,360	1,557,965	
	Retained Earnings	177,641	153,469	89,168	98,643	117,785	
	Shareholders' Equity	516,754	492,591	395,132	411,097	433,549	
C/F	Cash Flows from Operating Activities (1)	-	142,802	134,200	173,664	8,772	
	Cash Flows from Investing Activities (2)	-	142,230	32,449	32,088	31,515	
	Cash Flows from Financing Activities (3)	-	25,625	96,576	150,001	6,329	
	Free Cash Flows (1)+(2)	-	572	101,750	141,575	40,288	
Key Data	ROA (%)	2.20%	2.06%	3.10%	3.98%	1.79%	
	Debt/Equity Ratio (Times)	3.3	3.6	4.2	3.8	3.6	
	Equity Ratio (%)	16.6%	15.4%	13.2%	14.5%	15.6%	
	No. of Consolidated Subsidiaries	142	163	160	150	150	
	No. of Affiliates in Equity Method	70	70	72	65	65	

Consolidated Financial Summary (FY1993-1997)

(¥ million)

		1993	1994	1995	1996	1997	
P/L	Revenue from Operations	1,348,360	1,301,899	1,242,158	1,209,875	1,270,814	
	Operating Income	110,765	83,484	75,952	67,551	1,402	
	Ordinary Income	22,067	8,701	9,515	13,484	47,634	
	Net Income (Loss)	19,072	10,187	9,090	4,174	43,991	
Segment	Leasing	Revenue from Operations	-	312,160	311,602	320,727	313,782
		Operating Income	-	55,481	55,262	57,740	58,602
	Sales of Housing, Office Buildings and Land	Revenue from Operations	-	434,090	420,038	374,231	402,453
		Operating Income	-	28,732	20,004	5,662	78,135
	Construction	Revenue from Operations	-	418,204	363,182	371,421	390,412
		Operating Income	-	8,724	6,123	10,005	12,318
	Brokerage, Consignment Sales and Consulting	Revenue from Operations	-	-	-	-	-
		Operating Income	-	-	-	-	-
	Property Management	Revenue from Operations	-	-	-	-	-
		Operating Income	-	-	-	-	-
	Sales of Housing Materials and Merchandise	Revenue from Operations	-	-	-	-	-
		Operating Income	-	-	-	-	-
	Facility Operations	Revenue from Operations	-	-	-	-	-
		Operating Income	-	-	-	-	-
	Other	Revenue from Operations	-	220,002	231,106	226,626	253,249
		Operating Income	-	11,403	7,501	8,649	15,053
B/S	Total Assets	3,702,135	3,676,400	3,649,673	3,489,353	3,248,659	
	Real Property for Sale	1,059,190	1,036,908	1,024,891	914,670	722,896	
	Tangible Fixed Assets	1,387,782	1,383,764	1,414,195	1,362,573	1,330,121	
	Capital Expenditures	-	-	-	79,019	54,074	
	Depreciation	-	-	-	42,676	41,148	
	Interest-Bearing Debt	2,123,534	2,089,877	2,081,176	1,985,721	1,797,247	
	Retained Earnings	265,197	270,251	268,690	264,154	219,420	
	Shareholders' Equity	597,134	604,092	606,323	602,943	558,504	
C/F	Cash Flows from Operating Activities (1)	-	-	-	-	-	
	Cash Flows from Investing Activities (2)	-	-	-	-	-	
	Cash Flows from Financing Activities (3)	-	-	-	-	-	
	Free Cash Flows (1)+(2)	-	-	-	-	-	
Key Data	ROA (%)	3.55%	2.71%	2.48%	2.28%	0.35%	
	Debt/Equity Ratio (Times)	3.6	3.5	3.4	3.3	3.2	
	Equity Ratio (%)	16.1%	16.4%	16.6%	17.3%	17.2%	
	No. of Consolidated Subsidiaries	29	31	51	52	52	
	No. of Affiliates in Equity Method	2	2	2	2	2	

- Segment Revenues/Income: Revenues from operations and operating income for each business segment. (Figures for FY1998 are based on the same segmentation as that used in FY1999.)
- Property for Sale: Property for sale + Advances paid for purchases
- Interest-Bearing Debt: Short-term borrowings + Commercial paper + Bonds due within 1 year + Long-term borrowings
- Consolidated Retained Earnings: Legal reserve + Surplus (until FY1997)
- ROA: (Operating income + Non-operating income)/Average total assets (Equity in net income/loss of affiliated companies, amortization of consolidated adjustment account, and enterprise taxes prior to FY1997 have been amended to reflect the present accounting standards.
- Debt-Equity Ratio: Interest-bearing debt/Shareholders' equity

Consolidated Financial Statements

BALANCE SHEETS (UNAUDITED)

(¥million)

ASSETS:	Six Months Ended September 30, 2001		Year Ended March 31, 2001		Change	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	Percentage
. Current Assets:	771,785	27.8	832,559	29.2	60,774	7.3
Cash and Time Deposits	114,748		159,405		44,656	
Accounts Receivable—Trade	36,999		60,611		23,611	
Marketable Securities	183		315		132	
Real Property for Sale	410,202	14.8	421,855	14.8	11,653	2.8
Expenditure on Contracts in Progress	37,666		21,528		16,138	
Other Inventories	9,695		9,597		98	
Advances Paid for Purchases	25,652		31,197		5,544	
Short-Term Loans	41,267		40,040		1,227	
Deferred Income Taxes	50,759		47,740		3,019	
Other Current Assets	46,449		42,052		4,396	
Allowance for Doubtful Accounts	1,839		1,785		54	
. Fixed Assets:	2,005,195	72.2	2,013,878	70.8	8,683	0.4
1. Tangible Fixed Assets:	1,431,702	51.6	1,428,676	50.2	3,026	0.2
Buildings and Structures	533,029	19.2	543,182	19.1	10,152	1.9
Machinery, Equipment and Materials Handling Equipment	7,997		8,201		203	
Land	821,904	29.6	815,989	28.7	5,914	0.7
Construction in Progress	37,209		29,766		7,443	
Other Tangible Assets	31,562		31,536		25	
2. Intangible Fixed Assets:	28,564	1.0	28,016	1.0	548	
Leasehold Right	21,706		21,693		13	
Other Intangible Fixed Assets	6,858		6,323		534	
3. Investment and Other Assets	544,927	19.6	557,186	19.6	12,259	2.2
Investment Securities	197,656		189,137		8,519	
Long-Term Loans	19,993		20,381		387	
Lease Deposits	230,250		238,967		8,717	
Deferred Income Taxes	19,310		19,068		242	
Other	108,230		126,594		18,363	
Allowance for Doubtful Accounts	30,515		36,962		6,447	
. Deferred Assets	27		28		1	
TOTAL ASSETS	2,777,008	100.0	2,846,467	100.0	69,459	2.4

BALANCE SHEETS (UNAUDITED)

(¥ million)

	Six Months Ended September 30, 2001		Year Ended March 31, 2001		Change	
		% of Total Assets		% of Total Assets	Amount	Percentage
LIABILITIES:						
. Current Liabilities:	774,464	27.9	775,499	27.2	1,034	0.1
Accounts Payable—Trade	81,323		149,281		67,957	
Short-Term Debt	428,968	15.4	393,763	13.8	35,204	8.9
Commercial Paper	37,000		10,000		27,000	
Bond Redeemable Within One Year	20,000		-		20,000	
Income Taxes Payable	14,131		6,714		7,417	
Advances from Contracts in Progress	37,735		27,898		9,836	
Allowance for Completed Project Indemnities	1,238		1,225		13	
Allowance for Possible Guarantee Losses	323		678		355	
Deferred Income Taxes	50		46		4	
Other Current Liabilities	153,693		185,891		32,197	
. Fixed Liabilities:	1,531,813	55.2	1,622,118	57.0	90,305	5.6
Corporate Bonds	266,242		286,242		20,000	
Long-Term Debt	805,755	29.0	864,354	30.4	58,599	6.8
Deposits from Tenants	336,040		345,101		9,060	
Allowance for Employees' Retirement Benefits	24,186		22,865		1,320	
Allowance for Directors' Retirement Benefits	1,702		2,080		377	
Deferred Income Taxes	22,412		14,731		7,681	
Other Fixed Liabilities	75,474		86,743		11,269	
TOTAL LIABILITIES	2,306,278	83.1	2,397,617	84.2	91,339	3.8
MINORITY INTEREST						
. Minority Interests in Consolidated Subsidiaries	37,180	1.3	37,752	1.3	572	1.5
SHAREHOLDERS' EQUITY						
. Common Stock	134,433	4.8	134,433	4.7	-	-
. Additional Paid-in Capital	204,693	7.4	204,693	7.2	-	-
. Retained Earnings	117,785	4.2	98,643	3.5	19,141	19.4
. Unrealized Gains/Losses on Securities	408	0.0	728	0.0	1,137	156.1
. Foreign Currency Translation Adjustment	22,948		27,396		4,448	
VI. Treasury Stock	433,553	15.6	411,102	14.5	22,451	5.5
VI. Treasury Stock	4		5		0	
TOTAL SHAREHOLDERS' EQUITY	433,549	15.6	411,097	14.5	22,452	5.5
TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY	2,777,008	100.0	2,846,467	100.0	69,459	2.4

STATEMENTS OF INCOME (UNAUDITED)

(¥ million)

	Six Months Ended September 30				Change	
	2001	% of Total Operating Revenue	2000	% of Total Operating Revenue	Amount	Percentage
. Revenue from Operations	554,087	100.0	513,460	100.0	40,626	7.9
. Cost of Revenue from Operations	440,653	79.5	405,868	79.0	34,784	8.6
Gross Operating Profit	113,433	20.5	107,591	21.0	5,841	5.4
. Selling, General and Administrative Expenses	66,295	12.0	62,677	12.2	3,618	5.8
Operating Income	47,137	8.5	44,914	8.7	2,223	5.0
. Non-Operating Income:	3,200	0.6	5,437	1.1	2,236	41.1
Interest Income	991		1,395		403	
Dividend Income	1,045		1,331		285	
Equity in Net Income of Affiliated Companies	119		853		733	
Other Non-Operating Income	1,043		1,856		813	
. Non-Operating Expenses:	21,162	3.8	22,194	4.3	1,032	4.7
Interest Expenses	15,981		17,256		1,274	
Other Non-Operating Expenses	5,180		4,938		242	
Ordinary Income	29,175	5.3	28,156	5.5	1,018	3.6
. Extraordinary Gains:	16,109	2.9	46,151	9.0	30,041	65.1
Gain on Sales of Shares of Affiliated Companies	-		30,526		30,526	
Gain on Sales of Investment Securities	-		12,064		12,064	
Gain on Establishment of Retirement Benefit Trust	-		2,713		2,713	
Gain on Sales of Fixed Assets	15,432		297		15,134	
Other Extraordinary Gains	677		548		128	
. Extraordinary Losses:	4,747	0.9	41,640	8.1	36,893	88.6
Loss on Sales of Investment Securities	3,087		23,049		19,961	
Loss on Restructuring Subsidiaries	-		7,206		7,206	
Provision to Allowance for Doubtful Accounts	996		6,509		5,512	
Write-off of Differences Arising from Change in Accounting for Retirement Benefits	-		4,167		4,167	
Loss on Disposal of Fixed Assets	180		237		57	
Loss on Sales of Fixed Assets	123		59		64	
Loss on Evaluation of Real Property for Sale	-		-		-	
Loss on Evaluation of Investment Securities	-		-		-	
Other Extraordinary Losses	360		411		51	
Income before Income Taxes	40,537	7.3	32,666	6.4	7,870	24.1
Income Taxes	11,026		22,924		11,897	
Deferred Income Taxes	8,379		550		8,930	
Minority Interests	958		301		656	
Net Income	22,089	4.0	10,595	2.1	11,494	

STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended September 30		Year Ended
	2001	2000	March 31, 2001
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before Income Taxes	40,537	32,666	62,439
Depreciation and Amortization	20,938	21,808	44,418
Gain/Loss on Equity in Net Income of Affiliated Companies	119	853	509
Write-off of Differences Arising from Change in Accounting for Retirement Benefits	-	4,167	4,167
Gain on Establishment of Retirement Benefit Trust	-	-	2,713
Loss on Evaluation of Investment Securities	3,087	23,049	8,886
Gain/Loss on Sales of Investment Securities	-	42,591	30,360
Loss on Evaluation of Real Property for Sale	-	-	5,500
Loss on Restructuring of Subsidiaries	-	7,206	7,611
Gain/Loss on Sales of Fixed Assets	15,309	238	7,290
Loss on Disposal of Fixed Assets	180	237	336
Provision to Allowance for Doubtful Accounts	996	6,509	7,090
Interest and Dividend Income	2,037	2,727	4,359
Interest Expense	15,981	17,256	34,591
Increase/Decrease in Accounts Receivable	23,801	31,120	24,025
Increase/Decrease in Accounts Payable	35,135	7,144	6,939
Purchase of Real Property for Sale*	150,635	111,005	257,038
Sale of Real Property for Sale*	132,878	91,971	289,412
Bonuses Paid for Directors	415	52	52
Other	23,761	28,090	1,919
Subtotal	10,987	43,290	209,595
Cash Receipts of Interest and Dividend Income	2,949	3,347	4,726
Cash Payments of Interest Expense	16,580	17,493	33,259
Income Taxes Paid	6,129	5,331	7,398
Net Cash Provided by Operating Activities	8,772	23,812	173,664
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Marketable and Investment Securities	4,827	10,218	48,539
Sales of Marketable and Investment Securities	336	63,530	100,907
Purchase of Tangible and Intangible Fixed Assets	34,396	40,376	80,198
Sales of Tangible and Intangible Fixed Assets	28,221	1,297	16,425
Increase in Loans	9,503	1,702	3,153
Decrease in Loans	699	4,709	7,754
Decrease in Deposits from Tenants	21,803	21,238	35,177
Increase in Deposits from Tenants	11,978	13,496	23,830
Decrease in Lease Deposits	1,366	4,844	7,708
Increase in Lease Deposits	10,208	8,492	11,453
Purchase of Securities with Change in Scope of Consolidation	-	88	261
Other	11,063	13,926	17,943
Net Cash Used in Investing Activities	31,515	867	32,088
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Decrease in Short-Term Debt	21,908	30,864	102,139
Proceeds from Long-Term Debt	47,502	40,326	69,575
Repayment of Long-Term Debt	72,982	70,937	127,706
Proceeds from Issuance of Corporate Bonds	-	15,000	15,000
Income from Issuance of Shares to Minority Interests	285	-	29
Cash Dividends Paid	2,843	2,034	4,069
Cash Dividends Paid to Minority Interests	198	199	691
Net Cash Used in Financing Activities	6,329	48,709	150,001
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,112	385	1,545
V. Net Increase (Decrease) in Cash and Cash Equivalents	45,505	25,379	6,880
VI. Cash and Cash Equivalents at Beginning of Year	158,435	165,316	165,316
VII. Cash and Cash Equivalents at End of Year	112,930	139,937	158,435

*"Purchase of Real Property for Sale" and "Sale of Property for Sale" show cash flows from changes of Property for Sale and Advances Paid for Purchases on consolidated balance sheets.

Nonconsolidated Business Overview

RESULTS OF OPERATIONS	(¥ million)			
	Six Months Ended September 30		Change	
	2001	2000	Amount	Percentage
Revenue from Operations	301,566	263,263	38,303	14.5
Leasing	122,373	123,525	1,152	0.9
Sales of Housing, Office Building and Land	162,167	115,393	46,773	40.5
Sales of Housing	151,613	103,449	48,163	46.6
Detached Housing	18,277	20,346	2,069	10.2
Condominiums	133,336	83,102	50,233	60.4
Sales of Office Building and Land	10,553	11,943	1,390	11.6
Other	17,026	24,343	7,317	30.1
Gross Margin (%)	18.4	18.6	0.2	
Leasing	22.8	21.1	1.7	
Sales of Housing, Office Building and Land	16.1	17.2	1.1	
Sales of Housing	17.1	19.7	2.6	
Other	8.6	12.1	3.6	
Selling, General and Administrative Expenses	21,535	16,336	5,199	31.8
Operating Income	33,964	32,519	1,444	4.4
Non-Operating Income/Expense	8,822	9,766	943	
Interest Expense, in Net	8,943	9,468	524	
Interest Income	521	553	31	
Interest Expense	9,465	10,021	556	
Ordinary Income	25,142	22,753	2,388	10.5
Extraordinary Gains/Losses	3,077	13,674	16,752	
Extraordinary Gains	-	62,696	62,696	
Extraordinary Losses	3,077	49,021	45,944	
Income before Income Taxes	22,064	36,428	14,363	39.4
Income Taxes	9,263	15,152	5,889	
Net Income	12,801	21,276	8,474	39.8

【Leasing】

(Revenue)

Effect due to new projects (LaLaport West, TIS Takeshiba, La Fete Tama Minami-Osawa, etc.): +¥3.3 billion

Effect due to termination of subleases (Kokusai Shin-Akasaka Building, Okawabata, etc.): ¥3.6 billion

Existing buildings: ¥800 million

(Operating Income)

Despite the decline in revenues, operating income and gross margin increased, due to reductions in outsourcing costs, depreciation expenses, rental fees, and other leasing-related expenses.

(Vacancy Rate)

Despite vacancies associated with renovations of LaLaport West, purchased during the term under review, the Company maintained a low overall vacancy rate, which was 2.4% as of September 30, 2001.

【Sales of Housing, Office Buildings and Land】

(Sales of Housing)

- The Company reported a substantial sales gain due to an increase of around 1,000 condominium units sold, mainly in large-scale projects, such as Tokyo South Park Tower and Shiba Park Tower).
- The interim-term gross margin in this segment was 17.1%, thanks to continued favorable business conditions. The ratio in the previous corresponding interim term was 19.7% owing to high-return projects.

【Other】

- Revenue from other business operations declined significantly due to a drop in tenant-oriented projects (the previous interim term saw a number of major projects contracted by tenants).
- Revenues from the Company's non-asset business (property management, consignment sales, consulting, brokerage, etc.) amounted to ¥6.2 billion (up from ¥5.3 billion in the FY2000 interim term and ¥3.8 billion in the FY1999 interim term).

【Selling, General, and Administrative (SG&A) Expenses】

SG&A expenses increased in line with the substantial rise in housing sales expenses.

【Ordinary Income】

Ordinary income rose ¥2.4 billion owing to an increase in operating income combined with a fall in net interest-bearing debt.

Vacancy Rate

	01/9	01/3	00/9	00/3	99/9	99/3
Vacancy Rate at End of Period (%)	2.4	2.2	2.5	3.5	3.8	4.1
(excluding buildings under renewal)	-	-	-	-	(3.7)	(3.6)

September 30, 1992: 4.3%

March 31, 1992: 2.7%

September 30, 1991: 1.0%

Total Floor Space

	Six Months Ended September 30					
	2001			2000		
	No. of Units	Floor Space (1,000m ²)	Share of Total Floor Space (%)	No. of Units	Floor Space (1,000m ²)	Share of Total Floor Space (%)
Owned	124	2,307	50.6	120	2,231	48.7
Subleased	200	2,255	49.4	206	2,352	51.3
Total	324	4,563	100.0	326	4,584	100.0

New buildings: 2 units

Existing buildings: 5 units

Sublease-terminated buildings: 4 units

Reported Housing Units

	Six Months Ended September 30				Change	
	2001		2000		No. of Units	Ave. Unit Price (¥ 10 thousand)
	No. of Units	Ave. Unit Price (¥ 10 thousand)	No. of Units	Ave. Unit Price (¥ 10 thousand)		
Detached Housing	353	5,177	352	5,780	1	603
Condominiums	2,748	4,852	1,687	4,926	1,061	74
Total	3,101	4,889	2,039	5,074	1,062	185

Completed Housing Inventories (Units)

	01/9	01/3	00/9	00/3	99/9	99/3
Detached Housing	55	70	25	20	20	50
Condominiums	190	140	85	200	200	450
Total	245	210	110	220	220	500

Housing Contracts for Sale (Units)

	Contracts at Beginning of Term	Contracts during Term	Total	Reported No. of Units	Contracts at End of Term	Newly Launched during Term
Detached Housing	143	284	427	353	74	265
Condominiums	4,772	2,423	7,195	2,748	4,447	2,396
Total	4,915	2,707	7,622	3,101	4,521	2,661

ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY

(¥ million)

ASSETS:	Sept. 30, 2001	March 31, 2001	Change
Cash and Time Deposits	31,294	35,399	4,105
Accounts of Real Property for Sale*	379,619	394,040	14,421
Deferred Income Taxes	39,586	39,586	-
Other Current Assets	54,698	42,924	11,773
TOTAL CURRENT ASSETS	505,197	511,951	6,753
Tangible and Intangible Fixed Assets	889,200	879,937	9,283
Investment Securities	124,359	115,188	9,171
Investments in Consolidated Subsidiaries and Affiliated Companies	169,394	169,478	83
Investments	25,537	35,133	9,596
Lease Deposits	224,596	233,519	8,922
Other Investments	39,158	42,100	2,941
TOTAL FIXED ASSETS	1,472,267	1,475,357	3,089
TOTAL ASSETS	1,977,465	1,987,308	9,843
LIABILITIES:			
Interest-Bearing Debt	1,034,910	1,008,705	26,205
Deposits from Tenants	312,125	324,444	12,318
Deferred Income Taxes	13,788	14,544	756
Allowance for Possible Guarantee Losses	3,500	3,500	-
OTHER LIABILITIES	185,581	217,337	31,755
TOTAL LIABILITIES	1,549,905	1,568,530	18,624
SHAREHOLDERS' EQUITY			
Common Stock	134,433	134,433	-
Additional Paid-in Capital	204,693	204,693	-
Retained Earnings	88,832	79,007	9,825
Unrealized Gains/Losses on Securities	398	644	1,043
TOTAL SHAREHOLDERS' EQUITY	427,559	418,778	8,781
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,977,465	1,987,308	9,843

【Accounts of Real Property for Sale】

Increased sales of housing benefited the Company's cost recovery efforts, leading to a ¥14.4 billion decline in the Accounts of Real Property for Sale.

*Note: The "Accounts of Real Property for Sale" refers to the sum of property for sale, contracts in progress, land for development, and advances paid for purchases.

【Tangible and Intangible Fixed Assets】

The value of tangible and intangible fixed assets at interim term-end was ¥889.2 billion, up ¥9.3 billion from March 31, 2001. This increase stemmed mainly from capital expenditures related to LaLaport West, and Shiba, and other projects.

【Interest-Bearing Debt】

Interest-bearing debt at interim term-end was ¥26.2 billion higher than at March 31, 2001, due to investments for acquisitions of such properties as LaLaport West.

Note: "Interest-Bearing Debt" refers to the sum of short-term borrowings, commercial paper, bonds redeemable within one year, and long-term borrowings.

Accounts of Real Property for Sale

(¥ million)

At March 31, 2001	New Investments	Cost Recovery	Others	At September 30, 2001
394,040	116,987	129,449	1,958	379,619

Expenses related to new land investments:

September 30, 2001 interim term: ¥62.9 billion;

September 30, 2000 interim term: ¥36.8 billion;

September 30, 1999 interim term: ¥61.1 billion;

September 30, 1998 interim term: ¥49.3 billion

Tangible and Intangible Fixed Assets

(¥ million)

At March 31, 2001	New Investments	Depreciation	Disposal/Sale	Others	At September 30, 2001
879,937	20,939	11,410	217	27	889,220

Major new investments:

LaLaport West: ¥8.5 billion;

Celestine Shiba Mitsui Building: ¥3.3 billion;

Nakanoshima Mitsui Building: ¥1.8 billion

Marketable Securities and Investments in Affiliated Companies

(Not Applicable for Fair Value Accounting)

(¥ million)

	Book Value at September 30, 2001	Unrealized Gains/Losses
Affiliates (Oriental Land, Kokusai Kanko Kaikan)	1,845	115,567
Subsidiaries (Mitsui Real Estate Sales, Mitsui Home)	23,893	20,269
Total	25,738	131,837

Nonconsolidated Earning Forecast For the Year Ending March 31, 2002

	Year Ending March 31, 2002			March 31, 2001 (Result)
	Current Forecast	Previous Forecast (May 2001)	Change	
Revenue from Operations	605,000	600,000	5,000	595,793
Leasing	245,000	243,000	2,000	247,902
Sales of Housing, Office Building and Land	320,000	318,000	2,000	300,866
Sale of Housing	285,000	290,000	5,000	262,298
Detached Housing	45,000	46,000	1,000	41,271
Condominiums	240,000	244,000	4,000	221,026
Sale of Office Building and Land	35,000	28,000	7,000	38,568
Other	40,000	39,000	1,000	47,024
Gross Margin (%)	17.6	18.5	0.9	18.0
Leasing	20.5	21.5	1.0	20.6
Sales of Housing, Office Building and Land	15.5	16.5	1.0	15.9
Sale of Housing	17.0	17.5	0.5	19.4
Other	17.0	16.5	0.5	17.5
Selling, General and Administrative Expenses	43,500	44,000	500	40,040
Operating Income	63,000	67,000	4,000	67,003
Non-Operating Income/Expense	18,000	19,000	1,000	18,232
Interest Expense, in Net	19,500	18,000	1,500	19,091
Ordinary Income	45,000	48,000	3,000	48,771
Extraordinary Gains/Losses	10,000	15,000	5,000	20,337
Income before Income Taxes	35,000	33,000	2,000	28,434
Income Taxes	14,500	14,000	500	11,923
Net Income	20,500	19,000	1,500	16,511

【Revenues and Income from Operations】

- In leasing operations, revenue from commercial facilities is expected to be particularly affected by the sluggish economy. Revenues from office building will also decrease slightly. The gross margin, however, is projected to rise to 21.5% owing to reduced expenses related to building leases (rental fees, outsourcing costs, etc.).
- Revenue from sales of housing is expected to increase owing to an anticipated rise of 150 units. The gross margin is expected to grow slightly, to 17.5%, due to favorable market conditions.
- Revenue from sales of office building and land is forecast to decline ¥7.0 billion due to expected delays in the sale of major properties.
- Revenue and income from other operations are predicted to decline as a strong performances by non-asset businesses are influenced by difficult conditions for our Skidome, “SSAWS” and golf course operations.

【Ordinary Income and Extraordinary Income/Loss】

- The Company forecasts a ¥3 billion increase in ordinary income from the previous forecast. Although the net interest burden will be alleviated by ongoing low interest rates, the Company expects to incur expenses in the disposal of assets in the form of non-operating expenses.
- Net extraordinary expenses are expected to be ¥5.0 billion higher than the previous forecast, due to a predicted ¥3.0 billion loss on devaluation of investments in securities and a ¥2.0 billion loss on the sale of fixed assets.

[Interest-Bearing Debt]

- Cash outflows for investments in new projects are expected to be ¥21.0 billion. Further outflows of ¥210.0 million will be incurred in the introduction of a loan plan for subsidiaries. As a result, interest-bearing debt at fiscal year-end is projected to be ¥1.22 trillion, or ¥231.0 billion higher than the previous forecast. However, the ¥210.0 million in outflows due to the introduction of a loan plan for subsidiaries will not affect consolidated figures.

Accounts of Real Property for Sale (¥ million)

At March 31, 2001	New Investments	Cost Recovery	At March 31, 2002
394,040	245,000	250,000	389,040

Tangible and Intangible Fixed Assets (¥ million)

At March 31, 2001	New Investments	Depreciation	At March 31, 2002
879,937	40,000	24,500	895,437

Housing Units for Sale (¥ million)

	For The Year Ending March 31, 2002		Change
	Current Forecast	Previous Forecast	
Detached Housing	850	800	50
Condominiums	5,400	5,300	100
Total	6,250	6,100	150

Nonconsolidated Financial Statements

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥million)

	Six Months Ended September 30, 2001		Year Ended March 31, 2001		Change	
		% of Total Assets		% of Total Assets	Amount	Percentage
ASSETS:						
Current Assets:	505,197	25.5	511,951	25.8	6,753	1.3
Cash and Time Deposits	31,294		35,399		4,105	
Accounts Receivable	5,634		7,769		2,134	
Marketable Securities	-		-		-	
Real Property for Sale	124,967	6.3	133,568	6.7	8,600	6.4
Real Estate in Process	167,451	8.5	143,569	7.2	23,881	16.6
Land for Development	61,781	3.1	86,097	4.3	24,316	28.2
Expenditure on Contracts in Progress	1,833		852		981	
Advances Paid for Purchases	25,419		30,805		5,386	
Prepaid Expenses	3,676		2,822		853	
Short-Term Loans	8,751		369		8,382	
Other Receivables	8,927		9,405		478	
Treasury Stock	4		5		0	
Deferred Income Taxes	39,586		39,586		-	
Other Current Assets	26,264		21,869		4,394	
Allowance for Doubtful Accounts	394		170		224	
Fixed Assets:	1,472,267	74.5	1,475,357	74.2	3,089	0.2
Tangible Fixed Assets:	876,471	44.3	867,172	43.6	9,299	1.1
Buildings	310,169	15.7	315,953	15.9	5,784	1.8
Structures	10,275		9,323		951	
Machinery	2,422		2,433		10	
Transportation Equipment	132		143		10	
Tools, Furniture and Fixtures	4,018		4,076		58	
Land	512,839	25.9	506,414	25.5	6,424	1.3
Construction in Progress	31,822		24,104		7,717	
Other Tangible Assets	4,791		4,722		69	
Intangible Fixed Assets:	12,749	0.7	12,764	0.6	15	0.1
Leasehold Right	11,344		11,344		-	
Software	1,081		1,082		0	
Other Intangible Fixed Assets	323		337		14	
Investment and Other Assets:	583,046	29.5	595,420	30.0	12,373	2.1
Investment Securities	124,359		115,188		9,171	
Investments in Consolidated Subsidiaries and Affiliated Companies	169,394		169,478		83	
Investments	25,537		35,133		9,596	
Long-Term Loans	14,104		14,722		617	
Lease Deposits	224,596	11.4	233,519	11.8	8,922	3.8
Other Investments	28,487		29,735		1,247	
Allowance for Doubtful Accounts	3,433		2,357		1,076	
TOTAL ASSETS	1,977,465	100.0	1,987,308	100.0	9,843	0.5

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ million)

	Six Months Ended September 30, 2001		Year Ended March 31, 2001		Change	
		% of Total Assets		% of Total Assets	Amount	Percentage
LIABILITIES:						
Current Liabilities:	382,833	19.4	322,165	16.2	60,668	18.8
Accounts Payable	17,930		56,392		38,461	
Short-Term Debt	199,206	10.1	159,720	8.0	39,485	24.7
Commercial Paper	37,000		10,000		27,000	
Bond Redeemable Within One Year	20,000		-		20,000	
Other Payables	4,793		7,735		2,942	
Income Taxes Payable	9,263		-		9,263	
Accrued Expenses	7,734		8,445		710	
Advances Received	44,714		46,191		1,477	
Advances from Contracts in Progress	1,327		884		443	
Deposits	28,970		23,821		5,149	
Other Current Liabilities	11,892		8,973		2,919	
Fixed Liabilities:	1,167,071	59.0	1,246,365	62.7	79,293	6.4
Corporate Bonds	266,242	13.5	286,242	14.4	20,000	7.0
Long-Term Debt	512,462	25.9	552,742	27.8	40,280	7.3
Deposits from Tenants	312,125	15.8	324,444	16.3	12,318	3.8
Deferred Income Taxes	13,788		14,544		756	
Allowance for Employees' Retirement Benefits	6,935		6,098		836	
Allowance for Directors' Retirement Benefits	1,223		1,461		238	
Allowance for Possible Guarantee Losses	3,500		3,500		-	
Other Fixed Liabilities	50,795		57,332		6,537	
TOTAL LIABILITIES	1,549,905	78.4	1,568,530	78.9	18,624	1.2
SHAREHOLDERS' EQUITY:						
Common Stock	134,433	6.8	134,433	6.8	-	-
Statutory Reserve	218,381	11.0	218,081	11.0	300	0.1
Additional Paid-in Capital	204,693		204,693		-	
Legal Reserve	13,688		13,388		300	
Retained Earnings	75,143	3.8	65,618	3.3	9,525	14.5
Reserve for Substitute Assets	46,553		47,170		617	
Other Reserve	11,790		1,790		10,000	
Unappropriated Earnings	16,799		16,656		142	
Net Income/Loss	12,801		16,511		3,709	
Unrealized Gain/Loss on Securities	398		644		1,043	
TOTAL SHAREHOLDERS' EQUITY	427,559	21.6	418,778	21.1	8,781	2.1
TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY	1,977,465	100.0	1,987,308	100.0	9,843	0.5

NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ million)

	Six Months Ended September 30				Change	
	2001	% of Total Operating Revenue	2000	% of Total Operating Revenue	Amount	Percentage
Revenue from Operations	301,566	100.0	263,263	100.0	38,303	14.5
Sales of Housing, Office Building and Land	122,373	40.6	123,525	46.9	1,152	0.9
Sales of Office Building and Land	162,167	53.8	115,393	43.8	46,773	40.5
Other	17,026	5.6	24,343	9.3	7,317	30.1
Cost of Revenue from Operations	246,066		214,407		31,659	
Sales of Housing, Office Building and Land	94,425		97,419		2,994	
Sales of Office Building and Land	136,071		95,590		40,480	
Other	15,570		21,397		5,826	
Selling, General and Administrative Expenses	21,535		16,336		5,199	
Operating Income	33,964	11.3*	32,519	12.4*	1,444	4.4
Non-Operating Income/Expense	8,822		9,766		943	
Non-Operating Income:	2,647		2,823		176	
Interest Income	521		553		31	
Dividend Income	1,762		1,915		153	
Other Non-Operating Income	363		354		8	
Non-Operating Expenses:	11,469		12,589		1,120	
Interest Expenses	9,465		10,021		556	
Other Non-Operating Expenses	2,004		2,568		563	
Ordinary Income	25,142	8.3*	22,753	8.6*	2,388	10.5
Extraordinary Gains/Losses	3,077		13,674		16,752	
Extraordinary Gains:	-		62,696		62,696	
Gain on Sales of Shares of Affiliated Companies	-		46,000		46,000	
Gain on Sales of Investment Securities	-		12,064		12,064	
Gain on Establishment of Retirement Benefit Trust	-		4,073		4,073	
Gain on Sales of Fixed Assets	-		558		558	
Extraordinary Losses:	3,077		49,021		45,944	
Loss on Evaluation of Investment Securities	3,077		22,817		19,740	
Loss on Evaluation of Investment in Consolidated Subsidiaries and Affiliated Companies	-		14,634		14,634	
Loss on Restructuring of Subsidiaries	-		7,403		7,403	
Write-off of Differences Arising from Change in Accounting for Retirement Benefits	-		4,167		4,167	
Loss on Sales of Investment Securities	-		-		-	
Loss on Sales of Fixed Assets	-		-		-	
Loss on Sales of Shares of Subsidiaries	-		-		-	
Provision to Allowance for Possible Guarantee Losses	-		-		-	
Income before Income Taxes	22,064	7.3*	36,428	13.8*	14,363	39.4
Income Taxes	9,263		15,152		5,889	
Deferred Income Taxes	-		-		-	
Net Income	12,801	4.2*	21,276	8.1*	8,474	39.8
Earning Brought Forward from Previous Period	3,997		2,380		1,617	
Interim Dividends	-		-		-	
Transfer to Legal Reserve	-		-		-	
Unappropriated Earnings	16,799		23,656		6,856	

*Income Margin to Revenues