

November 24, 2000

NONCONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2000

Mitsui Fudosan Co., Ltd. is listed on the First Section of the Tokyo Stock Exchange, Osaka Securities Exchange and Sapporo Stock Exchange with the securities code number 8801. Mitsui Fudosan is headquartered in Tokyo, Japan.

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Semi-Annual Board of Directors' Meeting: November 24, 2000

Interim dividends: Yes Interim dividends payout date: December 12, 2000

This nonconsolidated financial report is based on Japanese-language materials prepared in accordance with Japanese accounting standards and Japanese law. The information presented below has not been audited. The English translation is of selected portions only, and is provided solely for the convenience of non-Japanese readers. Figures have been rounded off to eliminate amounts less than one million yen.

RESULTS FOR SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2000 (UNAUDITED)

(1) Operating Results

(Millions of yen)						
Six-Month Period Ended	Revenue from Operations	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Sept. 30, 2000	¥263,263	0.5%	¥32,519	51.6%	¥22,753	86.0%
Sept. 30, 1999	262,023	24.6	21,446	22.5	12,230	174.3
Fiscal year 1999	622,751		48,556		30,196	

(Millions of yen, except per share figures)			
Six-Month Period Ended	Net Income	Percentage Change	Net Income per Share (Yen)
Sept. 30, 2000	¥21,276	221.8%	¥26.18
Sept. 30, 1999	6,612	49.0	8.14
Fiscal year 1999	(63,153)		(77.72)

Notes: 1. Average number of shares

Six-month period ended Sept. 30, 2000: 812,560,001 shares

Six-month period ended Sept. 30, 1999: 812,560,001 shares

Fiscal year ended March 31, 2000: 812,560,001 shares

2. Changes in accounting policies: None

3. Percentages shown for revenue from operations, operating income, ordinary income and net income are the rate of increase or decrease from the six-month period of the previous fiscal year.

(2) Dividends

(Yen)

Six-Month Period Ended	Interim Dividends per Share	Annual Dividends per Share
Sept. 30, 2000	¥2.50	¥-
Sept. 30, 1999	2.50	-
Fiscal year 1999	-	5.00

(3) Financial Position

(Millions of yen, except per share figures)

	Total Assets	Shareholders' Equity	Equity Ratio (%)	Shareholders' Equity per Share of Common Stock (Yen)
Sept. 30, 2000	¥2,029,115	¥435,151	21.4%	¥535.53
Sept. 30, 1999	2,099,612	477,481	22.7	587.63
March 31, 2000	2,063,012	405,685	19.7	499.27

Note: 1. Number of shares outstanding
 Six-month period ended Sept. 30, 2000: 812,560,001 shares
 Six-month period ended Sept. 30, 1999: 812,560,001 shares
 Fiscal year ended March 31, 2000: 812,560,001 shares

FORECAST OF RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2001 (UNAUDITED)

(Millions of yen, except per share figures)

	Revenue from Operations	Ordinary Income	Net Income	Interim Dividends per Share (Yen)	Annual Dividends per Share (Yen)
Fiscal year 2000	¥590,000	¥47,000	¥18,500	¥2.50	¥5.00

Reference: Estimated net income per share for the year: Nonconsolidated: ¥22.77

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(Millions of yen)

	Sept. 30, 2000	% of Total Assets	March 31, 2000	% of Total Assets	Increase (Decrease)	% Change	Sept. 30, 1999	% of Total Assets
ASSETS								
Current assets:								
Cash and time deposits	¥35,119		¥35,850		¥(731)		¥35,056	
Accounts receivable—trade	11,301		23,960		(12,659)		5,865	
Marketable securities	100		93,416		(93,316)		93,381	
Real property for sale	124,444	6.1%	163,358	7.9%	(38,914)	(23.8)%	240,777	11.5%
Real estate in process	167,454	8.3%	140,965	6.8%	26,489	18.8%	177,825	8.5%
Land for development	74,386	3.7%	80,219	3.9%	(5,833)	(7.3)%	86,344	4.1%
Expenditure on contracts in progress	1,083		2,217		(1,133)		1,933	
Advances paid for purchases	29,452		26,468		2,983		46,781	
Prepaid expenses	3,435		3,044		391		3,718	
Short-term loans receivable	429		2,557		(2,128)		3,890	
Other receivables	4,823		11,904		(7,081)		7,321	
Treasury stock	4		6		(1)		3	
Deferred income taxes	59,124		59,124		—		9,409	
Other current assets	28,488		19,333		9,155		23,516	
Allowance for doubtful accounts	(338)		(135)		(203)		(9)	
Total current assets	539,311	26.6%	662,293	32.1%	(122,982)	(18.6)%	735,815	35.0%
Fixed assets:								
Tangible fixed assets:								
Buildings	323,337	15.9%	323,322	15.7%	14	0.0%	326,371	15.5%
Structures	7,429		7,213		215		7,637	
Machinery	2,360		2,393		(33)		2,558	
Transportation equipment	75		79		(3)		66	
Tools, furniture and fixtures	4,164		4,163		0		4,062	
Land	484,665	23.9%	480,580	23.3%	4,085	0.9%	474,802	22.6%
Construction in progress	36,706		34,504		2,201		21,957	
Total tangible fixed assets	858,738	42.3%	852,257	41.3%	6,480	0.8%	837,457	39.9%
Intangible fixed assets:								
Land lease rights	18,788		18,788		83		18,785	
Other intangible fixed assets	1,477		1,393		—		1,386	
Total intangible fixed assets	20,265	1.0%	20,181	1.0%	83	0.4%	20,172	1.0%
Investments and other assets:								
Investment securities	128,434		36,577		91,857		37,266	
Investments in unconsolidated subsidiaries and affiliated companies	162,236		177,041		(14,805)		142,664	
Investments	37,793		28,642		9,151		35,394	
Non-current loans	14,743		15,542		(799)		13,616	
Lease deposits	234,652	11.6%	245,205	11.9%	(10,553)	(4.3)%	252,014	12.0%
Other investments	42,516		26,219		16,297		26,102	
Allowance for doubtful accounts	(9,577)		(949)		(8,628)		(892)	
Total investments and other assets	610,799	30.1%	528,279	25.6%	82,520	15.6%	506,166	24.1%
Total fixed assets	1,489,803	73.4%	1,400,719	67.9%	89,084	6.4%	1,363,796	65.0%
Total assets	2,029,115	100.0%	2,063,012	100.0%	(33,897)	(1.6)%	2,099,612	100.0%

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NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(Millions of yen)

	Sept. 30, 2000	% of (A)	March 31, 2000	% of (A)	Increase (Decrease)	% Change	Sept. 30, 1999	% of (A)
LIABILITIES AND SHAREHOLDERS' EQUITY								
Current liabilities:								
Accounts payable—trade	¥29,540		¥65,351		¥(35,811)		¥31,996	
Short-term debt	158,003	7.8%	150,204	7.3%	7,799	5.2%	237,504	11.3%
Commercial paper	—		—		—		25,000	
Other payables	14,713		15,788		(1,075)		11,178	
Income taxes payable	15,152		—		15,152		4,670	
Accrued expenses	7,526		8,025		(499)		8,269	
Advances received	48,713		49,091		(377)		40,708	
Advances from contracts in progress	597		1,832		(1,235)		1,065	
Deposits	17,453		22,102		(4,648)		18,951	
Allowance for losses on debt guarantees	—		46,000		(46,000)		—	
Other current liabilities	12,705		12,238		467		15,884	
Total current liabilities	304,406	15.0%	370,636	18.0%	(66,229)	(17.9)%	395,227	18.8%
Long-term liabilities:								
Corporate debentures	286,242	14.1%	271,242	13.1%	15,000	5.5%	251,242	12.0%
Long-term debt	571,094	28.1%	576,446	27.9%	(5,352)	(0.9)%	530,298	25.3%
Deposits from tenants	330,647	16.3%	347,652	16.9%	(17,005)	(4.9)%	354,497	16.9%
Deferred income taxes	29,138		21,730		7,408		18,066	
Accrued employees' retirement allowances	—		6,486		(6,486)		6,073	
Accrued employees' retirement benefits	7,046		—		7,046		—	
Allowance for directors' bonuses	1,326		1,204		121		1,069	
Other liabilities and deferred credits	64,062		61,929		2,132		65,656	
Total long-term liabilities	1,289,556	63.6%	1,286,691	62.3%	2,865	0.2%	1,226,903	58.5%
Total liabilities	1,593,963	78.6%	1,657,327	80.3%	(63,364)	(3.8)%	1,622,130	77.3%
Shareholders' equity:								
Common stock	134,433	6.6%	134,433	6.5%	—	—	134,433	6.4%
Additional paid in capital	204,693	10.1%	204,693	9.9%	—	—	204,693	9.7%
Retained earnings	13,185	0.6%	12,975	0.7%	210	1.6%	12,772	0.6%
Other retained earnings:								
Reserve for substitute assets	47,170		47,851		(680)		47,851	
General reserve	1,790		68,790		(67,000)		68,790	
Unappropriated earnings	23,656		(63,058)		86,715		8,941	
(Net income for the period)	21,276		(63,153)		84,429		6,612	
Total other retained earnings	72,618	3.6%	53,583	2.6%	19,034	35.5%	125,583	6.0%
Other investment securities evaluation adjustments	10,221	0.5%	—	—	10,221	—	—	—
Total shareholders' equity	435,151	21.4%	405,685	19.7%	29,466	7.3%	477,481	22.7%
Total liabilities and shareholders' equity: (A)	2,029,115	100.0%	2,063,012	100.0%	(33,897)	(1.6)%	2,099,612	100.0%

NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	(Millions of yen)							
	Sept. 30, 2000	% of (A)	Sept. 30, 1999	% of (A)	Increase (Decrease)	% Change	March 31, 2000	% of (A)
Revenue from operations (A):								
Revenue from leasing operations	¥123,525	46.9%	¥124,258	47.4%	¥(733)	(0.6)%	¥248,716	39.9%
Revenue from sales operations	115,393	43.8%	120,278	45.9%	(4,884)	(4.1)%	335,490	53.9%
Revenue from other operations	24,343	9.3%	17,486	6.7%	6,857	39.2%	38,544	6.2%
Total revenue from operations	263,263	100.0%	262,023	100.0%	1,239	0.5%	622,751	100.0%
Cost of revenue from operations:								
Expenses from leasing operations	97,419		100,578		(3,159)		200,643	
Cost of revenue from sales operations	95,590		107,295		(11,704)		299,934	
Cost of revenue from other operations	21,397		16,343		5,053		32,464	
Total cost of revenue from operations	214,407		224,217		(9,809)		533,042	
Selling, general and administrative expenses	16,336		16,359		(23)		41,152	
Operating income	32,519	*12.4%	21,446	*8.2%	11,072	51.6%	48,556	*7.8%
Non-operating income:								
Interest income	553		379		173		721	
Dividend income	1,915		1,911		3		3,178	
Other income	354		629		(275)		1,672	
Total non-operating income	2,823		2,921		(97)		5,572	
Non-operating expenses:								
Interest expenses	10,021		10,704		(683)		20,833	
Other expenses	2,568		1,432		1,135		3,100	
Total non-operating expenses	12,589		12,137		452		23,933	
Net non-operating income (expenses)	(9,766)		(9,216)		(549)		(18,360)	
Ordinary income (loss)	22,753	*8.6%	12,230	*4.7%	10,523	86.0%	30,196	*4.8%
Extraordinary gains:								
Gain on sale of shares of affiliated companies	46,000		—		46,000		—	
Gain on sale of investment and marketable securities	12,064		—		12,064		—	
Gain on establishment of employee retirement trust	4,073		—		4,073		—	
Gain on sale of fixed assets	558		—		558		3,841	
Total extraordinary gains	62,696		—		62,696		3,841	

FORWARD

NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	(Millions of yen)							
	Sept. 30, 2000	% of (A)	Sept. 30, 1999	% of (A)	Increase (Decrease)	% Change	March 31, 2000	% of (A)
Extraordinary losses:								
Provision to allowance for directors' retirement bonuses	¥—		¥948		¥(948)		¥948	
Loss on evaluation of investment and marketable securities	22,817		—		22,817		—	
Loss on evaluation of shares and investment in capital of affiliated companies	14,634		—		14,634		—	
Loss on liquidation of subsidiary	7,403		—		7,403		—	
Write-off of difference arising from change in accounting for retirement benefits	4,167		—		4,167		—	
Loss on evaluation of real estate held for sale	—		—		—		91,154	
Provision to allowance for loss on debt guarantees	—		—		—		46,000	
Loss on disposal of fixed assets	—		—		—		4,183	
Prior service expenses for qualified pension plan	—		—		—		915	
Total extraordinary losses	49,021		948		48,073		143,201	
Net extraordinary income (expense)	13,674		(948)		14,622		(139,360)	
Income (loss) before income taxes	36,428	*13.8%	11,282	*4.3%	25,146	222.9%	(109,164)	*(17.5)%
Income taxes	15,152		4,670		10,482		40	
Income tax adjustments	—		—		—		(46,051)	
Net income (loss)	21,276	*8.1%	6,612	*2.5%	14,664	221.8%	(63,153)	*(10.1)%
Earnings brought forward from previous period	2,380		2,328		51		2,328	
Dividends	—		—		—		2,031	
Earned surplus reserve	—		—		—		203	
Unappropriated earnings	23,656		8,941		14,715		(63,058)	

Note: Percentages with an asterisk (*) show ratio of profit to revenues from operations.