

May 24, 2000

To Whom It May Concern

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Announcing Mitsui Fudosan's Financial Assistance for Its Subsidiary

Mitsui Fudosan's board of directors decided in a meeting on May 24, 2000 to offer financial assistance to our 100% owned subsidiary Mitsui Harbour and Urban Construction Co., Ltd.

1. Details of the assistance

(1) Subsidiary

Name: Mitsui Harbour and Urban Construction Co., Ltd.

Address: 3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo

Capital: ¥ 4,000 million

(2) Why and how the assistance is to be offered

Mitsui Harbor and Urban Construction Co., Ltd. (MHUC) is a general contractor specializing in civil works. The company had incurred large unrealized losses in real properties due to the deterioration of market conditions. The real properties had been obtained by MHUC through its subsidiaries and other related institutions, following its entry into property development business.

The MHUC board of directors, in a meeting on May 24, 2000, decided on the dissolution of San-ei Urban Development Co., Ltd., a 100% MHUC owned subsidiary and property development firm (Head office: Koto-ku, Tokyo, Capital: ¥ 3,000 million); Tsumagoi Leisure Development Co., Ltd. (Head office: Tsumagoi-mura, Agatsuma-gun, Gunma Prefecture, Capital: ¥ 50 million); and Kinu Resort Co. Ltd. (Head office: Chuo-ku, Tokyo, Capital: ¥ 10 million)

The financial assistance amounting to ¥ 46,400 million will be extended to MHUC, in order to avoid further deterioration of its management, which is likely to occur due to the resolution losses incurred by the dissolution of the three MHUC subsidiaries and unrealized losses of real estate owned by MHUC, as well as to implement the reconstruction plans for MHUC.

(3) Effect on profit and loss of Mitsui Fudosan Co., Ltd.

Mitsui Fudosan Co., Ltd incurs a loss of ¥46,400 million as a result of this financial assistance. Of the total amount, ¥ 46,000 million will be deducted from the loss provision for our guarantees of obligations for MHUC reported in the fiscal year ended March 2000, and the remaining ¥ 400 million will be reported as loss in the fiscal year ending in March 2001.