

April 30, 2003

FACT BOOK

For the year ended March 31, 2003



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Corporate Data

Mitsui Fudosan Co., Ltd.

Head Office:

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

Date of Establishment:

July 15, 1941

Share Capital:

¥134,433 million

Number of Issued and Outstanding Shares:

823,390,384

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 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 Financial Highlights (Unaudited)

For the Year Ended March 31, 2003

CONSOLIDATED RESULTS

(¥ millions)	Year to 3/03	Year to 3/02	YoY change	
			Amount	% change
Revenue from operations	1,082,397	1,152,483	(70,085)	(6.1)
Operating income	103,295	102,950	345	0.3
Ordinary income	76,514	72,800	3,714	5.1
Net income	25,553	29,806	(4,253)	(14.3)

- In the year under review, consolidated revenue from operations amounted to ¥1,082 billion, down ¥70 billion from the previous year. The decline stemmed mainly from the exclusion of Mitsui Harbour and Urban Construction from the scope of consolidation. (That company reported operating revenues of ¥69.6 billion in the previous fiscal year.)
- Operating income edged up slightly, to ¥103.2 billion. Ordinary gain rose ¥3.7 billion, to ¥76.5 billion, owing to an improved net interest burden.
- The Company posted total extraordinary income of ¥4.8 billion, including a gain on the sale of its stake in Celestine Shiba Mitsui Building. Total extraordinary losses were ¥37.2 billion and included a ¥20.2 billion devaluation loss on the Company's holdings of listed shares, as well as a disposal loss due to the demolition of the Mitsui East No. 3 Wing and Ginza Mitsui Building. As a result, net income for the year declined ¥4.2 billion, to ¥25.5 billion.
- **Leasing:** This segment posted a ¥5.1 billion fall in operating income. The segment's results were affected profoundly by the demolition of the Mitsui East No. 3 Wing, located in within the site of the Muromachi Mitsui New Building Project, and the Ginza Mitsui Building (former Ginza Daiichi Hotel). (This result closely reflected the Company's projection for the leasing segment, made at the most recent interim results announcement.) As of March 31, 2003, the vacancy rate of Tokyo Metropolitan Area office buildings leased by the Company was 5.4%. This figure partly reflected the fact that some contracted tenants of Shiodome City Center and Jimbocho Mitsui Building—both completed early in calendar 2003—had not yet moved in when the vacancy rate was calculated. The vacancy rate of existing buildings, excluding three large-scale projects completed in the latter half of the fiscal year (Shiodome City Center, Jimbocho Mitsui Building, and Garden Air Tower), was 4.0%, compared with 2.4% a year earlier and 3.6% on September 30, 2002.
- **Sales of housing, office buildings and land:** Operating income in this segment rose ¥5.9 billion. Both revenues and earnings from housing sales declined due to a lower number of units sold. However, the segment benefited from strong sales to investors of properties developed by the Company—office buildings, commercial facilities and condominiums for rental purposes—as well as solid sales of commercial properties by U.S. subsidiaries of Mitsui Real Estate Sales.
- **Construction:** Segment revenues declined ¥54.1 billion due to the exclusion of Mitsui Harbour and Urban Construction from the scope of consolidation, but operating income improved ¥5.5 billion thanks to the return to profitability of the Mitsui Home Group, which posted a year-on-year earnings improvement of ¥6.6 billion.
- **Brokerage, consignment sales and consulting:** Operating income in this segment slipped ¥6.5 billion due to a lower number of large-scale projects.
- Property management: Segment revenues and earnings were up slightly.
- The Group forecasts gains in revenues and earnings in the fiscal year ending March 31, 2004, as summarized below.

(¥ millions)	Year to 3/04	Year to 3/03	YoY change
	(Forecast)	(Actual)	Amount
Revenue from operations	1,120,000	1,082,397	37,603
Operating income	104,000	103,295	705
Ordinary income	78,000	76,514	1,486
Net income	45,000	25,553	19,447

CONSOLIDATED FINANCIAL SUMMARY

(¥ million)

Operating Results:	Year Ended March 31, 2003	Year Ended March 31, 2002	Change
Revenue from Operations	¥1,082,397	¥1,152,483	(70,085)
Operating Income	103,295	102,950	345
Income before Income Taxes	44,212	43,369	843
Net Income	25,553	29,806	(4,253)
Financial Position:	March 31, 2003	March 31, 2002	Change
Total Assets	¥2,929,069	¥3,028,969	(99,899)
Interest-Bearing Debt	1,397,211	1,460,526	(63,314)
Shareholders' Equity	628,434	609,536	18,897
Cash Flows:	Year Ended March 31, 2003	Year Ended March 31, 2002	Change
Cash Flows from Operating Activities	¥118,484	¥142,121	(23,636)
Cash Flows from Investing Activities	(60,751)	(81,658)	20,906
Cash Flows from Financing Activities	(59,897)	(103,298)	43,401
Cash and Cash Equivalents at End of Period	114,831	117,558	(2,727)

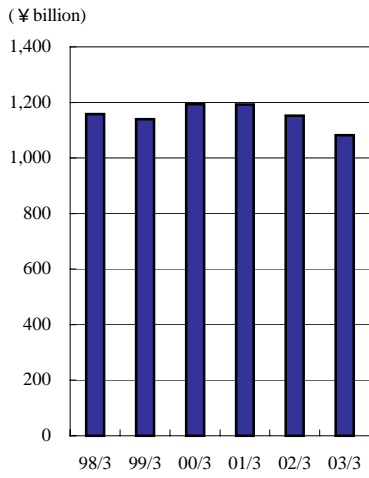
SEGMENT INFORMATION

(¥ million)

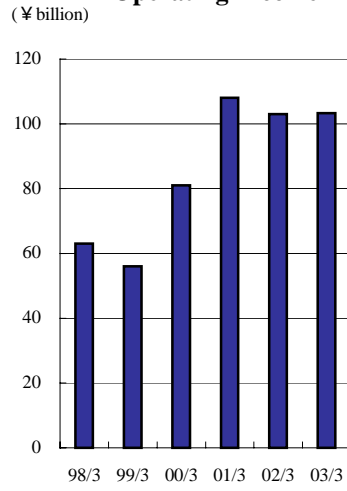
	Year Ended March 31, 2003	Year Ended March 31, 2002	Change
Leasing			
Revenue from Operations	329,671	331,501	(1,830)
Operating Income	66,563	71,718	(5,155)
Sales of Housing, Office Buildings and Land			
Revenue from Operations	335,341	336,641	(1,300)
Operating Income	32,589	26,668	5,920
Construction			
Revenue from Operations	183,090	237,243	(54,152)
Operating Income	326	(5,228)	5,554
Brokerage, Consignment Sales and Consulting			
Revenue from Operations	46,503	45,742	761
Operating Income	10,997	17,541	(6,544)
Property Management			
Revenue from Operations	69,589	67,916	1,672
Operating Income	7,713	7,665	48
Sales of Housing Materials and Merchandise			
Revenue from Operations	65,682	71,577	(5,895)
Operating Income	104	1,342	(1,238)
Facility Operations			
Revenue from Operations	40,880	44,967	(4,087)
Operating Income	(3,356)	(4,271)	915
Other			
Revenue from Operations	11,639	16,893	(5,253)
Operating Income	2,534	858	1,676

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.

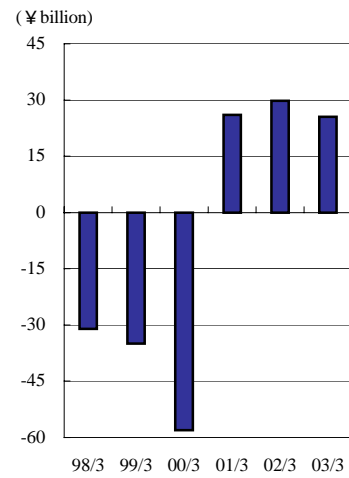
Revenue from Operations



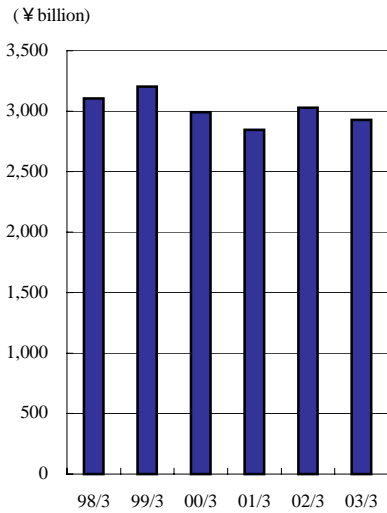
Operating Income



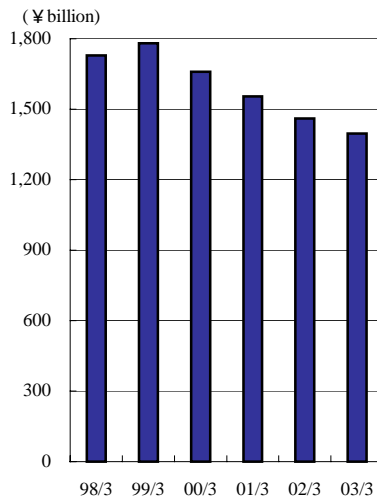
Net Income



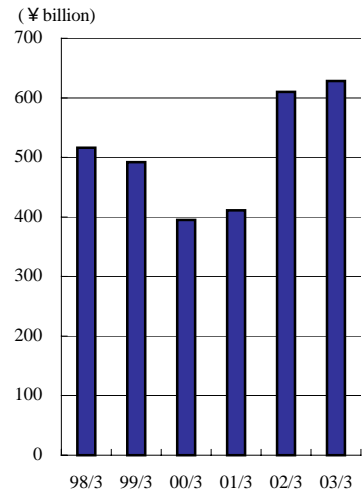
Total Assets



Interest-Bearing Debt



Shareholders' Equity



Consolidated Business Overview

RESULTS OF OPERATIONS

	Year Ended March 31		(¥ million)
	2003	2002	Change Amount
Revenue from Operations	1,082,397	1,152,483	(70,085)
Leasing	329,671	331,501	(1,830)
Sales of Housing, Office Buildings and Land	335,341	336,641	(1,300)
Construction	183,090	237,243	(54,152)
Brokerage, Consignment Sales and Consulting	46,503	45,742	761
Property Management	69,589	67,916	1,672
Sales of Housing Materials and Merchandise	65,682	71,577	(5,895)
Facility Operations	40,880	44,967	(4,087)
Other	11,639	16,893	(5,253)
Operating Income	103,295	102,950	345
Leasing	66,563	71,718	(5,155)
Sales of Housing, Office Buildings and Land	32,589	26,668	5,920
Construction	326	(5,228)	5,554
Brokerage, Consignment Sales and Consulting	10,997	17,541	(6,544)
Property Management	7,713	7,665	48
Sales of Housing Materials and Merchandise	104	1,342	(1,238)
Facility Operations	(3,356)	(4,271)	915
Other	2,534	858	1,676
Elimination	(14,178)	(13,345)	(832)
Non-Operating Income/Expenses	(26,780)	(30,150)	3,369
Equity in Net Income/Loss of Affiliated Companies	2,904	3,300	(396)
Interest Expense, in Net	(25,241)	(29,719)	4,478
Other	(4,443)	(3,731)	(712)
Ordinary Income	76,514	72,800	3,714
Extraordinary Gains/Losses	(32,302)	(29,430)	(2,871)
Extraordinary Gains	4,898	28,677	(23,778)
Extraordinary Losses	37,200	58,108	(20,907)
Income before Income Taxes	44,212	43,369	843
Income Taxes	18,335	15,714	2,621
Minority Interests	323	(2,151)	2,475
Net Income	25,553	29,806	(4,253)

[Revenue from Operations]

- Revenue from operations declined ¥70.0 billion. This stemmed from the transfer at the previous fiscal year-end of Mitsui Harbour and Urban Construction, formerly a wholly owned subsidiary, to the Mirai Group, leading to a ¥54.1 billion fall in revenues in the construction segment. (Mitsui Harbour and Urban Construction posted revenues from operations of ¥69.6 billion in the previous fiscal year.)

[Operating Income]

- Operating income rose ¥0.3 billion, to ¥103.2 billion. This owed mainly to increased earnings from sales of housing, office buildings and land, stemming from higher sales of newly developed office buildings, commercial facilities, and rental condominiums to investors. Another contributing factor was the return to profitability of the construction segment thanks to management reforms at Mitsui Home. Negatively affecting earnings were lower income in the leasing segment due to demolition of existing buildings in order to construct new buildings, as well as lower income from, brokerage, consignment sales, and consulting segment due to lack of fee income related to large-scale projects.

[Ordinary Income]

- Ordinary income increased ¥3.7 billion as the Company slashed interest-bearing debt and reduced interest outgoings via consolidated fund-raising. (The net interest burden—interest income minus interest expense—was down ¥4.4 billion.)

[Extraordinary Gains/Losses]

- The Group reported extraordinary gain of ¥4.8 billion, due partly to a gain on the sales of its stake in the Celestine Shiba Mitsui Building. Total extraordinary losses amounted to ¥37.2 billion, including a ¥20.2 billion loss on valuation of investment securities and a loss on disposal of fixed assets associated with the demolition of Mitsui East No. 3 Wing and Ginza Mitsui Building (real property for sale).
As a result, net income slipped ¥4.2 billion, to ¥25.5 billion.

Extraordinary gains

Gain on sales of fixed assets	¥3.6 billion	Mainly from sale of stake in Celestine Shiba Mitsui Building, KDDI Fuchu Building, etc.
Gain on sales of investment securities	¥0.5 billion	From sale of listed securities, etc.
Other	¥0.6 billion	

Extraordinary losses

Loss on evaluation of investment securities	¥20.2 billion	Due to decline in market values of listed securities, etc.
Loss on disposal of fixed assets	¥5.4 billion	Due to disposal of Mitsui East No. 3 Wing, refurbishment of Lalaport Funabashi, etc.
Losses associated with housing sale business	¥2.3 billion	Due to ongoing reassessment and restructuring of condominium business in Kobe
Provision to allowance for doubtful accounts	¥1.9 billion	Mitsui Fudosan Loan Guarantee, etc.
Loss on demolition of property for sale	¥1.5 billion	Due to demolition of Ginza Mitsui Building, former Ginza Daiichi Hotel, etc.
Loss on sales of fixed assets	¥1.4 billion	Chiba Shopping Center, etc.
Loss on liquidation of affiliates	¥0.4 billion	Due to liquidation of affiliates of Mitsui Home
Other	¥3.5 billion	

[Segments Results]

Revenue figures for all segments refer to sales to outside customers only.

[1] LEASING

Revenue from operations: ¥329,671 million (down ¥1,830 million, or 0.6%)
Operating income: ¥66,563 million (down ¥5,155 million, or 7.2%)

- Both revenue and operating income from leasing operations declined. The segment was affected significantly by the demolition of the Mitsui East No. 3 Wing located within the Muromachi Mitsui New Building Project site and Ginza Mitsui Building (formerly the Ginza Daiichi Hotel), as well as a slight increase in vacancy levels in existing buildings. On the positive side, we reported higher revenue and earnings from buildings listed further below (both newly on-stream and those making full-year contributions).

- In inner-city office building market continued to struggle amid prolonged economic recession. While this caused vacancies to rise slightly, large-scale inner-city buildings completed during the term performed solidly, since most of the tenants of those buildings have already been secured.
- The residential leasing (centering on Mitsui Fudosan Housing Lease) and the car-park leasing businesses (Mitsui Real Estate Sales) both secured strong orders, with revenues rising accordingly.

<Vacancy Rates (March 31, 2003)>

Consolidated (including overseas):

6.0% for office buildings and commercial facilities (4.1% on March 31, 2002, and 5.2% on September 30, 2002)

Non-consolidated:

5.4% for office buildings in Tokyo Metropolitan Area (2.4% on March 31, 2002, and 3.6% on September 30, 2002)

Note: Shiodome City Center and Jimbocho Mitsui Building had vacancies on March 31, 2003, because some contracted tenants were not scheduled to move in until April or later. With the exception of three large-scale office buildings completed in the second half of the year under review—Shiodome City Center, Garden Air Tower, and Jimbocho Mitsui Building—the non-consolidated vacancy rate for office buildings in the Tokyo Metropolitan Area was 4.0%.

<Major Projects>

(Newly On-Stream)

Celestine Shiba Mitsui Building (Minato-ku, Tokyo):	Office building completed in April 2002
Nakanoshima Mitsui Building (Kita-ku, Osaka):	Office building completed in August 2002
Shiodome City Center (Minato-ku, Tokyo):	Office building completed in January 2003
Garden Air Tower (Chiyoda-ku, Tokyo):	Office building completed in February 2003
Jimbocho Mitsui Building (Chiyoda-ku, Tokyo):	Office building completed in March 2003

(Full-Year Contribution)

Lalaport West (Funabashi City, Chiba Prefecture):	Commercial facility purchased in May 2001
Jazz Dream Nagashima (Mie Prefecture):	Commercial facility (outlet mall) that became operational in March 2002
Alca Kit Kinshicho (Sumida-ku, Tokyo):	Commercial facility that became operational in March 2002

(Demolished)

Mitsui East No. 3 Wing (Chuo-ku, Tokyo)
Ginza Mitsui Building (Chuo-ku, Tokyo)

(a) Leasing

		Year Ended March 31	
		2003	2002
Office Buildings and Commercial Facilities	Revenue (¥ million)	259,029	264,479
	Leased Floor space (m ²):		
	Owned	1,839,819	1,900,141
	Managed	1,404,963	1,326,281
	Total	3,244,782	3,226,422
Residentials	Revenue (¥ million)	46,730	44,601
	Units:		
	Owned	373	365
	Managed	34,017	31,832
	Total	34,390	32,197
Other	Revenue (¥ million)	23,911	22,419
TOTAL	Revenue(¥ million)	329,671	331,501

(b)Total Floor Space (Nonconsolidated)

	Year Ended March 31					
	2003			2002		
	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	123	2,342	47.8	126	2,297	49.5
Managed	198	2,557	52.2	198	2,339	50.5
Total	321	4,899	100.0	324	4,637	100.0

Newly on-stream: 8 units

Full-year contribution: 7 units

Sold, sublease-terminated and demolished buildings: 11 units

(c)Vacancy Rate (Nonconsolidated)

	03/3	02/9	02/3	01/9	01/3	00/9
Vacancy Rate of Tokyo Metropolitan Area Office Buildings at End of Term	5.4	3.6	2.4	1.7	1.7	2.1

(d)Breakdown of Leasing Operations (Nonconsolidated)

		Total		Tokyo Metropolitan Area		Regional Areas	
		Year Ended March 31		Year Ended March 31		Year Ended March 31	
		2003	2002	2003	2002	2003	2002
Office Buildings	Number of Buildings	276	278	233	235	43	43
	Leased Floor Space (1,000m ²)	2,120	2,033	1,821	1,753	299	279
	Leasing Revenue (¥ million)	198,843	202,207	178,621	181,430	20,221	20,776
	Vacancy Rate (%) *1	6.4	3.4	5.4	2.4	12.1	9.2
Commercial Facilities	Number of Buildings	43	43	29	29	14	14
	Leased Floor Space (1,000m ²)	751	775	501	502	250	273
	Leasing Revenue (¥ million)	36,935	34,657	22,943	20,899	13,991	13,758
	Vacancy Rate (%) *2	6.6	6.6	1.0	1.0	16.1	15.3

*1: Excluding three large-scale projects completed in the latter half of fiscal year, the year-end vacancy rate for the Tokyo Metropolitan Area was 4.0%, and the total was 5.3%.

*2 Excluding AMSquare (shopping center, Mie Prefecture), which is temporarily closed, the regional vacancy rate was 0.2%, and the total was 0.7%.

[2] SALES OF HOUSING, OFFICE BUILDINGS AND LAND

Revenue from operations: ¥335,341 million (down ¥1,300 million, or 0.4%)

Operating income: ¥32,589 million (up ¥5,920 million, or 22.2%)

- Sales of housing declined due to a lower number of units sold. During the year, the Group sold a total of 6,039 units (condominiums and detached houses), 226 less than the previous year. Completed inventories increased during the year, especially in regional and suburban areas. The parent company had 605 in completed inventories at fiscal year-end (485 condominiums and 120 detached houses), up from 220 a year earlier.
- In the year under review, the Group expanded its business in selling newly developed office buildings, commercial facilities and rental condominiums to investors. This led to significant revenue and earnings gains in the “Other” category of this segment, thus contributing to increased income for the segment itself.

(a) Housing Sales

	Year Ended March 31					
	2003			2002		
	Units	Revenue (¥ million)	Unit Price (¥10 thousand)	Units	Revenue (¥million)	Unit Price (¥10 thousand)
Detached Housing						
Tokyo Metropolitan Area	709	39,871	5,623	697	38,118	5,468
Other	212	7,112	3,354	203	8,167	4,023
Total	921	46,983	5,101	900	46,285	5,142
Condominiums						
Tokyo Metropolitan Area	3,514	177,225	5,043	3,583	183,649	5,125
Other	1,604	51,416	3,205	1,782	59,481	3,337
Total	5,118	228,641	4,467	5,365	243,131	4,531
Total Housing Sales						
Tokyo Metropolitan Area	4,223	217,097	5,140	4,280	221,767	5,181
Other	1,816	58,528	3,222	1,985	67,649	3,408
Total	6,039	275,625	4,564	6,265	289,416	4,619

(b) Other Sales Revenue

	Year Ended March 31	
	2003	2002
	Revenue (¥ million)	Revenue (¥ million)
Land	28,582	26,122
Buildings	31,132	21,102
TOTAL	59,715	47,224

(c) Reported Housing Units (Nonconsolidated)

	Year Ended March 31				Change	
	2003		2002		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	894	5,148	871	5,184	23	(36)
Condominiums	5,118	4,467	5,333	4,518	(215)	(51)
Total	6,012	4,569	6,204	4,612	(192)	(43)

(d) Completed Housing Inventories (Nonconsolidated)

	(Units)					
	03/3	02/9	02/3	01/9	01/3	00/9
Detached Housing	120	90	45	55	70	25
Condominiums	485	130	175	190	140	85
Total	605	220	220	245	210	110

(e) Housing Contracts for Sale (Nonconsolidated)

	(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	131	861	992	894	98	936
Condominiums	4,098	3,777	7,875	5,118	2,757	4,272
Total	4,229	4,638	8,867	6,012	2,855	5,208

[3] CONSTRUCTION

Revenue from operations: ¥183,090 million (down ¥54,152 million, or 22.8%)
 Operating loss: ¥326 million (improvement of ¥5,554 million)

- The revenue decline stemmed from the transfer at the previous fiscal year-end of all outstanding shares of Mitsui Harbour and Urban Construction (general contractor involved mainly in civil engineering), formerly a 100% subsidiary, to Nitto Daito Kogyo (now Mirai Group). As a result, Mitsui Harbour and Urban Construction was excluded from the scope of consolidation.
- In the previous year, this segment posted a major operating loss of ¥5.2 billion due to a decline in orders generated by Mitsui Home. The segment returned to profitability in the year under review, however, as various structural management reforms at Mitsui Home began to bear fruit.

(a) Orders, Order Backlogs and Project Completions (¥ million)

	Year Ended March 31			
	2003	2002		
	Building Construction	Building Construction	Civil Engineering	Total
Orders:				
Work-on-Hand at Beginning of Period	90,701	96,007	53,916	149,923
Orders during Period	149,041	139,102	54,021	193,124
Total	239,742	235,109	107,938	343,048
Project Completions	148,798	140,811	62,093	202,905
Work-on-Hand at End of Period	90,943	94,298	45,844	140,142

(b) Projects (¥ million)

	Year Ended March 31			
	2003	2002		
	Building Construction	Building Construction	Civil Engineering	Total
Project Completions:	148,798	140,811	62,093	202,905
Work-on-Hand at End of Period				
Total	90,943	94,298	45,844	140,142
Work in progress	12,993	14,603	9,646	24,249
As a percentage of Work-on-Hand at End of Period	14.3%	15.5%	21.0%	17.3%
Projects during Period	147,407	143,412	62,268	205,680

[4] BROKERAGE, CONSIGNMENT SALES AND CONSULTING

Revenue from operations: ¥46,503 million (up ¥761 million, or 1.7%)
 Operating income: ¥10,997 million (down ¥6,544 million, or 37.3%)

- In the consulting category, handled mainly by the parent company and Mitsui Fudosan Investment Advisors, revenues declined as the Group failed to attract fees from large-scale projects as lucrative as those obtained when Nippon Building Fund was launched and listed in the previous fiscal year. Both the brokerage and consignment sales categories reported higher revenues owing to a segment realignment following the conversion of Mitsui Real Estate Sales into a wholly owned subsidiary.
- Operating income in this segment declined, due to lower earnings in the consulting category (caused by lower revenues) and the effects of the segment realignment to accommodate Mitsui Real Estate Sales.

(¥ million)

	Year Ended March 31			
	2003		2002	
	Units	Revenue	Units	Revenue
Brokerage	24,885	29,405	24,121	28,580
Consignment Sales	7,682	10,577	6,845	8,075
Consulting	-	6,520	-	9,086
TOTAL	-	46,503	-	45,742

[5] PROPERTY MANAGEMENT

Revenue from operations: ¥69,589 million (up ¥1,672 million, or 2.5%)
 Operating income: ¥7,713 million (up ¥48 million, or 0.6%)

- Revenue and operating income from both property management and tenant improvement were up. This segment benefited from a number of new office buildings, developed by the Company on behalf of investors and owners, coming on stream.

(¥ million)

	Year Ended March 31	
	2003	2002
	Revenue	Revenue
Property Management	47,241	46,403
Tenant Improvement	22,347	21,512
TOTAL	69,589	67,916

[6] SALES OF HOUSING MATERIALS AND MERCHANDISE

Revenue from operations: ¥65,682 million (down ¥5,895 million, or 8.2%)
 Operating income: ¥104 million (down ¥1,238 million, or 92.2%)

- Both revenues and income in this segment declined due to economic stagnation and the Company's "select and focus" strategy, which underscored the sale of the supermarket operations of Uni Living (100% subsidiary), withdrawal from the seed wholesaling business of Daiichi Engei and the sale of a subsidiary selling accessories and interior goods.

(¥ million)

	Year Ended March 31	
	2003	2002
	Revenue	Revenue
Housing Materials	21,335	20,953
Merchandise	44,346	50,624
TOTAL	65,682	71,577

[7] FACILITY OPERATIONS

Revenue from operations: ¥40,880 million (down ¥4,087 million, or 9.1%)
Operating loss: ¥3,356 million (improvement of ¥915 million)

- Revenues from the domestic hotel business declined due to the weak economy. Revenues from the Hawaii hotel business fell due to exchange rate factors and the effects of the September 11 terrorist attacks in the United States. The closure of Skidome “SSAWS” and the Kashiwa Golf Club also negatively affected segment revenues.
- Although earnings from hotel operations were down due to the fall in revenues, the segment benefited from a lower depreciation expense following the closure of Skidome “SSAWS.” Overall profitability of the segment improved as a result.

(¥ million)

	Year Ended March 31	
	2003	2002
	Revenue	Revenue
Hotels	25,664	28,658
Other	15,215	16,309
TOTAL	40,880	44,967

[8] OTHER

Revenue from operations: ¥11,639 million (down ¥5,253 million, or 31.1%)
Operating income: ¥2,534 million (up ¥1,676 million, or 195.4%)

(¥ million)

	Year Ended March 31	
	2003	2002
	Revenue	Revenue
Finance and Lease	2,028	3,925
Other	9,610	12,967
TOTAL	11,639	16,893

ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY

(¥ million)

ASSETS	March 31, 2003	March 31, 2002	Change
Cash and Time Deposits	115,157	119,225	(4,067)
Marketable Securities	189	149	39
Real Property for Sale*	408,994	459,840	(50,845)
Tangible & Intangible Fixed Assets	1,687,115	1,698,841	(11,725)
Investment Securities	202,234	206,910	(4,676)
Short-Term & Long-Term Loans	43,159	57,837	(14,677)
Lease Deposits	216,490	224,543	(8,053)
Deferred Income Taxes	52,388	56,100	(3,712)
Deferred Income Taxes - Revaluation	35,958	37,191	(1,233)
Other Assets	167,380	168,327	(947)
TOTAL ASSETS	2,929,069	3,028,969	(99,899)

*Real Property for Sale includes Advances Paid for Purchases.

LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY	March 31, 2003	March 31, 2002	Change
Interest-Bearing Debt	1,397,211	1,460,526	(63,314)
Deposits from Tenants	307,785	327,359	(19,574)
Deferred Income Taxes	22,603	15,056	7,547
Deferred Income Taxes - Revaluation	156,437	160,925	(4,487)
Other Liabilities	399,411	435,373	(35,961)
TOTAL LIABILITIES	2,283,450	2,399,240	(115,790)
MINORITY INTEREST	17,185	20,192	(3,006)
SHAREHOLDERS' EQUITY			
Common Stock	134,433	134,433	-
Additional Paid-in Capital	205,823	204,693	1,129
Retained Earnings	155,390	137,026	18,364
Surplus from Land Revaluation	162,289	156,404	5,884
Unrealized Gains/Losses on Securities	(3,452)	(2,905)	(547)
Foreign Currency Translation Adjustment	(25,010)	(20,013)	(4,996)
Treasury Stock	(1,039)	(102)	(936)
TOTAL SHAREHOLDERS' EQUITY	628,434	609,536	18,897
TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY	2,929,069	3,028,969	(99,899)

[Real Property for Sale]

Real property for sale declined ¥50.8 billion as the parent company sold residential and commercial properties to recover costs. U.S. subsidiaries of Mitsui Real Estate Sales sold commercial properties, also to recover costs. Other factors included the disposal of the Ginza Mitsui Building.

(a) Real Property for Sale (including Advances Paid for Purchases)

(¥ million)

	March 31, 2003	March 31, 2002	Change
Mitsui Fudosan	367,700	412,600	(44,900)
Mitsui Real Estate Sales	7,314	9,223	(1,908)
Mitsui Fudosan America	613	1,438	(825)
Other and Elimination	33,366	36,577	(3,211)
Consolidated Total	408,994	459,840	(50,845)

(b)Accounts of Real Property for Sale (Nonconsolidated) (¥ million)

March 31, 2002	New Investments	Cost Recovery	Others	March 31, 2003
412,600	214,932	(256,128)	(3,703)	367,700

Note: The above figures refer to the sum of the real estate in progress account, land for development and advances related to real property for sale of the parent company.

New investments in land for development:

March 31, 2003: ¥93.6 billion

March 31, 2002: ¥128.1 billion

March 31, 2001: ¥103.2 billion

March 31, 2000: ¥137.7 billion

[Tangible and Intangible Assets]

Total consolidated tangible and intangible assets at fiscal year-end were ¥11.7 billion lower than a year earlier. While assets of the parent company increased owing to capital expenditures on such projects as the Nakanoshima Mitsui Building and the Celestine Shiba Mitsui Building, assets of Mitsui Fudosan America declined due to exchange rate fluctuations (¥119.90 per US\$1 at fiscal year-end, compared with ¥131.95 a year earlier). Assets of various subsidiaries also declined, due to depreciation and amortization.

(a) Tangible and Intangible Assets> (¥ million)

	March 31, 2003	March 31, 2002	Change
Mitsui Fudosan	1,216,479	1,212,408	4,071
Mitsui Fudosan America	100,068	111,614	(11,545)
Mitsui Real Estate Sales	45,925	47,861	(1,936)
Mitsui Home	37,781	39,476	(1,695)
Other and Elimination	286,861	287,480	(619)
Consolidated Total	1,687,115	1,698,841	(11,725)

(b) Tangible and Intangible Fixed Assets (nonconsolidated) (¥ million)

March 31, 2002	New Investments	Depreciation	Disposal/Sale	Others	March 31, 2003
1,212,408	48,586	(21,418)	(18,079)	(5,016)	1,216,479

Major new investments:

Nakanoshima Mitsui Building: ¥13.9 billion

Celestine Shiba Mitsui Building: ¥8.9 billion

Jimbocho Mitsui Building: ¥3.5 billion

[Interest-Bearing Debt]

Consolidated interest-bearing debt declined ¥63.3 billion, to ¥1,397.2 billion, benefiting from consolidated fund-raising by the parent company and expansion of the system for lending to subsidiaries, as well as favorable exchange rates.

(a)Interest-Bearing Debt

(¥ million)

	March 31, 2003	March 31, 2002	Change
Mitsui Fudosan	1,258,685	1,220,060	38,625
Mitsui Fudosan America	76,808	89,342	(12,534)
Mitsui Real Estate Sales	50,037	79,254	(29,217)
Mitsui Home	9,568	10,172	(603)
Loan to subsidiaries	(261,968)	(203,061)	(58,907)
Other and Elimination	264,080	264,758	(678)
Consolidated Total	1,397,211	1,460,526	(63,314)

(b)Interest-Bearing Debt (Nonconsolidated)

(¥ million)

	March 31, 2003	March 31, 2002	Change
Interest-Bearing Debt (excluding loans to subsidiaries)	996,716	1,016,999	(20,282)
Loans to Subsidiaries*	261,968	203,061	58,907
Total	1,258,685	1,220,060	38,625

* This figure consists of ¥88.3 billion in Other Current Assets (short-term debt) and ¥173.6 billion in Other Investments (long-term debt).

[Retained Earnings]

From the ¥25.5 billion net income figure, the Company allocated ¥5.6 billion for cash dividends and ¥1.5 billion for reversal of land revaluation differential due to the sale of land following revaluation. As a result, consolidated retained earnings amounted to ¥155.3 billion at fiscal year-end, up ¥18.3 billion from a year earlier.

[Contingent Liabilities]

Contingent liabilities at fiscal year-end stood at ¥188.3 billion. Of this amount, ¥187.1 billion was related to consumer loan guarantees extended by Mitsui Fudosan Loan Guarantee, a wholly owned subsidiary (this figure is decreasing every year). At present, that company does not extend new loan guarantees.

(¥ million)

	March 31, 2003	March 31, 2002	Change
Loans Guaranteed	188,370	219,501	(31,131)

CASH FLOWS

(¥ million)

	Year Ended March 31		Change
	2003	2002	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Profit*	109,151	121,046	(11,895)
Purchase/Sale of Real Property for Sale	49,915	2,987	46,927
Other Changes in Assets and Liabilities	(40,581)	18,087	(58,669)
Net Cash Provided by Operating Activities (1)	118,484	142,121	(23,636)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase/Sale of Marketable and Investment Securities	(14,564)	(35,663)	21,098
Purchase/Sale of Tangible and Intangible Fixed Assets	(38,879)	(17,814)	(21,065)
Increase/Decrease in Lease Deposits	(9,958)	(3,839)	(6,118)
Other	2,650	(24,341)	26,992
Net Cash Used in Investing Activities (2)	(60,751)	(81,658)	20,906
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/Decrease in Short-Term Debt	(26,552)	(188,907)	162,355
Proceeds from/Repayment of Long-Term Debt	(57,154)	111,410	(168,565)
Proceeds from Issuance of Corporate Bonds	30,000	(20,000)	50,000
Cash Dividends Paid	(6,190)	(5,801)	(388)
Net Cash Used in Financing Activities	(59,897)	(103,298)	43,401
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(562)	1,958	(2,521)
Net Decrease in Cash and Cash Equivalents	(2,727)	(40,876)	38,149
Cash and Cash Equivalents at Beginning of Year	117,558	158,435	(40,876)
Cash and Cash Equivalents at End of Year	114,831	117,558	(2,727)
Free Cash Flows (1) +(2)	57,733	60,463	(2,730)

*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.

Consolidated Earning Forecast For the Year Ending March 31, 2004

(¥ million)

	Year to March 31		Change
	2004 (Forecast)	2003 (Actual)	
Revenue from Operations	1,120,000	1,082,397	37,603
Consolidated/Nonconsolidated Ratio (Times)	1.79	1.79	0.00
Leasing	331,000	329,671	1,329
Sales of Housing, Office Buildings and Land	366,000	335,341	30,659
Construction	183,000	183,090	(90)
Brokerage, Consignment Sales and Consulting	51,000	46,503	4,497
Property Management	74,000	69,589	4,411
Sales of Housing Materials and Merchandise	65,000	65,682	(682)
Facility Operations	40,000	40,880	(880)
Other	10,000	11,639	(1,639)
Operating Income	104,000	103,295	705
Consolidated/Nonconsolidated Ratio (Times)	1.65	1.52	0.13
Leasing	64,000	66,563	(2,563)
Sales of Housing, Office Buildings and Land	28,500	32,589	(4,089)
Construction	1,000	326	674
Brokerage, Consignment Sales and Consulting	14,000	10,997	3,003
Property Management	8,500	7,713	787
Sales of Housing Materials and Merchandise	1,000	104	896
Facility Operations	0	(3,356)	3,356
Other	1,500	2,534	(1,034)
Elimination	(14,500)	(14,178)	(322)
Non-Operating Income	(26,000)	(26,780)	780
Interest Expense, in Net	(24,500)	(25,241)	741
Other	(1,500)	(1,539)	39
Ordinary Income	78,000	76,514	1,486
Consolidated/Nonconsolidated Ratio (Times)	1.77	1.62	0.15
Extraordinary Gains/Losses	(3,500)	(32,302)	28,802
Income Before Income Taxes	74,500	44,212	30,288
Income Taxes	29,000	18,335	10,665
Minority Interests	500	323	177
Net Income	45,000	25,553	19,447
Consolidated/Nonconsolidated Ratio (Times)	1.80	1.93	(0.13)

【Revenue and Income from Operations】

- For the year ending March 31, 2004, the Company forecasts a ¥37.6 billion rise in consolidated revenue from operations, to ¥1,120.0 billion, and a ¥700 million gain in operating income, to ¥104.0 billion.
- **Leasing:** In this segment, the Company forecasts a ¥1.3 billion increase in revenue despite the demolition of major buildings in the year to March 2003, as well as termination of sublease agreements in some buildings and lower revenues from existing buildings. Factors boosting revenues will include the full-year operation of projects completed in the year under review, as well as solid revenues from Housing Lease and Mitsui Real Estate Sales' car-park leasing business. Operating income is forecast to decline ¥2.5 billion to ¥64.0 billion due mainly to withdrawal of tenants prior to reconstruction, as well as demolition of several large-scale buildings.

- **Sales of housing, office buildings and land:** Revenue in this segment is predicted to grow ¥30.6 billion, to ¥366.0 billion, owing to an increase in the number of condominium units for sale and higher revenues from subsidiaries. By contrast, the segment will not benefit from sales of large-scale properties (as it did in the year under review). Operating income, therefore, is projected to decline ¥4.0 billion, to ¥28.5 billion.
- **Construction:** Segment revenue is expected to remain largely unchanged, at ¥183.0 billion, despite lower revenues from the parent company. On a positive note, the Mitsui Home Group anticipates revenue and income gains. Operating income in this segment is forecast to jump ¥600 million, to ¥1.0 billion.
- **Brokerage, consignment sales and consulting:** In this segment, the Group predicts a ¥4.4 billion rise in revenue to ¥51.0 billion, and a ¥3.0 billion increase in operating income, to ¥14.0 billion. Gains in revenues and earnings are forecast for the parent company, Mitsui Real Estate Sales, Mitsui Fudosan Investment Advisors and other subsidiaries.
- **Property management:** In this segment, revenue is expected to grow ¥4.4 billion, to ¥74.0 billion, thanks to improved revenue and earnings of the parent company and subsidiaries. Operating income is forecast to rise ¥700 million, to ¥8.5 billion.
- **Sales of housing materials and merchandise:** Revenue in this segment is projected to fall slightly, to ¥65.0 billion, despite improved sales of housing materials by the Mitsui Home Group. Operating income is expected to total ¥1.0 billion.
- **Facility operations:** In this segment, the Group forecasts a ¥800 million decline in revenue, to ¥40.0 billion, due to the closure of Skidome SSAWS. Operating income, however, should improve ¥3.3 billion.

【Ordinary Income and Extraordinary Income/Loss】

- Benefiting from increased operating income and a lower net interest burden, ordinary income is expected to rise ¥1.4 billion, to ¥78.0 billion.
- After accounting for moderate extraordinary losses by subsidiaries, net income for the year is forecast to climb ¥19.4 billion, to ¥45.0 billion.

【Capital Expenditures】

(¥ million)

	Year to March 31		Change
	2004 (Forecast)	2003 (Actual)	
Capital Expenditure	38,000	61,159	(23,159)
Depreciation	42,000	39,781	2,219

【Interest-Bearing Debt】

(¥ million)

	Year to March 31		Change
	2004 (Forecast)	2003 (Actual)	
Interest-Bearing Debt	1,340,000	1,397,211	(57,211)

[NONCONSOLIDATED EARNING FORECAST]
For the Year Ending March 31, 2004

(¥ million)

	Year to March 31		Change
	2004 (Forecast)	2003 (Actual)	
Revenue from Operations	624,000	606,222	17,778
Leasing	238,000	240,423	(2,423)
Sales of Housing, Office Building and Land	348,000	327,044	20,956
Sale of Housing	311,000	274,669	36,331
Detached Housing	43,000	46,027	(3,027)
Condominiums	268,000	228,641	39,359
Sale of Office Building and Land	37,000	52,374	(15,374)
Other	38,000	38,755	(755)
Gross Margin (%)	18.2	18.5	(0.3)
Leasing	19.0	19.9	(0.9)
Sales of Housing, Office Building and Land	17.0	17.8	(0.8)
Sale of Housing	18.0	18.0	0.0
Other	24.5	15.1	9.4
Selling, General and Administrative Expenses	50,500	44,049	6,451
Operating Income	63,000	67,821	(4,821)
Non-Operating Income/Expense	(19,000)	(20,682)	1,682
Interest Expense, in Net	(15,500)	(16,234)	734
Ordinary Income	44,000	47,138	(3,138)
Extraordinary Gains/Losses	0	(23,533)	23,533
Income before Income Taxes	44,000	23,605	20,395
Income Taxes	19,000	10,395	8,605
Net Income	25,000	13,209	11,791

(a) Housing Units for Sale (Nonconsolidated)

(unit)

	Year to March 31		Change
	2004 (Forecast)	2003 (Actual)	
Detached Housing	800	894	(94)
Condominiums	5,700	5,118	582
Total	6,500	6,012	488

(b) Accounts of Real Property for Sale (Nonconsolidated)

(¥ million)

March 31, 2003	New Investments	Cost Recovery	March 31, 2004 (Forecast)
367,700	300,000	(275,000)	392,700

(c) Tangible and Intangible Fixed Assets (Nonconsolidated)

(¥ million)

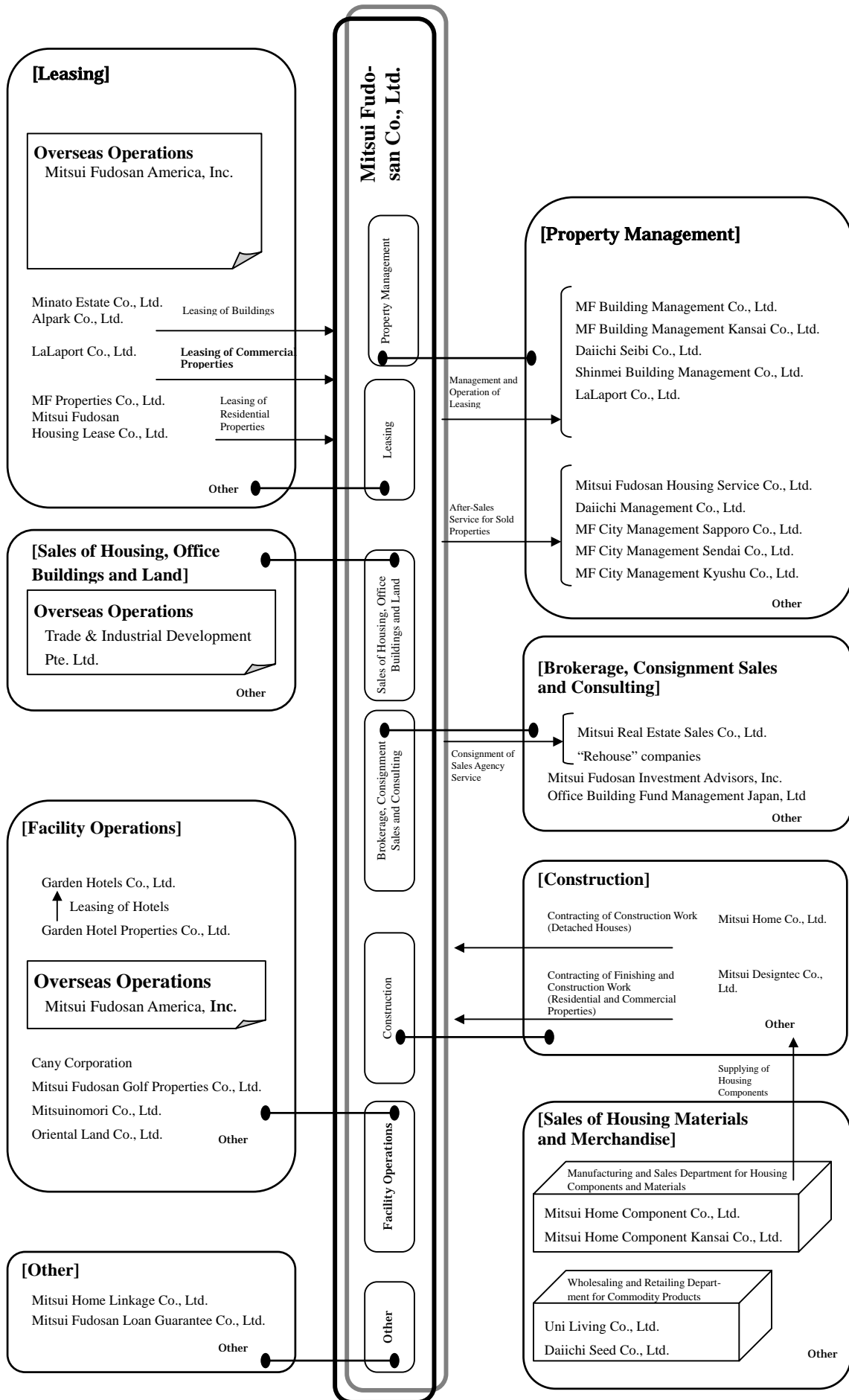
March 31, 2003	New Investments	Depreciation	Disposal/Sale	March 31, 2004 (Forecast)
1,216,479	25,000	(23,000)	(5,000)	1,213,479

[FORECAST FOR Mitsui Home Co., Ltd. FOR THE YEAR ENDING MARCH 31, 2004]

(¥ million)

	Year to March 31		Change
	2004 (Forecast)	2003 (Actual)	
Revenue from Operations	225,000	223,792	1,208
Operating Income	2,000	1,066	934
Ordinary Income	2,100	1,117	983
Net Income	700	(439)	1,139

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



SEGMENT INFORMATION
Year Ended March 31, 2003

(¥ million)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	. Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	329,671	5,725	335,396	268,833	66,563	1,959,852	26,900	48,500
(2) Sales of Housing, Office Buildings and Land	335,341	-	335,341	302,751	32,589	454,473	465	770
(3) Construction	183,090	9,304	192,394	192,068	326	61,104	1,944	2,488
(4) Brokerage, Consignment Sales and Consulting	46,503	10,098	56,602	45,604	10,997	32,291	670	982
(5) Property Management	69,589	17,554	87,143	79,429	7,713	36,421	934	777
(6) Sales of Housing Materials and Merchandise	65,682	32,182	97,864	97,760	104	47,925	1,190	824
(7) Facility Operations	40,880	262	41,143	44,499	(3,356)	119,454	3,555	3,307
(8) Other	11,639	10,450	22,090	19,555	2,534	33,797	3,495	2,411
Total	1,082,397	85,578	1,167,976	1,050,502	117,473	2,745,321	39,157	60,061
Elimination or Corporate	-	(85,578)	(85,578)	(71,400)	(14,178)	183,748	624	1,097
Consolidated	1,082,397	-	1,082,397	979,102	103,295	2,929,069	39,781	61,159

Year Ended March 31, 2002

(¥ million)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	. Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	331,501	5,896	337,397	265,678	71,718	1,984,495	28,435	47,186
(2) Sales of Housing, Office Buildings and Land	336,641	-	336,641	309,972	26,668	454,826	399	363
(3) Construction	237,243	10,456	247,700	252,928	(5,228)	60,244	2,313	3,923
(4) Brokerage, Consignment Sales and Consulting	45,742	9,436	55,179	37,637	17,541	57,273	687	933
(5) Property Management	67,916	18,484	86,401	78,735	7,665	34,802	756	862
(6) Sales of Housing Materials and Merchandise	71,577	29,361	100,938	99,595	1,342	48,771	1,211	473
(7) Facility Operations	44,967	590	45,558	49,829	(4,271)	133,920	26,785	3,041
(8) Other	16,893	11,636	28,529	27,671	858	57,921	4,142	4,088
Total	1,152,483	85,862	1,238,346	1,122,049	116,296	2,832,254	64,731	60,872
Elimination or Corporate	-	(85,862)	(85,862)	(72,516)	(13,345)	196,714	1,286	1,229
Consolidated	1,152,483	-	1,152,483	1,049,533	102,950	3,028,969	66,017	62,101

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 detached housing, apartments; construction contracts for housing development projects (including planning and design).

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 and asset management services for investors. Mitsui Real Estate Sales, which is mainly involved in this business, became a wholly owned subsidiary in October 2002, through a share exchange.

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. Skidome SSAWS (Chiba Prefecture), part of this segment, was closed in September 2002.

Other

Financing operations for housing loans and leasing business, etc.

Consolidated Financial Summary (FY1999-2003)

(¥ million)

		Year Ended March 31					
		1999	2000	2001	2002	2003	
P/L	Revenue from Operations	1,140,242	1,194,837	1,193,080	1,152,483	1,082,397	
	Operating Income	56,934	81,923	108,334	102,950	103,295	
	Ordinary Income	9,436	52,259	73,420	72,800	76,514	
	Net Income (Loss)	(35,794)	(58,417)	26,112	29,806	25,553	
Segment*	Leasing	Revenue from Operations	315,921	325,643	329,834	331,501	329,671
		Operating Income	63,840	61,147	68,550	71,718	66,563
	Sales of Housing, Office Buildings and Land	Revenue from Operations	327,307	359,326	328,281	336,641	335,341
		Operating Income	(11,425)	8,881	20,606	26,668	32,589
	Construction	Revenue from Operations	274,949	273,141	283,806	237,243	183,090
		Operating Income	4,552	6,031	6,718	(5,228)	326
	Brokerage, Consignment Sales and Consulting	Revenue from Operations	34,790	40,240	41,547	45,742	46,503
		Operating Income	7,720	13,353	13,607	17,541	10,997
	Property Management	Revenue from Operations	52,306	60,220	70,872	67,916	69,589
		Operating Income	3,608	5,871	7,298	7,665	7,713
	Sales of Housing Materials and Merchandise	Revenue from Operations	65,877	69,936	70,583	71,577	65,682
		Operating Income	583	301	834	1,342	104
	Facility Operations	Revenue from Operations	49,531	46,234	47,387	44,967	40,880
		Operating Income	(566)	(25)	(55)	(4,271)	(3,356)
	Other	Revenue from Operations	19,556	20,093	20,766	16,893	11,639
		Operating Income	2,119	2,831	3,807	858	2,534
	B/S	Total Assets	3,202,426	2,991,203	2,846,467	3,028,969	2,929,069
		Real Property for Sale	647,330	482,182	453,053	459,840	408,994
Tangible and Intangible Fixed Assets		1,523,396	1,467,055	1,456,692	1,698,841	1,687,115	
Capital Expenditures		133,152	83,945	67,478	62,101	61,159	
Depreciation		42,249	45,776	44,418	66,017	39,781	
Interest-Bearing Debt		1,781,271	1,660,127	1,554,360	1,460,526	1,397,211	
Retained Earnings		153,469	89,168	98,643	137,026	155,390	
Shareholders' Equity		492,591	395,132	411,097	609,536	628,434	
C/F	Cash Flows from Operating Activities (1)	142,802	134,200	173,664	142,121	118,484	
	Cash Flows from Investing Activities (2)	(142,230)	(32,449)	(32,088)	(81,658)	(60,751)	
	Cash Flows from Financing Activities (3)	25,625	(96,576)	(150,001)	(103,298)	(59,897)	
	Free Cash Flows (1)+(2)	572	101,750	141,575	60,463	57,733	
Key Data	ROA (%)	2.06%	3.10%	3.98%	3.86%	3.78%	
	Debt/Equity Ratio (Times)	3.6	4.2	3.8	2.4	2.2	
	Equity Ratio (%)	15.4%	13.2%	14.5%	20.1%	21.5%	
	No. of Consolidated Subsidiaries	163	160	150	143	131	
	No. of Affiliates in Equity Method	70	72	65	60	57	

*Revenue figures for all segments refer to sales to outside customers only.

- 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
- ROA: (Operating income + Non-operating income)/Average total assets
- Debt-Equity Ratio: Interest-bearing debt/Shareholders' equity

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ million)

ASSETS:	March 31				Change	
	2003	% of Total Assets	2002	% of Total Assets	Amount	Percentage
. Current Assets:	687,912	23.5	749,027	24.7	(61,115)	(8.2)
Cash and Time Deposits	115,157		119,225		(4,067)	
Accounts Receivable—Trade	32,349		32,237		112	
Marketable Securities	189		149		39	
Real Property for Sale	397,547	13.6	447,619	14.8	(50,071)	(11.2)
Expenditure on Contracts in Progress	10,232		11,593		(1,360)	
Other Inventories	9,191		8,445		746	
Advances Paid for Purchases	11,447		12,220		(773)	
Short-Term Loans	26,722		32,454		(5,732)	
Deferred Income Taxes	38,783		41,896		(3,113)	
Other Current Assets	49,854		49,470		383	
Allowance for Doubtful Accounts	(3,563)		(6,285)		2,721	
. Fixed Assets:	2,241,156	76.5	2,279,920	75.3	(38,764)	(1.7)
1. Tangible Fixed Assets:	1,652,338	56.4	1,662,770	54.9	(10,432)	(0.6)
Buildings and Structures	507,870	17.3	487,711	16.1	20,159	4.1
Machinery, Equipment and Materials Handling Equipment	5,582		5,843		(261)	
Land	1,092,902	37.3	1,097,792	36.2	(4,890)	(0.4)
Construction in Progress	13,161		40,823		(27,662)	
Other Tangible Assets	32,821		30,598		2,222	
2. Intangible Fixed Assets:	34,777	1.2	36,070	1.2	(1,293)	(3.6)
Leasehold Rights	25,968		28,294		(2,325)	
Other Intangible Fixed Assets	8,808		7,776		1,032	
3. Investments and Other Assets	554,040	18.9	581,079	19.2	(27,038)	(4.7)
Investment Securities	202,234		206,910		(4,676)	
Long-Term Loans	16,437		25,383		(8,945)	
Lease Deposits	216,490		224,543		(8,053)	
Deferred Income Taxes	13,604		14,203		(598)	
Deferred Income Taxes- Revaluation	35,958		37,191		(1,233)	
Other	96,657		100,966		(4,309)	
Allowance for Doubtful Accounts	(27,342)		(28,121)		778	
. Deferred Assets	1		20		(19)	
TOTAL ASSETS	2,929,069	100.0	3,028,969	100.0	(99,899)	(3.3)

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ million)

LIABILITIES:	March 31				Change	
	2003	% of Total Assets	2002	% of Total Assets	Amount	Percentage
. Current Liabilities:	601,128	20.5	654,896	21.6	(53,768)	(8.2)
Accounts Payable—Trade	91,822		87,677		4,145	
Short-Term Debt	194,454	6.6	223,409	7.4	(28,954)	(13.0)
Commercial Paper	18,000		37,000		(19,000)	
Bond Redeemable Within One Year	81,242		50,000		31,242	
Income Taxes Payable	3,397		10,303		(6,905)	
Advances from Contracts in Progress	17,911		17,607		303	
Allowance for Completed Project Indemnities	1,597		1,384		212	
Allowance for Possible Guarantee Losses	290		282		7	
Deferred Income Taxes	-		13		(13)	
Other Current Liabilities	192,411		227,218		(34,806)	
. Long-Term Liabilities:	1,682,321	57.4	1,744,343	57.6	(62,022)	(3.6)
Corporate Bonds	215,000		216,242		(1,242)	
Long-Term Debt	888,514	30.3	933,875	30.8	(45,360)	(4.9)
Deposits from Tenants	307,785		327,359		(19,574)	
Allowance for Employees' Retirement Benefits	20,530		18,360		2,169	
Allowance for Directors' Retirement Benefits	2,083		1,888		194	
Deferred Income Taxes	22,603		15,042		7,561	
Deferred Income Taxes - Revaluation	156,437		160,925		(4,487)	
Other Fixed Liabilities	69,366		70,650		(1,284)	
TOTAL LIABILITIES	2,283,450	77.9	2,399,240	79.2	(115,790)	(4.8)
MINORITY INTEREST						
. Minority Interests in Consolidated Subsidiaries	17,185	0.6	20,192	0.7	(3,006)	(14.9)
SHAREHOLDERS' EQUITY						
. Common Stock	134,433	4.6	134,433	4.4	-	
. Additional Paid-in Capital	205,823	7.0	204,693	6.8	1,129	
. Retained Earnings	155,390	5.3	137,026	4.5	18,364	
. Surplus from Land Revaluation	162,289		156,404		5,884	
. Unrealized Gains/Losses on Securities	(3,452)		(2,905)		(547)	
. Foreign Currency Translation Adjustment	(25,010)		(20,013)		(4,996)	
. Treasury Stock	629,473	21.5	609,639	20.1		
. Treasury Stock	(1,039)		(102)		(936)	
TOTAL SHAREHOLDERS' EQUITY	628,434	21.5	609,536	20.1	18,897	3.1
TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY	2,929,069	100.0	3,028,969	100.0	(99,899)	(3.3)

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ million)

	Year Ended March 31				Change	
	2003	% of Total Revenue	2002	% of Total Revenue	Amount	Percent- age
. Revenue from Operations	1,082,397	100.0	1,152,483	100.0	(70,085)	(6.1)
. Cost of Revenue from Operations	858,583	79.3	916,844	79.6	(58,261)	(6.4)
Gross Operating Profit	223,814	20.7	235,639	20.4	(11,824)	(5.0)
. Selling, General and Administrative Expenses	120,518	11.1	132,688	11.5	(12,169)	(9.2)
Operating Income	103,295	9.6	102,950	8.9	345	0.3
. Non-Operating Income:	9,192	0.8	10,466	0.9	(1,273)	(12.2)
Interest Income	1,375		2,041		(665)	
Dividend Income	1,993		1,787		205	
Equity in Net Income of Affiliated Companies	2,904		3,300		(396)	
Other Non-Operating Income	2,919		3,336		(417)	
. Non-Operating Expenses:	35,973	3.3	40,616	3.5	(4,643)	(11.4)
Interest Expenses	26,617		31,760		(5,143)	
Other Non-Operating Expenses	9,356		8,856		500	
Ordinary Income	76,514	7.1	72,800	6.3	3,714	5.1
. Extraordinary Gains:	4,898	0.4	28,677	2.5	(23,778)	(82.9)
Gain on Sales of Fixed Assets	3,686		23,612		(19,925)	
Compensation Received	-		3,015		(3,015)	
Gain on Sales of Investment Securities	582		1,129		(547)	
Gain on Sales of Shares of Affiliated Companies	89		584		(494)	
Other Extraordinary Gains	540		335		204	
. Extraordinary Losses:	37,200	3.4	58,108	5.0	(20,907)	(36.0)
Loss on Evaluation of Investment Securities	20,266		21,296		(1,029)	
One-Time Depreciation	-		18,477		(18,477)	
Provision to Allowance for Doubtful Accounts	1,962		6,490		(4,527)	
Loss on Sales of Fixed Assets	1,494		4,076		(2,582)	
Loss on Liquidation of Affiliated Company	492		913		(421)	
Loss on Evaluation of Real Property for Sale	-		443		(443)	
Loss on Disposal of Fixed Assets	5,490		418		5,072	
Losses Associated with Housing Sales Business	2,332		-		2,332	
Loss on Demolition of Real Property for Sale	1,575		-		1,575	
Other Extraordinary Losses	3,585		5,991		(2,405)	
Income before Income Taxes	44,212	4.1	43,369	3.8	843	1.9
Income Taxes	5,516		14,608		(9,092)	
Deferred Income Taxes	12,819		1,106		11,713	
Minority Interests	323		(2,151)		2,475	
Net Income	25,553	2.4	29,806	2.6	(4,253)	(14.3)

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(¥ million)

	Year Ended March 31		Change
	2003	2002	
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before Income Taxes	44,212	43,369	843
Depreciation and Amortization	39,781	47,540	(7,758)
Gain/Loss on Equity in Net Income of Affiliated Companies	(2,904)	(3,300)	396
One-Time Depreciation	-	18,477	(18,477)
Loss Associated with Housing Sales Business	2,332	-	2,332
Loss on Evaluation of Investment Securities	20,266	21,296	(1,029)
Gain/Loss on Sales of Investment Securities	(671)	(1,715)	1,043
Loss on Demolition of Real Property for Sale	1,575	-	1,575
Loss on Liquidation of Affiliated Companies	492	913	(421)
Loss on Evaluation of Real Property for Sale	-	443	(443)
Gain/Loss on Sales of Tangible and Intangible Fixed Assets	(2,192)	(19,535)	17,343
Loss on Disposal of Tangible and Intangible Fixed Assets	5,490	418	5,072
Compensation Received	-	(3,015)	3,015
Provision to Allowance for Doubtful Accounts	1,962	6,490	(4,527)
Interest and Dividend Income	(3,369)	(3,829)	459
Interest Expense	26,617	31,760	(5,143)
Increase/Decrease in Accounts Receivable	76	4,776	(4,699)
Increase/Decrease in Accounts Payable	(2,142)	(14,179)	12,037
Purchase of Real Property for Sale*	(211,183)	(257,606)	46,422
Sales of Real Property for Sale*	261,099	260,593	505
Bonuses Paid to Directors	(104)	(192)	87
Other	(23,830)	46,182	(70,013)
Subtotal	157,507	178,888	(21,380)
Cash Receipts of Interest and Dividend Income	4,070	4,783	(713)
Cash Payments of Interest Expense	(26,657)	(32,155)	5,497
Income Taxes Paid	(16,435)	(9,394)	(7,040)
Net Cash Provided by Operating Activities	118,484	142,121	(23,636)
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Marketable and Investment Securities	(20,265)	(38,242)	17,977
Sales of Marketable and Investment Securities	3,769	4,642	(872)
Purchase of Tangible and Intangible Fixed Assets	(55,071)	(57,124)	2,053
Sales of Tangible and Intangible Fixed Assets	16,191	39,310	(23,118)
Increase in Loans	(22,243)	(19,998)	(2,244)
Decrease in Loans	24,456	14,947	9,508
Decrease in Deposits from Tenants	(57,027)	(45,688)	(11,338)
Increase in Deposits from Tenants	39,447	27,251	12,196
Increase in Lease Deposits	(10,861)	(4,360)	(6,501)
Decrease in Lease Deposits	18,483	18,958	(474)
Return of Long-Term Advances Associated with Residential Land Development	-	(11,575)	11,575
Purchase of Securities with Change in Scope of Consolidation	354	49	305
Sales of Securities with Change in Scope of Consolidation	239	(1,566)	1,805
Other	1,774	(8,260)	10,035
Net Cash Used in Investing Activities	(60,751)	(81,658)	20,906
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/Decrease in Short-Term Debt	(26,552)	(188,907)	162,355
Proceeds from Long-Term Debt	232,349	299,392	(67,043)
Repayment of Long-Term Debt	(289,503)	(187,981)	(101,521)
Proceeds from Issuance of Bonds	80,000	-	80,000
Redemption of Bonds	(50,000)	(20,000)	(30,000)
Income from Issuance of Shares to Minority Interests	14	285	(270)
Cash Dividends Paid	(5,697)	(5,690)	(7)
Cash Dividends Paid to Minority Interests	(524)	(396)	(127)
Sales of Treasury Stock	16	-	16
Net Cash Used in Financing Activities	(59,897)	(103,298)	43,401
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(562)	1,958	(2,521)
V. Net Increase (Decrease) in Cash and Cash Equivalents	(2,727)	(40,876)	38,149
VI. Cash and Cash Equivalents at Beginning of Year	117,558	158,435	(40,876)
VII. Cash and Cash Equivalents at End of Year	114,831	117,558	(2,727)

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

Nonconsolidated Financial Statements

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥million)

ASSETS:	March 31				Change	
	2003	% of Total Assets	2002	% of Total Assets	Amount	Percent- age
Current Assets:	617,631	23.9	582,858	22.8	34,772	6.0
Cash and Time Deposits	57,581		31,866		25,714	
Accounts Receivable	14,897		12,324		2,572	
Real Property for Sale	173,305	6.7	199,202	7.8	(25,896)	(13.0)
Real Property in Progress	128,607	5.0	144,160	5.6	(15,553)	(10.8)
Land for Development	55,099	2.1	57,229	2.2	(2,129)	(3.7)
Expenditure on Contracts in Progress	571		772		(201)	
Advances Paid for Purchases	10,688		12,008		(1,319)	
Prepaid Expenses	2,733		2,946		(212)	
Short-Term Loans	88,410		46,265		42,145	
Other Receivables	29,098		11,350		17,748	
Deferred Income Taxes	29,791		32,945		(3,154)	
Other Current Assets	28,153		32,168		(4,015)	
Allowance for Doubtful Accounts	(1,306)		(380)		(926)	
Fixed Assets:	1,971,611	76.1	1,970,918	77.2	693	0.0
Tangible Fixed Assets:	1,194,689	46.1	1,191,659	46.7	3,030	0.3
Buildings	299,674	11.6	265,658	10.4	34,016	12.8
Structures	9,122		9,464		(341)	
Machinery	1,630		1,608		21	
Transportation Equipment	61		86		(24)	
Tools, Furniture and Fixtures	3,653		3,326		326	
Land	868,922	33.6	871,349	34.1	(2,427)	(0.3)
Construction in Progress	6,818		35,367		(28,548)	
Other Tangible Assets	4,805		4,798		7	
Intangible Fixed Assets:	21,789	0.8	20,749	0.8	1,040	5.0
Leasehold Rights	17,928		17,806		121	
Software	3,665		2,725		940	
Other Intangible Fixed Assets	196		216		(20)	
Investments and Other Assets:	755,131	29.2	758,509	29.7	(3,378)	(0.4)
Investment Securities	129,461		134,386		(4,924)	
Investments in Consolidated Subsidiaries and Affiliated Companies	184,064		184,789		(725)	
Investments	23,486		24,923		(1,436)	
Long-Term Loans	15,109		15,266		(157)	
Long-Term Loans to Affiliates	173,669		159,919		13,750	
Lease Deposits	210,640	8.1	220,426	8.6	(9,785)	(4.4)
Other Investments	30,286		27,123		3,163	
Allowance for Doubtful Accounts	(11,586)		(8,324)		(3,262)	
TOTAL ASSETS	2,589,242	100.0	2,553,776	100.0	35,465	1.4

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ million)

LIABILITIES:	March 31				Change	
	2003	% of Total Assets	2002	% of Total Assets	Amount	Percentage
Current Liabilities:	457,896	17.7	441,048	17.3	16,848	3.8
Accounts Payable	49,105		42,556		6,549	
Short-Term Debt	167,863	6.5	162,794	6.4	5,069	3.1
Commercial Paper	18,000		37,000		(19,000)	
Bond Redeemable Within One Year	81,242		50,000		31,242	
Other Payables	18,276		13,368		4,907	
Income Taxes Payable	-		6,512		(6,512)	
Accrued Expenses	8,274		8,380		(105)	
Advances Received	38,672		43,133		(4,460)	
Advances from Contracts in Progress	-		206		(206)	
Deposits	66,854		66,814		40	
Other Current Liabilities	9,607		10,284		(676)	
Long-Term Liabilities:	1,489,299	57.5	1,483,125	58.0	6,174	0.4
Corporate Bonds	215,000	8.3	216,242	8.5	(1,242)	(0.6)
Long-Term Debt	776,579	30.0	754,024	29.5	22,555	3.0
Deposits from Tenants	286,166	11.1	304,385	11.9	(18,219)	(6.0)
Deferred Income Taxes	9,236		3,054		6,182	
Deferred Income Taxes - Revaluation	149,190		153,448		(4,258)	
Allowance for Employees' Retirement Benefits	7,538		6,271		1,267	
Allowance for Directors' Retirement Benefits	1,381		1,310		71	
Other Fixed Liabilities	44,207		44,388		(181)	
TOTAL LIABILITIES	1,947,196	75.2	1,924,173	75.3	23,022	1.2
SHAREHOLDERS' EQUITY:						
Common Stock	134,433	5.2	134,433	5.3	-	
Additional Paid-in Capital	205,823		204,693		1,129	
Legal Reserve	13,688		13,688		-	
Other Reserve	16,790		11,790		5,000	
Reserve for Substitute Assets	43,364		46,553		(3,189)	
Unappropriated Earnings	14,214		9,702		4,512	
Net Income	13,209		8,549		4,660	
Surplus from Land Revaluation	217,885		211,731		6,154	
Unrealized Gain/Loss on Securities	(3,383)		(2,887)		(495)	
Treasury Stock	(771)		(102)		(668)	
TOTAL SHAREHOLDERS' EQUITY	642,046	24.8	629,602	24.7	12,443	2.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,589,242	100.0	2,553,776	100.0	35,465	1.4

NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ million)

	Year Ended March 31				Change	
	2003	% of Total Revenue	2002	% of Total Revenue	Amount	Percentage
Revenue from Operations	606,222	100.0	599,305	100.0	6,916	1.2
Leasing	240,423	39.7	243,629	40.6	(3,206)	(1.3)
Sales of Housing, Office Buildings and Land	327,044	53.9	315,651	52.7	11,392	3.6
Other	38,755	6.4	40,024	6.7	(1,268)	(3.2)
Cost of Revenue from Operations	494,352		489,574		4,777	
Leasing	192,617		191,413		1,203	
Sales of Housing, Office Buildings and Land	268,847		262,336		6,510	
Other	32,887		35,823		(2,935)	
Selling, General and Administrative Expenses	44,049		43,879		169	
Operating Income	67,821	11.2*	65,851	11.0*	1,969	3.0
Non-Operating Income/Expense	(20,682)		(20,087)		(595)	
Non-Operating Income:	8,202		6,056		2,146	
Interest Income	3,805		2,130		1,675	
Dividend Income	3,378		2,926		452	
Other Non-Operating Income	1,018		999		18	
Non-Operating Expenses:	28,885		26,143		2,742	
Interest Expenses	20,040		19,453		586	
Other Non-Operating Expenses	8,845		6,690		2,155	
Ordinary Income	47,138	7.8*	45,764	7.6*	1,374	3.0
Extraordinary Gains/Losses	(23,533)		(31,592)		8,059	
Extraordinary Gains:	4,829		11,818		(6,989)	
Gain on Sales of Fixed Assets	4,273		7,601		(3,327)	
Compensation Received	-		2,726		(2,726)	
Gain on Sales of Investment Securities	555		1,099		(543)	
Gain on Sales of Shares of Affiliated Companies	-		391		(391)	
Extraordinary Losses:	28,362		43,411		(15,049)	
Loss on Evaluation of Investment Securities	20,090		21,275		(1,184)	
One-Time Depreciation Expense	-		18,477		(18,477)	
Loss on Sales of Shares of Affiliated Companies	-		2,500		(2,500)	
Loss on Sales of Fixed Assets	232		1,159		(926)	
Loss on Disposal of Fixed Assets	4,130		-		4,130	
Losses Associated with Housing Sales Business	2,332		-		2,332	
Loss on Demolition of Real Property for Sale	1,575		-		1,575	
Income before Income Taxes	23,605	3.9*	14,171	2.4*	9,433	66.6
Income Taxes	40		7,908		(7,868)	
Deferred Income Taxes	10,355		(2,286)		12,641	
Net Income	13,209	2.2*	8,549	1.4*	4,660	54.5
Earning Brought Forward from Previous Period	4,948		3,997		950	
Interim Dividends	2,843		2,843		(0)	
Reversal of Revaluation Difference for Land	(1,099)		-		(1,099)	
Unappropriated Earnings	14,214		9,702		4,512	

*Income Margin to Revenues