

October 30, 2008

FACT BOOK

For the Six Months Ended September 30, 2008



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Corporate Data

Mitsui Fudosan Co., Ltd.

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Date of Establishment:

July 15, 1941

Share Capital:

¥174,296 million

Number of Issued and Outstanding Shares:

881,424,727

Stock Exchange Listing:

Tokyo, Osaka (Code: 8801)

Please visit our website at:

www.mitsuifudosan.co.jp/english/corporate/ir/index.html

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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 Six Months Ended September 30, 2008

CONSOLIDATED RESULTS

(¥ millions)

	Six Months Ended September 30		Change		Year Ended March 31, 2008
	2008	2007	(amount)	(%)	
Revenue from Operations	¥614,532	¥594,088	¥20,444	3.4	¥1,360,023
Operating Income	70,950	63,726	7,223	11.3	179,282
Ordinary Income	59,811	57,334	2,477	4.3	162,835
Net Income	32,068	36,842	(4,773)	(13.0)	87,378

(¥ millions)

	Year to 3/09 (Latest forecast as of October 30, 2008)	6-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥1,500,000	41.0
Operating Income	190,000	37.3
Ordinary Income	165,000	36.2
Net Income	90,000	35.6

- In the first two quarters under review (six months ended September 30, 2008), revenue from operations was ¥20.4 billion (3.4%) higher than the previous corresponding period. Operating income climbed ¥7.2 billion (11.3%).
- The “Leasing” segment benefited from completion of several major projects in the previous fiscal year, namely Grand Tokyo North Tower (Chiyoda-ku, Tokyo) and Akasaka Biz Tower (Minato-ku, Tokyo). Also contributing were projects that came on-stream in the period under review, such as Mitsui Outlet Park Iruma (Iruma, Saitama), as well as rental adjustments for existing office buildings, which progressed steadily. As a result, segment revenue increased ¥36.5 billion, and segment operating income climbed ¥6.4 billion.
- The vacancy rate of office buildings in the Tokyo Metropolitan Area, while showing signs of moderate increase, remained at a low level. On a nonconsolidated basis, the vacancy rate at September 30, 2008, was 1.6% (compared with 1.3% at March 31, 2008, and 1.6% at March 31, 2007).
- In the “Sales of housing, office buildings and land” segment, the “Housing” category reported increases in both revenue and earnings thanks to sales of high-value-added units in inner-city areas. This was despite a year-on-year decline in the number of units sold. By contrast, sales of properties to investors generated declines in both sales and income, because several large-scale projects will not be booked until the second half of the fiscal year. As a result, total segment revenue declined ¥13.7 billion, and segment operating income slipped ¥0.7 billion year-on-year.
- Although customers are becoming more and more selective when purchasing condominiums, the selling environment remained steady, especially for inner-city properties and large-scale development projects. The Group has already secured contracts for around 75% of condominium units slated for sale in the current fiscal year.
- The “Brokerage, consignment sales and consulting” segment posted a ¥0.2 billion increase in revenue and a ¥0.8 billion rise in operating income, due mainly to significant incentive fees generated in the “Consulting” category. This was despite a decline in the number of units handled for institutional customers in the “Brokerage” category, which had a negative effect on revenue.
- Due to the increase in operating income, ordinary income rose ¥2.4 billion (4.3%). Net income fell ¥4.7 (13.0%) billion compared with the previous corresponding period, when the Company posted an extraordinary gain in the form of a gain on sales of fixed assets.
- The Company plans to declare an interim dividend of ¥11.00 per share (up from ¥2.00 in the previous corresponding period), as originally announced.
- The figures for revenue from operations and operating income are each equivalent to around 40% of the Group’s respective forecasts for the entire fiscal year. This is mainly due to seasonal factors pertaining to sales of housing to individuals (sales of housing, subcontracted construction of made-to-order houses, and consignment sales). In general, sales in this category are concentrated in the second half of each fiscal year, especially the fourth quarter. In the current fiscal year, sales of properties to investors will also be concentrated in the second half.

Consolidated Business Overview

RESULTS OF OPERATIONS

(¥ millions)

	Six Months Ended September 30		Change (amount)
	2008	2007	
Revenue from Operations	¥614,532	¥594,088	¥20,444
Leasing	263,384	226,815	36,569
Sales of Housing, Office Buildings and Land	124,100	137,890	(13,790)
Construction	69,122	74,526	(5,404)
Brokerage, Consignment Sales and Consulting	40,115	39,816	299
Property Management	49,340	52,180	(2,840)
Sales of Housing Materials and Merchandise	35,707	36,238	(530)
Facility Operations	27,146	21,758	5,388
Other	5,615	4,862	752
Operating Income	70,950	63,726	7,223
Leasing	51,948	45,482	6,466
Sales of Housing, Office Buildings and Land	10,458	11,186	(727)
Construction	(4,426)	(4,532)	106
Brokerage, Consignment Sales and Consulting	11,817	10,990	827
Property Management	7,968	7,803	165
Sales of Housing Materials and Merchandise	745	253	491
Facility Operations	192	369	(176)
Other	1,868	1,601	267
Elimination or Corporate	(9,623)	(9,426)	(197)
Non-Operating Income/Expenses	(11,138)	(6,392)	(4,745)
Equity in Net Income/Loss of Affiliated Companies	3,665	4,619	(954)
Interest Expense, in Net	(14,515)	(12,077)	(2,437)
Other, in Net	(288)	1,065	(1,354)
Ordinary Income	59,811	57,334	2,477
Extraordinary Gains/Losses	(6,773)	6,526	(13,299)
Extraordinary Gains	-	12,870	(12,870)
Extraordinary Losses	(6,773)	(6,344)	(429)
Income before Income Taxes	53,038	63,860	(10,821)
Income Taxes	(22,085)	(28,086)	6,001
Minority Interests	1,116	1,068	47
Net Income	¥32,068	¥36,842	¥(4,773)

CONSOLIDATED FORECAST

In light of its performance in the period under review and recent changes in business conditions, the Company has revised its consolidated performance forecast for the year ending March 2009 (those forecasts were initially made on April 30, 2008), as follows.

(¥ millions)

	Year Ending March 31,2009		Change (amount)	Year Ended March 31,2008
	Latest Forecast (as of October 30, 2008)	Previous Forecast (as of April 30, 2008)		
Revenue from Operations	¥1,500,000	¥1,530,000	¥(30,000)	¥1,360,023
Operating Income	190,000	200,000	(10,000)	179,282
Ordinary Income	165,000	175,000	(10,000)	162,835
Net Income	90,000	95,000	(5,000)	87,378

Note: Even after the revision, we expect operating income, ordinary income and net income to reach record-high levels.

SEGMENTS RESULTS

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

[1] LEASING

(¥ millions)

	Six Months Ended September 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥263,384	¥226,815	¥36,569	¥469,000
Operating Income	51,948	45,482	6,466	90,666

(¥ millions)

	Year to 3/09 (Latest Forecast as of October 30, 2008)	6-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥535,000	49.2
Operating Income	97,000	53.6

- This segment posted a ¥36.5 billion increase in revenue and a ¥6.4 billion rise in operating income. Contributing to earnings was a number of office buildings and retail facilities completed in the previous fiscal year. These included Grand Tokyo North Tower (Chiyoda-ku, Tokyo) and Akasaka Biz Tower (Minato-ku, Tokyo), as well as projects that came on-stream in the period under review, such as Mitsui Outlet Park Iruma (Iruma, Saitama). In addition, the residential leasing (centering on Mitsui Fudosan Housing Lease) and the car-park leasing (Mitsui Real Estate Sales) businesses both reported increases in units under management.
- The vacancy rate of office buildings in the Tokyo Metropolitan Area, while showing signs of moderate increase, remained at a low level due a tight supply-demand situation for space in office buildings. On a nonconsolidated basis, the vacancy rate at September 30, 2008, was 1.6% (compared with 1.3% at March 31, 2008). On a consolidated basis (including overseas), the total vacancy rate for all office buildings and retail facilities was 1.7% (compared with 1.3% at March 31, 2008).

(a) Leasing

(¥ millions)

	Six Months Ended September 30		Year Ended March 31, 2008
	2008	2007	
	Revenue	Revenue	Revenue
Office Buildings	151,708	128,267	265,516
Retail Facilities	52,814	44,845	92,295
Residential	38,750	34,248	71,139
Other (Car Park, etc.)	20,110	19,453	40,048
Total	263,384	226,815	469,000

(b) Leased Floor Space

		Six Months Ended September 30		Year Ended March 31
		2008	2007	2008
Office Buildings and Retail Facilities	Leased Floor space (m ²):			
	Owned	2,066,032	1,998,453	1,999,887
	Managed	2,081,732	1,961,614	2,065,210
	Total	4,147,764	3,960,067	4,065,098
	Vacancy Rate (%)	1.7	1.1	1.3
Residentials	Leased Units:			
	Owned	279	239	296
	Managed	72,960	63,235	69,288
	Total	73,239	63,474	69,584
Car Parks	Managed Units: Total	120,918	107,335	116,661

(c) Vacancy Rate at End of Term

(%)

	9/08	3/08	3/07	3/06	3/05	3/04	3/03
Consolidated							
Office Buildings and Retail Facilities (including overseas)	1.7	1.3	1.4	1.4	2.8	5.0	6.0
Nonconsolidated							
Tokyo Metropolitan Area Office Buildings	1.6	1.3	1.6	1.0	3.0	4.4	5.4
Regional Area Office Buildings	7.0	5.8	4.4	5.7	7.0	7.6	12.1

(d) Breakdown of Leasing Operations (Nonconsolidated)

		Total		Tokyo Metropolitan Area		Regional Areas	
		Six Months Ended September 30		Six Months Ended September 30		Six Months Ended September 30	
		2008	2007	2008	2007	2008	2007
Office Buildings	Number of Buildings	213	239	179	204	34	35
	Leased Floor Space (1,000m ²)	2,564	2,489	2,267	2,191	297	298
	Leasing Revenue (¥ millions)	140,732	117,187	130,203	107,562	10,528	9,624
	Vacancy Rate (%)	2.3	1.5	1.6	1.1	7.0	4.5
Retail Facilities	Number of Buildings	58	51	38	34	20	17
	Leased Floor Space (1,000m ²)	1,359	1,187	874	771	485	416
	Leasing Revenue (¥ millions)	50,888	42,123	38,686	31,261	12,201	10,862
	Vacancy Rate (%)	0.6	0.4	0.8	0.6	0.4	0.0

Note: Figures for number of buildings, leased floor space, and vacancy rate are term-end figures.

<Major Projects>

(NEWLY ON-STREAM)

Mitsui Outlet Park Iruma (Iruma, Saitama)	Retail facility opened in April 2008
Ginza Glasse (Chuo-ku, Tokyo)	Retail facility opened in April 2008
Aoyama OM-Square(Minato-ku, Tokyo)	Office building completed in July 2008
Mitsui Outlet Park Sendaiko (Sendai, Miyagi)	Retail facility opened in September 2008

(FULL-TERM CONTRIBUTION)

Ginza Velvia-Kan (Chuo-ku, Tokyo)	Retail facility opened in April 2007
Nitta Building (Chuo-ku, Tokyo)	Retail facility opened in September 2007
Tokyo Club Building (Chiyoda-ku, Tokyo)	Office building and retail facility completed in October 2007
Grand Tokyo North Tower (Chiyoda-ku, Tokyo)	Office building completed in October 2007
LaLaGarden Kasukabe (Kasukabe, Saitama)	Retail facility opened in November 2007
Akasaka Biz Tower (Minato-ku, Tokyo)	Office building and retail facility completed in January 2008
Yodoyabashi Mitsui Building (Osaka, Osaka)	Office building and retail facility completed in March 2008

[2] SALES OF HOUSING, OFFICE BUILDINGS AND LAND

(¥ millions)

	Six Months Ended September 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥124,100	¥137,890	¥(13,790)	¥382,266
Operating Income	10,458	11,186	(727)	57,809

(¥ millions)

	Year to 3/09 (Latest Forecast as of October 30, 2008)	6-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥452,000	27.5
Operating Income	68,000	15.4

- In the six-month period under review, the Group sold a total of 1,849 residential units (1,630 condominium units and 219 detached houses). This compares with 2,162 units (1,841 condominium units and 321 detached houses) in the previous corresponding period. Despite the decline in number of units sold, the “Housing” category reported increases in both revenue and earnings thanks to sales of high-value-added units in inner-city areas and other factors. By contrast, sales of properties to investors generated declines in both sales and income, because several large-scale projects will not be booked until the second half of the fiscal year. Although customers are becoming more and more selective when purchasing condominiums, the selling environment remained steady, especially for inner-city properties and large-scale development projects. The Group has already secured contracts for around 75% of condominium units slated for sale in the current fiscal year.

Completed housing inventories at September 30, 2008, totaled 672 units (587 condominium units and 85 detached houses), up from 568 units (453 condominium units and 115 detached houses) at March 31, 2008.

(a) Housing Sales and Sales of Properties to Investors

	Six Months Ended September 30						Year Ended March 31		
	2008			2007			2008		
	Units	Revenue (¥ millions)	Unit Price (¥ millions)	Units	Revenue (¥ millions)	Unit Price (¥ millions)	Units	Revenue (¥ millions)	Unit Price (¥ millions)
Condominiums									
Tokyo Metropolitan Area	1,410	86,463	61	1,277	58,845	46	4,133	199,318	48
Other	220	6,889	31	564	17,328	31	1,116	35,658	32
Total	1,630	93,352	57	1,841	76,174	41	5,249	234,977	45
Detached Housing									
Tokyo Metropolitan Area	199	10,340	52	281	14,909	53	630	32,379	51
Other	20	1,026	51	40	1,355	34	83	3,009	36
Total	219	11,366	52	321	16,265	51	713	35,389	50
Sales of Properties to Investors	-	19,381	-	-	45,451	-	-	111,899	-
Total Sales	-	124,100	-	-	137,890	-	-	382,266	-

(b) Completed Housing Inventories

	(Units)						
	9/08	3/08	3/07	3/06	3/05	3/04	3/03
Condominiums	587	453	267	235	490	455	485
Detached Housing	85	115	109	20	55	25	120
Total	672	568	376	255	545	480	605

Note: Until the year ended March 31, 2006, figures for completed housing inventories at the end of each period were disclosed as multiples of five. Effective from the year ended March 31, 2007, however, actual numbers are used.

(c) 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
Condominiums	3,954	1,474	5,428	1,630	3,798	1,727
Detached Housing	48	210	258	219	39	166
Total	4,002	1,684	5,686	1,849	3,837	1,893

Note: Figures except for Reported No. of Units include those scheduled for completion in the next fiscal year and after.

[3] CONSTRUCTION

(¥ millions)

	Six Months Ended September 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥69,122	¥74,526	¥(5,404)	¥188,658
Operating Income	(4,426)	(4,532)	106	1,900

(¥ millions)

	Year to 3/09 (Latest Forecast as of October 30, 2008)	6-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥187,000	37.0
Operating Income	3,000	-

- This segment reported an operating loss for the period, because handovers of construction work completed by Mitsui Home are concentrated in the fourth quarter of each fiscal year.

< Orders, Order Backlogs and Sales Proceeds (Consolidated figures of Mitsui Home) >

(¥ millions)

	Six Months Ended September 30		Year Ended March 31 2008
	2008	2007	
Orders:			
Order Backlogs at Beginning of Period	103,205	110,841	110,841
Order Received during Period	92,324	95,012	187,441
Sales Proceeds	71,388	76,708	194,219
Order Backlogs at End of Period	124,141	129,145	104,062

Note: The above figure for “Order Backlog at Beginning of Period” does not include the backlog of Hokuriku Chuo Home (¥856 million), which became an equity-method affiliate in the period under review.

[4] BROKERAGE, CONSIGNMENT SALES AND CONSULTING

(¥ millions)

	Six Months Ended September 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥40,115	¥39,816	¥299	¥84,269
Operating Income	11,817	10,990	827	26,595

(¥ millions)

	Year to 3/09 (Latest Forecast as of October 30, 2008)	6-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥79,000	50.8
Operating Income	21,000	56.3

- This segment posted a ¥0.2 billion increase in revenue and a ¥0.8 billion rise in operating income, due mainly to significant incentive fees generated by the parent company in the “Consulting” category. This was despite a decline in the number of units handled for institutional customers by Mitsui Real Estate Sales, in the “Brokerage” category, which had a negative effect on revenue.

(¥ millions)

	Six Months Ended September 30				Year Ended March 31 2008	
	2008		2007		Revenue	Units
	Revenue	Units	Revenue	Units		
Brokerage	26,570	15,346	30,290	15,431	62,097	31,757
Consignment Sales	3,450	1,265	3,898	2,081	10,067	5,358
Consulting	10,095	-	5,627	-	12,104	-
Total	40,115	-	39,816	-	84,269	-

< Brokerage Business of Mitsui Real Estate Sales >

(¥ millions)

	Six Months Ended September 30				Change (amount)	
	2008		2007		Revenue	Units
	Revenue	Units	Revenue	Units		
Brokerage	563,663	15,569	659,588	15,427	(95,925)	142

Note: Above figures for brokerage revenue and units represent the entire Mitsui Fudosan Group, including the Mitsui Rehouse equity-method affiliates.

< Consignment Sales Business of Mitsui Fudosan Residential >

(¥ millions)

	Six Months Ended September 30				Change (amount)	
	2008		2007		Revenue	Units
	Revenue	Units	Revenue	Units		
Consignment Sales	86,922	1,210	105,433	2,052	(18,511)	(842)

[5] PROPERTY MANAGEMENT

(¥ millions)

	Six Months Ended September 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥49,340	¥52,180	¥(2,840)	¥102,463
Operating Income	7,968	7,803	165	15,496

(¥ millions)

	Year to 3/09 (Latest Forecast as of October 30, 2008)	6-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥107,000	46.1
Operating Income	16,000	49.8

- In this segment, the “Property management” category posted a solid increase in revenue thanks to a rise in the number of offices buildings, housing units, and other Group-managed properties newly completed or newly on-stream. However, the “Tenant improvement” category saw decline in revenue compared with the previous corresponding period, which benefited from a large-scale tenancy project, Tokyo Midtown (Minato-ku, Tokyo). As a result, total segment revenue decreased ¥2.8 billion, and operating income edged up ¥0.1 billion.

(¥ millions)

	Six Months Ended September 30		Year Ended March 31 2008
	2008	2007	
	Revenue	Revenue	Revenue
Property Management	38,209	36,130	73,141
Tenant Improvement	11,130	16,050	29,322
Total	49,340	52,180	102,463

[6] SALES OF HOUSING MATERIALS AND MERCHANDISE

(¥ millions)

	Six Months Ended September 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥35,707	¥36,238	¥(530)	¥72,975
Operating Income	745	253	491	1,170

	Year to 3/09 (Latest Forecast as of October 30, 2008)	6-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥73,000	48.9
Operating Income	1,000	74.5

(¥ millions)

	Six Months Ended September 30		Year Ended March 31 2008
	2008	2007	
	Revenue	Revenue	Revenue
Housing Materials	12,426	11,198	25,496
Merchandise	23,280	25,039	47,478
Total	35,707	36,238	72,975

[7] FACILITY OPERATIONS

(¥ millions)

	Six Months Ended September 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥27,146	¥21,758	¥5,388	¥49,745
Operating Income	192	369	(176)	269

(¥ millions)

	Year to 3/09 (Latest Forecast as of October 30, 2008)	6-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥57,000	47.6
Operating Income	1,000	19.2

- Revenue in this segment increased significantly year-on-year, owing to the full-term operation of two hotels completed in the previous fiscal year—Mitsui Garden Hotel Shiodome Italia-gai (Minato-ku, Tokyo) and Mitsui Garden Hotel Prana Tokyo Bay (Urayasu, Chiba)—and four resort facilities acquired in the previous fiscal year, including Nemunosato (Shima, Mie).

(¥ millions)

	Six Months Ended September 30		Year Ended March 31 2008
	2008	2007	
	Revenue	Revenue	Revenue
Hotels	20,693	15,512	37,499
Other	6,453	6,246	12,245
Total	27,146	21,758	49,745

[8] OTHER

(¥ millions)

	Six Months Ended September 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥5,615	¥4,862	¥752	¥10,643
Operating Income	1,868	1,601	267	3,903

(¥ millions)

	Year to 3/09 (Latest Forecast as of October 30, 2008)	6-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥10,000	56.2
Operating Income	3,000	62.3

(¥ millions)

	Six Months Ended September 30		Year Ended March 31 2008
	2008	2007	
	Revenue	Revenue	Revenue
Finance and Lease	736	616	1,362
Other	4,878	4,245	9,281
Total	5,615	4,862	10,643

FINANCIAL POSITION

Total Assets, Liabilities and Net Assets

(¥ millions)

	Six Months Ended September 30, 2008	Year Ended March 31, 2008	Change (amount)
Total Assets	¥3,764,311	¥3,634,489	¥129,822
Total Liabilities	2,772,176	2,642,486	129,690
Interest-Bearing Debt	1,851,014	1,550,420	300,593
Net Assets	992,134	992,003	131
Shareholders' Equity	973,308	971,309	1,998
Debt-Equity Ratio (Times)	1.9	1.6	0.3

- Notes: 1. Interest-bearing debt: Short-term debt + Commercial paper + Bonds redeemable within one year + Corporate bonds + Long-term debt
2. Shareholders' equity: Net assets – Minority interests – New share subscription rights
3. Debt-equity ratio: Interest-bearing debt ÷ Shareholders' equity

[Real Property for Sale]

On a consolidated basis, the balance of real property for sale (including real property for sale in progress, land for development, and advances paid for purchases) was ¥750.7 billion at September 30, 2008, up ¥90.3 billion from March 31, 2008. The increase stemmed mainly from the fact that revenue in the “Sales of housing, office buildings and land” segment is concentrated in the second half of each fiscal year, especially in the fourth quarter. Accordingly, the value of new acquisitions exceeded that of properties sold to recover costs.

[Tangible and Intangible Assets]

On a consolidated basis, the balance of tangible and intangible fixed assets at the end of the period stood at ¥2,004.5 billion, up ¥42.7 billion from March 31, 2008. The increase stemmed from acquisitions made during the period (including a site for the planned Chiyoda Fujimi 2-chome redevelopment project), as well as investments in construction projects (including Mitsui Outlet Park Sendaiko).

[Interest-Bearing Debt]

At September 30, 2008, total consolidated interest-bearing debt stood at ¥1,851.0 billion, up ¥300.5 billion from March 31, 2008. The increase was mainly due to rises in tangible and intangible fixed assets, as well as in real property for sale. Other reasons included seasonal factors, such as payment of construction costs for condominium projects completed in the previous fiscal year and refund of entrusted payment for properties sold on consignment. Compared with a year earlier, total consolidated interest-bearing debt increased ¥416.8 billion.

Consolidated Earning Forecast

(¥ millions)

	Year Ending March 31, 2009		Change (amount)	Year Ended March 31, 2008
	Latest Forecast as of October 30, 2008	Previous Forecast as of April 30, 2008		
Revenue from Operations	¥1,500,000	¥1,530,000	¥(30,000)	¥1,360,023
Leasing	535,000	530,000	5,000	469,000
Sales of Housing, Office Buildings and Land	452,000	478,000	(26,000)	382,266
Construction	187,000	191,000	(4,000)	188,658
Brokerage, Consignment Sales and Consulting	79,000	84,000	(5,000)	84,269
Property Management	107,000	107,000	-	102,463
Sales of Housing Materials and Merchandise	73,000	73,000	-	72,975
Facility Operations	57,000	57,000	-	49,745
Other	10,000	10,000	-	10,643
Operating Income	190,000	200,000	(10,000)	179,282
Leasing	97,000	95,000	2,000	90,666
Sales of Housing, Office Buildings and Land	68,000	76,000	(8,000)	57,809
Construction	3,000	3,000	-	1,900
Brokerage, Consignment Sales and Consulting	21,000	25,000	(4,000)	26,595
Property Management	16,000	16,000	-	15,496
Sales of Housing Materials and Merchandise	1,000	1,000	-	1,170
Facility Operations	1,000	1,000	-	269
Other	3,000	3,000	-	3,903
Elimination or Corporate	(20,000)	(20,000)	-	(18,528)
Non-Operating Income/Expenses	(25,000)	(25,000)	-	(16,446)
Interest Expense, in Net	(29,000)	(29,000)	-	(25,371)
Other, in Net	4,000	4,000	-	8,924
Ordinary Income	165,000	175,000	(10,000)	162,835
Extraordinary Gains/Losses	(8,000)	(10,000)	2,000	(7,769)
Income before Income Taxes	157,000	165,000	(8,000)	155,066
Income Taxes	(65,000)	(68,000)	3,000	(66,249)
Minority Interests	(2,000)	(2,000)	-	(1,439)
Net Income	¥90,000	¥95,000	¥(5,000)	¥87,378

[Differences with Previous Forecast (Announced April 30, 2008)]

- The “Leasing” segment is progressing ahead of our previous forecasts, thanks to projects completed in the previous fiscal year, such as Grand Tokyo North Tower, as well as projects that came on-stream in the period under review, such as Mitsui Outlet Park Iruma. Accordingly, we project a ¥5.0 billion increase in segment revenue and a ¥2.0 billion rise in segment operating income, compared with our previous forecast.
- In the “Sales of housing, office buildings and land” segment, the parent company has reassessed the timing for selling properties to investors, in consideration of recent difficult market conditions. Toward the end of the period, moreover, the Company will revalue the entire segment using the lower-of-cost-or-market method, thus assuming a certain amount of devaluation loss. As a result, we project a ¥26.0 billion fall in segment revenue and an ¥8.0 billion decline in segment operating income, compared with our previous forecast.

- Due to falling revenue generated by the Mitsui Home Group, we have lowered our revenue forecast for the “Construction” segment by ¥4.0 billion. We expect segment operating income to remain mostly unchanged from our previous forecast.
- In the “Brokerage, consignment sales and consulting” segment, we project a ¥5.0 billion decline in revenue and a ¥4.0 billion decrease in operating income, compared with our previous forecast. This is due to a decline in transaction volume handled by Mitsui Real Estate Sales in its brokerage business for institutional customers.
- As a result, our revised forecast for revenue from operations is ¥1,500 billion, down ¥30 billion from our previous forecast. In addition, we have made a ¥10 billion downward revision to our forecasts for both operating income and ordinary income, to ¥190 billion and ¥165 billion, respectively.
- Our revised forecast for net income is ¥90 billion, down ¥5 billion from our previous forecast.

Note: Our revised forecasts for operating income, ordinary income, and net income represent record-high figures.

<Tangible and Intangible Assets>

(¥ millions)

	Year to March 31, 2009		Change (amount)	March 31, 2008
	Latest Forecast as of October 30, 2008	Previous Forecast as of April 30, 2008		
New Investments	160,000	160,000	-	340,462
Depreciation	47,000	47,000	-	44,304

<Real Property for Sale>

(¥ millions)

	Year to March 31, 2009		Change (amount)	March 31, 2008
	Latest Forecast as of October 30, 2008	Previous Forecast as of April 30, 2008		
New Investments	400,000	400,000	-	360,882
Recovery of Costs	310,000	330,000	(2,000)	275,619

Note: Real Property for Sale: real property for sale + real property for sale in progress + land for development + advances paid for purchases

<Interest-Bearing Debt>

(¥ millions)

	Year to March 31, 2009		Change (amount)	March 31, 2008
	Latest Forecast as of October 30, 2008	Previous Forecast as of April 30, 2008		
Interest-Bearing Debt	1,640,000	1,640,000	-	1,550,420

Note: Interest-bearing debt: Short-term debt + Commercial paper + Bonds redeemable within one year + Corporate bonds + Long-term debt

<Housing Sales>

(¥ millions)

	Year to March 31, 2009		Change (amount)	March 31, 2008
	Latest Forecast as of October 30, 2008	Previous Forecast as of April 30, 2008		
Revenue from Operations	324,000	329,000	(5,000)	270,367
Condominiums	289,000	290,000	(1,000)	234,977
Detached Housing	35,000	39,000	(4,000)	35,389
Operating Margin (%)	10.5	11.0	(0.5pt)	11.4

<Number of Housing Units (to be booked)>

(Units)

	Year to March 31, 2009		Change (amount)	March 31, 2008
	Latest Forecast as of October 30, 2008	Previous Forecast as of April 30, 2008		
Condominiums	5,300	5,400	(100)	5,249
Detached Housing	600	700	(100)	713
Total	5,900	6,100	(200)	5,962

Segment Information

Six Months Ended September 30, 2008

(¥ millions)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	Assets	Depreciation	Impairment Loss	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total						
(1) Leasing	263,384	4,255	267,639	215,691	51,948	2,306,363	16,919	-	73,014
(2) Sales of Housing, Office Buildings and Land	124,100	-	124,100	113,642	10,458	911,722	583	1,290	1,357
(3) Construction	69,122	2,303	71,425	75,851	(4,426)	53,281	1,218	-	1,204
(4) Brokerage, Consignment Sales and Consulting	40,115	1,463	41,578	29,761	11,817	51,797	466	-	656
(5) Property Management	49,340	16,770	66,110	58,142	7,968	71,486	604	-	703
(6) Sales of Housing Materials and Merchandise	35,707	16,160	51,867	51,122	745	41,128	449	-	346
(7) Facility Operations	27,146	242	27,388	27,195	192	94,135	1,583	-	1,799
(8) Other	5,615	5,314	10,930	9,061	1,868	22,082	1,074	-	1,006
Total	614,532	46,509	661,042	580,468	80,573	3,551,997	22,900	1,290	80,088
Elimination or Corporate	-	(46,509)	(46,509)	(36,885)	(9,623)	212,313	471	-	1,522
Consolidated	614,532	-	614,532	543,582	70,950	3,764,311	23,371	1,290	81,610

Six Months Ended September 30, 2007

(¥ millions)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	266,815	4,263	231,078	185,596	45,482	2,000,640	14,420	71,031
(2) Sales of Housing, Office Buildings and Land	137,890	-	137,890	126,704	11,186	793,489	406	1,225
(3) Construction	74,526	2,215	76,741	81,274	(4,532)	54,114	1,125	1,432
(4) Brokerage, Consignment Sales and Consulting	39,816	1,473	41,289	30,299	10,990	55,744	434	811
(5) Property Management	52,180	12,714	64,895	57,091	7,803	67,979	538	962
(6) Sales of Housing Materials and Merchandise	36,238	15,905	52,144	51,890	253	44,213	508	586
(7) Facility Operations	21,758	122	21,881	21,512	369	80,765	1,511	1,584
(8) Other	4,862	4,976	9,839	8,238	1,601	19,931	1,116	1,302
Total	594,088	41,672	635,760	562,607	73,153	3,116,877	20,062	78,936
Elimination or Corporate	-	(41,672)	(41,672)	(32,245)	(9,426)	256,816	413	772
Consolidated	594,088	-	594,088	530,361	63,726	3,373,694	20,476	79,709

Year Ended March 31, 2008

(¥ millions)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	469,000	8,227	477,227	386,561	90,666	2,288,639	31,426	319,487
(2) Sales of Housing, Office Buildings and Land	382,266	-	382,266	324,456	57,809	824,969	878	2,848
(3) Construction	188,658	5,678	194,336	192,436	1,900	53,845	2,365	2,917
(4) Brokerage, Consignment Sales and Consulting	84,269	4,195	88,465	61,870	26,595	68,060	986	1,710
(5) Property Management	102,463	28,573	131,037	115,540	15,496	73,292	1,224	1,863
(6) Sales of Housing Materials and Merchandise	72,975	35,994	108,970	107,799	1,170	46,072	1,024	877
(7) Facility Operations	49,745	315	50,060	49,791	269	88,311	3,297	6,207
(8) Other	10,643	10,263	20,907	17,003	3,903	23,999	2,245	2,499
Total	1,360,023	93,247	1,453,271	1,255,460	197,811	3,467,191	43,448	338,410
Elimination or Corporate	-	(93,247)	(93,247)	(74,719)	(18,528)	167,297	855	2,051
Consolidated	1,360,023	-	1,360,023	1,180,740	179,282	3,634,489	44,304	340,462

Leasing

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

Sales of Housing, Office Buildings and Land

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

Construction

Construction of detached housing, flats, etc.

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, retail facilities, etc., and asset management services for investors.

Property Management

Property management services (including tenant improvement)

Sales of Housing Materials and Merchandise

Manufacture and sales 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.

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	September 30, 2008	March 31, 2008	Change	September 30,2007
	Amount	Amount	Amount	Amount
I . Current Assets:	¥1,119,444	¥1,016,128	¥103,316	¥997,914
Cash and Time Deposits	62,788	50,722	12,065	60,274
Accounts Receivable—Trade	24,957	34,593	(9,635)	23,769
Marketable Securities	110	13,094	(12,984)	94
Real Property for Sale	290,694	241,066	49,628	547,399
Real Property for Sale in Progress	284,175	228,049	56,126	
Land for Development	165,445	174,445	(8,999)	
Expenditure on Contracts in Progress	15,966	8,492	7,474	16,468
Other Inventories	10,929	10,206	723	11,035
Advances Paid for Purchases	10,482	16,926	(6,443)	35,801
General Short-Term Loans	10,594	8,170	2,424	7,447
Equity Investments in Properties for Sale	105,857	97,151	8,705	156,500
Deferred Income Taxes	61,668	60,059	1,609	68,054
Other Current Assets	77,053	73,718	3,335	71,638
Allowance for Doubtful Accounts	(1,281)	(568)	(712)	(570)
II . Fixed Assets:	2,644,867	2,618,361	26,505	2,375,779
1. Tangible Fixed Assets:	1,973,785	1,931,592	42,192	1,744,395
Buildings and Structures	513,903	519,671	(5,767)	487,625
Machinery, Equipment and Material Handling Equipment	8,581	7,649	932	6,544
Land	1,407,403	1,363,479	43,923	1,191,346
Construction in Progress	17,752	13,839	3,913	33,233
Other Tangible Fixed Assets	26,144	26,953	(809)	25,644
2. Intangible Fixed Assets:	30,775	30,218	557	26,738
Leasehold Rights	17,445	17,455	(9)	17,471
Other Intangible Fixed Assets	13,329	12,762	580	9,267
3. Investments and Other Assets:	640,306	656,550	(16,244)	604,645
Investment Securities	379,737	390,418	(10,681)	350,138
Long-Term Loans	5,438	4,670	767	4,142
Lease Deposits	189,890	196,788	(6,898)	184,788
Deferred Income Taxes	15,190	15,022	168	16,165
Deferred Tax Assets on Land Revaluation	8,308	8,308	-	9,227
Other Investments and Assets	49,650	49,074	576	48,416
Allowance for Doubtful Accounts	(7,909)	(7,732)	(176)	(8,233)
Total Assets	¥3,764,311	¥3,634,489	¥129,822	¥3,373,694

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	September 30, 2008	March 31, 2008	Change	September 30, 2007
	Amount	Amount	Amount	Amount
I . Current Liabilities:	¥847,587	¥717,004	¥130,582	¥707,612
Accounts Payable—Trade	62,873	110,942	(48,069)	55,664
Short-Term Debt	250,468	180,173	70,295	222,037
Commercial Paper	286,000	53,000	233,000	113,000
Bond Redeemable Within One Year	30,000	30,000	-	30,000
Income Taxes Payable	17,858	35,632	(17,774)	26,407
Advances from Contracts in Progress	19,068	13,731	5,337	20,903
Deferred Income Taxes	921	921	-	983
Allowance for Completed Project Indemnities	1,582	1,688	(106)	1,567
Allowance for Possible Guarantee Losses	250	198	51	144
Other Current Liabilities	178,563	290,715	(112,152)	236,902
II . Long-Term Liabilities:	1,924,589	1,925,481	(891)	1,688,037
Corporate Bonds	215,000	235,000	(20,000)	205,000
Long-Term Debt	1,069,545	1,052,247	17,298	864,101
Deposits from Tenants	364,555	356,612	7,943	326,461
Deferred Income Taxes	24,215	30,310	(6,094)	43,671
Deferred Tax Liabilities on Land Revaluation	186,189	186,189	-	181,267
Allowance for Employees' Retirement Benefits	30,440	28,034	2,406	29,356
Allowance for Directors' and Corporate Auditors' Retirement Benefits	1,407	1,468	(60)	1,129
Other Long-Term Liabilities	33,235	35,620	(2,385)	37,050
Total Liabilities	2,772,176	2,642,486	129,690	2,395,649
NET ASSETS:				
I . Total Shareholders' Equity:	713,972	697,039	16,933	661,918
Common Stock	174,296	174,296	-	174,296
Additional Paid-in Capital	248,354	248,328	25	248,319
Retained Earnings	296,050	278,748	17,301	243,444
Treasury Stock	(4,727)	(4,333)	(393)	(4,141)
II . Total Valuation Translation Adjustments and Others:	259,335	274,269	(14,934)	298,281
Net Unrealized Holding Gains on Securities	23,289	32,575	(9,286)	56,905
Deferred Gains or Losses on Hedges	(94)	(106)	12	39
Reserve on Land Revaluation	257,514	257,728	(213)	251,430
Foreign Currency Translation Adjustment	(21,374)	(15,927)	(5,446)	(10,093)
III . New Share Subscription Rights:	150	86	63	28
IV . Minority Interests in Consolidated Subsidiaries	18,676	20,607	(1,930)	17,815
Total Net Assets	992,134	992,003	131	978,044
Total Liabilities and Net Assets	¥3,764,311	¥3,634,489	¥129,822	¥3,373,694

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	September 30, 2008	September 30, 2007
	Amount	Amount
I . Revenue from Operations	¥614,532	¥594,088
II . Cost of Revenue from Operations	473,412	466,412
Gross Operating Profit	141,115	127,676
III. Selling, General and Administrative Expenses	70,165	63,949
Operating Income	70,950	63,726
IV. Non-Operating Income:	7,745	7,168
Interest Income	357	365
Dividend Income	1,539	1,392
Equity in Net Income of Affiliated Companies	3,665	4,619
Other Non-Operating Income	2,183	791
V. Non-Operating Expenses:	18,884	13,561
Interest Expenses	14,872	12,442
Other Non-Operating Expenses	4,012	1,118
Ordinary Income	59,811	57,334
VI. Extraordinary Gains	-	12,870
VII. Extraordinary Losses	6,773	6,344
Income before Income Taxes	53, 038	63,860
Income Taxes	22,085	27,585
Deferred Income Taxes		501
Minority Interests	1,116	1,068
Net Income	¥32,068	¥36,842

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(¥ millions)

	September 30, 2008
	Amount
I. Cash Flows From Operating Activities:	
Income before Income Taxes	¥53,038
Depreciation and Amortization	23,371
Impairment Loss	1,290
Gain/Loss on Evaluation of Marketable and Investment Securities	1,698
Interest and Dividend Income Receivable	(1,896)
Interest Expense	14,872
Gain/Loss on Equity-Method Investments	(3,665)
Loss on Disposal of Fixed Assets	1,702
Increase/Decrease in Accounts Receivable	9,621
Increase/Decrease in Accounts Payable	(9,617)
Increase/Decrease in Real Property for Sale	(138,788)
Increase/Decrease in Operational Investment	(8,705)
Other	(115,284)
Subtotal	(172,361)
Cash Receipts of Interest and Dividend Income	3,399
Cash Payments of Interest Expense	(14,480)
Income Taxes Paid	(41,113)
Net Cash Provided by Operating Activities	(224,556)
II. Cash Flows From Investing Activities:	
Purchase of Tangible and Intangible Fixed Assets	(80,477)
Sales of Tangible and Intangible Fixed Assets	1,613
Purchase of Investment Securities	(6,654)
Sales of Investment Securities	40
Proceeds from Receipt of Rental Deposits and Guarantees	(3,848)
Proceeds from Recovery of Rental Deposits and Guarantees	11,524
Decrease in Deposits from Tenants	(20,057)
Increase in Deposits from Tenants	25,656
Increase in Loans (Outlays for Loans)	(5,278)
Decrease in Loans (Proceeds from Recovery of Loans)	4,330
Other	342
Net Cash Used in Investing Activities	(72,807)
III. Cash Flows From Financing Activities:	
Proceeds from Short-Term Debt	1,113,314
Repayment of Short-Term Debt	(834,275)
Proceeds from Long-Term Debt	104,650
Repayment of Long-Term Debt	(56,523)
Proceeds from Issuance of Bonds	10,000
Redemption of Bonds	(30,000)
Payments from Minority Shareholders	37
Cash Dividends Paid	(9,660)
Cash Dividends Paid to Minority Interests	(778)
Increase/Decrease in Treasury Stock	(368)
Net Cash Used in Financing Activities	296,396
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	43
V. Net Increase (Decrease) in Cash and Cash Equivalents	(924)
VI. Cash and Cash Equivalents at Beginning of Year	63,495
VII. Cash and Cash Equivalents at End of the Period	¥62,571

Note: Leased Deposits on consolidate balance sheets and proceeds from receipt and recovery of rental deposits and guarantees on consolidated statement of cash flows are all related to the pledged rental deposits and guarantees.