

FACT BOOK

For the Six Months Ended September 30, 2011

October 31, 2011



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Corporate Data**Head Office:**

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

Date of Establishment:

July 15, 1941

Share Capital:

¥174,296 million

Number of Issued and Outstanding Shares:

881,424,727

Stock Exchange Listings:

Tokyo, Osaka (Code: 8801)

Contents

| | |
|---------------------------------------|---------|
| Corporate Data, Contents | 1 |
| Consolidated Financial Highlights | 2 |
| Consolidated Business Overview | 3 |
| Segment Results | 4 - 7 |
| Consolidated Balance Sheets | 8 - 9 |
| Segment Information | 10 |
| Consolidated Statements of Income | 11 |
| Consolidated Statements of Cash Flows | 12 |
| Consolidated Earning Forecasts | 13 - 14 |

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)

Consolidated Results

| | Six Months Ended September 30 | | YoY Change | |
|-------------------------|-------------------------------|----------|------------|--------|
| | 2011 | 2010 | (amount) | (%) |
| | | | | |
| Revenue from Operations | ¥573,483 | ¥662,094 | ¥(88,611) | (13.4) |
| Operating Income | 47,037 | 59,985 | (12,947) | (21.6) |
| Ordinary Income | 35,928 | 47,890 | (11,961) | (25.0) |
| Net Income | 16,613 | 24,299 | (7,686) | (31.6) |

(¥ millions)

◆ Overview

● Profit and earnings mainly in the “Property Sales” segment are scheduled to be concentrated in the second half of the fiscal year, revenue from operations for the six-month period under review was down ¥88.6 billion or 13.4% to ¥573.4 billion while operating income was down ¥12.9 billion or 21.6% to ¥47.0 billion from the previous corresponding period. Ordinary income was also down ¥11.9 billion or 25.0% to ¥35.9 billion from the previous corresponding period.

● Since loss on valuation of investment securities is reported as extraordinary losses in the six-month period under review, net income was down ¥7.6 billion or 31.6% to ¥16.6 billion from the previous corresponding period.

● In light of the post-quake business environment and progress in each segment, etc., consolidated full-year performance forecasts announced at the beginning of the current fiscal year were closely examined and the full-year earnings forecasts were upwardly revised as a result. Overall progress rates in income for the revised full-year forecasts are approximately 35%, which resulted from a seasonal variation of Property Sales to Individuals and the “Mitsui Home” business (reporting of profit and earnings are generally concentrated in the second half of the fiscal year, especially the fourth quarter), and the results are progressing as planned.

◆ Segment Overview

● In the “Leasing” segment, there was an impact from the decrease in revenue of existing office buildings and the suspension of operation at “Hibiya Mitsui Building” for reconstruction in the last fiscal year. However, properties that came on-stream during the previous year such as the “Sumitomo Mitsui Banking Corporation Head Office Building” and “Mitsui Outlet Park Shiga Ryuo” fully contributed to profits for the period. As a result, entire segment revenue from operations was down ¥5.6 billion to ¥207.6 billion and operating income was up ¥0.5 billion to ¥49.1 billion from the previous corresponding period.

● The vacancy rate of the Company’s office buildings (non-consolidated) in the Tokyo Metropolitan Area remained low compared to the market, amounting to 3.8% (4.4% as of June 30, 2011).

● In the “Property Sales” segment, revenue and earnings decreased since the reporting of completion and handover of units in the “Property Sales to Individuals” category are concentrated in the second half and the main properties of the “Property Sales to Investors” category are also scheduled to be sold in the second half. Entire segment revenue down ¥84.2 billion to ¥96.7 billion and operating loss was ¥0.7 billion, down ¥9.7 billion from the previous corresponding period.

● The status of condominium unit sales continued to be stable mainly in new condominium unit sales. The progress rate of contracts as of September 30, 2011 was 77% (78% as of September 30, 2010) of the 4,800 condominium unit sales. Moreover, completed inventories of condominiums as of September 30, 2011 totaled 383 units, 255 units down from 638 units as of March 31, 2011.

● In the “Management” segment, although revenue increased due to the increase in the number of consigned properties in the “Property Management” business, partly due to a decrease in revenue from a decline in project development management of the previous corresponding period and the number of consigned condominium units from other companies in the “Consignment Sales” business, entire segment revenue was up ¥1.8 billion to ¥137.0 billion and operating income was down ¥1.5 billion to ¥14.5 billion from the previous corresponding period.

● Due to a decrease in operating income, ordinary income totaled ¥35.9 billion, down ¥11.9 billion or 25.0% from the previous corresponding period. Net income decreased to ¥16.6 billion, down ¥7.6 billion or 31.6% from the previous corresponding period.

◆ Dividends

Interim dividends are ¥11.00 per share as announced at the beginning of the current fiscal year (¥11.00 in the previous corresponding period).

CONSOLIDATED BUSINESS OVERVIEW

Results of Operations

| | Six Months Ended September 30 | | Change (amount) |
|---|-------------------------------|----------|--------------------|
| | 2011 | 2010 | |
| | (¥ millions) | | |
| Revenue from Operations | ¥573,483 | ¥662,094 | ¥(88,611) |
| Leasing | 207,674 | 213,368 | (5,693) |
| Property Sales | 96,737 | 180,991 | (84,254) |
| Management | 137,026 | 135,219 | 1,806 |
| Mitsui Home | 82,056 | 84,461 | (2,404) |
| Other | 49,988 | 48,053 | 1,934 |
| Operating Income | 47,037 | 59,985 | (12,947) |
| Leasing | 49,112 | 48,556 | 555 |
| Property Sales | (790) | 8,928 | (9,719) |
| Management | 14,554 | 16,152 | (1,598) |
| Mitsui Home | (3,619) | (3,089) | (529) |
| Other | (725) | 537 | (1,263) |
| Elimination or Corporate | (11,492) | (11,100) | (392) |
| Non-Operating Income/Expenses | (11,109) | (12,094) | 985 |
| Equity in Net Income/Loss of Affiliated Companies | 2,274 | 511 | 1,762 |
| Interest Expense, in Net | (13,417) | (14,069) | 651 |
| Other, in Net | 34 | 1,462 | (1,428) |
| Ordinary Income | 35,928 | 47,890 | (11,961) |
| Extraordinary Gains/Losses | (3,028) | (2,004) | (1,024) |
| Extraordinary Gains | - | - | - |
| Extraordinary Losses | 3,028 | 2,004 | 1,024 |
| Income before Income Taxes | 32,900 | 45,886 | (12,986) |
| Income Taxes | 17,741 | 22,441 | (4,699) |
| Income before Minority Interests | 15,158 | 23,445 | (8,286) |
| Minority Interests | (1,454) | (854) | (599) |
| Net Income | ¥16,613 | ¥24,299 | (7,686) |

- In the six-month period under review, revenue from operations totaled ¥573.4 billion, down 13.4% from the previous corresponding period.
- Operating income was down 21.6% to ¥47.0 billion.
- Ordinary income was down 25.0%.
- Net income for the period was down 31.6%.
- The results in the six-month period under review, both revenue and earnings decreased because the reporting of revenue and earnings is concentrated in the second half of the fiscal year mainly in the "Property Sales" segment. However, in light of the post-quake business environment and progress in each segment, etc., consolidated full-year earnings forecasts announced at the beginning of the current year were closely examined and were upwardly revised.

* "Revenue from operations" refers to revenue from outside customers.

* All figures shown are cumulative for the period.

Progress Comparison with Full Year Forecasts

| | Six Months Ended September 30, 2011 | Year to 3/12 (Forecast as of October 31, 2011) | 6-Month Results/Full-Year Forecast (%) |
|-------------------------|--|--|--|
| | | | (¥ millions) |
| Revenue from Operations | ¥573,483 | ¥1,360,000 | 42.2 |
| Operating Income | 47,037 | 122,000 | 38.6 |
| Ordinary Income | 35,928 | 100,000 | 35.9 |
| Net Income | 16,613 | 48,000 | 34.6 |

Extraordinary Losses

| (¥ millions) | | |
|--|--------------|----------------------|
| Loss on Valuation of Investment Securities | 2,619 | Mitsui Fudosan, etc. |
| Loss on Disaster | 408 | Mitsui Fudosan, etc. |
| Total | 3,028 | |

Consolidated Statements of Comprehensive Income

| | Six Months Ended September 30 | |
|---|-------------------------------|---------|
| | 2011 | 2010 |
| Net Income before Minority Interests | ¥15,158 | ¥23,445 |
| Other Comprehensive Income | (2,926) | (3,663) |
| Valuation Difference on Available-For-Sale Securities | (3,385) | 542 |
| Deferred Gains or Losses on Hedges | (143) | (567) |
| Foreign Currency Translation Adjustment | (200) | (2,558) |
| Share of Other Comprehensive Income of Associates | 803 | (1,080) |
| Accounted for Using Equity Method | | |
| Comprehensive Income | 12,232 | 19,781 |
| (Comprehensive Income Attributable to Owners of the Parent) | 13,614 | 20,619 |
| (Comprehensive Income Attributable to Minority Interests) | ¥(1,381) | ¥(838) |

[Reference] Nonconsolidated Operating Income/Expenses (Mitsui Fudosan)

| (¥ millions) | | | | |
|----------------------------|----------------|----------------------------------|----------------------------------|--------------------|
| | | Six Months Ended September 30 | Six Months Ended September 30 | Change (amount) |
| | | 2011 | 2010 | |
| Revenue from Operations | Leasing | ¥203,218 | ¥208,041 | ¥(4,823) |
| | Property Sales | 1,588 | 30,798 | (29,209) |
| | Other | 14,256 | 18,756 | (4,499) |
| | Total | 219,063 | 257,596 | (38,532) |
| Gross Profit(%) | Leasing | 18.9 | 17.7 | 1.2 pt. |
| | Property Sales | (55.3) | 2.7 | - |
| | Other | 49.4 | 51.4 | (2.0) pt. |
| Operating Income | | ¥33,861 | ¥37,020 | ¥(3,158) |

SEGMENT RESULTS

[1] LEASING

| | Six Months Ended September 30 | | Change (amount) |
|-------------------------|-------------------------------|----------|--------------------|
| | 2011 | 2010 | |
| | (¥ millions) | | |
| Revenue from Operations | ¥207,674 | ¥213,368 | ¥(5,693) |
| Operating Income | 49,112 | 48,556 | 555 |

| | Year to March 2012 (Forecast as of October 31, 2011) | 6-Month Results/ Full-Year Forecast (%) | Year Ended March 31, 2011 |
|-------------------------|--|--|------------------------------|
| | (¥ millions) | | |
| Revenue from Operations | ¥418,000 | 49.7 | ¥423,468 |
| Operating Income | 92,000 | 53.4 | 88,929 |

● In the six-month period under review, there was an impact from the decrease in revenue caused by suspension of operation at “Hibiya Mitsui Building” for reconstruction in last year and decrease in revenue from existing office buildings. However, properties that came on-stream during the previous period such as the “Sumitomo Mitsui Banking Corporation Head Office Building” and “Mitsui Outlet Park Shiga Ryuo”, fully contributed to profits. As a result, entire segment revenue totaled ¥207.6 billion, down ¥5.6 billion and operating income totaled ¥49.1 billion, up ¥0.5 billion from the previous corresponding period.

● The overall market vacancy rate of office buildings in 5 wards in central Tokyo remained high, however, the vacancy rate of the Company's office buildings (non-consolidated) in the Tokyo Metropolitan Area remained low compared to the market, amounting to 3.8%.

【Reference】 Nonconsolidated Results (Revenue from operations)

Newly on-stream projects (Nagoya Mitsui Building New Building, etc.) and full-term contribution projects (Sumitomo Mitsui Banking Corporation Head Office Building, Mitsui Outlet Park Shiga Ryuo, etc.): ¥6.0 billion revenue increase; existing properties: ¥9.6 billion revenue decline; transfers and completions: ¥1.2 billion revenue decline

(Vacancy rate)

Office buildings in Tokyo Metropolitan Area: 3.8%

Breakdown of Leasing Operations (Nonconsolidated)

| | | At September 30 | | | | | |
|-------------------|---|-----------------|---------|-------------------------|---------|----------------|--------|
| | | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | | Total | | Tokyo Metropolitan Area | | Regional Areas | |
| Office Buildings | Number of Buildings | 172 | 190 | 141 | 159 | 31 | 31 |
| | Leased Floor Space (1,000m ²) | 2,500 | 2,559 | 2,219 | 2,287 | 280 | 272 |
| | Leasing Revenue (¥ millions) | 133,398 | 137,697 | 124,430 | 127,793 | 8,967 | 9,904 |
| | Vacancy Rate (%) | 4.3 | 4.4 | 3.8 | 4.0 | 7.7 | 7.5 |
| Retail Facilities | Number of Buildings | 68 | 68 | 43 | 43 | 25 | 25 |
| | Leased Floor Space (1,000m ²) | 1,696 | 1,648 | 1,056 | 1,016 | 639 | 632 |
| | Leasing Revenue (¥ millions) | 61,574 | 61,869 | 43,382 | 43,091 | 18,192 | 18,777 |
| | Vacancy Rate (%) | 0.4 | 0.6 | 0.4 | 0.5 | 0.6 | 0.7 |

Leased Floor Space

| | | At September 30 | | Change | |
|--|---|-------------------|----------------|----------------|----------------|
| | | 2011 | 2010 | | |
| | | (¥ millions) | | | |
| Office Buildings and Retail Facilities | Revenue | Office Buildings | 142,440 | 147,197 | (4,757) |
| | | Retail Facilities | 62,548 | 63,199 | (650) |
| | Total Leased Floor Space (1,000 m ²): | | 4,490 | 4,489 | 0 |
| | Office Buildings | Owned | 1,274 | 1,283 | (9) |
| | | Managed | 1,517 | 1,556 | (39) |
| | Retail Facilities | Owned | 1,056 | 1,012 | 44 |
| | | Managed | 642 | 638 | 4 |
| Other | Revenue | | 2,685 | 2,971 | (285) |
| Total Revenue | | | 207,674 | 213,368 | (5,693) |

Vacancy Rate at End of Term

| | 9/11 | 6/11 | 3/11 | 3/10 | 3/09 | 3/08 |
|---|------|------|------|------|------|------|
| (%) | | | | | | |
| Consolidated | | | | | | |
| Office Buildings and Retail Facilities (including overseas) | 2.8 | 3.3 | 3.5 | 3.1 | 2.2 | 1.3 |
| Nonconsolidated | | | | | | |
| Tokyo Metropolitan Area Office Buildings | 3.8 | 4.4 | 4.0 | 3.9 | 2.5 | 1.3 |
| Regional Area Office Buildings | 7.7 | 8.3 | 7.6 | 7.1 | 6.6 | 5.8 |

Major Projects

(NEWLY ON-STREAM)

| | |
|---|--|
| Nagoya Mitsui Building New Building (Nagoya, Aichi) | Office building completed in June 2011 |
| Onarimon M-SQUARE (Minato-ku, Tokyo) | Office building completed in July 2011 |
| Mitsui Outlet Park Jazz Dream Nagashima 4th Stage (Kuwana, Mie) | Retail facility opened in September 2011 |

(FULL-TERM CONTRIBUTION)

| | |
|--|---|
| GINZA TRECIOS (Chuo-ku, Tokyo) | Retail facility opened in April 2010 |
| Mitsui Outlet Park Sapporo Kita-Hiroshima (Kita-Hiroshima, Hokkaido) | Retail facility opened in April 2010 |
| Mitsui Outlet Park Shiga Ryuo (Gamou-gun, Shiga) | Retail facility opened in July 2010 |
| Sumitomo Mitsui Banking Corporation Head Office Building (Chiyoda-ku, Tokyo) | Office building completed in July 2010 |
| Muromachi Higashi Mitsui Building (Chuo-ku, Tokyo) | Office building completed in October 2010 |
| COREDO Muromachi (Chuo-ku, Tokyo) | Retail facility opened in October 2010 |

[2] PROPERTY SALES

| | (¥ millions) | | Change (amount) |
|-------------------------|-------------------------------|----------|--------------------|
| | Six Months Ended September 30 | | |
| | 2011 | 2010 | |
| Revenue from Operations | ¥96,737 | ¥180,991 | ¥(84,254) |
| Operating Income | (790) | 8,928 | (9,719) |

| | (¥ millions) | | Year Ended March 31, 2011 |
|-------------------------|--|--|------------------------------|
| | Year to March 2012 (Forecast as of October 31, 2011) | 6-Month Results/ Full-Year Forecast (%) | |
| Revenue from Operations | ¥339,000 | 28.5 | ¥405,242 |
| Operating Income | 18,000 | - | 16,193 |

● In the six-month period under review, sales of units in the “Property Sales to Individuals” category was down ¥57.4 billion in revenue and down ¥8.0 billion in operating income mainly due to a decrease in the number of housing units sold and a decrease in unit price due to the decrease in the ratio of properties in the Tokyo metropolitan area in comparison to the previous corresponding period. In addition, in the “Property Sales to Investors” category, the sales of properties was smaller than the previous corresponding period. Accordingly, revenue was down ¥26.7 billion while operating income was down ¥1.6 billion. Entire segment revenue was down ¥84.2 billion to ¥96.7 billion, and operating loss was ¥0.7 billion, down ¥9.7 billion from the previous corresponding period.

● In addition, the status of condominium unit sales continued to be stable mainly in new condominium units. The progress rate of contracts as of September 30, 2011 was 77% (78% as of September 30, 2010) of the 4,800 condominium units. Completed inventories of condominiums as of September 30, 2011 totaled 383 units, 255 units down from 638 units as of March 31, 2011, and the results are progressing as planned.

Major Projects Undertaken during the Period

| | |
|--|------------------|
| Park City Minami-Senrioka (Settsu, Osaka) | Condominiums |
| Park City Kashiwanoha Campus Nibangai (Kashiwa, Chiba) | Condominiums |
| Park Homes Kaminoge Artrie (Setagaya-ku, Tokyo) | Condominiums |
| Park Tower GranSky (Shinagawa-ku, Tokyo) | Condominiums |
| Park City Hamadayama (Suginami-ku, Tokyo) | Condominiums |
| Fine Court Kugahara Hill Bright (Ota-ku, Tokyo) | Detached housing |

Property Sales to Individuals and Investors

| | | | (¥ millions) | | | | | | Change | | | |
|-------------------------------------|-----------------------------|-------------------------|-------------------------------|------------------|------------|----------------|---------|------------|-----------------|----------|------------|-----|
| | | | Six Months Ended September 30 | | | | | | | | | |
| | | | 2011 | | | 2010 | | | | | | |
| | | | Revenue | Units | Unit Price | Revenue | Units | Unit Price | Revenue | Units | Unit Price | |
| Property Sales to Individuals | Condominiums | Tokyo Metropolitan Area | 47,188 | 912 | 52 | 107,333 | 1,913 | 56 | (60,145) | (1,001) | (4) | |
| | | Other | 16,803 | 518 | 32 | 13,868 | 406 | 34 | 2,935 | 112 | (2) | |
| | | Subtotal | 63,991 | 1,430 | 45 | 121,202 | 2,319 | 52 | (57,210) | (889) | (8) | |
| | Detached Housing | Tokyo Metropolitan Area | 19,825 | 354 | 56 | 20,092 | 383 | 52 | (266) | (29) | 4 | |
| | | Other | 3,063 | 71 | 43 | 3,050 | 61 | 50 | 13 | 10 | (7) | |
| | | Subtotal | 22,889 | 425 | 54 | 23,143 | 444 | 52 | (253) | (19) | 2 | |
| | Revenue | | | 86,881 | 1,855 | 47 | 144,345 | 2,763 | 52 | (57,463) | (908) | (5) |
| | Operating Income | | | (2,457) | | | 5,641 | | | (8,098) | | |
| | Property Sales to Investors | | | Revenue | | | 36,646 | | | (26,790) | | |
| | | | | Operating Income | | | 3,287 | | | (1,620) | | |
| Total Revenue | | | 96,737 | | | 180,991 | | | (84,254) | | | |
| Total Operating Income | | | (790) | | | 8,928 | | | (9,719) | | | |

Inventories (Property Sales to Individuals)

| | (Units) | | | | | | |
|------------------|------------|------------|------------|------------|------------|------------|------------|
| | 9/11 | 6/11 | 3/11 | 3/10 | 3/09 | 3/08 | 3/07 |
| Condominiums | 383 | 474 | 638 | 872 | 826 | 453 | 267 |
| Detached Housing | 35 | 22 | 46 | 40 | 93 | 115 | 109 |
| Total | 418 | 496 | 684 | 912 | 919 | 568 | 376 |

Contracted for Sale (Property Sales to Individuals)

| | (Units) | | | | | |
|------------------|--------------------------------------|--------------------------|--------------|--------------------------|-----------------------------|----------------------------------|
| | Contracts at Beginning of Term | Contracts during Term | Total | Reported No. of Units | Contracts at End of Term | Newly Launched during Term |
| Condominiums | 1,537 | 2,793 | 4,330 | 1,430 | 2,900 | 2,758 |
| Detached Housing | 196 | 309 | 505 | 425 | 80 | 298 |
| Total | 1,733 | 3,102 | 4,835 | 1,855 | 2,980 | 3,056 |

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

[3] MANAGEMENT

| | Six Months Ended September 30 | | Change (amount) |
|------------------|-------------------------------|----------|--------------------|
| | 2011 | 2010 | |
| | Revenue from Operations | ¥137,026 | ¥135,219 |
| Operating Income | 14,554 | 16,152 | (1,598) |

| | Year to March 2012 (Forecast as of October 31, 2011) | 6-Month Results/ Full-Year Forecast (%) | Year Ended March 31, 2011 |
|------------------|--|--|------------------------------|
| | Revenue from Operations | ¥281,000 | 48.8 |
| Operating Income | 32,000 | 45.5 | 32,121 |

● In the six-month period under review, while revenue increased due to an increase in the number of managed units in the “Repark” (Car Park Leasing) business and the number of other managed properties, revenue decreased from a decline in development management of a development project in the previous corresponding period and the number of consigned condominium units from other companies in “Consignment Sales” business. As a result, entire segment revenue was up ¥1.8 billion to ¥137.0 billion and operating income was down ¥1.5 billion to ¥14.5 billion from the previous corresponding period.

| | | Six Months Ended September 30 | | Change (amount) |
|--------------------------------------|------------------|-------------------------------|----------------|--------------------|
| | | 2011 | 2010 | |
| Property Management | Revenue | ¥103,579 | ¥100,686 | ¥2,893 |
| | Operating Income | 11,610 | 11,467 | 143 |
| Brokerage, Asset Management, etc. | Revenue | 33,446 | 34,533 | (1,087) |
| | Operating Income | 2,943 | 4,685 | (1,741) |
| Total | Revenue | 137,026 | 135,219 | 1,806 |
| | Operating Income | 14,554 | 16,152 | (1,598) |

Property Management Business: Car Park Leasing (including “Property Management” category)

| | (Units) | |
|---------------------|-----------------------|-----------------------|
| | At September 30, 2011 | At September 30, 2010 |
| Total Managed Units | 130,056 | 123,144 |

Brokerage Business: Mitsui Real Estate Sales (including “Brokerage and Asset Management, etc.” category)

| | Six Months Ended September 30 | | | | Change (amount) | |
|-----------|-------------------------------|--------|----------|--------|--------------------|-------|
| | 2011 | | 2010 | | Turnover | Units |
| | Turnover | Units | Turnover | Units | | |
| Brokerage | ¥542,818 | 17,389 | ¥529,415 | 17,106 | ¥13,403 | 283 |

Note: Above figures for brokerage revenue and units represent the entire Mitsui Real Estate Sales Group, including Rehouse, an equity-method affiliate.

Consignment Sales Business: Mitsui Fudosan Residential (including “Brokerage and Asset Management, etc.” category)

| | Six Months Ended September 30 | | | | Change (amount) | |
|-------------------|-------------------------------|-------|----------|-------|--------------------|-------|
| | 2011 | | 2010 | | Turnover | Units |
| | Turnover | Units | Turnover | Units | | |
| Consignment Sales | ¥20,932 | 491 | ¥56,283 | 1,108 | ¥(35,350) | (617) |

[4] MITSUI HOME, [5] OTHER

[4] MITSUI HOME

| | Six Months Ended September 30 | | Change (amount) |
|-------------------------|-------------------------------|---------|--------------------|
| | 2011 | 2010 | |
| Revenue from Operations | ¥82,056 | ¥84,461 | ¥(2,404) |
| Operating Income | (3,619) | (3,089) | (529) |

| | Year to March 2012 (Forecast as of October 31, 2011) | 6-Month Results/ Full-Year Forecast (%) | Year Ended March 31, 2011 |
|------------------|--|--|------------------------------|
| | Revenue from Operations | ¥215,000 | 38.2 |
| Operating Income | 4,800 | - | 3,764 |

● In the six-month period under review, in the “New Construction” business, profit declined mainly due to a revenue decrease in interior products sales and an increase selling, general and administrative expenses including advertising costs despite the revenue increase in building consignment. On the other hand, since the revenue of Mitsui Home Remodeling Co., Ltd. was moved from this segment, the revenue in the “Reform/Renewal” Business decreased accordingly. As a result, this segment reported ¥82.0 billion in revenue from operation, down ¥2.4 billion from the previous corresponding period and a ¥3.6 billion operating loss, up ¥0.5 billion from the previous corresponding period. This segment reported an operating loss because the completion and handover of properties under consignment are concentrated in the second half of each fiscal year, especially the fourth quarter.

| | | Six Months Ended September 30 | | Change (amount) |
|----------------------|---------|-------------------------------|---------------|--------------------|
| | | 2011 | 2010 | |
| New Construction | Revenue | 59,557 | 59,985 | (427) |
| | Orders | 73,294 | 69,236 | 4,057 |
| Reform/Renewal | Revenue | 7,999 | 12,135 | (4,135) |
| | Orders | 12,078 | 16,195 | (4,116) |
| Lease Management | | 8,815 | 8,487 | 327 |
| Other | | 5,684 | 3,853 | 1,831 |
| Total Revenue | | 82,056 | 84,461 | (2,404) |

Note: The above revenue figures differ from those disclosed by Mitsui Home, because sales to the Mitsui Fudosan Group are deducted from Mitsui Home’s consolidated revenue from operations.

[5] OTHER

| | Six Months Ended September 30 | | Change (amount) |
|-------------------------|-------------------------------|---------|--------------------|
| | 2011 | 2010 | |
| Revenue from Operations | ¥49,988 | ¥48,053 | ¥1,934 |
| Operating Income | (725) | 537 | (1,263) |

| | Year to March 2012 (Forecast as of October 31, 2011) | 6-Month Results/ Full-Year Forecast (%) | Year Ended March 31, 2011 |
|------------------|--|--|------------------------------|
| | Revenue from Operations | 107,000 | 46.7 |
| Operating Income | (2,000) | - | 1,001 |

● In the six-month period under review, the revenue for Mitsui Home Remodeling Co., Ltd. was moved to the “Other” segment due to the business reorganization of the “Reform” Business within the Group and the segment revenue increased accordingly. On the other hand, revenue from hotel/resort facilities in “Facility Operations” decreased due to the impact of the earthquake, etc. Entire segment revenue was up ¥1.9 billion to ¥49.9 billion and operating loss was ¥0.7 billion, down ¥1.2 billion from the previous corresponding period.

| | Six Months Ended September 30 | | Change (amount) |
|----------------------|-------------------------------|---------------|--------------------|
| | 2011 | 2010 | |
| Facility Operations | 23,534 | 25,173 | (1,638) |
| Merchandise | 20,829 | 21,145 | (315) |
| Other | 5,623 | 1,735 | 3,888 |
| Total Revenue | 49,988 | 48,053 | 1,934 |

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

| (¥ millions) | | | |
|--|--------------------------------|----------------------------|--------------------|
| | September 30, 2011 (Amount) | March 31, 2011 (Amount) | Change (Amount) |
| ASSETS: | | | |
| I. Current Assets: | ¥947,904 | ¥929,166 | ¥18,737 |
| Cash and Time Deposits | 61,890 | 57,223 | 4,667 |
| Accounts Receivable—Trade | 23,338 | 24,041 | (703) |
| Short-term investment securities | 9 | - | 9 |
| Real Property for Sale (including Advances Paid for Purchases) | 650,355 | 634,479 | 15,875 |
| Expenditure on Contracts in Progress | 17,830 | 11,227 | 6,602 |
| Other Inventories | 9,271 | 8,923 | 348 |
| Short-Term Loans | 9,212 | 11,510 | (2,298) |
| Equity Investments in Properties for Sale | 53,643 | 65,738 | (12,094) |
| Deferred Income Taxes | 50,123 | 46,946 | 3,177 |
| Other Current Assets | 73,338 | 70,320 | 3,018 |
| Allowance for Doubtful Accounts | (1,110) | (1,245) | 135 |
| II. Fixed Assets: | 2,858,287 | 2,851,533 | 6,754 |
| 1 Tangible Fixed Assets: | 2,238,137 | 2,221,843 | 16,293 |
| Buildings and Structures | 558,818 | 561,701 | (2,883) |
| Machinery, Equipment and Materials Handling Equipment | 7,965 | 8,215 | (249) |
| Land | 1,603,848 | 1,588,268 | 15,579 |
| Construction in Progress | 38,001 | 34,611 | 3,390 |
| Other Tangible Fixed Assets | 29,503 | 29,047 | 456 |
| 2 Intangible Fixed Assets: | 29,370 | 30,443 | (1,073) |
| Tangible and Intangible Fixed Assets: | 2,267,507 | 2,252,287 | 15,220 |
| 3 Investments and Other Assets: | 590,780 | 599,246 | (8,465) |
| Investment Securities | 369,825 | 377,519 | (7,694) |
| Long-Term Loans | 2,365 | 1,990 | 375 |
| Lease Deposits | 164,876 | 171,556 | (6,680) |
| Deferred Income Taxes | 10,184 | 10,103 | 81 |
| Deferred Tax Assets on Land Revaluation | 1,451 | 1,451 | - |
| Other Investments and Assets | 48,979 | 43,542 | 5,437 |
| Allowance for Doubtful Accounts | (6,902) | (6,917) | 15 |
| Total Assets | ¥3,806,192 | ¥3,780,699 | ¥25,492 |

Note: At September 30, 2011, equity investments in SPCs (included in "Investment Securities") amounted to ¥60.4 billion. (¥66.1 billion at fiscal year ended March 31, 2011)

[Real Property for Sale]

As of September 30, 2011 the consolidated balance of real property for sale (including property for sale in progress, land for development, and advances paid for purchases) was ¥650.3 billion, up ¥15.8 billion from March 31, 2011. The increase stemmed mainly from the fact that the value of new acquisitions exceeded that of properties sold to recover costs.

(a) Breakdown by Company

| (¥ millions) | | | |
|----------------------------|-----------------------|-------------------|-----------------|
| | At September 30, 2011 | At March 31, 2011 | Change (amount) |
| Mitsui Fudosan Residential | 405,577 | 406,054 | (477) |
| Mitsui Fudosan | 222,127 | 207,461 | 14,666 |
| Other and Elimination | 22,649 | 20,962 | 1,686 |
| Consolidated Total | 650,355 | 634,479 | 15,875 |

(b) Accounts of Real Property for Sale

| (¥ millions) | | | | | |
|-------------------------------|------------------------|-----------------|---------------|---------|-----------------------|
| Six Months Ended September 30 | At Beginning of Period | New Investments | Cost Recovery | Others | At September 30, 2011 |
| 2011 | 634,479 | 94,810 | (79,299) | 365 | 650,355 |
| 2010 | 682,536 | 161,883 | (146,562) | (4,081) | 693,776 |

Note: Land acquisition-related expenditures by Mitsui Fudosan Residential Co., Ltd., totaled ¥41.8 billion in the six months period under review.

[Tangible and Intangible Assets]

The consolidated balance of tangible and intangible fixed assets as of September 30, 2011 was ¥2,267.5 billion, up 15.2 billion from March 31, 2011. The increase stemmed mainly from reporting of ¥25.7 billion in depreciation as well as construction investments including the "Nagoya Mitsui Building New Building" and "Mitsui Outlet Park Jazz Dream Nagashima" during the period.

(a) Breakdown by Company

| (¥ millions) | | | |
|------------------------------|-----------------------|-------------------|-----------------|
| | At September 30, 2011 | At March 31, 2011 | Change (amount) |
| Mitsui Fudosan | 2,015,614 | 1,999,812 | 15,802 |
| Mitsui Fudosan America Group | 105,095 | 106,588 | (1,492) |
| Mitsui Home Group | 26,048 | 26,266 | (218) |
| Other and Elimination | 120,749 | 119,620 | 1,129 |
| Consolidated Total | 2,267,507 | 2,252,287 | 15,220 |

(b) Accounts of Tangible and Intangible Fixed Assets

| (¥ millions) | | | | | |
|-------------------------------|------------------------|---------------------|--------------|---------------|-----------------------|
| Six Months Ended September 30 | At Beginning of Period | Capital Expenditure | Depreciation | Disposal/Sale | At September 30, 2011 |
| 2011 | 2,252,287 | 46,512 | (25,739) | (5,551) | 2,267,507 |
| 2010 | 2,105,822 | 62,779 | (25,162) | (9,525) | 2,133,913 |

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

| | (¥ millions) | | |
|--|--------------------------------|----------------------------|--------------------|
| | September 30, 2011 (Amount) | March 31, 2011 (Amount) | Change (Amount) |
| LIABILITIES: | | | |
| I. Current Liabilities: | ¥728,613 | ¥655,820 | ¥72,792 |
| Accounts Payable—Trade | 58,077 | 87,137 | (29,060) |
| Short-Term Debt | 275,213 | 272,711 | 2,501 |
| Commercial Paper | 139,000 | 24,000 | 115,000 |
| Short-term bonds payable | 5,000 | - | 5,000 |
| Income Taxes Payable | 16,488 | 24,250 | (7,762) |
| Advances from Contracts in Progress | 19,367 | 13,758 | 5,609 |
| Allowance for Completed Project Indemnities | 1,292 | 1,403 | (111) |
| Allowance for Possible Guarantee Losses | 200 | 224 | (24) |
| Deferred Income Taxes | 486 | 486 | - |
| Provision for Loss on Disaster | 1,662 | 3,570 | (1,908) |
| Other Current Liabilities | 211,826 | 228,277 | (16,451) |
| II. Long-Term Liabilities: | 2,033,518 | 2,082,493 | (48,974) |
| Corporate Bonds | 300,000 | 285,000 | 15,000 |
| Long-Term Debt | 1,088,742 | 1,158,336 | (69,594) |
| Deposits from Tenants | 356,331 | 354,858 | 1,473 |
| Allowance for Employees' Retirement Benefits | 34,118 | 31,493 | 2,624 |
| Allowance for Directors' and Corporate Auditors' | 921 | 1,185 | (264) |
| Deferred Income Taxes | 19,240 | 20,048 | (808) |
| Deferred Tax Liabilities on Land Revaluation | 192,373 | 192,373 | - |
| Other Long-Term Liabilities | 41,791 | 39,197 | 2,593 |
| Interest-Bearing Debt: | 1,807,955 | 1,740,048 | 67,907 |
| Total Liabilities | 2,762,132 | 2,738,314 | 23,818 |
| NET ASSETS: | | | |
| Common Stock | 174,296 | 174,296 | - |
| Additional Paid-in Capital | 248,306 | 248,309 | (3) |
| Retained Earnings | 339,549 | 332,335 | 7,213 |
| Treasury Stock | (5,423) | (5,396) | (27) |
| Reserve on Land Revaluation | 270,979 | 271,242 | (262) |
| Net Unrealized Holding Gains on Securities | 38,611 | 41,994 | (3,382) |
| Deferred Gains or Losses on Hedges | (506) | (371) | (134) |
| Foreign Currency Translation Adjustment | (41,950) | (42,469) | 518 |
| New Share Subscription Rights | 582 | 520 | 61 |
| Minority Interests in Consolidated Subsidiaries | 19,615 | 21,924 | (2,309) |
| Total Net Assets | 1,044,060 | 1,042,385 | 1,674 |
| Total Liabilities and Net Assets | ¥3,806,192 | ¥3,780,699 | ¥25,492 |

[Interest-Bearing Debt]

As of September 30, 2011, interest-bearing debt stood at ¥1,807.9 billion, up ¥67.9 billion from March 31, 2011 and up ¥7.7 billion the previous corresponding period. The increase was mainly due to an increase in investment for real property for sale and tangible and intangible assets as well as the payment of construction costs for condominiums completed in the previous period (leading to a decline in accounts payable-trade), payment of income tax and deposit payments for the trade of consignment sales properties (leading to decline in other current liabilities), etc.

Breakdown by Company

| | (¥ millions) | | |
|------------------------------|-----------------------|------------------|--------------------|
| | At September 30, 2011 | March 31, 2011 | Change (amount) |
| Mitsui Fudosan | 1,736,279 | 1,661,332 | 74,946 |
| Mitsui Fudosan Residential | 362,500 | 316,000 | 46,500 |
| Mitsui Fudosan America Group | 51,821 | 58,981 | (7,159) |
| Loans to Subsidiaries | (456,982) | (409,304) | (47,678) |
| Other and Elimination | 114,337 | 113,038 | 1,299 |
| Consolidated Total | 1,807,955 | 1,740,048 | 67,907 |

[Financial Position]

| | (¥ millions) | | |
|----------------------------------|-----------------------|----------------|--------------------|
| | At September 30, 2011 | March 31, 2011 | Change (amount) |
| Total Assets | ¥3,806,192 | ¥3,780,699 | ¥25,492 |
| Total Liabilities | 2,762,132 | 2,738,314 | 23,818 |
| Interest-Bearing Debt | 1,807,955 | 1,740,048 | 67,907 |
| Net Assets | 1,044,060 | 1,042,385 | 1,674 |
| Shareholders' Equity | 1,023,862 | 1,019,941 | 3,921 |
| Debt-Equity Ratio (Times) | 1.77 | 1.71 | 0.06 |

Notes: 1. Interest-bearing debt: Short-term debt + Commercial paper + Short-term bonds payable + Corporate bonds + Long-term debt
2. Debt-equity ratio: Interest-bearing debt ÷ Shareholders' Equity

SEGMENT INFORMATION (UNAUDITED)

Six Months Ended September 30, 2011

(¥ millions)

| | Revenue from Operations | | | Segment Income | Segment Assets | Depreciation | Increase in Tangible and Intangible Fixed Assets |
|--------------------------|-------------------------|-------------------|----------|----------------|----------------|--------------|--|
| | (1) Outside Customers | (2) Inter-segment | Total | | | | |
| (1)Leasing | 207,674 | 7,795 | 215,470 | 49,112 | 2,417,212 | 17,959 | 36,614 |
| (2)Property Sales | 96,737 | - | 96,737 | (790) | 755,231 | 752 | 472 |
| (3)Management | 137,026 | 19,748 | 156,774 | 14,554 | 210,244 | 2,823 | 5,274 |
| (4)Mitsui Home | 82,056 | 4,266 | 86,323 | (3,619) | 107,120 | 1,763 | 1,997 |
| (5)Other | 49,988 | 1,522 | 51,510 | (725) | 108,272 | 1,722 | 1,859 |
| Elimination or Corporate | - | (33,333) | (33,333) | (11,492) | 208,111 | 668 | 295 |
| Consolidated | 573,483 | - | 573,483 | 47,037 | 3,806,192 | 25,739 | 46,512 |

Six Months Ended September 30, 2010

(¥ millions)

| | Revenue from Operations | | | Segment Income | Segment Assets | Depreciation | Increase in Tangible and Intangible Fixed Assets |
|--------------------------|-------------------------|-------------------|----------|----------------|----------------|--------------|--|
| | (1) Outside Customers | (2) Inter-segment | Total | | | | |
| (1)Leasing | 213,368 | 7,852 | 221,220 | 48,556 | 2,297,856 | 17,377 | 52,261 |
| (2)Property Sales | 180,991 | - | 180,991 | 8,928 | 802,724 | 631 | 775 |
| (3)Management | 135,219 | 20,352 | 155,572 | 16,152 | 197,617 | 2,695 | 3,842 |
| (4)Mitsui Home | 84,461 | 3,651 | 88,112 | (3,089) | 105,926 | 1,915 | 1,917 |
| (5)Other | 48,053 | 1,688 | 49,742 | 537 | 110,828 | 1,851 | 3,554 |
| Elimination or Corporate | - | (33,544) | (33,544) | (11,100) | 238,565 | 692 | 425 |
| Consolidated | 662,094 | - | 662,094 | 59,985 | 3,753,518 | 25,162 | 62,779 |

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

| | Six Months Ended September 30 | |
|---|----------------------------------|------------------|
| | 2011 (Amount) | 2010 (Amount) |
| I. Revenue from Operations | ¥573,483 | ¥662,094 |
| II. Cost of Revenue from Operations | 458,262 | 530,343 |
| Gross Operating Profit | 115,220 | 131,751 |
| III. Selling, General and Administrative Expenses | 68,183 | 71,766 |
| Operating Income | 47,037 | 59,985 |
| IV. Non-Operating Income: | 5,303 | 4,002 |
| Interest Income | 114 | 97 |
| Dividend Income | 1,649 | 1,750 |
| Equity in Net Income of Affiliated Companies | 2,274 | 511 |
| Other Non-Operating Income | 1,265 | 1,642 |
| V. Non-Operating Expenses: | 16,413 | 16,097 |
| Interest Expenses | 13,531 | 14,166 |
| Other Non-Operating Expenses | 2,881 | 1,931 |
| Ordinary Income | 35,928 | 47,890 |
| VI. Extraordinary Losses: | 3,028 | 2,004 |
| Loss on Valuation of Investment Securities | 2,619 | - |
| Loss on Disaster | 408 | - |
| Effect of Application of Accounting Standard for Asset Retirement Obligations | - | 1,425 |
| Other Extraordinary Losses | - | 578 |
| Income before Income Taxes | 32,900 | 45,886 |
| Income Taxes | 17,741 | 22,441 |
| Increase in Tangible and Intangible Fixed Assets | 15,158 | 23,445 |
| Minority Interests | (1,454) | (854) |
| Net Income | ¥16,613 | ¥24,299 |

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

| | (¥ millions) | |
|---|-------------------------------|------------------|
| | Six Months Ended September 30 | |
| | 2011 (Amount) | 2010 (Amount) |
| I. Cash Flows From Operating Activities: | | |
| Income before Income Taxes | ¥32,900 | ¥45,886 |
| Depreciation and Amortization | 25,738 | 25,162 |
| (Gain) Loss from Valuation of Investment Securities | 2,619 | - |
| Interest and Dividend Income Receivable | (1,764) | (1,848) |
| Interest Expense | 13,531 | 14,166 |
| (Gain) Loss on Equity-Method Investments | (2,274) | (511) |
| Effect of Application of Accounting Standard for Asset Retirement Obligations | - | 1,425 |
| Increase/Decrease in Accounts Receivable | 672 | 2,519 |
| Increase/Decrease in Accounts Payable | (8,993) | (10,633) |
| Increase/Decrease in Real Property for Sale | (33,610) | (26,238) |
| Increase/Decrease in Operational Investment | 12,066 | 65 |
| Other | (9,004) | (15,568) |
| Subtotal | 31,882 | 34,425 |
| Cash Receipts of Interest and Dividend Income | 3,415 | 3,770 |
| Cash Payments of Interest Expense | (13,568) | (14,273) |
| Income Taxes Paid | (25,894) | (8,672) |
| Net Cash Provided by Operating Activities | (4,164) | 15,249 |
| II. Cash Flows From Investing Activities: | | |
| Purchase of Tangible and Intangible Fixed Assets | (49,949) | (60,389) |
| Sales of Tangible and Intangible Fixed Assets | 476 | 238 |
| Purchase of Investment Securities | (9,917) | (2,518) |
| Sales of Investment Securities | 2,863 | 439 |
| Proceeds from Receipt of Rental Deposits and Guarantees | (3,668) | (6,502) |
| Proceeds from Recovery of Rental Deposits and Guarantees | 9,990 | 4,614 |
| Decrease in Deposits from Tenants | (21,126) | (31,771) |
| Increase in Deposits from Tenants | 22,114 | 34,823 |
| Increase in Loans (Outlays for Loans) | (6,532) | (5,509) |
| Decrease in Loans (Proceeds from Recovery of Loans) | 6,065 | 5,382 |
| Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation | - | 13 |
| Other | 2,198 | 1,054 |
| Net Cash Used in Investing Activities | ¥(47,486) | ¥(60,126) |

| | (¥ millions) | |
|---|-------------------------------|------------------|
| | Six Months Ended September 30 | |
| | 2011 (Amount) | 2010 (Amount) |
| III. Cash Flows From Financing Activities: | | |
| Proceeds from Short-Term Debt | ¥668,103 | ¥707,257 |
| Repayment of Short-Term Debt | (559,021) | (603,726) |
| Proceeds from Long-Term Debt | 50,500 | 34,424 |
| Repayment of Long-Term Debt | (111,916) | (102,026) |
| Proceeds from Issuance of Bonds | 20,000 | 30,000 |
| Redemption of Bonds | - | (10,000) |
| Proceeds from stock issuance to minority shareholders | - | 2 |
| Cash Dividends Paid | (9,659) | (9,653) |
| Cash Dividends Paid to Minority Interests | (707) | (734) |
| Repayment of Finance Lease Obligations | (1,067) | (1,021) |
| Increase/Decrease in Treasury Stock | (37) | (42) |
| Net Cash Used in Financing Activities | 56,191 | 44,478 |
| IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents | 79 | (92) |
| V. Net Increase (Decrease) in Cash and Cash Equivalents | 4,620 | (490) |
| VI. Cash and Cash Equivalents at Beginning of Year | 56,675 | 62,739 |
| VII. Cash and Cash Equivalents at End of the Period | ¥61,296 | ¥62,249 |

CONSOLIDATED EARNING FORECASTS

For the Year Ending March 31, 2012 (Changed from originally announced on April 28, 2011)

(¥ millions)

| | Year to March 2012 | | | Year Ended March 31, 2011 |
|--------------------------------------|--|--|-----------|------------------------------|
| | Latest Forecast (as of October 31, 2011) | Previous Forecast (as of April 28, 2011) | Change | |
| Revenue from Operations | ¥1,360,000 | ¥1,400,000 | ¥(40,000) | ¥1,405,269 |
| Leasing | 418,000 | 424,000 | (6,000) | 423,468 |
| Property Sales | 339,000 | 370,000 | (31,000) | 405,242 |
| Management | 281,000 | 276,000 | 5,000 | 277,946 |
| Mitsui Home | 215,000 | 226,000 | (11,000) | 205,130 |
| Other | 107,000 | 104,000 | 3,000 | 93,481 |
| Operating Income | 122,000 | 115,000 | 7,000 | 120,092 |
| Leasing | 92,000 | 89,000 | 3,000 | 88,929 |
| Property Sales | 18,000 | 17,000 | 1,000 | 16,193 |
| Management | 32,000 | 31,000 | 1,000 | 32,121 |
| Mitsui Home | 4,800 | 4,800 | - | 3,764 |
| Other | (2,000) | (4,000) | 2,000 | 1,001 |
| Elimination or Corporate | (22,800) | (22,800) | - | (21,917) |
| Non-Operating Income/Expenses | (22,000) | (23,000) | 1,000 | (23,888) |
| Interest Expense, Net | (27,000) | (29,000) | 2,000 | (27,247) |
| Other, Net | 5,000 | 6,000 | (1,000) | 3,359 |
| Ordinary Income | 100,000 | 92,000 | 8,000 | 96,204 |
| Extraordinary Gains/Losses | (10,000) | (10,000) | - | (12,515) |
| Income before Income Taxes | 90,000 | 82,000 | 8,000 | 83,688 |
| Income Taxes | 41,000 | 34,000 | 7,000 | 32,978 |
| Minority Interests | 1,000 | 1,000 | - | 800 |
| Net Income | ¥48,000 | ¥47,000 | ¥1,000 | ¥49,909 |

[Differences from the previous earnings forecasts (announced as of April 28, 2011)]

In light of the post-quake business environment and progress in each segment, etc. we have upwardly revised our consolidated full-year earnings forecasts formulated at the beginning of the current fiscal year as follows;

◆ Segment forecasts

● **Leasing:** The sales situation in the retail facility leasing business was reflected mainly in profit; as a result, for entire segment we expect a decrease in revenue by ¥6.0 billion and an increase in operating income by ¥ 3.0 billion.

● **Property Sales:** The impact on the construction schedule from the earthquake and progress of contracts, etc. was closely examined and the number of units to be reported was reviewed. On the other hand, profitability increased due to the stable sales situation, thus, for entire segment, a ¥31.0 billion decrease in revenue and a ¥1.0 billion increase in operating income are expected.

● **Management:** The consignment forecast mainly for construction management in the “Property Management” category was revised, thus we expect a ¥5.0 billion increase in revenue and an increase in operating income by ¥1.0 billion.

● **Mitsui Home:** Due to a review of the number of order received, we expect a ¥11.0 billion decrease in revenue.

● **Other:** Mainly taking into consideration the recovery in the operation rate in the hotel/resort business, we expect an increase in revenue by ¥3.0 billion and an increase in operating income by ¥2.0 billion.

As a result of the above, we forecast a ¥40.0 billion decrease from the previous announcement in revenue from operations to ¥1,360.0 billion and forecast a ¥7.0 billion increase from the previous announcement in operating income to ¥122.0 billion. We also forecast a ¥8.0 billion increase in ordinary income to ¥100.0 billion. Net income is likely to increase by ¥1.0 billion to ¥48.0 billion.

CONSOLIDATED EARNING FORECASTS

Real Property for Sale

(¥ millions)

| | Year to March 2012 | | Change | Year ended March 31, 2011 |
|-------------------|---|---|----------|---------------------------|
| | Latest Forecast (as of October 31, 2011) | Previous Forecast (as of April 28, 2011) | (amount) | (actual) |
| New Investments | 290,000 | 300,000 | (10,000) | 300,967 |
| Recovery of Costs | 260,000 | 280,000 | (20,000) | 334,730 |

Tangible and Intangible Assets

(¥ millions)

| | Year to March 2012 | | Change | Year ended March 31, 2011 |
|-----------------|---|---|----------|---------------------------|
| | Latest Forecast (as of October 31, 2011) | Previous Forecast (as of April 28, 2011) | (amount) | (actual) |
| New Investments | 130,000 | 130,000 | - | 229,394 |
| Depreciation | 55,000 | 55,000 | - | 52,954 |

Interest-Bearing Debt

(¥ millions)

| | At March 31, 2012 | | Change | Year ended March 31, 2011 |
|-----------------------|---|---|----------|---------------------------|
| | Latest Forecast (as of October 31, 2011) | Previous Forecast (as of April 28, 2011) | (amount) | (actual) |
| Interest-Bearing Debt | 1,820,000 | 1,820,000 | - | 1,740,048 |

【Property Sales to Individuals】

Revenue, Operating Margin

(¥ millions)

| | Year to March 2012 | | Change | Year ended March 31, 2011 |
|--------------------------|---|---|----------|---------------------------|
| | Latest Forecast (as of October 31, 2011) | Previous Forecast (as of April 28, 2011) | (amount) | (actual) |
| Revenue from Operations: | 275,000 | 298,000 | (23,000) | 316,336 |
| Condominiums | 227,000 | 247,000 | (20,000) | 266,051 |
| Detached Housing | 48,000 | 51,000 | (3,000) | 50,285 |
| Operating Margin (%) | 3.8 | 3.2 | 0.6 pt. | 3.1 |

Number of Housing Units

(Units)

| | Year to March 2012 | | Change | Year ended March 31, 2011 |
|------------------|---|---|--------------|---------------------------|
| | Latest Forecast (as of October 31, 2011) | Previous Forecast (as of April 28, 2011) | (amount) | (actual) |
| Condominiums | 4,800 | 5,000 | (200) | 5,455 |
| Detached Housing | 900 | 900 | - | 925 |
| Total | 5,700 | 5,900 | (200) | 6,380 |