

FACT BOOK

For the Nine Months Ended December 31, 2013

February 12, 2014



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

<http://www.mitsuifudosan.co.jp/english/>

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 (Code: 8801)

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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 BUSINESS OVERVIEW

Results of Operations

(¥ millions)

	Nine Months Ended December 31		Change
	2013	2012	
Revenue from Operations	¥994,670	¥944,829	¥49,841
Leasing	334,516	328,131	6,384
Property Sales	207,707	194,680	13,026
Management	226,688	217,572	9,116
Mitsui Home	147,871	125,670	22,200
Other	77,886	78,773	(886)
Operating Income	113,110	97,782	15,327
Leasing	83,744	81,792	1,952
Property Sales	10,326	11,615	(1,288)
Management	34,890	27,656	7,233
Mitsui Home	(4,379)	(8,504)	4,125
Other	3,798	1,261	2,536
Elimination or Corporate	(15,270)	(16,038)	767
Non-Operating Income/Expenses	(18,592)	(19,944)	1,351
Equity in Net Income/Loss of Affiliated Companies	501	1,857	(1,356)
Interest Income/Expense, in Net	(21,783)	(21,802)	19
Other, in Net	2,689	(0)	2,689
Ordinary Income	94,517	77,838	16,679
Extraordinary Gains/Losses	4,990	(4,626)	9,616
Extraordinary Gains	13,189	1,060	12,128
Extraordinary Losses	8,199	5,686	2,512
Income before Income Taxes	99,507	73,212	26,295
Income Taxes	37,407	28,238	9,168
Income before Minority Interests	62,100	44,973	17,126
Minority Interests	206	(1,985)	2,191
Net Income	¥61,894	¥46,959	¥14,934

● For the nine-month period under review, both revenue and earnings in the “Management” segment improved owing mainly to an upswing in the number of brokerage properties handled. In the “Mitsui Home” segment, revenue also increased coupled with an improvement in the segment loss. As a result, revenue from operations was up ¥49.8 billion, or 5.3%, compared with the corresponding period of the previous fiscal year to ¥994.6 billion. Earnings also grew with operating income climbing ¥15.3 billion, or 15.7%, year on year to ¥113.1 billion and ordinary income up ¥16.6 billion, or 21.4%, to ¥94.5 billion.

● In addition to the increase in ordinary income, Mitsui Fudosan recorded a gain on sales of fixed assets as an extraordinary gain. Accordingly, net income increased ¥14.9 billion, or 31.8%, compared with the corresponding period of the previous fiscal year to ¥61.8 billion. On this basis, the Company is making steady progress toward achieving its forecasts for the full fiscal year.

Progress Comparison with Full Year Forecasts

(¥ millions)

	Nine Months Ended December 31, 2013	Year to 3/14 (Forecast as of May 9, 2013)	9-Month Results/Full-Year Forecast (%)
Revenue from Operations	¥994,670	¥1,530,000	65.0
Operating Income	113,110	160,000	70.7
Ordinary Income	94,517	132,000	71.6
Net Income	¥61,894	¥65,000	95.2

Extraordinary Gains/Losses

[Extraordinary Gains] (¥ millions)

Gains on Sales of Fixed Assets	¥13,189
Total	¥13,189

[Extraordinary Losses] (¥ millions)

Impairment Loss	¥5,317
Loss on Disposal of Fixed Assets	2,881
Total	¥8,199

Consolidated Statements of Comprehensive Income

(¥ millions)

	Nine Months Ended December 31	
	2013	2012
Net Income before Minority Interests	¥62,100	¥44,973
Other Comprehensive Income	29,466	7,302
Valuation Difference on Available-For-Sale Securities	11,222	6,783
Deferred Gains or Losses on Hedges	338	(122)
Foreign Currency Translation Adjustment	11,959	(601)
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	5,946	1,243
Comprehensive Income	¥91,567	¥52,276
(Comprehensive Income Attributable to Owners of the Parent)	91,200	54,215
(Comprehensive Income Attributable to Minority Interests)	366	(1,938)

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

(¥ millions)

		Nine Months Ended December 31		Change
		2013	2012	
Revenue from Operations	Leasing	¥327,375	¥323,959	¥3,416
	Property Sales	15,401	23,006	(7,604)
	Other	18,374	19,215	(841)
	Total	361,150	366,180	(5,030)
Gross Profit (%)	Leasing	18.4	18.4	(0.0) pt
	Property Sales	14.0	29.9	(15.9) pt
	Other	32.1	38.0	(5.8) pt
Operating Income		¥54,039	¥58,422	¥(4,383)

SEGMENT RESULTS

[1] LEASING

(¥ millions)

	Nine Months Ended December 31		Change
	2013	2012	
Revenue from Operations	¥334,516	¥328,131	¥6,384
Operating Income	83,744	81,792	1,952

	Year to March 2014 (Forecast as of May 9, 2013)	9-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2013
Revenue from Operations	¥456,000	73.4	¥441,712
Operating Income	105,000	79.8	104,352

● For the nine-month period under review, overall revenue from operations increased ¥6.3 billion compared with the corresponding period of the previous fiscal year while earnings improved ¥1.9 billion year on year. This was largely attributable to the full-term revenue and earnings provided by Nihonbashi Astellas Mitsui Building, which was completed during the previous period, the positive effects of large-scale renewals at such retail facilities as LAZONA Kawasaki Plaza, and the impact of foreign currency exchange rates on the operations of the Mitsui Fudosan America Group.

● The office building leasing market in the Tokyo Metropolitan Area continues to witness a steady decline in vacancy rates. The vacancy rate for the Company's office buildings located in the Tokyo Metropolitan Area was 4.1% on a non-consolidated basis as of December 31, 2013.

[Reference] Non-consolidated Results

(Revenue from operations)

Newly on-stream projects and full-term contribution projects (Nihonbashi Astellas Mitsui Building, etc.): ¥2.6 billion increase in revenue year on year.

Existing properties (LAZONA Kawasaki Plaza, etc.): ¥2.9 billion increase in revenue year on year.

Shifting and terminations: ¥2.1 billion decrease in revenue year on year.

Breakdown of Leasing Operations (Nonconsolidated)

		At December 31					
		2013		2012		2011	
		Total		Tokyo Metropolitan Area		Regional Areas	
Office Buildings	Number of Buildings	147	168	117	136	30	32
	Leased Floor Space (1,000m ²)	2,497	2,543	2,206	2,247	292	296
	Leasing Revenue (¥ millions)	194,743	199,270	180,665	184,919	14,077	14,351
	Vacancy Rate (%)	4.4	4.4	4.1	4.1	6.3	6.7
Retail Facilities	Number of Buildings	69	71	45	46	24	25
	Leased Floor Space (1,000m ²)	1,753	1,732	1,124	1,118	629	614
	Leasing Revenue (¥ millions)	117,268	110,585	83,159	78,862	34,109	31,722
	Vacancy Rate (%)	0.8	0.2	1.0	0.2	0.3	0.4

Leased Floor Space

(¥ millions)

		At December 31		Change		
		2013	2012			
Office Buildings and Retail Facilities	Revenue	Office Buildings	¥211,921	¥212,695	¥(773)	
		Retail Facilities	117,355	110,998	6,357	
		Total Leased Floor Space (1,000 m ²):	4,617	4,707	(90)	
		Office Buildings	Owned	1,658	1,703	(45)
			Managed	1,175	1,239	(64)
		Retail Facilities	Owned	1,258	1,286	(28)
		Managed	527	479	48	
Other	Revenue		5,239	4,438	800	
Total Revenue			¥334,516	¥328,131	¥6,384	

Vacancy Rate at End of Term

(%)

	12/13	9/13	6/13	3/13	3/12	3/11
Consolidated						
Office Buildings and Retail Facilities (including overseas)	3.5	3.4	3.2	3.3	2.9	3.5
Non-consolidated						
Tokyo Metropolitan Area Office Buildings	4.1	4.5	3.8	3.8	4.4	4.0
Regional Area Office Buildings	6.3	7.0	7.1	5.3	6.4	7.6

Major Projects during the Period (nine-month total)

(NEWLY OPENED)

Nihonbashi Muromachi Center Building (Chuo-ku, Tokyo)	Office building acquired in May 2013
LoveLa 2 (Niigata, Niigata)	Retail facility opened in November 2013

(FULL-TERM CONTRIBUTION)

Mitsui Outlet Park KISARAZU (Kisarazu, Chiba)	Retail facility opened in April 2012
DiverCity Tokyo Office Tower (Koto-ku, Tokyo)	Office building completed in April 2012
DiverCity Tokyo Plaza (Koto-ku, Tokyo)	Retail facility opened in April 2012
Nihonbashi Astellas Mitsui Building (Chuo-ku, Tokyo)	Office building completed in January 2013
Gran Tokyo South Tower (Chiyoda-ku, Tokyo)	Office building acquired in February 2013

[2] PROPERTY SALES

(¥ millions)

	Nine Months Ended December 31		Change
	2013	2012	
Revenue from Operations	¥207,707	¥194,680	¥13,026
Operating Income	10,326	11,615	(1,288)

	Year to March 2014 (Forecast as of May 9, 2013)	9-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2013
Revenue from Operations	¥436,000	47.6	¥393,454
Operating Income	31,000	33.3	23,059

● Looking at the “Property Sales to Individuals” category, both revenue from operations and earnings increased ¥6.9 billion and ¥0.3 billion, respectively, compared with the corresponding period of the previous fiscal year for the nine-month period under review. This mainly reflected an increase in the reported number of units. In the “Property Sales to Investors” category, revenue from operations grew ¥6.0 billion while earnings decreased ¥1.6 billion year on year. The upswing in revenue from operations was largely attributable to the sale of rental housing to Nippon Accommodations Fund, Inc. The downturn in earnings was primarily due to reactions to the sale of properties with high profit margins during the corresponding period of the previous fiscal year. This can be deleted if considered confusing. As a result, the “Property Sales” segment as a whole recorded an increase in revenue from operations of ¥13.0 billion and a drop in earnings of ¥1.2 billion compared with the corresponding period of the previous fiscal year for the nine-month period under review.

● Sales in the “Property Sales to Individuals” category remained robust. The contract progress rate as of December 31, 2013 was 97% (90% as of December 31, 2012) of the 6,450 scheduled full fiscal year number of new construction condominium units sold.

Major Projects Undertaken during the Period (nine-month total)

Park Homes Minamiazabu the Residence (Minato-ku, Tokyo)	Condominiums
Park Homes Yokohama Yako Center Forest (Yokohama, Kanagawa)	Condominiums
Park Tower Umeda (Osaka, Osaka)	Condominiums
Park Tower Yokohama Hoshikawa (Yokohama, Kanagawa)	Condominiums
Grand Terminal Tower Motoyawata (Ichikawa, Chiba)	Condominiums
Fine Court Ogikubo (Suginami-ku, Tokyo)	Detached Housing

Property Sales to Individuals and Investors

(¥ millions)

		Nine Months Ended December 31						Change			
		2013			2012			Revenue	Units	Unit Price (¥10 thousand)	
		Revenue	Units	Unit Price (¥10 thousand)	Revenue	Units	Unit Price (¥10 thousand)				
Property Sales to Individuals	Condominiums	Tokyo Metropolitan Area	¥121,301	2,602	¥4,662	¥126,645	2,396	¥5,286	¥(5,343)	206	¥(624)
		Other	20,946	542	3,865	11,929	308	3,873	9,017	234	(8)
		Subtotal	142,248	3,144	4,524	138,574	2,704	5,125	3,674	440	(601)
	Detached Housing	Tokyo Metropolitan Area	26,304	449	5,858	23,048	374	6,163	3,256	75	(305)
		Other	3,904	93	4,199	3,874	82	4,724	30	11	(525)
		Subtotal	30,209	542	5,574	26,922	456	5,904	3,286	86	(330)
Revenue		172,457	3,686	4,679	165,496	3,160	5,237	6,960	526	(558)	
Operating Income		6,463		6,095		368					
Property Sales to Investors		Revenue		35,249		29,184		6,065			
		Operating Income		3,862		5,520		(1,657)			
Total Revenue		207,707		194,680		13,026					
Total Operating Income		¥10,326		¥11,615		¥(1,288)					

Inventories (Property Sales to Individuals)

(Units)

	12/13	9/13	6/13	3/13	3/12	3/11
Condominiums	128	98	135	223	380	638
Detached Housing	39	53	40	57	24	46
Total	167	151	175	280	404	684

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	4,109	6,364	10,473	3,144	7,329	6,468
Detached Housing	73	727	800	542	258	748
Total	4,182	7,091	11,273	3,686	7,587	7,216

[3] MANAGEMENT

	Nine Months Ended December 31		Change
	2013	2012	
Revenue from Operations	¥226,688	¥217,572	¥9,116
Operating Income	34,890	27,656	7,233

	Year to March 2014 (Forecast as of May 9, 2013)	9-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2013
Revenue from Operations	¥309,000	73.4	¥297,934
Operating Income	42,000	83.1	41,579

● For the nine-month period under review, revenue from operations in the “Management” segment increased ¥9.1 billion and earnings improved ¥7.2 billion compared with the corresponding period of the previous fiscal year. This was mainly due to healthy conditions in the existing housing market and an increase in the number of brokerage properties handled for individuals in the “Mitsui Rehouse” business.

		Nine Months Ended December 31		Change
		2013	2012	
Property Management	Revenue	¥164,203	¥163,810	¥392
	Operating Income	20,713	20,127	585
Brokerage, Asset Management, etc.	Revenue	62,485	53,762	8,723
	Operating Income	14,176	7,528	6,648
Total	Revenue	226,688	217,572	9,116
	Operating Income	¥34,890	¥27,656	¥7,233

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

	At December 31, 2013		At December 31, 2012	
	Revenue	Units	Revenue	Units
Total Managed Units	153,343		141,037	

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

	Nine Months Ended December 31				Change	
	2013		2012			
	Transaction Volume	Units	Transaction Volume	Units	Transaction Volume	Units
Brokerage	¥1,035,603	31,297	¥895,391	28,569	¥140,211	2,728

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

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

		Nine Months Ended December 31				Change	
		2013		2012			
Consignment Sales	Revenue	Units	Revenue	Units	Revenue	Units	
		¥63,104	959	¥48,842	996	¥14,263	(37)

[4] MITSUI HOME, [5] OTHER

[4] MITSUI HOME

	Nine Months Ended December 31		Change
	2013	2012	
Revenue from Operations	¥147,871	¥125,670	¥22,200
Operating Income	(4,379)	(8,504)	4,125

	Year to March 2014 (Forecast as of May 9, 2013)	9-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2013
Revenue from Operations	¥224,000	66.0	¥209,028
Operating Income	2,000	-	566

● For the nine-month period under review, the amount of orders at the beginning of the period was higher than for the previous period in the “New Construction” and “Reform/Renewal” categories. With the increase in the amount of orders for the period under review, revenue for the segment as a whole was up ¥22.2 billion while earnings improved ¥4.1 billion in line with the increase in operating income.

This segment reported an operating loss, because the completion and handover of properties under consignment are concentrated in the fourth quarter.

		Nine Months Ended December 31		Change
		2013	2012	
New Construction	Revenue	¥103,538	¥88,684	¥14,853
	Orders	135,182	110,397	24,784
Reform/Renewal	Revenue	19,924	14,284	5,640
	Orders	26,466	19,441	7,024
Lease Management		14,763	13,792	970
Housing-Related Material Sales		9,644	8,908	736
Total Revenue		¥147,871	¥125,670	¥22,200

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

	Nine Months Ended December 31		Change
	2013	2012	
Revenue from Operations	¥77,886	¥78,773	¥(886)
Operating Income	3,798	1,261	2,536

	Year to March 2014 (Forecast as of May 9, 2013)	9-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2013
Revenue from Operations	¥105,000	74.2	¥103,514
Operating Income	1,000	379.9	(85)

● For the nine-month period under review, hotel operations continued to perform favorably both in Japan and overseas in Facility Operations. Revenue in this category declined while earnings increased due to a variety of factors including the sale of Cany Corporation shares during the previous period. In overall terms, revenue in this segment declined ¥0.8 billion compared with the corresponding period of the previous fiscal year while earnings increased ¥2.5 billion year on year.

		Nine Months Ended December 31		Change
		2013	2012	
Facility Operations		¥37,257	¥38,356	¥(1,098)
Merchandise		27,536	29,569	(2,032)
Other		13,092	10,847	2,245
Total Revenue		¥77,886	¥78,773	¥(886)

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	December 31, 2013	March 31, 2013	Change
I. Current Assets:	¥1,274,987	¥1,202,853	¥72,133
Cash and Time Deposits	90,148	102,234	(12,085)
Accounts Receivable—Trade	26,682	29,266	(2,584)
Marketable Securities	80	24	55
Real Property for Sale (including Advances Paid for Purchases)	954,418	915,222	39,196
Expenditure on Contracts in Progress	31,255	11,601	19,653
Other Inventories	11,734	9,096	2,638
Short-Term Loans	11,403	11,278	124
Equity Investments in Properties for Sale	9,696	10,966	(1,269)
Deferred Income Taxes	26,536	23,917	2,618
Other Current Assets	113,386	90,046	23,339
Allowance for Doubtful Accounts	(355)	(800)	444
II. Fixed Assets:	3,241,645	3,187,220	54,424
1. Tangible Fixed Assets:	2,487,223	2,464,041	23,182
Buildings and Structures	623,879	633,845	(9,965)
Machinery, Equipment and Materials Handling Equipment	15,223	10,069	5,154
Land	1,770,128	1,753,208	16,920
Construction in Progress	46,017	34,682	11,335
Other Tangible Fixed Assets	31,974	32,236	(262)
2. Intangible Fixed Assets:	53,539	39,936	13,602
Tangible and Intangible Fixed Assets:	2,540,762	2,503,977	36,785
3. Investments and Other Assets:	700,882	683,243	17,639
Investment Securities	490,925	465,879	25,046
Long-Term Loans	11,578	10,278	1,299
Lease Deposits	139,045	148,736	(9,690)
Deferred Income Taxes	11,065	11,936	(870)
Deferred Tax Assets on Land Revaluation	1,233	1,233	-
Other Investments and Assets	53,230	51,390	1,840
Allowance for Doubtful Accounts	(6,196)	(6,211)	15
Total Assets	¥4,516,632	¥4,390,074	¥126,557

[Real Property for Sale]

(a) Breakdown by Company

(¥ millions)

	At December 31, 2013	At March 31, 2013	Change
Mitsui Fudosan Residential	¥391,954	¥393,896	¥(1,941)
SPCs Total	284,411	269,115	15,296
Mitsui Fudosan	262,308	236,728	25,580
Other and Elimination	15,743	15,481	261
Consolidated Total	¥954,418	¥915,222	¥39,196

(b) Accounts of Real Property for Sale

(¥ millions)

Nine Months Ended December 31	At Beginning of Period	New Investments	Cost Recovery	Others	At December 31, 2013
2013	¥915,222	¥211,746	¥(165,729)	¥(6,821)	¥954,418
2012	¥842,835	¥228,789	¥(153,284)	¥8,585	¥926,925

Note: Land acquisition-related expenditures by Mitsui Fudosan Residential Co., Ltd., totaled ¥71.2 billion for the nine-month period under review.

[Tangible and Intangible Assets]

The consolidated balance of tangible and intangible fixed assets stood at ¥2,540.7 billion as of December 31, 2013, up ¥36.7 billion compared with the end of the previous fiscal year. While Mitsui Fudosan and SPCs undertook such activities as the sale of properties, this increase stemmed partly from new investments by the Company in the Nihonbashi Muromachi 3-Chome Urban Development Project (provisional name) as well as the Mitsui Fudosan UK Group and the impact of foreign currency exchange rates on the operations of the Mitsui Fudosan America Group.

(Foreign currency exchange rate: ¥97.75:US\$1 as of December 31, 2013; ¥86.58:US\$1 as of March 31, 2013)

(a) Breakdown by Company

(¥ millions)

	At December 31, 2013	At March 31, 2013	Change
Mitsui Fudosan	¥2,021,644	¥1,994,149	¥27,494
SPCs Total	194,780	214,282	(19,501)
Mitsui Fudosan America Group	153,104	145,106	7,998
Mitsui Fudosan UK Group	54,793	34,712	20,081
Mitsui Home Group	27,558	27,513	44
Other and Elimination	88,880	88,212	667
Consolidated Total	¥2,540,762	¥2,503,977	¥36,785

(b) Accounts of Tangible and Intangible Fixed Assets

(¥ millions)

Nine Months Ended December 31	At Beginning of Period	Capital Expenditure	Depreciation	Others	At December 31, 2013
2013	¥2,503,977	¥98,915	¥(41,170)	¥(20,959)	¥2,540,762
2012	¥2,545,610	¥47,052	¥(43,803)	¥(11,602)	¥2,537,257

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	December 31, 2013	March 31, 2013	Change
I. Current Liabilities:	¥800,800	¥652,122	¥148,678
Accounts Payable—Trade	89,382	100,705	(11,322)
Short-Term Debt	284,421	199,299	85,122
Commercial Paper	45,000	27,000	18,000
Bond Redeemable Within One Year	74,010	40,133	33,877
Income Taxes Payable	19,331	26,699	(7,367)
Advances from Contracts in Progress	31,434	15,755	15,678
Allowance for Completed Project Indemnities	1,267	1,196	70
Allowance for Possible Guarantee Losses	80	110	(29)
Deferred Income Taxes	354	354	-
Provision for Loss on Disaster	245	254	(8)
Other Current Liabilities	255,272	240,614	14,658
II. Long-Term Liabilities:	2,413,204	2,504,871	(91,666)
Corporate Bonds	296,610	340,095	(43,485)
Long-Term Debt	1,454,766	1,513,697	(58,930)
Deposits from Tenants	343,383	344,923	(1,540)
Allowance for Employees' Retirement Benefits	36,594	34,323	2,270
Allowance for Directors' and Corporate Auditors' Retirement Benefits	801	999	(197)
Deferred Income Taxes	74,845	67,683	7,162
Deferred Tax Liabilities on Land Revaluation	166,957	166,957	-
Other Long-Term Liabilities	39,245	36,190	3,054
Total Liabilities	3,214,004	3,156,993	57,011
NET ASSETS:			
Common Stock	174,296	174,296	-
Additional Paid-in Capital	248,302	248,299	3
Retained Earnings	444,770	402,224	42,545
Treasury Stock	(5,952)	(5,533)	(419)
Reserve on Land Revaluation	292,411	292,384	26
Net Unrealized Holding Gains on Securities	114,006	102,693	11,312
Deferred Gains or Losses on Hedges	(766)	(1,094)	327
Foreign Currency Translation Adjustment	(14,429)	(32,096)	17,666
New Share Subscription Rights	841	728	113
Minority Interests in Consolidated Subsidiaries	49,148	51,177	(2,029)
Total Net Assets	1,302,627	1,233,081	69,546
Total Liabilities and Net Assets	¥4,516,632	¥4,390,074	¥126,557

Note: Debt-Equity Ratio 1.72 times (1.80 times at March 31, 2013)

Interest-Bearing Debt:	2,154,808	2,120,225	34,582
Non-recourse Debt	253,293	236,137	17,156
Surplus lease deposits/guarantee deposits	204,338	196,187	8,150

[Interest-Bearing Debt]

As of December 31, 2013, interest-bearing debt stood at ¥2,154.8 billion on an overall consolidated basis, an increase of ¥34.5 billion compared with the end of the previous fiscal year. During the period under review, Mitsui Fudosan witnessed a cash outflow from investing activities of ¥43.8 billion largely on the back of new investments in tangible and intangible fixed assets and a cash outflow of ¥19.3 billion representing cash dividends paid. At the same time, the Company saw a cash inflow from operating activities of ¥29.5 billion.

Breakdown by Company

(¥ millions)

	At December 31, 2013	At March 31, 2013	Change (amount)
Mitsui Fudosan	¥1,797,569	¥1,796,931	¥638
SPCs Total	354,418	340,195	14,223
Mitsui Fudosan Residential	306,838	313,229	(6,391)
Mitsui Fudosan America Group	80,054	78,967	1,087
Loans to Subsidiaries	(517,066)	(531,974)	14,907
Other and Elimination	132,993	122,876	10,117
Consolidated Total	¥2,154,808	¥2,120,225	¥34,582
(Non-recourse Debt of Total)	253,293	236,137	17,156

SEGMENT INFORMATION (UNAUDITED)

Nine Months Ended December 31, 2013

(¥ millions)

	Revenue from Operations			Segment Income	Segment Assets	Depreciation	Impairment Loss	Increase in Tangible and Intangible Fixed Assets
	(1) Outside Customers	(2) Intersegment	Total					
(1)Leasing	¥334,516	¥12,730	¥347,247	¥83,744	¥2,682,861	¥29,121	¥5,317	¥84,020
(2)Property Sales	207,707	-	207,707	10,326	1,149,449	876	-	866
(3)Management	226,688	42,610	269,299	34,890	262,377	5,044	-	7,803
(4)Mitsui Home	147,871	5,655	153,526	(4,379)	123,859	2,293	-	2,482
(5)Other	77,886	2,994	80,881	3,798	110,996	3,045	-	3,069
Elimination or Corporate	-	(63,990)	(63,990)	(15,270)	187,087	789	-	673
Consolidated	¥994,670	-	¥994,670	¥113,110	¥4,516,632	¥41,170	¥5,317	¥98,915

Nine Months Ended December 31, 2012

(¥ millions)

	Revenue from Operations			Segment Income	Segment Assets	Depreciation	Impairment Loss	Increase in Tangible and Intangible Fixed Assets
	(1) Outside Customers	(2) Intersegment	Total					
(1)Leasing	¥328,131	¥12,397	¥340,529	¥81,792	¥2,667,630	¥31,734	¥2,486	¥30,723
(2)Property Sales	194,680	-	194,680	11,615	1,101,101	956	-	624
(3)Management	217,572	35,990	253,563	27,656	243,665	4,816	-	6,731
(4)Mitsui Home	125,670	5,626	131,296	(8,504)	112,905	2,565	-	4,412
(5)Other	78,773	2,742	81,515	1,261	107,908	2,770	-	3,804
Elimination or Corporate	-	(56,756)	(56,756)	(16,038)	136,643	960	-	755
Consolidated	¥944,829	-	¥944,829	¥97,782	¥4,369,854	¥43,803	¥2,486	¥47,052

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Nine Months Ended December 31	
	2013	2012
I. Revenue from Operations	¥994,670	¥944,829
II. Cost of Revenue from Operations	773,065	736,960
Gross Operating Profit	221,605	207,868
III. Selling, General and Administrative Expenses	108,495	110,085
Operating Income	113,110	97,782
IV. Non-Operating Income:	6,891	7,347
Interest Income	416	231
Dividend Income	3,596	3,157
Equity in Net Income of Affiliated Companies	501	1,857
Other Non-Operating Income	2,377	2,099
V. Non-Operating Expenses:	25,484	27,291
Interest Expenses	22,199	22,034
Other Non-Operating Expenses	3,285	5,257
Ordinary Income	94,517	77,838
VI. Extraordinary Gains:	13,189	1,060
Gain on Sales of Fixed Assets	13,189	1,060
VII. Extraordinary Losses:	8,199	5,686
Impairment Loss	5,317	2,486
Loss on Disposal of Fixed Assets	2,881	3,200
Income before Income Taxes	99,507	73,212
Income Taxes	37,407	28,238
Income (Loss) before Minority Interests	62,100	44,973
Minority Interests	206	(1,985)
Net Income	¥61,894	¥46,959

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	(¥ millions)	
	Nine Months Ended December 31	
	2013	2012
I. Cash Flows From Operating Activities:		
Income before Income Taxes	¥99,507	¥73,212
Depreciation and Amortization	41,170	43,803
Impairment Loss	5,317	2,486
Gain/Loss on Sales of Fixed Assets	(13,149)	-
Loss on Disposal of Fixed Assets	1,434	-
Interest and Dividend Income Receivable	(4,013)	(3,396)
Interest Expense	22,199	22,034
Gain/Loss on Equity-Method Investments	(501)	(1,857)
Increase/Decrease in Accounts Receivable	2,698	757
Increase/Decrease in Accounts Payable	(5,413)	(5,652)
Increase/Decrease in Real Property for Sale	(53,354)	(100,665)
Other	(1,614)	(11,225)
Subtotal	94,282	19,496
Cash Receipts of Interest and Dividend Income	5,666	4,598
Cash Payments of Interest Expense	(21,155)	(21,347)
Income Taxes Paid	(49,220)	(12,236)
Net Cash Provided by Operating Activities	29,571	(9,489)
II. Cash Flows From Investing Activities:		
Purchase of Tangible and Intangible Fixed Assets	(90,298)	(57,731)
Sales of Tangible and Intangible Fixed Assets	44,224	10,116
Purchase of Investment Securities	(7,550)	(25,077)
Proceeds from Sales of Investments in Subsidiaries Resulting in Change in Scope of Consolidation	5,869	-
Proceeds from Receipt of Rental Deposits and Guarantees	(2,462)	(5,797)
Proceeds from Recovery of Rental Deposits and Guarantees	11,455	10,888
Decrease in Deposits from Tenants	(29,999)	(27,713)
Increase in Deposits from Tenants	28,633	20,993
Increase in Loans (Outlays for Loans)	(8,358)	(11,057)
Decrease in Loans (Proceeds from Recovery of Loans)	7,474	6,988
Other	(2,885)	(12,902)
Net Cash Used in Investing Activities	¥(43,896)	¥(91,293)

	(¥ millions)	
	Nine Months Ended December 31	
	2013	2012
III. Cash Flows From Financing Activities:		
Proceeds from Short-Term Debt	¥1,638,640	¥1,516,599
Repayment of Short-Term Debt	(1,588,530)	(1,349,039)
Proceeds from Long-Term Debt	150,881	348,571
Repayment of Long-Term Debt	(167,049)	(296,530)
Proceeds from Issuance of Bonds	11,420	46,155
Redemption of Bonds	(21,028)	(146,162)
Cash Dividends Paid	(19,303)	(19,292)
Cash Dividends Paid to Minority Interests	(1,105)	(959)
Repayment of Finance Lease Obligations	(2,063)	(2,010)
Increase/Decrease in Treasury Stock	(438)	(107)
Other	(857)	6,517
Net Cash Used in Financing Activities	564	103,740
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,775	(130)
V. Net Increase (Decrease) in Cash and Cash Equivalents	(11,985)	2,827
VI. Cash and Cash Equivalents at Beginning of Year	101,588	61,726
VII. Increase in cash and cash equivalents from newly consolidated subsidiary	-	18,665
VIII. Cash and Cash Equivalents at End of the Period	¥89,603	¥83,219

CONSOLIDATED STATEMENTS OF EARNING FORECASTS

For the Year Ending March 31, 2014 (Unchanged from originally announced on May 9, 2013)

(¥ millions)

	Year to March 31		Change
	2014 (forecast)	2013 (actual)	
Revenue from Operations	¥1,530,000	¥1,445,644	¥84,356
Leasing	456,000	441,712	14,288
Property Sales	436,000	393,454	42,546
Management	309,000	297,934	11,066
Mitsui Home	224,000	209,028	14,972
Other	105,000	103,514	1,486
Operating Income	160,000	148,184	11,816
Leasing	105,000	104,352	648
Property Sales	31,000	23,059	7,941
Management	42,000	41,579	421
Mitsui Home	2,000	566	1,434
Other	1,000	(85)	1,085
Elimination or Corporate	(21,000)	(21,287)	287
Non-Operating Income/Expenses	(28,000)	(25,118)	(2,882)
Interest Income/Expense, in Net	(31,000)	(29,061)	(1,939)
Other, in Net	3,000	3,942	(942)
Ordinary Income	132,000	123,066	8,934
Extraordinary Gains/Losses	(20,000)	(12,120)	(7,880)
Income before Income Taxes	112,000	110,945	1,055
Income Taxes	46,000	50,382	(4,382)
Minority Interests	1,000	1,112	(112)
Net Income	¥65,000	¥59,451	¥5,549

● **Leasing:** Revenue from operations and operating income are forecast to climb ¥14.2 billion and ¥0.6 billion, respectively. This is largely attributable to the positive flow-on effects of large-scale renewals at such retail facilities as LAZONA Kawasaki Plaza and Urban Dock LaLaport TOYOSU as well as the full-term contributions from properties completed during the fiscal year under review including Nihonbashi Astellas Mitsui Building.

● **Property Sales:** Revenue from operations and operating income are expected to increase by ¥42.5 billion and ¥7.9 billion, respectively, in this segment as a whole. In addition to revenue and earnings growth due mainly to an upswing in the reported number of units and improvements in operating income margins in the “Property Sales” category, these forecast results take into account a projected increase in earnings in the “Property Sales to Investors” category.

● **Management:** Revenue from operations and operating income in this segment as a whole are projected to improve by ¥11.0 billion and ¥0.4 billion, respectively. These forecast results reflect a variety of factors including robust trends in the Mitsui Rehouse and Repark (Car Park Leasing) businesses undertaken by Mitsui Fudosan Realty.

● **Other:** Revenue from operations and operating income are projected to increase owing mainly to continued steady trends in the hotel operation business.

● Taking each of the aforementioned into consideration, revenue from operations is forecast to amount to ¥1,530.0 billion, an increase of ¥84.3 billion compared with the fiscal year under review. On the earnings front, operating income is expected to reach ¥160.0 billion, up ¥11.8 billion and ordinary income is anticipated to total ¥132.0 billion, an improvement of ¥8.9 billion.

● After factoring in an anticipated extraordinary loss of ¥20.0 billion, net income is forecast to reach ¥65.0 billion, up ¥5.5 billion.

CONSOLIDATED STATEMENTS OF EARNING FORECASTS

Real Property for Sale

(¥ millions)

	Year to March 2014 (forecast)	Year Ended March 2013 (actual)	YoY Change
New Investments	¥400,000	¥386,207	¥13,793
Recovery of Costs	¥350,000	¥323,718	¥26,282

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

Tangible and Intangible Assets

(¥ millions)

	Year to March 2014 (forecast)	Year Ended March 2013 (actual)	YoY Change
New Investments	¥200,000	¥72,355	¥127,645
Depreciation	¥60,000	¥59,022	¥978

Interest-Bearing Debt

(¥ millions)

	Year to March 2014 (forecast)	Year Ended March 2013 (actual)	YoY Change
Interest-Bearing Debt	¥2,200,000	¥2,120,255	¥79,745

【Property Sales to Individuals】

Revenue, Operating Margin

(¥ millions)

	Year to March 2014 (forecast)	Year Ended March 2013 (actual)	YoY Change
Revenue from Operations:	¥336,000	¥282,662	¥53,338
Condominiums	283,000	236,174	46,826
Detached Housing	53,000	46,487	6,513
Operating Margin (%)	5.7	5.4	0.3pt

Number of Housing Units

(Units)

	Year to March 2014 (forecast)	Year Ended March 2013 (actual)	YoY Change
Condominiums	6,450	4,956	1,494
Detached Housing	950	795	155
Total	7,400	5,751	1,649