

FACT BOOK

For the Nine Months Ended December 31, 2014

February 10, 2015



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

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

Corporate Data

(As of December 31, 2014)

Head Office:

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

Date of Establishment:

July 15, 1941

Share Capital:

¥339,766 million

Number of Issued and Outstanding Shares:

991,424,727

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
	2014	2013	
Revenue from Operations	¥1,081,379	¥994,670	¥86,709
Leasing	342,951	334,516	8,435
Property Sales	295,965	207,707	88,258
Management	230,515	226,688	3,826
Mitsui Home	155,024	147,871	7,153
Other	56,923	77,886	(20,963)
Operating Income	127,656	113,110	14,545
Leasing	80,322	83,744	(3,422)
Property Sales	31,451	10,326	21,124
Management	34,167	34,890	(722)
Mitsui Home	(3,867)	(4,379)	511
Other	4,494	3,798	696
Elimination or Corporate	(18,912)	(15,270)	(3,641)
Non-Operating Income/Expenses	(15,482)	(18,592)	3,110
Equity in Net Income/Loss of Affiliated Companies	1,982	501	1,481
Interest Income/Expense, in Net	(19,300)	(21,783)	2,482
Other, in Net	1,834	2,689	(854)
Ordinary Income	112,173	94,517	17,655
Extraordinary Gains/Losses	4,226	4,990	(764)
Extraordinary Gains	5,603	13,189	(7,585)
Extraordinary Losses	1,377	8,199	(6,821)
Income before Income Taxes	116,399	99,507	16,891
Income Taxes	43,121	37,407	5,713
Income before Minority Interests	73,277	62,100	11,177
Minority Interests	2,625	206	2,419
Net Income	¥70,652	¥61,894	¥8,758

◆ Overview

● For the nine-month period under review, both revenue and earnings improved. Revenue from operations was up ¥86.7 billion, or 8.7%, compared with the corresponding period of the previous fiscal year, to ¥1,081.3 billion while operating income grew ¥14.5 billion, or 12.9%, to ¥127.6 billion. This was mainly due to the increase in profit margins with respect to “Property Sales to Individual” as well as progress in “Property Sales to Investors.” Ordinary income improved ¥17.6 billion, or 18.7%, to ¥112.1 billion, and net income increased ¥8.7 billion, or 14.2%, to 70.6 billion year on year. Taking each of the aforementioned into consideration, 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, 2014	Year to 3/15 (Forecast as of May 12, 2014)	9-Month Results/Full-Year Forecast (%)
Revenue from Operations	¥1,081,379	¥1,540,000	70.2
Operating Income	127,656	183,000	69.8
Ordinary Income	112,173	156,000	71.9
Net Income	¥70,652	¥90,000	78.5

Extraordinary Gains/Losses

[Extraordinary Gains] (¥ millions)

Gain on Sales of Shares of Affiliated Companies	¥5,603
Total	¥5,603

[Extraordinary Losses] (¥ millions)

Loss on Disposal of Fixed Assets	¥1,377
Total	¥1,377

Consolidated Statements of Comprehensive Income

(¥ millions)

	Nine Months Ended December 31	
	2014	2013
Net Income before Minority Interests	¥73,277	¥62,100
Other Comprehensive Income	82,804	29,466
Valuation Difference on Available-For-Sale Securities	76,717	11,222
Deferred Gains or Losses on Hedges	151	338
Foreign Currency Translation Adjustment	3,673	11,959
Remeasurements of Defined Benefit Plans	571	-
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	1,690	5,946
Comprehensive Income	¥156,082	¥91,567
(Comprehensive Income Attributable to Owners of the Parent)	153,341	91,200
(Comprehensive Income Attributable to Minority Interests)	2,741	366

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

(¥ millions)

		Nine Months Ended December 31		Change
		2014	2013	
Revenue from Operations	Leasing	¥335,953	¥327,375	¥8,577
	Property Sales	37,303	15,401	21,902
	Other	25,301	18,374	6,927
	Total	398,558	361,150	37,407
Gross Profit (%)	Leasing	17.5	18.4	(0.9) pt
	Property Sales	15.1	14.0	1.1 pt
	Other	45.1	32.1	13.0 pt
Operating Income		¥60,041	¥54,039	¥6,002

SEGMENT RESULTS

[1] LEASING

(¥ millions)

	Nine Months Ended December 31		Change
	2014	2013	
Revenue from Operations	¥342,951	¥334,516	¥8,435
Operating Income	80,322	83,744	(3,422)

	Year to March 2015 (Forecast as of May 12, 2014)	9-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2014
Revenue from Operations	¥458,000	74.9	¥449,699
Operating Income	102,000	78.7	109,205

● For the nine-month period under review, overall revenue from operations increased ¥8.4 billion compared with the corresponding period of the previous fiscal year. This increase largely reflected newly opened and full-year contributing office buildings and retail facilities. Earnings (operating income), on the other hand, declined ¥3.4 billion year on year owing mainly to the increase in depreciation expenses as a result of the opening of new properties including Iidabashi Grand Bloom and Sapporo Mitsui JP Building as well as such factors as the termination of operations associated with redevelopment.

● The vacancy rate for the Company's office buildings located in the Tokyo Metropolitan Area was 5.5% on a non-consolidated basis as of December 31, 2014. This was primarily attributable to the impact of new buildings.

【Reference】 Non-consolidated Results

(Revenue from operations)

- Newly on-stream projects (Iidabashi Grand Bloom, LaLaport Izumi, etc.) and full-term contribution projects (Muromachi Furukawa Mitsui Building (COREDO Muromachi 2), Muromachi Chibagin Mitsui Building (COREDO Muromachi 3), etc.): ¥11.4 billion increase in revenue year on year.
- Existing properties: ¥0.5 billion increase in revenue year on year.
- Shifting and terminations: ¥3.3 billion decrease in revenue year on year.

Breakdown of Leasing Operations (Nonconsolidated)

		At December 31					
		2014		2013		2013	
		Total		Tokyo Metropolitan Area		Regional Areas	
Office Buildings	Number of Buildings	135	147	104	117	31	30
	Leased Floor Space (1,000m ²)	2,480	2,497	2,152	2,206	328	292
	Leasing Revenue (¥ millions)	192,548	194,743	177,848	180,665	14,699	14,077
	Vacancy Rate (%)	5.3	4.4	5.5	4.1	3.6	6.3
Retail Facilities	Number of Buildings	71	69	49	45	22	24
	Leased Floor Space (1,000m ²)	1,689	1,753	1,103	1,124	585	629
	Leasing Revenue (¥ millions)	126,660	117,268	89,764	83,159	36,896	34,109
	Vacancy Rate (%)	0.4	0.8	0.3	1.0	0.4	0.3

Leased Floor Space

(¥ millions)

		At December 31		Change		
		2014	2013			
Office Buildings and Retail Facilities	Revenue	Office Buildings	¥208,387	¥211,921	¥(3,534)	
		Retail Facilities	127,093	117,355	9,737	
		Total Leased Floor Space (1,000 m ²):	4,412	4,617	(205)	
		Office Buildings	Owned	1,562	1,658	(96)
			Managed	1,124	1,175	(50)
		Retail Facilities	Owned	1,233	1,258	(25)
		Managed	493	527	(34)	
Other	Revenue		7,471	5,239	2,231	
Total Revenue			¥342,951	¥334,516	¥8,435	

Vacancy Rate at End of Term

(%)

	12/14	9/14	6/14	3/14	3/13	3/12
Consolidated						
Office Buildings and Retail Facilities (including overseas)	4.2	4.6	4.3	3.5	3.3	2.9
Non-consolidated						
Tokyo Metropolitan Area Office Buildings	5.5	5.9	5.8	3.3	3.8	4.4
Regional Area Office Buildings	3.6	4.3	3.6	4.3	5.3	6.4

Major Projects during the Period (nine-month total)

(NEWLY OPENED)

GATE SQUARE (Kashiwa, Chiba)	Office building completed in April 2014
LaLa terrace MUSASHIKOSUGI (Kawasaki, Kanagawa)	Retail facility opened in April 2014
Okachimachi Yoshiike Head Store Building (Taito-ku, Tokyo)	Retail facility opened in April 2014
Iidabashi Grand Bloom (Chiyoda-ku, Tokyo)	Office building completed in June 2014
Sapporo Mitsui JP Building (Sapporo, Hokkaido)	Office building completed in August 2014
(Akarenga TERRACE (Sapporo, Hokkaido)	Retail facility opened in August 2014)
Shinjuku Nakamura Building (Shinjuku-ku, Tokyo)	Retail facility opened in October 2014
LaLaport Izumi (Izumi, Osaka)	Retail facility opened in October 2014

(FULL-TERM CONTRIBUTION)

LoveLa 2 (Niigata, Niigata)	Retail facility opened in November 2013
Muromachi Furukawa Mitsui Building (Chuo-ku, Tokyo)	Office building completed in February 2014
(COREDO Muromachi 2 (Chuo-ku, Tokyo)	Retail facility opened in March 2014)
Muromachi Chibagin Mitsui Building (Chuo-ku, Tokyo)	Office building completed in February 2014
(COREDO Muromachi 3 (Chuo-ku, Tokyo)	Retail facility opened in March 2014)
Ikebukuro Globe (Toshima-ku, Tokyo)	Retail facility opened in February 2014

[2] PROPERTY SALES

	Nine Months Ended December 31		Change
	2014	2013	
Revenue from Operations	¥295,965	¥207,707	¥88,258
Operating Income	31,451	10,326	21,124

(¥ millions)

	Year to March 2015 (Forecast as of May 12, 2014)	9-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2014
Revenue from Operations	¥442,000	67.0	¥409,466
Operating Income	46,000	68.4	27,099

● Looking at the “Property Sales to Individuals” category, both revenue from operations and earnings (operating income) increased ¥18.1 billion and ¥7.5 billion, respectively, compared with the corresponding period of the previous fiscal year. Despite a downturn in the reported number of units, this year-on-year improvement largely reflected increases in the price per unit as well as profit margins. In the “Property Sales to Investors” category, revenue from operations climbed ¥70.1 billion while earnings (operating income) grew ¥13.6 billion compared with the corresponding period of the previous fiscal year on the back of continued progress in property sales. Accounting for each of these factors, revenue from operation and earnings (operating income) for the “Property Sales” segment overall increased ¥88.2 billion and 21.1 billion, respectively, year on year.

● Sales in the “Property Sales to Individuals” category remained robust. The contract progress rate as of December 31, 2014 was 95% (95% as of December 31, 2013) of the 5,000 scheduled full fiscal year number of new construction condominium units for sale.

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

Park Court Chiyoda Fujimi The Tower (Chiyoda-ku, Tokyo)	Condominiums
Park Tower Kitahama (Osaka, Osaka)	Condominiums
Park Mansion Akasaka Hikawazaka (Minato-ku, Tokyo)	Condominiums
Park Homes Shinagawa The Residence (Minato-ku, Tokyo)	Condominiums
Park Homes LaLa Shinmisato (Misato, Saitama)	Condominiums
Fine Court Fujisawa SST (Fujisawa, Kanagawa)	Detached Housing

Property Sales to Individuals and Investors

		Nine Months Ended December 31						Change			
		2014			2013			Revenue	Units	Unit Price (¥10 thousand)	
		Revenue	Units	Unit Price (¥10 thousand)	Revenue	Units	Unit Price (¥10 thousand)				Revenue
Property Sales to Individuals	Condominiums	Tokyo Metropolitan Area	¥131,283	2,177	¥6,030	¥121,301	2,602	¥4,662	¥9,981	(425)	¥1,368
		Other	28,722	717	4,006	20,946	542	3,865	7,775	175	141
		Subtotal	160,005	2,894	5,529	142,248	3,144	4,524	17,757	(250)	1,005
	Detached Housing	Tokyo Metropolitan Area	27,172	506	5,370	26,304	449	5,858	867	57	(488)
		Other	3,382	70	4,832	3,904	93	4,199	(522)	(23)	633
		Subtotal	30,554	576	5,305	30,209	542	5,574	345	34	(269)
	Revenue		190,560	3,470	5,491	172,457	3,686	4,679	18,102	(216)	812
	Operating Income		13,986		6,463		7,522				
	Property Sales to Investors		Revenue		105,404		35,249		70,155		
			Operating Income		17,464		3,862		13,601		
Total Revenue		295,965		207,707		88,258					
Total Operating Income		¥31,451		¥10,326		¥21,124					

Inventories (Property Sales to Individuals)

	(Units)					
	12/14	9/14	6/14	3/14	3/13	3/12
Condominiums	90	96	111	170	223	380
Detached Housing	82	71	53	65	57	24
Total	172	167	164	235	280	404

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	5,142	3,028	8,170	2,894	5,276	3,405
Detached Housing	107	649	756	576	180	676
Total	5,249	3,677	8,926	3,470	5,456	4,081

[3] MANAGEMENT

	Nine Months Ended December 31		Change
	2014	2013	
Revenue from Operations	¥230,515	¥226,688	¥3,826
Operating Income	34,167	34,890	(722)

	Year to March 2015 (Forecast as of May 12, 2014)	9-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2014
Revenue from Operations	¥321,000	71.8	¥314,230
Operating Income	50,000	68.3	49,945

● For the nine-month period under review, revenue from operations and earnings in the “Property Management” category increased. While trends were steady in the “Mitsui Rehouse” (brokerage business for individuals) business, revenue from operations and earnings in the “Brokerage and Asset Management, etc.” category declined owing mainly to the year-on-year downturn in the number of brokerage properties handled. Taking into account each of these factors, overall revenue from operations in the “Management” segment climbed ¥3.8 billion while earnings (operating income) fell ¥0.7 billion compared with the corresponding period of the previous fiscal year.

		Nine Months Ended December 31		Change
		2014	2013	
Property Management	Revenue	¥172,329	¥164,203	¥8,125
	Operating Income	20,886	20,713	172
Brokerage, Asset Management, etc.	Revenue	58,185	62,485	(4,299)
	Operating Income	13,281	14,176	(895)
Total	Revenue	230,515	226,688	3,826
	Operating Income	¥34,167	¥34,890	¥(722)

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

	At December 31, 2014		At December 31, 2013		Change
	Units	Units	Units	Units	
Total Managed Units	162,186		153,343		8,843

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

	Nine Months Ended December 31				Change	
	2014		2013			
	Transaction Volume	Units	Transaction Volume	Units	Transaction Volume	Units
Brokerage	¥907,950	27,188	¥1,035,603	31,297	¥(127,653)	(4,109)

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	
	2014		2013			
	Transaction Volume	Units	Transaction Volume	Units	Transaction Volume	Units
Consignment Sales	¥43,104	681	¥63,104	959	¥(20,000)	(278)

[4] MITSUI HOME, [5] OTHER

[4] MITSUI HOME

	Nine Months Ended December 31		Change
	2014	2013	
Revenue from Operations	¥155,024	¥147,871	¥7,153
Operating Income	(3,867)	(4,379)	511

	Year to March 2015 (Forecast as of May 12, 2014)	9-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2014
Revenue from Operations	¥239,000	64.9	¥237,068
Operating Income	3,800	-	4,192

● For the nine-month period under review, revenue from operations as a whole increased ¥7.1 billion compared with the corresponding period of the previous fiscal year. This largely reflected the higher year-on-year amount of orders at the beginning of the period in the “New Construction” category. In addition to the improvement in revenue, operating income benefitted from such factors as a decline in selling, general and administrative expenses. As a result, the operating loss for this segment narrowed by ¥0.5 billion compared with the corresponding period of the previous fiscal year.

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
		2014	2013	
New Construction	Revenue	¥110,093	¥103,538	¥6,554
	Orders	107,920	135,182	(27,261)
Reform/Renewal	Revenue	18,284	19,924	(1,640)
	Orders	25,994	26,466	(471)
Lease Management		15,718	14,763	954
Housing-Related Material Sales		10,928	9,644	1,284
Total Revenue		¥155,024	¥147,871	¥7,153

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
	2014	2013	
Revenue from Operations	¥56,923	¥77,886	¥(20,963)
Operating Income	4,494	3,798	696

	Year to March 2015 (Forecast as of May 12, 2014)	9-Month Results/ Full-Year Forecast (%)	Year Ended March 31, 2014
Revenue from Operations	¥80,000	71.2	¥104,787
Operating Income	4,000	112.4	3,071

● For the nine-month period under review, revenue from operations declined due to the sale of shares of Uniliving Co., Ltd. at the beginning of the period. On a positive note, trends in the hotel operation business were robust. Accounting for each of these factors, revenue from operations in the “Other” segment as a whole fell ¥20.9 billion while earnings (operating income) climbed ¥0.6 billion compared with the corresponding period of the previous fiscal year.

		Nine Months Ended December 31		Change
		2014	2013	
Facility Operations		¥38,218	¥37,257	¥960
Merchandise		3,271	27,536	(24,265)
Other		15,433	13,092	2,341
Total Revenue		¥56,923	¥77,886	¥(20,963)

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	December 31, 2014	March 31, 2014	Change
I. Current Assets:	¥1,410,934	¥1,316,170	¥94,764
Cash and Time Deposits	94,472	127,882	(33,410)
Accounts Receivable—Trade	27,253	34,399	(7,146)
Marketable Securities	64,378	243	64,134
Real Property for Sale (including Advances Paid for Purchases)	1,008,838	961,449	47,389
Expenditure on Contracts in Progress	34,910	17,445	17,464
Other Inventories	5,786	10,503	(4,717)
Short-Term Loans	11,470	10,205	1,265
Equity Investments in Properties for Sale	9,999	12,065	(2,065)
Deferred Income Taxes	30,023	28,617	1,405
Other	124,135	113,687	10,447
Allowance for Doubtful Accounts	(334)	(330)	(3)
II. Fixed Assets:	3,416,749	3,232,651	184,097
1. Tangible Fixed Assets:	2,548,656	2,467,642	81,013
Buildings and Structures	671,728	621,300	50,428
Machinery, Equipment and Materials Handling Equipment	27,256	15,002	12,253
Land	1,751,357	1,743,527	7,829
Construction in Progress	64,162	55,575	8,586
Other	34,151	32,236	1,915
2. Intangible Fixed Assets:	59,797	58,497	1,300
Tangible and Intangible Fixed Assets:	2,608,453	2,526,139	82,313
3. Investments and Other Assets:	808,295	706,511	101,783
Investment Securities	603,916	495,726	108,190
Long-Term Loans	11,259	13,419	(2,159)
Lease Deposits	128,973	135,770	(6,796)
Net Defined Benefit Asset	1,188	80	1,107
Deferred Income Taxes	11,149	13,287	(2,138)
Deferred Tax Assets on Land Revaluation	3	3	-
Other	54,879	51,303	3,576
Allowance for Doubtful Accounts	(3,073)	(3,077)	3
Total Assets	¥4,827,683	¥4,548,822	¥278,861

[Real Property for Sale]

(a) Breakdown by Company

(¥ millions)

	At December 31, 2014	At March 31, 2014	Change
Mitsui Fudosan Residential	¥394,316	¥362,501	¥31,814
Mitsui Fudosan	301,989	295,776	6,212
SPCs Total	279,711	251,740	27,970
Other and Elimination	32,821	51,430	(18,609)
Consolidated Total	¥1,008,838	¥961,449	¥47,389

(b) Accounts of Real Property for Sale

(¥ millions)

Nine Months Ended December 31	At Beginning of Period	New Investments*	Cost Recovery	Others	At End of Period
2014	¥961,449	¥294,250	¥(231,085)	¥(15,775)	¥1,008,838
2013	¥915,222	¥211,746	¥(165,729)	¥(6,821)	¥954,418

Note: Land acquisition-related expenditures by Mitsui Fudosan Residential Co., Ltd., totaled ¥83.5 billion for the nine-month period under review.

* New investments include the increase in real property for sale at subsidiaries in which the Company invested during the period.

[Tangible and Intangible Assets]

The consolidated balance of tangible and intangible fixed assets stood at ¥2,608.4 billion as of December 31, 2014, up ¥82.3 billion compared with the end of the previous fiscal year. This increase stemmed from such factors as new investments by the Company in the Nihonbashi 2-Chome Redevelopment Project, Iidabashi Grand Bloom, and other properties as well as new investments in the Mitsui Fudosan UK Group. (Foreign currency exchange rate: ¥109.45:US\$1 as of December 31, 2014; ¥105.39:US\$1 as of March 31, 2014)

(a) Breakdown by Company

(¥ millions)

	At December 31, 2014	At March 31, 2014	Change
Mitsui Fudosan	¥2,090,862	¥2,025,638	¥65,224
SPCs Total	192,567	194,319	(1,751)
Mitsui Fudosan America Group	143,994	138,361	5,632
Mitsui Fudosan UK Group	61,532	48,789	12,743
Mitsui Home Group	28,553	28,828	(275)
Other and Elimination	90,943	90,202	740
Consolidated Total	¥2,608,453	¥2,526,139	¥82,313

Above figures include revaluation reserve for land.

(b) Accounts of Tangible and Intangible Fixed Assets

(¥ millions)

Nine Months Ended December 31	At Beginning of Period	New Investments*	Depreciation	Others	At End of Period
2014	¥2,526,139	¥123,690	¥(44,241)	¥2,865	¥2,608,453
2013	¥2,503,977	¥98,915	¥(41,170)	¥(20,959)	¥2,540,762

* New investments include the increase in tangible and intangible fixed assets at subsidiaries in which the Company invested during the period.

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	December 31, 2014	March 31, 2014	Change
I. Current Liabilities:	¥558,777	¥846,312	¥(287,534)
Accounts Payable—Trade	65,746	130,695	(64,948)
Short-Term Debt	194,016	284,048	(90,032)
Bond Redeemable Within One Year	10,517	50,100	(39,582)
Income Taxes Payable	21,768	22,374	(605)
Advances from Contracts in Progress	28,981	22,887	6,093
Allowance for Completed Project Indemnities	1,268	1,294	(26)
Allowance for Possible Guarantee Losses	56	76	(19)
Deferred Income Taxes	1,615	2,113	(497)
Other Current Liabilities	234,806	332,722	(97,915)
II. Long-Term Liabilities:	2,484,840	2,377,089	107,750
Corporate Bonds	369,600	296,585	73,015
Long-Term Debt	1,397,593	1,409,338	(11,744)
Deposits from Tenants	351,724	345,617	6,107
Allowance for Directors' and Corporate Auditors' Retirement Benefits	760	794	(34)
Net Defined Benefit Liability	35,750	37,405	(1,654)
Deferred Income Taxes	123,566	79,761	43,805
Deferred Tax Liabilities on Land Revaluation	170,148	170,148	-
Other	35,695	37,439	(1,744)
Total Liabilities	3,043,617	3,223,401	(179,784)
NET ASSETS:			
Common Stock	339,766	174,296	165,470
Capital Surplus	413,811	248,293	165,518
Retained Earnings	504,949	454,750	50,199
Treasury Stock	(6,105)	(5,926)	(179)
Reserve on Land Revaluation	298,612	296,703	1,909
Net Unrealized Holding Gains on Securities	187,865	111,120	76,745
Deferred Gains or Losses on Hedges	(720)	(840)	119
Foreign Currency Translation Adjustment	3,867	(1,442)	5,309
Remeasurements of Defined Benefit Plans	(2,086)	(2,601)	515
New Share Subscription Rights	941	823	118
Minority Interests in Consolidated Subsidiaries	43,162	50,241	(7,078)
Total Net Assets	1,784,066	1,325,420	458,645
Total Liabilities and Net Assets	¥4,827,683	¥4,548,822	¥278,861

Note: Debt-Equity Ratio 1.13 times (1.60 times at March 31, 2014)

Interest-Bearing Debt:	1,971,727	2,040,071	(68,343)
Non-recourse Debt	268,315	236,266	32,049
Surplus lease deposits/guarantee deposits	222,751	209,846	12,904

[Interest-Bearing Debt]

As of December 31, 2014 the balance of interest-bearing debt stood at ¥1,971.7 billion on a consolidated basis, down ¥68.3 billion compared with the end of the previous fiscal year. During the period under review, Mitsui Fudosan witnessed a cash inflow from the issuance of shares totaling ¥329.1 billion. The Company also reported cash outflows from operating activities, investing activities, and cash dividends paid of ¥44.9 billion, ¥148.0 billion, and ¥20.5 billion, respectively. The net increase in cash and cash equivalents was ¥30.9 billion.

Breakdown by Company

(¥ millions)

	At December 31, 2014	At March 31, 2014	Change (amount)
Mitsui Fudosan	¥1,592,191	¥1,703,310	¥(111,118)
SPCs Total	380,822	349,807	31,015
Mitsui Fudosan Residential	321,911	206,144	115,766
Mitsui Fudosan America Group	63,506	58,256	5,249
Loans to Subsidiaries	(507,146)	(414,939)	(92,207)
Other and Elimination	120,442	137,492	(17,049)
Consolidated Total	¥1,971,727	¥2,040,071	¥(68,343)
(Non-recourse Debt of Total)	268,315	236,266	32,049

SEGMENT INFORMATION (UNAUDITED)

Nine Months Ended December 31, 2014

(¥ millions)

	Revenue from Operations			Segment Income	Segment Assets	Depreciation	Increase in Tangible and Intangible Fixed Assets
	(1) Outside Customers	(2) Intersegment	Total				
(1)Leasing	¥342,951	¥13,055	¥356,006	¥80,322	¥2,772,312	¥31,760	¥108,668
(2)Property Sales	295,965	-	295,965	31,451	1,218,054	1,003	1,249
(3)Management	230,515	46,637	277,152	34,167	266,589	5,380	6,956
(4)Mitsui Home	155,024	6,708	161,733	(3,867)	121,067	2,258	2,177
(5)Other	56,923	1,812	58,735	4,494	92,396	2,875	3,304
Elimination or Corporate	-	(68,214)	(68,214)	(18,912)	357,263	962	1,334
Consolidated	¥1,081,379	-	¥1,081,379	¥127,656	¥4,827,683	¥44,241	¥123,690

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

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Nine Months Ended December 31	
	2014	2013
I. Revenue from Operations	¥1,081,379	¥994,670
II. Cost of Revenue from Operations	850,329	773,065
Gross Operating Profit	231,050	221,605
III. Selling, General and Administrative Expenses	103,394	108,495
Operating Income	127,656	113,110
IV. Non-Operating Income:	9,246	6,891
Interest Income	503	416
Dividend Income	3,617	3,596
Equity in Net Income of Affiliated Companies	1,982	501
Other Non-Operating Income	3,142	2,377
V. Non-Operating Expenses:	24,729	25,484
Interest Expenses	19,803	22,199
Other Non-Operating Expenses	4,925	3,285
Ordinary Income	112,173	94,517
VI. Extraordinary Gains:	5,603	13,189
Gain on Sales of Fixed Assets	-	13,189
Gain on Sales of Shares of Affiliated Companies	5,603	-
VII. Extraordinary Losses:	1,377	8,199
Impairment Loss	-	5,317
Loss on Disposal of Fixed Assets	1,377	2,881
Income before Income Taxes	116,399	99,507
Income Taxes	43,121	37,407
Income (Loss) before Minority Interests	73,277	62,100
Minority Interests	2,625	206
Net Income	¥70,652	¥61,894

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(¥ millions)

	Nine Months Ended December 31	
	2014	2013
I. Cash Flows From Operating Activities:		
Income before Income Taxes	¥116,399	¥99,507
Depreciation and Amortization	44,241	41,170
Impairment Loss	-	5,317
(Gain) Loss on Sales of Fixed Assets	-	(13,149)
Loss on Disposal of Fixed Assets	1,025	1,434
Interest and Dividend Income Receivable	(4,121)	(4,013)
(Gain) Loss on Sales of Stocks of Subsidiaries and Affiliates	(5,603)	-
Interest Expense	19,803	22,199
(Gain) Loss on Equity-Method Investments	(1,982)	(501)
(Increase) Decrease in Accounts Receivable	6,922	2,698
Increase (Decrease) in Accounts Payable	(15,618)	(5,413)
(Increase) Decrease in Real Property for Sale	(110,460)	(53,354)
Other	(38,524)	(1,614)
Subtotal	12,081	94,282
Cash Receipts of Interest and Dividend Income	5,435	5,666
Cash Payments of Interest Expense	(18,663)	(21,155)
Income Taxes Paid	(43,849)	(49,220)
Net Cash Provided by (Used in) Operating Activities	(44,995)	29,571
II. Cash Flows From Investing Activities:		
Purchase of Tangible and Intangible Fixed Assets	(176,467)	(90,298)
Sales of Tangible and Intangible Fixed Assets	2,546	44,224
Purchase of Investment Securities	(4,491)	(7,550)
Proceeds from Receipt of Rental Deposits and Guarantees	(4,766)	(2,462)
Proceeds from Recovery of Rental Deposits and Guarantees	9,431	11,455
Decrease in Deposits from Tenants	(34,034)	(29,999)
Increase in Deposits from Tenants	39,393	28,633
Payment of Loan Receivable	(11,145)	(8,358)
Collection of Loan Receivable	20,562	7,474
Proceeds from Sales of Investments in Subsidiaries Resulting in Change in Scope of Consolidation	6,126	5,869
Other	4,746	(2,885)
Net Cash Provided by (Used in) Investing Activities	¥(148,098)	¥(43,896)

(¥ millions)

	Nine Months Ended December 31	
	2014	2013
III. Cash Flows From Financing Activities:		
Proceeds from Short-Term Debt	¥440,144	¥1,638,640
Repayment of Short-Term Debt	(440,637)	(1,588,530)
Proceeds from Long-Term Debt	119,738	150,881
Repayment of Long-Term Debt	(224,452)	(167,049)
Proceeds from Issuance of Bonds	88,940	11,420
Redemption of Bonds	(55,506)	(21,028)
Proceeds from Issuance of Common Stock	329,125	-
Cash Dividends Paid	(20,512)	(19,303)
Proceeds from Stock Issuance to Minority Shareholders	1,005	526
Cash Dividends Paid to Minority Interests	(4,125)	(1,105)
Repayments to Minority Shareholders	(7,570)	(1,383)
Repayment of Finance Lease Obligations	(2,269)	(2,063)
(Increase) Decrease in Treasury Stock	(221)	(438)
Net Cash Provided by (Used in) Financing Activities	223,657	564
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	380	1,775
V. Net Increase (Decrease) in Cash and Cash Equivalents	30,943	(11,985)
VI. Cash and Cash Equivalents at Beginning of Year	127,337	101,588
VII. Cash and Cash Equivalents at End of the Period	¥158,281	¥89,603

CONSOLIDATED STATEMENTS OF EARNING FORECASTS

For the Year Ending March 31, 2015 (Unchanged from originally announced on May 12, 2014)

(¥ millions)

	Year to March 31		Change
	2015 (forecast)	2014 (actual)	
Revenue from Operations	¥1,540,000	¥1,515,252	¥24,748
Leasing	458,000	449,699	8,301
Property Sales	442,000	409,466	32,534
Management	321,000	314,230	6,770
Mitsui Home	239,000	237,068	1,932
Other	80,000	104,787	(24,787)
Operating Income	183,000	172,567	10,433
Leasing	102,000	109,205	(7,205)
Property Sales	46,000	27,099	18,901
Management	50,000	49,945	55
Mitsui Home	3,800	4,192	(392)
Other	4,000	3,071	929
Elimination or Corporate	(22,800)	(20,947)	(1,853)
Non-Operating Income/Expenses	(27,000)	(27,980)	980
Interest Income/Expense, in Net	(31,000)	(30,281)	(719)
Other, in Net	4,000	2,301	1,699
Ordinary Income	156,000	144,587	11,413
Extraordinary Gains/Losses	(5,000)	(17,876)	12,876
Income before Income Taxes	151,000	126,710	24,290
Income Taxes	56,000	47,034	8,966
Minority Interests	5,000	2,832	2,168
Net Income	¥90,000	¥76,843	¥13,157

● **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 2015 (forecast)	Year Ended March 2014 (actual)	YoY Change
New Investments	¥430,000	¥374,952	¥55,048
Recovery of Costs	400,000	324,827	75,173

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 2015 (forecast)	Year Ended March 2014 (actual)	YoY Change
New Investments	¥220,000	¥149,525	¥70,475
Depreciation	60,000	56,030	3,970

Interest-Bearing Debt

(¥ millions)

	Year to March 2015 (forecast)	Year Ended March 2014 (actual)	YoY Change
Interest-Bearing Debt	¥2,230,000	¥2,040,071	¥189,929

【Property Sales】

Revenue, Operating Margin

(¥ millions)

	Year to March 2015 (forecast)	Year Ended March 2014 (actual)	YoY Change
Property Sales to Individuals			
Revenue from Operations:	¥306,000	¥345,172	¥(39,172)
Condominiums	257,000	295,482	(38,482)
Detached Housing	49,000	49,689	(689)
Operating Income	24,500	22,781	1,719
Operating Margin (%)	8.0	6.6	1.4pt
Property Sales to Investors			
Revenue from Operations:	136,000	64,294	71,706
Operating Income	21,500	4,317	17,183
Total			
Revenue from Operations:	442,000	409,466	32,534
Operating Income	¥46,000	¥27,099	¥18,901

Number of Housing Units

(Units)

	Year to March 2015 (forecast)	Year Ended March 2014 (actual)	YoY Change
Condominiums	¥5,000	¥6,557	¥(1,557)
Detached Housing	900	916	(16)
Total	¥5,900	¥7,473	¥(1,573)