

July 31, 2008

Company: Mitsui Fudosan Co., Ltd.
Representative: Hiromichi Iwasa
(President & CEO)
Securities code: 8801 (First Section, TSE;OSE)

Notice of Conclusion of Demerger Agreement on Succession of the Office Building Business of Minato Estate Co., Ltd.

Mitsui Fudosan Co., Ltd. (“Mitsui Fudosan” or “the Company”) and Minato Estate Co., Ltd. (“Minato Estate”) decided at meetings of their Board of Directors held on July 31, 2008 to enter into a demerger agreement to transfer the office building business of Minato Estate to the Company. The two companies concluded the demerger agreement on the same day. Since this demerger is a simplified absorption-type company split to transfer the business division of a consolidated subsidiary, certain disclosure items and details are omitted. Details are as follows:

1. Purpose of Transfer of Office Building Business

The purpose of this reorganization this time is to bolster the efficiency and market competitiveness of the office building business by consolidating the office building business of Minato Estate into the Company.

2. Summary of Demerger

(1) Schedule of demerger

Meeting of the Board of Directors where the demerger is decided: July 31, 2008

Conclusion of demerger agreement: July 31, 2008

Scheduled date of demerger (effective date): October 1, 2008

(Note) As this demerger is a simplified absorption-type company split stipulated in Article 796, Paragraph 3 of the Companies Act for Mitsui Fudosan, the transferee, and an informal absorption-type company split prescribed in Article 784, Paragraph 1 of the Companies Act for Minato Estate, both companies will conduct the demerger without the approval at a general meeting of shareholders.

(2) Method of the demerger

This is a demerger in which Mitsui Fudosan is the transferee and Minato Estate as a transferor.

Since the demerger fulfills the requirements for the simplified absorption-type company split stipulated in Article 796, Paragraph 3 of the Companies Act for the transferee Mitsui Fudosan, the Company will conduct the merger without the approval of the general meeting of shareholders provided in Article 795, Paragraph 1 of the Companies Act.

As the demerger meets the requirements for the informal absorption-type company split prescribed in Article 784, Paragraph 1 of the Companies Act for the transferor Minato Estate, the company will conduct it without obtaining the approval of a general meeting of shareholders set forth in Article 783, Paragraph 1 of the Companies Act.

- (3) Common stock to increase by succession
The amount of common stock of the Company will not change as a result of the demerger.
- (4) Treatment of equity warrants and bonds with equity warrants of the transferor
The transferor does not issue equity warrants or bonds with equity warrants.
- (5) Rights and obligations to be inherited by the transferee
The transferee will inherit the rights and obligations held by Minato Estate in relation to the office building business.
The rights and obligations to be inherited by the transferee will be transferred by way of debt assumption without recourse.
- (6) Conditions for cancellation
The demerger agreement will become invalid if a claim for the repurchase of shares of 20 billion yen or more in total is made to the Company by the day prior to the effective date. The total amount of the claim for the repurchase of shares will be calculated by multiplying the amount of repurchases per share which the Company deems to be a “fair price” (Article 797, Paragraph 1 of the Companies Act) as of the end of the day prior to the effective date by the number of shares for which the repurchase is claimed at that time (excluding those shares that are the object of a claim for repurchase that has been withdrawn by that time with the consent of the Company).
- (7) Prospect for the performance of liabilities
The Company has judged that there are no issues with respect to the certainty of the performance of liabilities incurred by the Company and Minato Estate after the demerger.

3. Profile of Companies Involved in Demerger

(As of March 31, 2008)

(1) Corporate Name	Mitsui Fudosan Co., Ltd. (Succeeding company)	Minato Estate Co., Ltd. (Transferring company)
(2) Lines of Business	Rental and sales of real estate and others	An office building business and a mountain forestry business
(3) Established	July 15, 1941	February 26, 1992
(4) Head Office	1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo	1-20, Nihonbashi-Muromachi 3-chome, Chuo-ku, Tokyo
(5) Representative	Hikomichi Iwasa, President and CEO	Yoshihiro Hirokawa, Representative Director
(6) Common Stock	¥174,296 million	¥110 million
(7) Number of Shares Issued	881,424,727 shares	2,200 shares
(8) Net Assets (Consolidated)	¥992,003 million	¥1,184 million
(9) Total Assets (Consolidated)	¥3,634,489 million	¥85,135 million
(10) Fiscal year end	March 31	March 31
(11) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust Account): 7.11% Japan Trustee Services Bank, Ltd. (Trust Account): 4.83% State Street Bank and Trust Company: 3.84% The Chuo Mitsui Trust and	Mitsui Fudosan: 100.0%

	Banking Company, Limited: 2.50%	
	State Street Bank and Trust Company 505103: 2.17%	

4. Profile of Business Division Being Transferred

- (1) Business
Office building business
- (2) Operating results
Revenue from operations: ¥4,538 million (ratio to total revenue from operations in the fiscal year ended March 31, 2008: 98.5%)
- (3) Asset and liability items and amounts (As of March 31, 2008)

(Unit: Million yen)

Asset		Liability	
Item	Book value	Item	Book value
Current assets	661	Current liabilities	14,514
Fixed assets	83,801	Long-term liabilities	69,437
Total assets	84,462	Total liabilities	83,951

5. Situation of a Listed Company after Demerger

The corporate name, business, address of the head office, title and name of the representative, common stock and the fiscal year end of the Company will not change.

6. Effect of Demerger on Business Results

As the transferring company is a wholly owned subsidiary of the Company, the demerger will have no impact on the consolidated business results of the Company.

7. Establishment of record Date

In order to determine which shareholders will be able to exercise a Claim for Repurchase of Shares in relation to the demerger, the Company has decided to set August 15, 2008 as a record date. Those shareholders who are written or recorded in the final shareholders' register or beneficial shareholders' register as of the record date will become the shareholders who will be able to exercise the Claim for Repurchase of Shares above.

(Disclaimer)

The above press release was originally written in Japanese, with the English translation prepared independently by Mitsui Fudosan Co., Ltd. If questions arise regarding any of the details contained in the release, the Japanese-language original shall take precedence.