

FACT BOOK

For the Year Ended March 31, 2019

May 10, 2019



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

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

Corporate Data

(As of March 31, 2019)

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)

Contents

Corporate Data, Contents	1
Consolidated Business Overview	2
Segment Results	3 - 6
[Reference] Overseas Business	7
Consolidated Balance Sheets	8 - 9
Disclosure of Market Value of Rental Properties	10
Segment Information	11
Consolidated Statements of Income	12
Consolidated Statements of Cash Flows	13
Consolidated Statements of Earning Forecasts	14-15
Contingent Liabilities	16
[REFERENCE] Change of Segment Classification	17
Consolidated Financial Highlights	18

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)			
	Year Ended March 31		Change
	2019	2018	
Revenue from Operations	¥1,861,195	¥1,751,114	¥110,080
Leasing	603,284	558,165	45,119
Property Sales	530,766	499,607	31,158
Management	377,490	353,813	23,677
Mitsui Home	261,702	252,180	9,522
Other	87,950	87,346	603
Operating Income	262,147	245,902	16,245
Leasing	141,945	138,338	3,607
Property Sales	98,037	83,010	15,026
Management	53,445	48,727	4,718
Mitsui Home	6,208	5,463	745
Other	4,681	6,849	(2,168)
Elimination or Corporate	(42,171)	(36,487)	(5,684)
Non-Operating Income/Expenses	(8,041)	(5,561)	(2,479)
Equity in Net Income/Loss of Affiliated Companies	14,895	15,258	(362)
Interest Income/Expense, in Net	(26,933)	(24,833)	(2,100)
Other, in Net	3,996	4,013	(17)
Ordinary Income	254,106	240,341	13,765
Extraordinary Gains/Losses	(12,063)	(15,592)	3,529
Extraordinary Gains	1,481	-	1,481
Extraordinary Losses	13,544	15,592	(2,048)
Income before Income Taxes	242,043	224,748	17,295
Income Taxes	71,906	66,771	5,135
Profit	170,136	157,976	12,159
Profit (Loss) Attributable to Non-Controlling Interests	1,475	2,102	(626)
Profit Attributable to Owners of Parent	¥168,661	¥155,874	¥12,786

● For the fiscal year ended March 31, 2019, revenue and earnings increased in the "Leasing" segment. This was mainly due to the upward revision in rents at existing office buildings in Japan followed by full-term contributions from such properties as Tokyo Midtown Hibiya that was completed during the previous fiscal year. In addition, other properties including 55 Hudson Yards in the US, which was completed during the fiscal year under review, also contributed to earnings. Revenue and earnings improved in the "Property Sales" segment. This largely reflected growth in "Property Sales to Investors and Individuals (Overseas), etc." Totally, revenue from operations increased ¥110.0 billion, or 6.3%, to ¥1,861.1 billion, and operating income climbed ¥16.2 billion, or 6.6%, to ¥262.1 billion year on year. Ordinary income grew ¥13.7 billion, or 5.7%, to 254.1 billion. Profit attributable to owners of parent rose ¥12.7 billion, or 8.2%, to 168.6 billion.

Based on the aforementioned, Mitsui Fudosan reported record highs in each of revenue from operations, operating income, ordinary income and profit attributable to owners of parent. The Company plans to pay a period-end cash dividend of ¥24 per share for an annual cash dividend of ¥44.00 per share for the fiscal year ended March 31, 2019. This is an increase of ¥4.00 per share from ¥40.00 per share announced at the start of the period. In addition, the Company decided to purchase its own shares to a maximum of 8,000,000 shares and ¥16.0 billion.

Progress Comparison with Full Year Forecasts (¥ millions)			
	Year Ended March 31, 2019	Year to March 2019 (Forecast as of November 9, 2018)	Full-Year Results/Full-Year Forecast (%)
Revenue from Operations	¥1,861,195	¥1,870,000	99.5
Operating Income	262,147	250,000	104.9
Ordinary Income	254,106	236,000	107.7
Profit Attributable To Owners of Parent	168,661	¥163,000	103.5

Extraordinary Gains/Losses (¥ millions)	
[Extraordinary Gains]	
Gain on Sales of Investment Securities	¥1,481
Total	¥1,481

[Extraordinary Losses] (¥ millions)	
Impairment Loss	¥11,414
Loss on Retirement of Fixed Assets	¥2,129
Total	¥13,544

Consolidated Statements of Comprehensive Income (¥ millions)		
	Year Ended March 31	
	2019	2018
Profit	¥170,136	¥157,976
Other Comprehensive Income	31,401	103,695
Valuation Difference on Available-For-Sale Securities	36,382	92,799
Deferred Gains or Losses on Hedges	322	85
Revaluation Reserve for Land	-	(1,047)
Foreign Currency Translation Adjustment	(8,405)	1,149
Remeasurements of Defined Benefit Plans, Net of Tax	7,670	8,421
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	(4,568)	2,287
Comprehensive Income	¥201,538	¥261,672
(Comprehensive Income Attributable to Owners of Parent)	200,524	259,132
(Comprehensive Income Attributable to Non-Controlling Interests)	1,013	2,540

[Reference] Nonconsolidated Operating Income/Expenses (Mitsui Fudosan) (¥ millions)			
	Year Ended March 31		Change
	2019	2018	
Revenue from Operations	Leasing	¥556,207	¥524,936
	Property Sales	119,026	180,622
	Other	58,746	46,400
	Total	733,980	751,959
Gross Profit Margin (%)	Leasing	17.6	19.5
	Property Sales	38.4	24.7
	Other	55.6	52.7
Operating Income	¥140,655	¥140,007	¥648

SEGMENT RESULTS

[1] LEASING

	Year Ended March 31		Change
	2019	2018	
Revenue from Operations	¥603,284	¥558,165	¥45,119
Operating Income	141,945	138,338	3,607

	Year to March 2019 (Forecast as of November 9, 2018)	Full-year Results/ Full-Year Forecast (%)
Revenue from Operations	¥600,000	100.5
Operating Income	140,000	101.4

● In the “Leasing” segment, overall revenue from operations rose ¥45.1 billion compared with the previous fiscal year, and operating income increased ¥3.6 billion year on year. This was mainly due to the upward revision in rents at existing office buildings in Japan followed by full-term contributions from such properties as Tokyo Midtown Hibiya that was completed during the previous fiscal year. In addition, other properties including Mitsui Shopping Park LaLaport NAGOYA minato AQUUS and Mitsui Outlet Park Taichung Port as well as 55 Hudson Yards in the US, which were completed during the fiscal year under review, also contributed to earnings.

● The vacancy rate for the Company’s office buildings located in the Tokyo Metropolitan Area was 1.7% on a non-consolidated basis as of March 31, 2019.

【Reference】 Non-consolidated Results

(Revenue from operations)

- Newly on-stream and full-term contribution projects: ¥22.3 billion increase in revenue year on year
- Existing properties: ¥7.3 billion increase in revenue year on year
- Shifting and terminations: ¥1.5 billion increase in revenue year on year

Breakdown of Leasing Operations (Nonconsolidated)

		At March 31					
		2019	2018	2019	2018	2019	2018
		Total		Tokyo Metropolitan Area		Regional Areas	
Office Buildings	Number of Buildings	133	134	105	104	28	30
	Leased Floor Space (1,000m ²)	2,753	2,631	2,427	2,303	326	328
	Leasing Revenue (¥ millions)	291,305	271,179	269,632	249,664	21,672	21,514
	Vacancy Rate (%)	1.7	2.2	1.7	2.2	1.8	2.3
Retail Facilities	Number of Buildings	87	83	60	58	27	25
	Leased Floor Space (1,000m ²)	2,116	2,041	1,375	1,360	741	681
	Leasing Revenue (¥ millions)	231,790	233,874	161,504	156,537	70,285	67,337
	Vacancy Rate (%)	1.2	1.4	1.3	1.5	0.9	1.2

Leased Floor Space

Leased Floor Space					(¥ millions)
			At March 31		Change
			2019	2018	
Office Buildings and Retail Facilities	Revenue	Office Buildings	¥337,733	¥307,840	¥29,893
		Retail Facilities	238,345	229,335	9,009
	Total Leased Floor Space (1,000 m²):		5,341	5,025	316
	Office Buildings	Owned	1,969	1,748	221
		Managed	1,179	1,162	18
	Retail Facilities	Owned	1,593	1,536	58
		Managed	600	580	19
Other	Revenue		27,205	20,989	6,215
Total Revenue			603,284	558,165	45,119

Vacancy Rate

	3/2019	3/2018	3/2017	3/2016	3/2015	3/2014
Consolidated						
Office Buildings and Retail Facilities (including overseas)	1.8	2.4	3.1	2.2	3.2	3.5
Non-consolidated						
Tokyo Metropolitan Area Office Buildings	1.7	2.2	3.4	2.6	3.2	3.3
Regional Area Office Buildings	1.8	2.3	2.3	3.1	4.1	4.3

Major Projects during the Period

(NEWLY OPENED)

2 Television Centre (London, UK)	Office building completed in March 2018
msb Tamachi Tamachi Station Tower South (Minato-ku, Tokyo)	Office building completed in May 2018
Nihonbashi Takashimaya Mitsui Building (Chuo-ku, Tokyo)	Office building completed in June 2018
OVOL Nihonbashi Building (Chuo-ku, Tokyo)	Office building completed in June 2018
LaLaport NAGOYA minato AQUUS (Nagoya, Aichi)	Retail facility opened in September 2018
55 Hudson Yards (New York, US)	Office building completed in October 2018
MITSUI OUTLET PARK TAICHUNG PORT (Taichung, Taiwan)	Retail facility opened in December 2018
Nihonbashi Muromachi Mitsui Tower (Chuo-ku, Tokyo)	Office building completed in March 2019

(FULL-TERM CONTRIBUTION)

1 Angel Court (City of London, UK)	Office building completed in March 2017
G-BASE Tamachi (Minato-ku, Tokyo)	Office building completed in January 2018
Shinjuku M-SQUARE (Shinjuku-ku, Tokyo)	Office building completed in January 2018
TOKYO MIDTOWN HIBIYA (Chiyoda-ku, Tokyo)	Mixed-use development project completed in February 2018

[2] PROPERTY SALES

	Year Ended March 31		Change
	2019	2018	
Revenue from Operations	¥530,766	¥499,607	¥31,158
Operating Income	98,037	83,010	15,026

	Year to March 2019 (Forecast as of November 9, 2018)	Full-year Results/ Full-Year Forecast (%)
Revenue from Operations	¥535,000	99.2
Operating Income	90,000	108.9

● While revenue in the "Property Sales to Individuals (Domestic)" category increased due to continued progress with the handover of high priced properties, earnings declined owing to corrections to the high profit margin properties of the previous fiscal year. Results in the “Property Sales to Investors and Individuals (Overseas)” category were positively impacted by contributions from such factors as the sale of properties to investors including J-REITs and the sales of properties in the UK. Taking each of these factors into consideration, overall revenue from operations in the “Property Sales” segment climbed ¥31.1 billion compared with the previous fiscal year, and operating income increased ¥15.0 billion year on year.

Major Projects Undertaken during the Period (full-year total) (Property Sales to Individuals (Domestic))

Park Court Aoyama The Tower (Minato-ku, Tokyo)	Condominiums
Park Court Akasaka Hinokicho The Tower (Minato-ku, Tokyo)	Condominiums
Park Court Musashikosugi The Garden Towers West (Kawasaki, Kanagawa)	Condominiums
Park Homes Kichijoji Kita Gran Villa (Nerima-ku, Tokyo)	Condominiums
Fine Court Nerima Sakuradai The Marks (Nerima-ku, Tokyo)	Detached Housing

(Property Sales to Investors and Individuals (Overseas), etc.)

G-BASE Tamachi (Minato-ku, Tokyo)	Office Building
MFLP Inazawa (Inazawa, Aichi)	Logistics Facility
70 Mark Lane (London, UK)	Office Building
Television Centre (The Helios, The Crescent) (London, UK)	Condominiums

Property Sales to Individuals and Investors

		Year Ended March 31						Change		
		2019			2018					
		Revenue	Units	Unit Price (¥10 thousand)	Revenue	Units	Unit Price (¥10 thousand)	Revenue	Units	Unit Price (¥10 thousand)
Property Sales to Individuals (Domestic)	Condominiums	¥252,230	3,283	¥7,683	¥246,989	3,707	¥6,663	¥5,241	(424)	¥1,020
	Detached Housing	33,202	475	6,990	28,998	501	5,788	4,203	(26)	1,202
	Subtotal	285,432	3,758	7,595	275,988	4,208	6,559	9,444	(450)	1,036
	Operating Income	26,604			31,167			(4,563)		
Property Sales to Investors and Individuals (Overseas), etc.	Revenue	245,333			223,619			21,713		
	Operating Income	71,433			51,843			19,590		
Total Revenue		530,766			499,607			31,158		
Total Operating Income		¥98,037			¥83,010			¥15,026		

Breakdown for the Revenue from the Property Sales to Individuals (Domestic) (¥ millions)

		Year Ended March 31				Change	
		2019		2018			
		Revenue	Units	Revenue	Units	Revenue	Units
Condominiums	Tokyo Metropolitan Area	¥223,412	2,729	¥219,800	3,098	¥3,612	(369)
	Other	28,817	554	27,188	609	1,629	(55)
	Total	252,230	3,283	246,989	3,707	5,241	(424)
Detached Housing	Tokyo Metropolitan Area	33,202	475	27,778	479	5,423	(4)
	Other	-	-	1,220	22	(1,220)	(22)
	Total	¥33,202	475	¥28,998	¥501	¥4,203	(26)

Inventories of Property Sales to Individuals (Domestic)

	3/2019	3/2018	3/2017	3/2016	3/2015	3/2014	3/2013	3/2012
Condominiums	141	108	321	88	83	170	223	380
Detached Housing	30	40	69	127	100	65	57	24
Total	171	148	390	215	183	235	280	404

Contracted for Sale from the Property Sales to Individuals (Domestic)

	Contracts at Beginning of Term	Contracts during Term	Total	Reported No. of Units	Contracts at End of Term	Newly Launched during Term
Condominiums	4,188	3,426	7,614	3,283	4,331	3,427
Detached Housing	153	441	594	475	119	431
Total	4,341	3,867	8,208	3,758	4,450	3,858

[3] MANAGEMENT

	Year Ended March 31		Change
	2019	2018	
Revenue from Operations	¥377,490	¥353,813	¥23,677
Operating Income	53,445	48,727	4,718

	Year to March 2019 (Forecast as of November 9, 2018)	Full-year Results/ Full-Year Forecast (%)
Revenue from Operations	¥385,000	98.0
Operating Income	51,000	104.8

● In addition to a variety of factors including an increase in the number of managed contracts in the "Property Management" business and growth in the number of managed units in the "Repark" business (car park leasing business), the incidence of large-scale corporate brokerage transactions in the "Brokerage and Asset Management, etc." business and the number of brokerage units handled in the "Mitsui Rehouse" business (brokerage business for individuals) increased in the fiscal year under review. As a result, overall revenue from operations in the "Management" segment as a whole climbed ¥23.6 billion compared with the previous fiscal year and operating income increased ¥4.7 billion year on year.

		Year Ended March 31		Change
		2019	2018	
Property Management	Revenue	¥275,338	¥263,420	¥11,918
	Operating Income	30,243	28,914	1,329
Brokerage, Asset Management, etc.	Revenue	102,152	90,393	11,759
	Operating Income	23,202	19,813	3,388
Total	Revenue	¥377,490	¥353,813	¥23,677
	Operating Income	53,445	48,727	4,718

Property Management Business: Car Park Leasing (including "Property Management" category)

	At March 31, 2019	At March 31, 2018	Change
Total Managed Units	245,511	226,125	19,386

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

(including “Brokerage and Asset Management, etc.” category)					(¥ millions)	
	Year Ended March 31				Change	
	2019		2018			
Brokerage	Transaction Volume	Units	Transaction Volume	Units	Transaction Volume	Units
	¥1,706,843	41,533	¥1,568,074	40,658	¥138,769	875

Notes: 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)

	Year Ended March 31				Change	
	2019		2018			
Consignment Sales	Transaction Volume	Units	Transaction Volume	Units	Transaction Volume	Units
	¥102,196	1,461	¥60,457	949	¥41,739	512

[4] MITSUI HOME, [5] OTHER

[4] MITSUI HOME

(¥ millions)			
	Year Ended March 31		Change
	2019	2018	
Revenue from Operations	¥261,702	¥252,180	¥9,522
Operating Income	6,208	5,463	745

	Year to March 2019 (Forecast as of November 9, 2018)	Full-year Results/ Full-Year Forecast (%)
Revenue from Operations	¥260,000	100.7
Operating Income	5,800	107.0

● For the fiscal year under review, revenue from operations climbed ¥9.5 billion compared with the previous fiscal year and operating income increased ¥0.7 billion year on year for the segment as a whole. This was mainly due to growth in housing reform and office building as well as retail facility renewal orders in the "Reform/Renewal" category.

(¥ millions)				
		Year Ended March 31		Change
		2019	2018	
New Construction	Revenue	¥168,173	¥168,579	¥(405)
	Orders	166,077	152,988	13,089
Reform/Renewal	Revenue	42,381	37,196	5,185
	Orders	52,959	45,094	7,865
Lease Management		26,855	25,321	1,534
Housing-Related Material Sales		24,291	21,083	3,207
Total Revenue		¥261,702	¥252,180	¥9,522

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

(¥ millions)			
	Year Ended March 31		Change
	2019	2018	
Revenue from Operations	¥87,950	¥87,346	¥603
Operating Income	4,681	6,849	(2,168)

	Year to March 2019 (Forecast as of November 9, 2018)	Full-year Results/ Full-Year Forecast (%)
Revenue from Operations	¥90,000	97.7
Operating Income	4,000	117.0

● In the fiscal year under review, revenue from operations in the "Other" segment as a whole increased ¥0.6 billion compared with the previous fiscal year. Operating income, on the other hand, decreased ¥2.1 billion year on year. While trends in the existing "Hotel" business were firm, this downturn in earnings was mainly due to the new opening expenses of Mitsui Garden Hotel Nihonbashi Premier and Mitsui Garden Hotel Kanazawa.

(¥ millions)			
	Year Ended March 31		Change
	2019	2018	
Facility Operations	¥63,949	¥60,120	¥3,828
Other	24,001	27,226	(3,224)
Total Revenue	¥87,950	¥87,346	¥603

Major Projects during the Period (full-year total)

(NEWLY OPENED)

Mitsui Garden Hotel Otemachi (Chiyoda-ku, Tokyo)	Hotel opened in June 2018
Mitsui Garden Hotel Gotanda (Shinagawa-ku, Tokyo)	Hotel opened in June 2018
Mitsui Garden Hotel Nihonbashi Premier (Chuo-ku, Tokyo)	Hotel opened in September 2018
Mitsui Garden Hotel Kanazawa (Kanazawa, Ishikawa)	Hotel opened in January 2019

(FULL-TERM CONTRIBUTION)

Hotel The Celestine Kyoto Gion (Kyoto, Kyoto)	Hotel opened in September 2017
Hotel The Celestine Ginza (Chuo-ku, Tokyo)	Hotel opened in October 2017

[REFERENCE] OVERSEAS BUSINESS

		Year Ended March 31		Change
		2019	2018	
Leasing	Revenue	¥55,784	¥43,837	¥11,947
	Operating Income (a)	16,673	11,668	5,005
Property Sales	Revenue	83,903	2,200	81,703
	Operating Income (b)	18,936	(2,314)	21,249
Management, Other, etc.	Revenue	15,278	16,072	(793)
	Operating Income (c)	1,546	2,038	(491)
Pro forma Operating Income of Overseas Affiliates *1 (d)		18,298	6,827	11,471
Total Overseas Income (a)+(b)+(c)+(d)		55,454	18,220	37,234
Overseas Income Ratio*2		19.8%	7.2%	12.6pt

*1 Calculated by multiplying the operating income or the amount equivalent to operating income of each overseas equity-method affiliated company by the Company's equity interest (Note).

Note: The amount equivalent to operating income is the amount of profit calculated on a simplified basis after taking into consideration the tax burden.

*2 Total overseas income $\div$ (Operating income + Pro forma operating income of overseas affiliates) $\times$ 100

CONSOLIDATED BALANCE SHEETS

(¥ millions)

ASSETS:	March 31, 2019	March 31, 2018	Change
I. Current Assets:	¥2,117,238	¥1,898,347	¥218,891
Cash and Time Deposits	174,250	100,889	73,360
Accounts Receivable—Trade	45,276	41,186	4,090
Marketable Securities	949	181	767
Real Property for Sale (including Advances Paid for Purchases)	1,630,558	1,524,863	105,695
Expenditure on Contracts in Progress	25,326	25,400	(74)
Other Inventories	5,500	4,857	643
Short-Term Loans	18,296	17,519	777
Equity Investments in Properties for Sale	6,700	6,723	(22)
Deferred Income Taxes	-	-	-
Other	210,787	177,138	33,649
Allowance for Doubtful Accounts	(409)	(412)	2
II. Tangible and Intangible Fixed Assets:	3,500,482	3,318,928	181,554
1. Tangible Fixed Assets:	3,430,326	3,244,641	185,684
Buildings and Structures	1,075,433	857,308	218,124
Machinery, Equipment and Materials Handling Equipment	52,191	38,552	13,639
Land	2,099,971	2,038,163	61,808
Construction in Progress	162,122	270,964	(108,842)
Other	40,608	39,653	955
2. Intangible Fixed Assets:	70,156	74,286	(4,130)
III. Investments and Other Assets:	1,185,010	1,067,448	117,562
Investment Securities	872,686	787,958	84,727
Long-Term Loans	6,730	7,761	(1,031)
Lease Deposits	140,570	138,564	2,005
Net Defined Benefit Asset	31,294	17,975	13,319
Deferred Income Taxes	24,428	25,689	(1,260)
Deferred Tax Assets on Land Revaluation	2	34	(31)
Other	110,436	90,689	19,747
Allowance for Doubtful Accounts	(1,139)	(1,225)	85
Total Assets	¥6,802,731	¥6,284,723	¥518,007

[Real Property for Sale]

(a) Breakdown by Company

(¥ millions)

	At March 31, 2019	At March 31, 2018	Change
Mitsui Fudosan Residential	¥637,722	¥611,976	¥25,746
Mitsui Fudosan	419,416	353,127	66,289
Mitsui Fudosan America Group	283,533	206,918	76,614
SPCs Total	220,793	235,610	(14,816)
Mitsui Fudosan UK Group	51,138	105,277	(54,139)
Other and Elimination	17,954	11,953	6,001
Consolidated Total	¥1,630,558	¥1,524,863	¥105,695

(b) Accounts of Real Property for Sale

(¥ millions)

Year Ended March 31	At Beginning of Period	New Investments*	Cost Recovery	Others	At End of Period
2019	¥1,524,863	¥423,897	¥(382,620)	¥64,418	¥1,630,558
2018	¥1,334,167	¥599,584	¥(376,032)	¥(32,856)	¥1,524,863

Note: Land acquisition-related expenditures by Mitsui Fudosan Residential Co., Ltd., totaled ¥11.1 billion for the year 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 ¥3,500.4 billion as of March 31, 2019, up ¥181.5 billion compared with the end of the previous fiscal year. This was mainly due to new investments undertaken by the Company in Nihonbashi Muromachi Mitsui Tower and the Nihonbashi Takashimaya Mitsui Building as well as by Mitsui Fudosan America Group in 55 Hudson Yards and 50 Hudson Yards projects.

Foreign currency exchange rates:

¥111.00:US\$1 as of March 31, 2019; ¥113.00:US\$1 as of March 31, 2018

¥140.46:£1 as of March 31, 2019; ¥151.95:£1 as of March 31, 2018

(a) Breakdown by Company

	At March 31, 2019	At March 31, 2018	Change
Mitsui Fudosan	¥2,665,997	¥2,480,435	¥185,561
Mitsui Fudosan America Group	355,736	359,280	(3,543)
SPCs Total	223,557	239,366	(15,808)
Mitsui Fudosan Residential	59,952	35,606	24,346
Mitsui Fudosan UK Group	58,515	63,125	(4,609)
Other and Elimination	136,722	141,114	(4,392)
Consolidated Total	¥3,500,482	¥3,318,928	¥181,554

Above figures include revaluation reserve for land.

(b) Accounts of Tangible and Intangible Fixed Assets

(¥ millions)

Year Ended March 31	At Beginning of Period	New Investments*	Depreciation	Others	At End of Period
2019	¥3,318,928	¥390,514	¥(79,034)	¥(129,925)	¥3,500,482
2018	¥2,967,788	¥440,752	¥(70,167)	¥(19,445)	¥3,318,928

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

CONSOLIDATED BALANCE SHEETS

	(¥ millions)		
LIABILITIES:	March 31, 2019	March 31, 2018	Change
I. Current Liabilities:	¥1,109,358	¥1,063,616	¥45,742
Accounts Payable—Trade	126,868	123,988	2,879
Short-Term Debt	259,917	273,207	(13,289)
Commercial Paper	114,000	125,000	(11,000)
Bond Redeemable Within One Year	79,200	51,150	28,050
Income Taxes Payable	27,624	44,951	(17,326)
Advances from Contracts in Progress	19,729	19,900	(171)
Allowance for Completed Project Indemnities	872	965	(93)
Allowance for Possible Guarantee Losses	7	16	(9)
Deferred Income Taxes	-	-	-
Other	481,137	424,435	56,701
II. Long-Term Liabilities:	3,272,567	2,933,406	339,160
Corporate Bonds	592,992	468,072	124,919
Long-Term Debt	1,860,500	1,687,226	173,274
Deposits from Tenants	424,335	403,413	20,921
Allowance for Directors' and Corporate Auditors' Retirement Benefits	711	715	(3)
Net Defined Benefit Liability	43,503	42,737	766
Deferred Income Taxes	154,940	134,520	20,419
Deferred Tax Liabilities on Land Revaluation	151,545	151,701	(155)
Other	44,037	45,020	(982)
Total Liabilities	4,381,926	3,997,023	384,903
NET ASSETS:			
Common Stock	339,766	339,766	-
Capital Surplus	403,268	409,764	(6,495)
Retained Earnings	962,153	834,497	127,656
Treasury Stock	(21,088)	(6,079)	(15,009)
Reserve on Land Revaluation	330,537	330,922	(384)
Net Unrealized Holding Gains on Securities	334,611	298,297	36,314
Deferred Gains or Losses on Hedges	71	(241)	313
Foreign Currency Translation Adjustment	(16,333)	(3,955)	(12,378)
Remeasurements of Defined Benefit Plans	9,523	1,910	7,612
New Share Subscription Rights	1,285	1,090	194
Non-Controlling Interests	77,007	81,727	(4,719)
Total Net Assets	2,420,804	2,287,700	133,104
Total Liabilities and Net Assets	¥6,802,731	¥6,284,723	¥518,007

Note: Debt-Equity Ratio 1.24 times (1.18 times at March 31, 2018)

Interest-Bearing Debt:	2,906,610	2,604,656	301,954
Non-recourse Debt	433,147	440,953	(7,806)
Surplus lease deposits/guarantee deposits	283,764	264,848	18,915

[Interest-Bearing Debt]

The Mitsui Fudosan Group witnessed a cash inflow from operating activities of ¥216.7 billion and a cash outflow from investing activities of ¥388.8 billion on the back of new investments in tangible and intangible assets. The cash outflow attributable to cash dividends paid came to ¥41.3 billion. As a result, interest-bearing debt stood at ¥2,906.6 billion on a consolidated basis, up ¥301.9 billion compared with the end of the previous fiscal year.

	(¥ millions)		
Breakdown by Company	At March 31, 2019	At March 31, 2018	Change
Mitsui Fudosan	¥2,234,094	¥1,904,499	¥329,594
Mitsui Fudosan Residential	520,500	450,500	70,000
Mitsui Fudosan America Group	488,561	445,385	43,175
SPCs Total	365,455	397,749	(32,294)
Mitsui Fudosan Asia Group	73,007	47,643	25,363
Mitsui Fudosan UK Group	57,054	125,601	(68,547)
Loans to Subsidiaries	(933,372)	(825,146)	(108,225)
Other and Elimination	101,310	58,422	42,887
Consolidated Total	¥2,906,610	¥2,604,656	¥301,954
(Non-recourse Debt of Total)	433,147	440,953	(7,806)

DISCLOSURE OF MARKET VALUE OF RENTAL PROPERTIES

[Rental Properties]

Mitsui Fudosan and some of its consolidated subsidiaries have rental properties including office buildings and retail facilities in the Tokyo Metropolitan and other areas. Profit and loss for such rental properties for the fiscal year ended March 31, 2018 amounted to ¥131,013 million (rental revenue is reported on revenue from operations and rental expenses are reported on the cost of revenue from operations) while impairment losses were ¥7,583 million and the loss on disposal of fixed assets was ¥6,350 million (impairment losses and loss on disposal of fixed assets are reported on extraordinary losses). Profit and loss for such rental properties for the fiscal year ended March 31, 2019 amounted to ¥136,200 million (rental revenue is reported on revenue from operations and rental expenses are reported on the cost of revenue from operations) while impairment losses were ¥964 million and the loss on disposal of fixed assets was ¥1,020 million (impairment losses and loss on disposal of fixed assets are reported on extraordinary losses).

The amounts of rental properties shown on consolidated balance sheets, year-on-year change, and market values as of the end of each fiscal year are presented as follows.

	(¥ millions)		
	At March 31, 2019	At March 31, 2018	Change
Amount Shown on Consolidated Balance Sheets	¥3,024,028	¥2,960,708	¥63,319
Market Value	5,773,672	5,436,150	337,522
Change	¥2,749,643	¥2,475,441	¥274,202

SEGMENT INFORMATION

Year Ended March 31, 2019

(¥ 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	¥603,284	¥19,482	¥622,767	¥141,945	¥3,792,511	¥59,451	¥964	¥337,028
(2)Property Sales	530,766	558	531,324	98,037	1,866,803	1,553	5	2,945
(3)Management	377,490	74,641	452,132	53,445	376,616	8,979	440	10,772
(4)Mitsui Home	261,702	8,387	270,090	6,208	142,054	2,586	-	2,916
(5)Other	87,950	3,597	91,548	4,681	145,228	4,678	10,003	42,319
Elimination or Corporate	-	(106,668)	(106,668)	(42,171)	479,517	1,786	-	(5,466)
Consolidated	¥1,861,195		¥1,861,195	¥262,147	¥6,802,731	¥79,034	¥11,414	¥390,514

Year Ended March 31, 2018

(¥ 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	¥558,165	¥17,782	¥575,948	¥138,338	¥3,535,906	¥51,045	¥7,583	¥397,743
(2)Property Sales	499,607	234	499,842	83,010	1,730,914	1,610	18	2,388
(3)Management	353,813	71,601	425,415	48,727	344,269	8,727	440	13,144
(4)Mitsui Home	252,180	7,928	260,109	5,463	137,404	2,865	-	3,251
(5)Other	87,346	3,919	91,265	6,849	125,234	4,347	-	20,858
Elimination or Corporate	-	(101,466)	(101,466)	(36,487)	410,995	1,571	-	3,365
Consolidated	¥1,751,114	-	¥1,751,114	¥245,902	¥6,284,723	¥70,167	¥8,042	¥440,752

CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Year Ended March 31	
	2019	2018
I. Revenue from Operations	¥1,861,195	¥1,751,114
II. Cost of Revenue from Operations	1,423,442	1,339,483
Gross Operating Profit	437,752	411,631
III. Selling, General and Administrative Expenses	175,604	165,728
Operating Income	262,147	245,902
IV. Non-Operating Income:	28,526	24,977
Interest Income	1,351	838
Dividend Income	5,785	5,245
Equity in Net Income of Affiliated Companies	14,895	15,258
Subsidy Income	3,973	-
Other Non-Operating Income	2,520	3,635
V. Non-Operating Expenses:	36,567	30,539
Interest Expenses	28,284	25,671
Loss on Reduction of Non-Current Assets	4,181	-
Other Non-Operating Expenses	4,102	4,867
Ordinary Income	254,106	240,341
VI. Extraordinary Gains:	1,481	-
Proceeds from Sales of Investment Securities	1,481	-
VII. Extraordinary Losses:	13,544	15,592
Loss on Retirement of Noncurrent Assets	2,129	7,550
Impairment Loss	11,414	8,042
Income before Income Taxes	242,043	224,748
Income Taxes-current	69,518	70,994
Income Taxes-deferred	2,387	(4,222)
Income Taxes	71,906	66,771
Profit	170,136	157,976
Profit (Loss) Attributable to Non-Controlling Interests	1,475	2,102
Profit Attributable to Owners of Parent	¥168,661	¥155,874

CONSOLIDATED STATEMENTS OF CASH FLOWS

	(¥ millions)	
	Year Ended March 31	
	2019	2018
I. Cash Flows From Operating Activities:		
Income before Income Taxes	¥242,043	¥224,748
Depreciation and Amortization	79,034	70,167
Impairment Loss	11,414	8,042
Interest and Dividend Income Receivable	(7,136)	(6,084)
Interest Expense	28,284	25,671
(Gain) Loss on Equity-Method Investments	(14,895)	(15,258)
(Gain) Loss on Sales of Investment Securities	(1,481)	-
Loss on Disposal of Fixed Assets	2,129	7,550
Subsidy Income	(3,973)	-
Loss on Reduction of Non-Current Assets	4,181	-
(Increase) Decrease in Accounts Receivable	(4,323)	(4,961)
Increase (Decrease) in Accounts Payable	3,826	1,704
(Increase) Decrease in Real Property for Sale	(31,877)	(217,384)
Other	9,197	(10,570)
Subtotal	316,424	83,624
Cash Receipts of Interest and Dividend Income	15,018	10,377
Cash Payments of Interest Expense	(27,421)	(25,652)
Income Taxes Paid	(87,312)	(38,206)
Net Cash Provided by (Used in) Operating Activities	216,709	30,143
II. Cash Flows From Investing Activities:		
Purchase of Tangible and Intangible Fixed Assets	(338,318)	(360,075)
Proceeds from Sales of Tangible and Intangible Fixed Assets	1,173	4,681
Purchase of Investment Securities	(33,216)	(11,776)
Proceeds from Sales of Investment Securities	3,029	2,027
Payment of Lease Deposits	(9,400)	(10,967)
Proceeds from Collection of Lease Deposits	7,385	5,102
Repayment of Deposits from Tenants	(34,385)	(38,041)
Proceeds from Deposits from Tenants	55,645	66,752
Payment of Loan Receivable	(21,149)	(22,934)
Collection of Loan Receivable	19,913	12,814
Payments into time deposits	(35,563)	-
Proceeds from withdrawal of time deposits	18,758	14
Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	(3,301)	(431)
Proceeds from Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	-	3,173
Proceeds from Subsidy Income	1,569	-
Other	(21,034)	(15,801)
Net Cash Provided by (Used in) Investing Activities	¥(388,895)	¥(365,464)

	(¥ millions)	
	Year Ended March 31	
	2019	2018
III. Cash Flows From Financing Activities:		
Proceeds from Short-Term Debt	¥3,562,942	¥3,346,884
Repayment of Short-Term Debt	(3,585,861)	(3,293,552)
Proceeds from Long-Term Debt	448,635	371,957
Repayment of Long-Term Debt	(268,840)	(220,506)
Proceeds from Issuance of Bonds	246,318	179,665
Redemption of Bonds	(97,590)	(54,113)
Cash Dividends Paid	(41,363)	(35,573)
Proceeds from Share Issuance to Non-Controlling Shareholders	19,070	4,499
Dividends Paid to Non-Controlling Shareholders	(5,207)	(5,579)
Repayments to Non-Controlling Shareholders	(486)	(105)
Repayment of Finance Lease Obligations	(3,883)	(3,942)
(Increase) Decrease in Treasury Stock	(15,013)	(18)
Payments from Changes in Ownership Interests in Subsidiaries: Not Resulting in Change in Scope of Consolidation	(27,473)	(463)
Other	(8)	-
Net Cash Provided by (Used in) Financing Activities	231,238	289,150
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,078)	(1,668)
V. Net Increase (Decrease) in Cash and Cash Equivalents	56,974	(47,838)
VI. Cash and Cash Equivalents at Beginning of Year	100,708	148,546
VII. Cash and Cash Equivalents at End of the Period	¥157,682	¥100,708

CONSOLIDATED STATEMENTS OF EARNING FORECASTS

For the Year Ending March 31, 2019

(¥ millions)

	Year to March 31		Change
	2020 (forecast)	2019 (actual)	
Revenue from Operations	¥2,000,000	¥1,861,195	¥138,805
Leasing	630,000	603,284	26,716
Property Sales	600,000	530,766	69,234
Property Sales to Individuals (Domestic)	300,000	285,432	14,568
Property Sales to Investors and Individuals (Overseas), etc.	300,000	245,333	54,667
Management	410,000	404,346	5,654
Other	360,000	322,797	37,203
Operating Income	267,000	262,147	4,853
Leasing	144,000	141,945	2,055
Property Sales	111,000	98,037	12,963
Property Sales to Individuals (Domestic)	29,000	26,604	2,396
Property Sales to Investors and Individuals (Overseas), etc.	82,000	71,433	10,567
Management	52,000	55,180	(3,180)
Other	4,000	9,157	(5,157)
Elimination or Corporate	(44,000)	(42,172)	(1,828)
Non-Operating Income/Expenses	(21,000)	(8,041)	(12,959)
Interest Income/Expense, in Net	(28,000)	(26,933)	(1,067)
Other, in Net	7,000	18,891	(11,891)
Ordinary Income	246,000	254,106	(8,106)
Extraordinary Gains/Losses	-	(12,063)	12,063
Income before Income Taxes	246,000	242,043	3,957
Income Taxes	(74,000)	(71,906)	(2,094)
Profit	172,000	170,136	1,864
Profit (Loss) Attributable to Non-controlling Interests	(2,000)	(1,475)	(525)
Profit Attributable to Owners of Parent	¥170,000	¥168,661	¥1,339

● Leasing: Overall revenue from operations and operating income are forecast to climb ¥26.7 billion and ¥2.0 billion, respectively. This is mainly due to the full-term contributions from the Nihonbashi Takashimaya Mitsui Building and msb Tamachi (Tamachi Station Tower S), which were completed during the fiscal year under review.

Major properties scheduled for completion during the fiscal year ending March 31, 2020: OH-1 plan (tentative name); Toyosu 2-chome Ekimae Redevelopment 2-1 District Tower A project (tentative name), Bunkyo Garden Gate Tower; Lalaport NUMAZU

● Property Sales: Forecast results in the "Property Sales" segment take into account a variety of factors. In addition to an increase in the number of reported units in the fiscal year ending March 31, 2020 compared with the fiscal year under review in the "Property Sales to Individuals (Domestic)" category, both revenue from operations and operating income are estimated to rise in the "Property Sales to Investors and Individuals (Overseas)" category. As a result, revenue from operations is expected to grow ¥69.2 billion and operating income is anticipated to climb ¥12.9 billion in the "Property Sales" segment as a whole.

● Management: Revenue from operations in the "Management" segment as a whole is projected to improve ¥5.6 billion. Operating income, on the other hand, is forecast to decline ¥3.1 billion. While trends remained firm in the "Mitsui Rehouse" (brokerage business for individuals) category, this decrease in operating income largely reflected the drop in Mitsui Fudosan Residential Co., Ltd. consignment sales.

● Other: In the "Other" segment as a whole, revenue from operations is anticipated to increase ¥37.2 billion and operating income to decrease ¥5.1 billion. This reflects firm trends in the existing hotels and resorts business and the impact of opening expenses in connection with the launch of new hotels and resorts.

Major properties where operations are scheduled to commence during the fiscal year ending March 31, 2020: Mitsui Garden Hotel Fukuoka Gion; Mitsui Garden Hotel Kyoto Station; Mitsui Garden Hotel Ginza 5-chome; Mitsui Garden Hotel Jingugaen Tokyo Premier; Halekulani Okinawa

● Taking each of the aforementioned factors into consideration, revenue from operations is forecast to amount to ¥2,000 billion, an increase of ¥138.8 billion compared with the fiscal year under review. From a profit perspective, operating income is expected to reach ¥267.0 billion, up ¥4.8 billion.

● Owing to corrections to non-operating income and expenses posted during the fiscal year under review, ordinary income in the fiscal year ending March 31, 2020 is expected to come in at ¥246.0 billion, down ¥8.1 billion, while profit attributable to owners of parent is estimated to total ¥170.0 billion, an increase of ¥1.3 billion.

● Mitsui Fudosan is expecting to pay a cash dividend per share for the fiscal year ending

CONSOLIDATED STATEMENTS OF EARNING FORECASTS

【Property Sales】

Revenue, Operating Margin (¥ millions)

	Year to March 2020 (forecast)	Year Ended March 2019 (actual)	YoY Change
Property Sales to Individuals (Domestic)			
Revenue from Operations:	¥300,000	¥285,432	¥14,568
Condominiums	260,000	252,230	7,770
Detached Housing	40,000	33,202	6,798
Operating Income	29,000	26,604	2,396
Operating Margin (%)	9.7	9.3	0.3pt
Property Sales to Investors and Individuals (Overseas), etc.			
Revenue from Operations	300,000	245,333	54,667
Operating Income	82,000	71,433	10,567
Total			
Revenue from Operations	600,000	530,766	69,234
Operating Income	¥111,000	¥98,037	¥12,963

Number of Domestic Housing Units (Units)

	Year to March 2020 (forecast)	Year Ended March 2019 (actual)	YoY Change
Condominiums	3,400	3,283	117
Detached Housing	580	475	105
Total	3,980	3,758	222

【Tangible and Intangible Assets】

(¥ millions)

	Year to March 2020 (forecast)	Year Ended March 2019 (actual)	YoY Change
New Investments	¥390,000	¥390,514	¥(514)
Depreciation	85,000	79,034	5,966

【Real Property for Sale】

(¥ millions)

	Year to March 2020 (forecast)	Year Ended March 2019 (actual)	YoY Change
New Investments	¥610,000	¥423,897	¥186,103
Recovery of Costs	440,000	(382,620)	57,380

【Interest-Bearing Debt】

(¥ millions)

	Year to March 2020 (forecast)	Year Ended March 2019 (actual)	YoY Change
Interest-Bearing Debt	¥3,300,000	¥2,906,610	¥393,390

CONTINGENT LIABILITIES

(Contingent Liabilities)

In response to concerns regarding the faulty installation of foundation piles at a condominium complex located in Yokohama and sold by Mitsui Fudosan Residential Co., Ltd., a consolidated subsidiary of Mitsui Fudosan, the company received a report confirming that a portion of the piling used in construction failed to reach the necessary depth and required bearing layer from Sumitomo Mitsui Construction Co., Ltd., the building contractor, on April 11, 2016. Furthermore, Mitsui Fudosan Residential received a notice from the City of Yokohama that the subject condominium complex violated the Building Standards Law and a request that the company take all responsible measures to address and correct the situation in line with discussions with condominium owners on August 26, 2016.

In outlining its stance toward corrective measures including the reconstruction of the condominium complex impacted by faulty installation as well as compensation, Mitsui Fudosan Residential executed an agreement with the condominium association on May 8, 2016, confirming that the company would shoulder all expenses. Later, on September 19, 2016, the condominium association resolved that it would seek the complete reconstruction of the entire condominium complex in accordance with the Act on Building Unit Ownership, etc.

According to the report issued by Sumitomo Mitsui Construction, which noted that construction records had been diverted and modified in connection with the installation of foundation piles and that certain foundation piles failed to reach the necessary depth and required bearing layer, the condominium complex was deemed to be in violation of the Building Standards Law. As a result, and in accordance with the aforementioned agreement, Mitsui Fudosan Residential has decided to seek damages including reconstruction costs as well as expenses relating to the temporary housing of residents during the period of construction under such remedies as tort liability and warranties against defects from Sumitomo Mitsui Construction, as well as Hitachi High-Technologies Corporation and Asahi Kasei Construction Materials Corporation, who installed the foundation piles. Based on this decision to seek damages, Mitsui Fudosan Residential filed a lawsuit for total compensation amounting to around ¥50.9 billion against the three companies identified above on November 28, 2017. Mitsui Fudosan has posted all related temporary payments undertaken by Mitsui Fudosan Residential up to March 31, 2019 as current assets on its consolidated quarterly balance sheet.

Depending on the flow of future events, any incidence of expenditure may impact the consolidated results of the Mitsui Fudosan Group. At this stage, however, the Company is unable to provide a reasonable estimate of any such impact.

[REFERENCE] CHANGE OF SEGMENT CLASSIFICATION

Effective April 2019, Mitsui Fudosan has decided to change the classification of its business segments. Brief details are presented as follows.

- Historically, the Company's operations have been classified into the five "Leasing," "Property Sales," "Management," "Mitsui Home," and "Other" business segments. These five business segments have now been classified into the four "Leasing," "Property Sales," "Management," and "Other" business segments.
 - Under this revised classification, the "New Construction," "Reform/Renewal," and "Material Sales" businesses included in the "Mitsui Home" business segment have been integrated into the "Other" business segment.
 - Under this revised classification the "Lease Management" business included in the "Mitsui Home" business segment has been integrated into the "Management" business segment.
- * A diagram outlining changes to the Company's business segments is attached to the end of this documents for reference.

【Year ended March 31, 2019 Comparison of Old and New Segments】

Old Segment

(¥ billions)

Revenue from Operations	¥603.2	Leasing	Office Buildings
Operating Income	¥141.9		Retail Facilities
			Other

Revenue from Operations	¥530.7	Property Sales	Condominiums
Operating Income	¥98.0		Detached Housing
			Property Sales to Investors and Individuals (Overseas), etc.

Revenue from Operations	¥377.4	Management	Property Management
Operating Income	¥53.4		Brokerage, Asset Management, etc.

Revenue from Operations	¥261.7	Mitsui Home	New Construction
Operating Income	¥6.2		Reform/Renewal
			Lease Management
			Housing-Related Material Sales

Revenue from Operations	¥87.9	Other	Facility Operations
Operating Income	¥4.6		Other

Operating Income	¥(42.1)	Elimination or Corporate	
------------------	---------	--------------------------	--

Revenue from Operations	¥1,861.1	Consolidated	
Operating Income	¥262.1		

New Segment

(¥ billions)

Office Buildings	Leasing	Revenue from Operations	¥603.2
Retail Facilities		Operating Income	¥141.9
Other			

Condominiums	Property Sales	Revenue from Operations	¥530.7
Detached Housing		Operating Income	¥98.0
Property Sales to Investors and Individuals (Overseas), etc.			

Property Management	Management	Revenue from Operations	¥404.3
Brokerage, Asset Management, etc.		Operating Income	¥55.1

Facility Operation	Other	Revenue from Operations	¥322.7
New Construction		Operating Income	¥9.1
Other			

Elimination or Corporate	Operating Income			¥(42.1)
--------------------------	------------------	--	--	---------

Consolidated	Revenue from Operations	¥1,861.1
	Operating Income	¥262.1

Consolidated Financial Highlights

[Millions of Yen]

Fiscal Year		10	11	12	13	14	15	16	17	18
Income Statement	Revenue from Operations	1,405,269	1,338,102	1,445,644	1,515,252	1,529,036	1,567,969	1,704,416	1,751,114	1,861,195
	Operating Income	120,092	126,038	148,184	172,567	186,074	202,482	232,698	245,902	262,147
	Ordinary Income	96,204	102,509	123,066	144,587	163,373	182,521	219,607	240,341	254,106
	Profit Attributable to Owners of Parent	49,909	50,129	59,451	76,843	100,185	117,722	131,815	155,874	168,661
Revenue by Segment	Leasing	439,317	436,208	458,356	466,759	464,842	509,178	536,518	558,165	603,284
	Property Sales	405,242	321,352	393,534	409,466	425,442	391,577	488,710	499,607	530,766
	Management	319,114	329,101	348,596	372,526	317,818	334,652	347,672	353,813	377,490
	Mitsui Home	214,130	216,838	218,387	247,233	242,150	247,455	247,195	252,180	261,702
	Other	97,032	105,397	107,245	109,267	78,782	85,104	84,320	87,346	87,950
	Total Revenue from Operations	1,405,269	1,338,102	1,445,644	1,515,252	1,529,036	1,567,969	1,704,416	1,751,114	1,861,195
Operating Income by Segment	Leasing	88,929	95,699	104,352	109,205	107,863	124,112	135,774	138,338	141,945
	Property Sales	16,193	15,734	23,059	27,099	45,493	44,525	65,285	83,010	98,037
	Management	32,121	34,363	41,579	49,945	49,317	52,446	53,838	48,727	53,445
	Mitsui Home	3,764	4,187	566	4,192	4,017	4,724	4,907	5,463	6,208
	Other	1,001	(806)	(85)	3,071	5,186	7,163	5,994	6,849	4,681
	Operating Income	120,092	126,038	148,184	172,567	186,074	202,482	232,698	245,902	262,147
Balance Sheets	Total Assets	3,780,699	3,868,411	4,390,074	4,548,822	5,067,187	5,363,477	5,551,751	6,284,723	6,802,731
	Real Property for Sale	634,479	642,809	915,222	961,449	1,031,080	1,167,745	1,334,167	1,524,863	1,630,558
	Tangible and Intangible Assets	2,252,287	2,304,809	2,503,977	2,526,139	2,788,633	2,968,975	2,967,788	3,318,928	3,500,482
	Capital Outlays	229,394	111,755	72,355	148,255	273,487	207,172	173,745	440,752	390,514
	Depreciation	52,954	53,231	59,022	56,030	61,242	67,460	71,357	70,167	79,034
	Interest-Bearing Debt	1,740,048	1,743,411	2,120,225	2,040,071	1,976,150	2,226,236	2,287,489	2,604,656	2,906,610
	Retained Earnings	332,335	363,877	402,224	454,750	549,660	640,204	722,363	834,497	962,153
	Shareholders' Equity	1,019,941	1,078,182	1,181,174	1,274,355	1,871,922	1,922,305	1,984,635	2,204,882	2,342,512
Cash Flows	Cash Flows from Operating Activities	185,055	148,161	99,684	189,903	30,343	32,154	227,432	30,143	216,709
	Cash Flows from Investing Activities	(170,552)	(124,353)	(71,132)	(44,056)	(261,640)	(239,719)	(201,583)	(365,464)	(388,895)
	Cash Flows from Financing Activities	(20,400)	(18,649)	(7,944)	(123,713)	221,508	201,110	15,071	289,150	231,238
	Free Cash Flow	14,502	23,807	28,552	145,847	(231,296)	(207,564)	25,848	(335,320)	(172,185)
Key Ratios	Return on Assets (%)	3.39%	3.55%	3.66%	4.07%	4.10%	4.14%	4.59%	4.58%	4.44%
	Return on Equity (%)	4.92%	4.78%	5.27%	6.26%	6.37%	6.20%	6.75%	7.44%	7.42%
	Debt/Equity Ratio (times)	1.71	1.62	1.80	1.60	1.06	1.16	1.15	1.18	1.24
	Equity Ratio (%)	27.0%	27.9%	26.9%	28.0%	36.9%	35.8%	35.7%	35.1%	34.4%
Scope of Consolidation	Consolidated Subsidiaries (companies)	135	140	174	181	201	211	216	242	255
	Equity-Method Affiliates (companies)	44	45	47	52	56	64	67	71	78

* Segment Revenue: Revenue from Outside customers and inter-segment

* Real Property for Sale: Real Property for Sale + Real Property for Sale in Progress + Land for Development + Advances Paid for Purchases

* Interest-Bearing Debt: Short-Term Debt + Non-Recourse Short-Term Debt + Commercial Paper

+ Bond Redeemable within One Year + Non-Recourse Bond Redeemable within One Year + Corporate Bonds

+Non-Recourse Bond + Long-Term Debt + Non-Recourse Long-Term Debt

* From FY2012, Mitsui Fudosan implemented the early adoption of changes to accounting standards on the consolidation of SPCs.

On this basis, certain SPCs, in which the Company maintains an equity interest, were newly included in the scope of its consolidation.

* ROA: (Operating Income + Non-Operating Income) / Average Total Assets over period

* ROE: Profit Attributable to Owners of Parent / Average Shareholders' Equity over period

* Debt/Equity Ratio: Interest-Bearing Debt / Shareholders' Equity