

July 31, 2003

# FACT BOOK

For the three months ended June 30, 2003



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## **Corporate Data**

### **Mitsui Fudosan Co., Ltd.**

#### **Head Office:**

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

#### **Date of Establishment:**

July 15, 1941

#### **Share Capital:**

¥134,433 million

#### **Number of Issued and Outstanding Shares:**

823,390,384

#### **Stock Exchange Listing:**

Tokyo, Osaka, Sapporo (Code:8801)

#### **Please visit our website at:**

[www.mitsuifudosan.co.jp/english/](http://www.mitsuifudosan.co.jp/english/)

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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 Financial Highlights (Unaudited)**  
**For the Three Months Ended June 30, 2003**

**[CONSOLIDATED RESULTS]**

(¥ million)	3 months to 6/03 (Actual)	6 months to 9/03 (Forecast)	Year to 3/04 (Forecast)	Year to 3/03 (Actual)
Revenue from Operations	215,207	515,000	1,120,000	1,082,397
Operating Income	17,883	41,000	104,000	103,295
Ordinary Income	12,736	27,000	78,000	76,514
Net Income	7,849	16,500	45,000	25,553

- Mitsui Fudosan's results for the term under review are generally consistent with its initial full-year forecasts, made on April 30, 2003.
- Both revenue from operations and operating income of the first quarter reached close to 20% of our full-year forecast. This is mainly due to seasonal factors affecting the Group's housing business aimed at individual customers (parent company sales of condominiums and detached houses, custom-built house construction of the Mitsui Home Group, and consignment sales of Mitsui Real Estate Sales). This business usually picks up in the second half of each fiscal year, especially in the fourth quarter.
- Year-on-year comparisons are not available, since Mitsui Fudosan started quarterly reporting from the term under review.

*Note: The accompanying consolidated financial statements have been prepared from the accounts maintained by Mitsui Fudosan Co., Ltd., and its consolidated subsidiaries in accordance with provisions set forth in the Japanese Commercial Code and other regulations and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Accounting Standards. Figures have been rounded down to eliminate amounts less than one million yen. Sales by segment refers to sales to outside customers.*

## Consolidated Business Overview

### [RESULTS OF OPERATIONS]

Revenue figures for all segments refer to sales to outside customers only.

#### [1] LEASING

(¥ million)	3 months to 6/03 (Actual)	Year to 3/04 (Forecast)	Year to 3/03 (Actual)
Revenue from Operations	82,913	331,000	329,671
Operating Income	16,642	64,000	66,563

- On a consolidated basis (including overseas), the total vacancy rate for all office buildings and commercial facilities was 5.8% at June 30, 2003. On a nonconsolidated basis, the vacancy rate of office buildings in the Tokyo Metropolitan Area was 5.1%, an improvement from 5.4% at March 31, 2003, owing to favorable progress in tenanting large-scale, inner-city buildings completed in the second half of the previous fiscal year (Shiodome City Center, Jimbocho Mitsui Building). Excluding three buildings completed in that half (Shiodome City Center, Garden Air Tower, and Jimbocho Mitsui Building), the nonconsolidated vacancy rate for Tokyo Metropolitan Area office buildings was 4.2% at June 30, 2003, largely unchanged from 4.0% at March 31, 2003.
- In April 2003, we opened Treage Shirahata, a neighborhood shopping center in Fujisawa City, Kanagawa Prefecture. This is the first complex in a series of centers planned under our “Mitsui Lifestyle Park” concept.

#### (a) Leasing

		3 Months Ended June 30, 2003	Year Ended March 31, 2003
<b>Office Buildings and Commercial Facilities</b>	Revenue (¥ million)	<b>65,035</b>	<b>259,029</b>
	Leased Floor Space (m <sup>2</sup> ):		
	Owned	1,834,289	1,839,819
	Managed	1,359,095	1,404,963
	<b>Total</b>	<b>3,193,384</b>	<b>3,244,782</b>
	Vacancy Rate(%)	<b>5.8</b>	<b>6.0</b>
<b>Residentials</b>	Revenue (¥ million)	<b>12,225</b>	<b>46,730</b>
	Units:		
	Owned	379	373
	Managed*	42,240	42,169
	<b>Total*</b>	<b>42,619</b>	<b>42,542</b>
<b>Other</b>	Revenue (¥ million)	<b>5,653</b>	<b>23,911</b>
<b>Total</b>	Revenue(¥ million)	<b>82,913</b>	<b>329,671</b>

Note: Due to the merger of the leased housing businesses of Mitsui Real Estate Sales and Mitsui Fudosan Housing Lease, housing units rented under consignment are included in managed units from the quarter under review. The previous year's figure has been adjusted retroactively to reflect the change.

**(b) Total Floor Space (Nonconsolidated)**

	3 Months Ended June 30, 2003			Year Ended March 31, 2003		
	No. of Buildings	Floor Space (1,000m <sup>2</sup> )	Share of Total Floor Space (%)	No. of Buildings	Floor Space (1,000m <sup>2</sup> )	Share of Total Floor Space (%)
Owned	122	2,305	47.8	123	2,342	47.8
Managed	197	2,515	52.2	198	2,557	52.2
Total	319	4,820	100.0	321	4,899	100.0

**(c) Vacancy Rate (Nonconsolidated)**

	03/6	03/3	02/9	02/3	01/9	01/3
Vacancy Rate of Tokyo Metropolitan Area Office Buildings at End of Term (%)	5.1	5.4	3.6	2.4	1.7	1.7

**(d) Breakdown of Leasing Operations (Nonconsolidated)**

		Total		Tokyo Metropolitan Area		Regional Areas	
		3 Months Ended June 30, 2003	Year Ended March 31, 2003	3 Months Ended June 30, 2003	Year Ended March 31, 2003	3 Months Ended June 30, 2003	Year Ended March 31, 2003
Office Buildings	Number of Buildings	273	276	232	233	41	43
	Leased Floor Space (1,000m <sup>2</sup> )	2,109	2,120	1,823	1,821	286	299
	Leasing Revenue (¥ million)	49,228	198,843	44,102	178,621	5,126	20,221
	Vacancy Rate (%) *1	5.9	6.4	5.1	5.4	10.4	12.1
Commercial Facilities	Number of Buildings	44	43	30	29	14	14
	Leased Floor Space (1,000m <sup>2</sup> )	716	751	465	501	251	250
	Leasing Revenue (¥ million)	9,664	36,935	5,649	22,943	4,014	13,991
	Vacancy Rate (%) *2	7.2	6.6	1.5	1.0	16.2	16.1

\*1: Excluding three large-scale projects completed in the latter half of fiscal 2002, the vacancy rate for the Tokyo Metropolitan Area was 4.2% at June 30, 2003.

\*2: Excluding AMsquare (shopping center, Mie Prefecture), which is temporarily closed, the regional vacancy rate was 0.3%, and the total was 1.0% at June 30, 2003.

Note: From the quarter under review, Nagoya Mitsui Building East and South, which are being rebuilt, have been excluded from buildings covered in the above tables (a), (b) and (d).

## [2] SALES OF HOUSING, OFFICE BUILDINGS AND LAND

(¥ million)	3 months to 6/03 (Actual)	Year to 3/04 (Forecast)	Year to 3/03 (Actual)
Revenue from Operations	54,542	366,000	335,341
Operating Income	6,023	28,500	32,589

- On a nonconsolidated basis, due to the relatively low number of completed housing developments during the term under review, the total number of units sold was limited to 751 (618 condominiums and 133 detached houses). Nevertheless, the number of condominiums under contract reached close to 70% of our initial forecast for the entire fiscal year.
- Completed housing inventories of the parent company at June 30, 2003, totaled 520 units (420 condominiums and 100 detached houses), down from 605 (485 condominiums and 120 detached houses) at March 31.
- Due to solid sales of highly priced, inner-city condominiums in the first quarter, the parent company reported a relatively high gross profit margin of 21.4% in its housing sales business.

### (a) Housing Sales

	3 Months Ended June 30, 2003			Year Ended March 31, 2003		
	Units	Revenue (¥ million)	Unit Price (¥10 thousand)	Units	Revenue (¥million )	Unit Price (¥10 thousand)
<b>Detached Housing</b>						
Tokyo Metropolitan Area	117	6,423	5,489	709	39,871	5,623
Other	17	521	3,064	212	7,112	3,354
<b>Total</b>	<b>134</b>	<b>6,944</b>	<b>5,182</b>	<b>921</b>	<b>46,983</b>	<b>5,101</b>
<b>Condominiums</b>						
Tokyo Metropolitan Area	508	39,454	7,766	3,514	177,225	5,043
Other	110	3,333	3,030	1,604	51,416	3,205
<b>Total</b>	<b>618</b>	<b>42,787</b>	<b>6,923</b>	<b>5,118</b>	<b>228,641</b>	<b>4,467</b>
<b>Total Housing Sales</b>						
Tokyo Metropolitan Area	625	45,878	7,340	4,223	217,097	5,140
Other	127	3,854	3,034	1,816	58,528	3,222
<b>Total</b>	<b>752</b>	<b>49,732</b>	<b>6,613</b>	<b>6,039</b>	<b>275,625</b>	<b>4,564</b>

### (b) Other Sales Revenue

(¥ million)

	3 Months Ended June 30, 2003		Year Ended March 31, 2003	
	Revenue		Revenue	
Land	4,051		28,582	
Buildings	757		31,132	
<b>Total</b>	<b>4,809</b>		<b>59,715</b>	

### (c) Housing Contracts for Sale (Nonconsolidated)

(Units)

	Contracts at Beginning of Term	Contracts during Term	Total	Reported No. of Units	Contracts at End of Term*	Newly Launched during Term
Detached Housing	98	194	292	133	159	176
Condominiums	2,757	1,250	4,007	618	3,389	1,393
<b>Total</b>	<b>2,855</b>	<b>1,444</b>	<b>4,299</b>	<b>751</b>	<b>3,548</b>	<b>1,569</b>

Note: Figures for contracts at end of term include those scheduled for completion in the next fiscal year and after.

**[3] CONSTRUCTION**

(¥ million)	3 months to 6/03 (Actual)	Year to 3/04 (Forecast)	Year to 3/03 (Actual)
Revenue from Operations	21,843	183,000	183,090
Operating Income	(5,554)	1,000	326

- The construction segment reported an operating loss for the quarter, because handovers of construction work of the Mitsui Home Group are concentrated in the second half of the fiscal year, especially in the fourth quarter. Orders secured by that company are generally in line with initial projections.

**(a) Orders, Order Backlogs and Project Completions** (¥ million)

	3 Months Ended June 30, 2003	Year Ended March 31, 2003
<b>Orders:</b>		
Work-on-Hand at Beginning of Period	90,943	90,701
Orders during Period	30,269	149,041
<b>Total</b>	<b>121,213</b>	<b>239,742</b>
<b>Project Completions</b>	<b>15,444</b>	<b>148,798</b>
<b>Work-on-Hand at End of Period</b>	<b>105,769</b>	<b>90,943</b>

Note: The above includes Mitsui Home Co., Ltd., but not Mitsui Home Group affiliates.

**(b) Projects** (¥ million)

	3 Months Ended June 30, 2003	Year Ended March 31, 2003
<b>Project Completions:</b>	<b>15,444</b>	<b>148,798</b>
<b>Work-on-Hand at End of Period</b>		
<b>Total</b>	<b>105,769</b>	<b>90,943</b>
Work in Progress	26,748	12,993
As a Percentage of Work-on-Hand at End of Period	25.3%	14.3%
<b>Projects during Period</b>	<b>29,200</b>	<b>147,407</b>

Note: The above includes Mitsui Home Co., Ltd., but not Mitsui Home Group affiliates.

#### [4] BROKERAGE, CONSIGNMENT SALES AND CONSULTING

(¥ million)	3 months to 6/03 (Actual)	Year to 3/04 (Forecast)	Year to 3/03 (Actual)
Revenue from Operations	11,274	51,000	46,503
Operating Income	1,420	14,000	10,997

- Our performance in the quarter benefited from favorable brokerage and consignment sales of Mitsui Real Estate Sales, as well as solid fees for the parent company's businesses, including real estate securitization and asset management.

#### (a) Brokerage, Consignment Sales and Consulting (¥ million)

	3 Months Ended June 30, 2003		Year Ended March 31, 2003	
	Units	Revenue	Units	Revenue
<b>Brokerage</b>	6,994	8,221	24,885	29,405
<b>Consignment Sales</b>	730	1,434	7,682	10,577
<b>Consulting</b>	-	1,618	-	6,520
<b>Total</b>	-	<b>11,274</b>	-	<b>46,503</b>

#### (b) Brokerage and Consignment Sales of Mitsui Real Estate Sales (Reference) (¥ million)

	3 Months Ended June 30, 2003		Year Ended March 31, 2003	
	Units	Total Transactions	Units	Total Transactions
<b>Brokerage</b>	7,263	214,626	26,672	844,633
<b>Consignment Sales</b>	1,192	76,698	12,082	558,834
<b>Total</b>	-	<b>291,324</b>	-	<b>1,403,467</b>

Note: The above includes condominiums and detached houses handled by the parent company (these are eliminated in consolidation). In the brokerage category, figures for units and total transactions include those pertaining to equity-method affiliates.

#### [5] PROPERTY MANAGEMENT

(¥ million)	3 months to 6/03 (Actual)	Year to 3/04 (Forecast)	Year to 3/03 (Actual)
Revenue from Operations	17,786	74,000	69,589
Operating Income	3,003	8,500	7,713

- In the quarter under review, the parent company benefited from additional property management fees related to office buildings completed in the preceding fiscal year. (Previously, the parent company also provided project management services during the construction of those buildings.)

(¥ million)

	3 Months Ended June 30, 2003	Year Ended March 31, 2003
	Revenue	Revenue
<b>Property Management</b>	12,059	47,241
<b>Tenant Improvement</b>	5,727	22,347
<b>Total</b>	<b>17,786</b>	<b>69,589</b>



**[6] SALES OF HOUSING MATERIALS AND MERCHANDISE**

(¥ million)	3 months to 6/03 (Actual)	Year to 3/04 (Forecast)	Year to 3/03 (Actual)
Revenue from Operations	15,403	65,000	65,682
Operating Income	35	1,000	104

(¥ million)

	3 Months Ended June 30, 2003	Year Ended March 31, 2003
	Revenue	Revenue
<b>Housing Materials</b>	4,291	21,335
<b>Merchandise</b>	11,112	44,346
<b>Total</b>	<b>15,403</b>	<b>65,682</b>

**[7] FACILITY OPERATIONS**

(¥ million)	3 months to 6/03 (Actual)	Year to 3/04 (Forecast)	Year to 3/03 (Actual)
Revenue from Operations	9,240	40,000	40,880
Operating Income	(113)	0	(3,356)

(¥ million)

	3 Months Ended June 30, 2003	Year Ended March 31, 2003
	Revenue	Revenue
<b>Hotels</b>	6,272	25,664
<b>Other</b>	2,967	15,215
<b>Total</b>	<b>9,240</b>	<b>40,880</b>

**[8] OTHER**

(¥ million)	3 months to 6/03 (Actual)	Year to 3/04 (Forecast)	Year to 3/03 (Actual)
Revenue from Operations	2,202	10,000	11,639
Operating Income	538	1,500	2,534

(¥ million)

	3 Months Ended June 30, 2003	Year Ended March 31, 2003
	Revenue	Revenue
<b>Finance and Lease</b>	419	2,028
<b>Other</b>	1,783	9,610
<b>Total</b>	<b>2,202</b>	<b>11,639</b>

## **[ASSETS AND LIABILITIES]**

### **[1] Real Property for Sale**

On a consolidated basis, the balance of real property for sale, including advances paid for purchases, at June 30, 2003, stood at ¥422.6 billion, up ¥13.6 billion from March 31. The increase stemmed mainly from the fact that the value of new acquisitions exceeded that of properties sold to recover costs associated with the parent company's business in sales of housing, office buildings, and land.

### **[2] Tangible and Intangible Assets**

On a consolidated basis, the balance of tangible and intangible assets was ¥1,687.4 billion, up ¥0.3 billion. Although the Company made significant investments related to the Muromachi Mitsui Shinkan Building (slated for completion in autumn of 2005) and Treage Shirahata, the total balance remained largely unchanged due to a deduction of ¥9.9 billion depreciation.

### **[3] Interest-Bearing Debt**

At June 30, 2003, total consolidated interest-bearing debt stood at ¥1,448.7 billion, up ¥51.5 billion over the quarter. The increase derived mainly from payments of construction costs related to office and condominium buildings completed in the previous fiscal year.

## **[FULL-YEAR CONSOLIDATED FORECASTS]**

There are no changes to the initial forecasts for interim and full-year revenue from operations, operating income, ordinary income, and net income (initial forecasts announced on April 30, 2003).

## Segment Information

### Three Months Ended June 30, 2003

(¥ million)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	. Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	82,913	1,281	84,195	67,552	16,642	1,953,125	6,863	7,267
(2) Sales of Housing, Office Buildings and Land	54,542	-	54,542	48,518	6,023	452,666	114	132
(3) Construction	21,843	1,740	23,584	29,138	(5,554)	60,832	510	932
(4) Brokerage, Consignment Sales and Consulting	11,274	2,031	13,305	11,885	1,420	28,034	184	632
(5) Property Management	17,786	5,104	22,891	19,887	3,003	38,916	202	320
(6) Sales of Housing Materials and Merchandise	15,403	6,778	22,182	22,146	35	42,216	269	225
(7) Facility Operations	9,240	109	9,350	9,463	(113)	118,911	877	429
(8) Other	2,202	2,523	4,726	4,188	538	26,767	798	708
<b>Total</b>	<b>215,207</b>	<b>19,570</b>	<b>234,778</b>	<b>212,781</b>	<b>21,996</b>	<b>2,721,471</b>	<b>9,821</b>	<b>10,648</b>
Elimination or Corporate	-	(19,570)	(19,570)	(15,457)	(4,113)	200,381	163	341
<b>Consolidated</b>	<b>215,207</b>	<b>-</b>	<b>215,207</b>	<b>197,324</b>	<b>17,883</b>	<b>2,921,853</b>	<b>9,984</b>	<b>10,989</b>

### Year Ended March 31, 2003

(¥ million)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	. Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	329,671	5,725	335,396	268,833	66,563	1,959,852	26,900	48,500
(2) Sales of Housing, Office Buildings and Land	335,341	-	335,341	302,751	32,589	454,473	465	770
(3) Construction	183,090	9,304	192,394	192,068	326	61,104	1,944	2,488
(4) Brokerage, Consignment Sales and Consulting	46,503	10,098	56,602	45,604	10,997	32,291	670	982
(5) Property Management	69,589	17,554	87,143	79,429	7,713	36,421	934	777
(6) Sales of Housing Materials and Merchandise	65,682	32,182	97,864	97,760	104	47,925	1,190	824
(7) Facility Operations	40,880	262	41,143	44,499	(3,356)	119,454	3,555	3,307
(8) Other	11,639	10,450	22,090	19,555	2,534	33,797	3,495	2,411
<b>Total</b>	<b>1,082,397</b>	<b>85,578</b>	<b>1,167,976</b>	<b>1,050,502</b>	<b>117,473</b>	<b>2,745,321</b>	<b>39,157</b>	<b>60,061</b>
Elimination or Corporate	-	(85,578)	(85,578)	(71,400)	(14,178)	183,748	624	1,097
<b>Consolidated</b>	<b>1,082,397</b>	<b>-</b>	<b>1,082,397</b>	<b>979,102</b>	<b>103,295</b>	<b>2,929,069</b>	<b>39,781</b>	<b>61,159</b>

#### Leasing

Leasing of office buildings, commercial facilities, residential properties, etc.

#### Sales of Housing, Office Buildings and Land

Sales of detached housing, condominiums, buildings, and land, etc.

#### Construction

Construction of detached housing, apartments; construction contracts for housing development projects (including planning and design).

#### Brokerage, Consignment Sales and Consulting

Real estate agency, sales agency, and sales consignment services, as well as project management services for development of office buildings and commercial facilities and asset management services for investors. Mitsui Real Estate Sales, which is mainly involved in this business, became a wholly owned subsidiary in October 2002, through a share exchange.

#### Property Management

Property management services (including tenant improvement)

#### Sales of Housing Materials and Merchandise

Manufacture and sale of housing materials, as well as wholesale and retail sale of general goods

#### Facility Operations

Operation of hotels and golf courses, etc. Skidome SSAWS (Chiba Prefecture), part of this segment, was closed in September 2002.

#### Other

Financing operations for housing loans and leasing business, etc.

## Consolidated Financial Statements

### CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ million)

ASSETS:	June 30, 2003	% of Total Assets	March 31, 2003	% of Total Assets	Change	
					Amount	Percentage
<b>. Current Assets:</b>	673,833	23.1	687,912	23.5	(14,078)	(2.0)
Cash and Time Deposits	81,372		115,157		(33,785)	
Accounts Receivable—Trade	30,402		32,349		(1,947)	
Marketable Securities	200		189		10	
Real Property for Sale	398,667	13.6	397,547	13.6	1,120	0.3
Expenditure on Contracts in Progress	20,162		10,232		9,929	
Other Inventories	8,498		9,191		(692)	
Advances Paid for Purchases	23,980		11,447		12,532	
Short-Term Loans	24,174		26,722		(2,547)	
Deferred Income Taxes	40,875		38,783		2,092	
Other Current Assets	48,598		49,854		(1,256)	
Allowance for Doubtful Accounts	(3,099)		(3,563)		464	
<b>. Fixed Assets:</b>	2,248,018	76.9	2,241,156	76.5	6,862	0.3
1. Tangible Fixed Assets:	1,652,433	56.6	1,652,338	56.4	95	0.0
Buildings and Structures	503,304	17.2	507,870	17.3	(4,566)	(0.9)
Machinery, Equipment and Materials Handling Equipment	5,628		5,582		46	
Land	1,092,962	37.4	1,092,902	37.3	60	0.0
Construction in Progress	16,890		13,161		3,728	
Other Tangible Assets	33,646		32,821		825	
2. Intangible Fixed Assets:	35,062	1.2	34,777	1.2	284	0.8
Leasehold Rights	25,967		25,968		(0)	
Other Intangible Fixed Assets	9,094		8,808		285	
3. Investments and Other Assets	560,522	19.2	554,040	18.9	6,482	1.2
Investment Securities	211,976		202,234		9,742	
Long-Term Loans	16,424		16,437		(13)	
Lease Deposits	216,869		216,490		379	
Deferred Income Taxes	16,073		13,604		2,468	
Deferred Income Taxes- Revaluation	33,163		35,958		(2,795)	
Other	94,037		96,657		(2,620)	
Allowance for Doubtful Accounts	(28,021)		(27,342)		(678)	
<b>. Deferred Assets</b>	0		1		(0)	
<b>Total Assets</b>	2,921,853	100.0	2,929,069	100.0	(7,216)	(0.2)

**CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

(¥ million)

LIABILITIES:	June 30, 2003	% of Total Assets	March 31, 2003	% of Total Assets	Change	
					Amount	Percentage
<b>. Current Liabilities:</b>	649,508	22.2	601,128	20.5	48,380	8.0
Accounts Payable—Trade	69,018		91,822		(22,804)	
Short-Term Debt	242,793	8.3	194,454	6.6	48,338	24.9
Commercial Paper	106,000		18,000		88,000	
Bond Redeemable Within One Year	56,242		81,242		(25,000)	
Income Taxes Payable	8,106		3,397		4,708	
Advances from Contracts in Progress	20,834		17,911		2,923	
Allowance for Completed Project Indemnities	1,655		1,597		58	
Allowance for Possible Guarantee Losses	201		290		(88)	
Other Current Liabilities	144,656		192,411		(47,755)	
<b>. Long-Term Liabilities:</b>	1,618,407	55.4	1,682,321	57.4	(63,913)	(3.8)
Corporate Bonds	215,000		215,000		-	
Long-Term Debt	828,690	28.4	888,514	30.3	(59,824)	(6.7)
Deposits from Tenants	302,101		307,785		(5,684)	
Allowance for Employees' Retirement Benefits	21,640		20,530		1,110	
Allowance for Directors' Retirement Benefits	1,485		2,083		(597)	
Deferred Income Taxes	33,080		22,603		10,476	
Deferred Income Taxes - Revaluation	149,190		156,437		(7,247)	
Other Fixed Liabilities	67,219		69,366		(2,147)	
<b>TOTAL LIABILITIES</b>	<b>2,267,916</b>	<b>77.6</b>	<b>2,283,450</b>	<b>77.9</b>	<b>(15,533)</b>	<b>(0.7)</b>
<b>MINORITY INTEREST</b>						
<b>. Minority Interests in Consolidated Subsidiaries</b>	15,329	0.5	17,185	0.6	(1,855)	(10.8)
<b>SHAREHOLDERS' EQUITY</b>						
<b>. Common Stock</b>	134,433	4.6	134,433	4.6	-	-
<b>. Additional Paid-in Capital</b>	205,823	7.0	205,823	7.0	-	-
<b>. Retained Earnings</b>	166,994	5.7	155,390	5.3	11,603	7.5
<b>. Surplus from Land Revaluation</b>	155,570		162,289		(6,718)	
<b>. Unrealized Gains/Losses on Securities</b>	1,612		(3,452)		5,065	
<b>. Foreign Currency Translation Adjustment</b>	(24,769)		(25,010)		241	
<b>. Treasury Stock</b>	639,665	21.9	629,473	21.5	10,191	1.6
<b>. Treasury Stock</b>	(1,058)		(1,039)		(19)	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>638,606</b>	<b>21.9</b>	<b>628,434</b>	<b>21.5</b>	<b>10,172</b>	<b>1.6</b>
<b>TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY</b>	<b>2,921,853</b>	<b>100.0</b>	<b>2,929,069</b>	<b>100.0</b>	<b>(7,216)</b>	<b>(0.2)</b>

**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

(¥ million)

	<b>3 Months Ended June 30, 2003</b>	<b>% of Total Revenue</b>	<b>Year Ended March 31, 2003</b>	<b>% of Total Revenue</b>
<b>. Revenue from Operations</b>	215,207	100.0	1,082,397	100.0
<b>. Cost of Revenue from Operations</b>	168,865	78.5	858,583	79.3
<b>Gross Operating Profit</b>	46,342	21.5	223,814	20.7
<b>. Selling, General and Administrative Expenses</b>	28,458	13.2	120,518	11.1
<b>Operating Income</b>	17,883	8.3	103,295	9.6
<b>. Non-Operating Income:</b>	2,468	1.1	9,192	0.8
Interest Income	297		1,375	
Dividend Income	569		1,993	
Equity in Net Income of Affiliated Companies	550		2,904	
Other Non-Operating Income	1,050		2,919	
<b>. Non-Operating Expenses:</b>	7,615	3.5	35,973	3.3
Interest Expenses	6,057		26,617	
Other Non-Operating Expenses	1,557		9,356	
<b>Ordinary Income</b>	12,736	5.9	76,514	7.1
<b>. Extraordinary Gains:</b>	364	0.2	4,898	0.4
<b>. Extraordinary Losses:</b>	642	0.3	37,200	3.4
<b>Income before Income Taxes</b>	12,458	5.8	44,212	4.1
<b>Income Taxes</b>	5,552		5,516	
<b>Deferred Income Taxes</b>	418		12,819	
<b>Minority Interests</b>	(1,362)		323	
<b>Net Income</b>	7,849	3.6	25,553	2.4

## Nonconsolidated Financial Statements

### NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥million)

ASSETS:	June 30, 2003	% of Total Assets	March 31, 2003	% of Total Assets	Change	
					Amount	Percentage
<b>Current Assets:</b>	647,861	24.8	617,631	23.9	30,230	4.9
Cash and Time Deposits	38,595		57,581		(18,985)	
Accounts Receivable	16,809		14,897		1,912	
Real Property for Sale	186,697	7.1	173,305	6.7	13,392	7.7
Real Property in Progress	127,067	4.9	128,607	5.0	(1,539)	(1.2)
Land for Development	44,766	1.7	55,099	2.1	(10,333)	(18.8)
Expenditure on Contracts in Progress	589		571		18	
Advances Paid for Purchases	23,141		10,688		12,452	
Prepaid Expenses	3,348		2,733		615	
Short-Term Loans	137,572		88,410		49,162	
Other Receivables	11,213		29,098		(17,884)	
Deferred Income Taxes	29,791		29,791		-	
Other Current Assets	29,174		28,153		1,021	
Allowance for Doubtful Accounts	(908)		(1,306)		398	
<b>Fixed Assets:</b>	1,965,293	75.2	1,971,611	76.1	(6,318)	(0.3)
Tangible Fixed Assets:	1,196,379	45.8	1,194,689	46.1	1,689	0.1
Buildings	296,724	11.4	299,674	11.6	(2,950)	(1.0)
Structures	9,033		9,122		(89)	
Machinery	1,622		1,630		(7)	
Transportation Equipment	57		61		(4)	
Tools, Furniture and Fixtures	3,626		3,653		(26)	
Land	869,016	33.3	868,922	33.6	93	0.0
Construction in Progress	11,493		6,818		4,674	
Other Tangible Assets	4,806		4,805		0	
Intangible Fixed Assets:	21,710	0.8	21,789	0.8	(79)	(0.4)
Leasehold Rights	17,928		17,928		-	
Software	3,589		3,665		(76)	
Other Intangible Fixed Assets	192		196		(3)	
Investments and Other Assets:	747,203	28.6	755,131	29.2	(7,928)	(1.0)
Investment Securities	139,257		129,461		9,796	
Investments in Consolidated Subsidiaries and Affiliated Companies	184,020		184,064		(44)	
Investments	23,387		23,486		(99)	
Long-Term Loans	15,094		15,109		(15)	
Long-Term Loans to Affiliates	157,684		173,669		(15,985)	
Lease Deposits	211,396	8.1	210,640	8.1	756	0.4
Other Investments	28,628		30,286		(1,657)	
Allowance for Doubtful Accounts	(12,266)		(11,586)		(679)	
<b>TOTAL ASSETS</b>	<b>2,613,154</b>	<b>100.0</b>	<b>2,589,242</b>	<b>100.0</b>	<b>23,911</b>	<b>0.9</b>

## NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ million)

LIABILITIES:	June 30, 2003	% of Total Assets	March 31, 2003	% of Total Assets	Change	
					Amount	Percentage
<b>Current Liabilities:</b>	527,366	20.2	457,896	17.7	69,469	15.2
Accounts Payable	35,106		49,105		(13,999)	
Short-Term Debt	217,685	8.3	167,863	6.5	49,821	29.7
Commercial Paper	106,000		18,000		88,000	
Bond Redeemable Within One Year	56,242		81,242		(25,000)	
Other Payables	3,554		18,276		(14,721)	
Income Taxes Payable	6,125		-		6,125	
Accrued Expenses	10,138		8,274		1,863	
Advances Received	40,197		38,672		1,524	
Deposits	41,944		66,854		(24,910)	
Other Current Liabilities	10,371		9,607		764	
<b>Long-Term Liabilities:</b>	1,433,632	54.8	1,489,299	57.5	(55,666)	(3.7)
Corporate Bonds	215,000	8.2	215,000	8.3	-	-
Long-Term Debt	724,429	27.7	776,579	30.0	(52,149)	(6.7)
Deposits from Tenants	279,804	10.7	286,166	11.1	(6,362)	(2.2)
Deferred Income Taxes	12,666		9,236		3,430	
Deferred Income Taxes - Revaluation	149,190		149,190		-	
Allowance for Employees' Retirement Benefits	8,437		7,538		899	
Allowance for Directors' Retirement Benefits	1,002		1,381		(379)	
Other Fixed Liabilities	43,101		44,207		(1,105)	
<b>TOTAL LIABILITIES</b>	1,960,998	75.0	1,947,196	75.2	13,802	0.7
<b>SHAREHOLDERS' EQUITY:</b>						
Common Stock	134,433	5.1	134,433	5.2	-	-
Additional Paid-in Capital	205,823	7.9	205,823	7.9	-	-
Retained Earnings	93,183	3.6	88,058	3.4	5,124	5.8
Legal Reserve	13,688		13,688		-	
Other Reserve	16,790		16,790		-	
Reserve for Substitute Assets	49,292		43,364		5,927	
Unappropriated Earnings	13,411		14,214		(803)	
Net Income	8,113		13,209		(5,096)	
Surplus from Land Revaluation	217,885	8.3	217,885	8.4	-	-
Unrealized Gain/Loss on Securities	1,621	0.1	(3,383)	(0.1)	5,004	
Treasury Stock	(790)	(0.0)	(771)	(0.0)	(19)	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	652,155	25.0	642,046	24.8	10,109	1.6
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	2,613,154	100.0	2,589,242	100.0	23,911	0.9



**NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

(¥ million)

	3 Months Ended June 30, 2003		Year Ended March 31, 2003	
		% of Total Revenue		% of Total Revenue
<b>Revenue from Operations</b>	125,156	100.0	606,222	100.0
Leasing	59,898	47.8	240,423	39.7
Sales of Housing, Office Buildings and Land	53,415	42.7	327,044	53.9
Other	11,841	9.5	38,755	6.4
<b>Cost of Revenue from Operations</b>	98,953		494,352	
Leasing	47,935		192,617	
Sales of Housing, Office Buildings and Land	42,550		268,847	
Other	8,468		32,887	
<b>Selling, General and Administrative Expenses</b>	9,365		44,049	
<b>Operating Income</b>	16,837	13.5*	67,821	11.2*
<b>Non-Operating Income/Expense</b>	(2,599)		(20,682)	
Non-Operating Income:	3,253		8,202	
Interest Income	1,011		3,805	
Dividend Income	1,529		3,378	
Other Non-Operating Income	711		1,018	
Non-Operating Expenses:	5,852		28,885	
Interest Expenses	4,725		20,040	
Other Non-Operating Expenses	1,126		8,845	
<b>Ordinary Income</b>	14,238	11.4*	47,138	7.8*
<b>Extraordinary Gains/Losses</b>	-		(23,533)	
Extraordinary Gains:	-		4,829	
Extraordinary Losses:	-		28,362	
<b>Income before Income Taxes</b>	14,238	11.4*	23,605	3.9*
<b>Income Taxes</b>	6,125		40	
<b>Deferred Income Taxes</b>	-		10,355	
<b>Net Income</b>	8,113	6.5*	13,209	2.2*
<b>Earning Brought Forward from Previous Period</b>	5,298		4,948	
<b>Interim Dividends</b>	-		2,843	
<b>Reversal of Reserve on Land Revaluation</b>	-		(1,099)	
<b>Unappropriated Earnings</b>	13,411		14,214	

\*Income Margin to Revenues