

July 30, 2004

FACT BOOK

For the Three Months Ended June 30, 2004



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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 (Code: 8801)

Please visit our website at:

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, 2004

CONSOLIDATED RESULTS

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31
	2004	2003		2004
Revenue from Operations	¥214,862	¥215,207	(¥344)	¥1,102,844
Operating Income	17,300	17,883	(583)	109,246
Ordinary Income	14,155	12,736	1,418	87,236
Net Income	9,749	7,849	1,900	14,454

(¥ millions)

	Year to 3/05 (Forecast as of April 30, 2004)	3-Month Results/ Full-Year Forecast
Revenue from Operations	¥1,105,000	19.4%
Operating Income	112,000	15.4%
Ordinary Income	91,000	15.6%
Net Income	45,500	21.4%

In the three months ended June 30, 2004, both revenue from operations and operating income were down slightly compared with the previous corresponding period. Due to the lower number of condominiums sold by the parent company and residential buildings completed by the Mitsui Home Group compared with the previous period, both the “Sales of housing, office buildings and land” and “Construction” segments reported year-on-year revenue and earnings declines. By contrast, the “Leasing” segment posted a sales increase, owing to the newly on-stream and full-year contribution of office buildings and retail facilities leased by the parent company. The “Brokerage, consignment sales and consulting” segment recorded increased revenue and earnings thanks to strength in our brokerage services for individual and corporate customers.

Both revenue from operations and operating income reached under 20% of our full-year forecast. However, this was mainly due to seasonal factors affecting the Company’s housing business aimed at individual customers (parent company sales of detached houses and condominiums, custom-built house construction business of the Mitsui Home Group, and consignment sales of Mitsui Real Estate Sales). This business will pick up in the second half of the fiscal year, especially in the fourth quarter.

Ordinary income and net income increased compared with the previous corresponding period, owing mainly to a net improvement in interest income/expenses.

CONSOLIDATED FORECAST

Because the Company is performing well, it has not modified its interim and full-year forecasts for revenue from operations, operating income, ordinary income, and net income. Those forecasts were made on April 30, 2004.

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 countries’ 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

(¥ millions)

	Three Months Ended June 30		Change (%)	Year Ended March 31, 2004
	2004	2003		
Revenue from Operations	¥85,134	¥82,913	2.7%	¥332,380
Operating Income	16,634	16,642	(0.0)	63,016

(¥ millions)

	Year to 3/05 (Forecast as of April 30, 2004)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥342,000	24.9%
Operating Income	60,000	27.7

- Revenue from operations in this segment increased year-on-year due to the full-term operation of projects completed in the previous fiscal year. These included Roppongi T-Cube (office building and residential in Minato-ku, Tokyo), Nihonbashi 1-chome Building (office building and retail facility in Chuo-ku, Tokyo), and LALA Garden Tsukuba (retail facility in Tsukuba, Ibaraki Prefecture). Other contributors coming on-stream during the period under review included LaLa Terrace Minamisenju (retail facility in Arakawa-ku, Tokyo) and Stellar Town (retail facility in Saitama, Saitama Prefecture) completed in April 2004.
- The residential leasing (centering on Mitsui Fudosan Housing Lease) and the car-park leasing (Mitsui Real Estate Sales) businesses both secured strong orders, with revenues rising accordingly.
- Higher revenues from the above-mentioned projects helped boost earnings, but several factors had a negative impact on profits, including demolition plans for Nagoya Mitsui Building East and South, as well as the sale of Atsugi Mitsui Building and other buildings. As a result, segment operating income remained mostly unchanged.
- On a consolidated basis (including overseas), the total vacancy rate for all office buildings and retail facilities was 5.0% at June 30, 2004 (unchanged from March 31). On a nonconsolidated basis, the vacancy rate of office buildings in the Tokyo Metropolitan Area was 4.5%, up slightly from 4.4% at March 31.

(a) Leasing

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2004	2003	2004
	Revenue	Revenue	Revenue
Office Buildings	¥54,504	¥54,097	¥259,395
Retail Facilities	11,865	10,937	
Residential	12,569	12,225	49,295
Other (Car Park, etc.)	6,194	5,653	23,689
Total	¥85,134	¥82,913	¥332,380

(b) Leased Floor Space

		June 30		March 31, 2004
		2004	2003	
Office Buildings and Retail Facilities	Leased Floor space (m ²):			
	Owned	1,885,682	1,834,289	1,877,654
	Managed	1,454,907	1,359,095	1,434,888
	Total	3,340,589	3,193,384	3,312,542
	Vacancy Rate(%)	5.0	5.8	5.0
Residentials	Leased Units:			
	Owned	279	379	274
	Managed	45,601	42,240	44,671
	Total	45,880	42,619	44,945

(c) Total Floor Space (Nonconsolidated)

	June 30, 2004			March 31, 2004		
	No. of Buildings	Floor Space (1,000m ²)	Share of Total Floor Space (%)	No. of Buildings	Floor Space (1,000m ²)	Share of Total Floor Space (%)
Owned	119	2,408	47.7	120	2,410	48.1
Managed	196	2,642	52.3	196	2,602	51.9
Total	315	5,050	100.0	316	5,012	100.0

(d) Vacancy Rate at End of Term

(%)

	6/04	3/04	9/03	3/03	9/02	3/02
Consolidated						
Office Buildings and Retail Facilities (including overseas)	5.0	5.0	6.0	6.0	5.2	4.1
Nonconsolidated						
Tokyo Metropolitan Area Office Buildings	4.5	4.4	5.8	5.4	3.6	2.4
Regional Area Office Buildings	6.5	7.6	8.8	12.1	12.1	9.2

(e) Breakdown of Leasing Operations (Nonconsolidated)

		Total		Tokyo Metropolitan Area		Regional Areas	
		Three Months Ended June 30		Three Months Ended June 30		Three Months Ended June 30	
		2004	2003	2004	2003	2004	2003
Office Buildings	Number of Buildings	265	273	226	232	39	41
	Leased Floor Space (1,000m ²)	2,174	2,109	1,881	1,823	293	286
	Leasing Revenue (¥ millions)	50,088	49,228	44,902	44,102	5,186	5,126
	Vacancy Rate (%)	4.8	5.9	4.5	5.1	6.5	10.4
Retail Facilities	Number of Buildings	48	44	34	30	14	14
	Leased Floor Space (1,000m ²)	828	716	576	465	252	251
	Leasing Revenue (¥ millions)	10,571	9,664	7,235	5,649	3,336	4,014
	Vacancy Rate (%) *1	5.9	7.2	0.7	1.5	16.0	16.2

*1: Excluding AMSquare (shopping center, Mie Prefecture), which is temporarily closed for refurbishment, the regional vacancy rate was 0.2%, and the total was 0.5% at June 30, 2004.

Note: Figures for number of buildings, leased floor space, and vacancy rate are term-end figures.

[2] SALES OF HOUSING, OFFICE BUILDINGS AND LAND

(¥ millions)

	Three Months Ended June 30		Change (%)	Year Ended March 31, 2004
	2004	2003		
Revenue from Operations	¥51,363	¥54,542	(5.8)%	¥350,761
Operating Income	4,751	6,023	(21.1)	32,936

(¥ millions)

	Year to 3/05 (Forecast as of April 30, 2004)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥332,000	15.5%
Operating Income	36,000	13.2

- Both revenue from operations and operating income in the quarter reached just over 10% of our full-year forecast. This was mainly because completion and handover of residential units by the parent company are concentrated in the second half of each fiscal year, especially the fourth quarter.
- For similar reasons, the ratio of fixed costs to net sales is relatively high in the first quarter of each fiscal year. Consequently, the nonconsolidated gross margin for the housing sales business in the period under review was 11.9% compared with the full-year forecast of 15.5%.
- Due to the relatively low number of housing developments completed during the period, the total number of units sold (consolidated) was limited to 622 (443 condominiums and 179 detached houses). This compares with 752 (618 condominiums and 134 detached houses) in the previous corresponding period. As a result, this segment reported declines in both revenue from operations and operating income. The number of condominiums under contract reached around 65% of our initial forecast of 5,350 units for the entire fiscal year.
- Completed housing inventories of the parent company at June 30, 2004, totaled 315 units (285 condominiums and 30 detached houses), down from 480 (455 condominiums and 25 detached houses) at March 31.

(a) Housing Sales and Other Sales

	Three Months Ended June 30						Year Ended March 31		
	2004			2003			2004		
	Units	Revenue (¥ millions)	Unit Price (¥10 thousand)	Units	Revenue (¥ millions)	Unit Price (¥10 thousand)	Units	Revenue (¥ millions)	Unit Price (¥10 thousand)
Detached Housing									
Tokyo Metropolitan Area	150	7,923	5,282	117	6,423	5,489	655	35,117	5,361
Other	29	578	1,995	17	521	3,064	186	4,573	2,459
Total	179	8,502	4,750	134	6,944	5,182	841	39,690	4,719
Condominiums									
Tokyo Metropolitan Area	231	21,357	9,245	508	39,454	7,766	3,934	204,200	5,191
Other	212	6,600	3,113	110	3,333	3,030	1,632	49,973	3,062
Total	443	27,957	6,311	618	42,787	6,923	5,566	254,173	4,567
Total Housing Sales									
Tokyo Metropolitan Area	381	29,280	7,685	625	45,878	7,340	4,589	239,317	5,215
Other	241	7,178	2,978	127	3,854	3,034	1,818	54,546	3,000
Total	622	36,459	5,862	752	49,732	6,613	6,407	293,864	4,587
Other Sales	-	14,903	-	-	4,809	-	-	56,897	-
Total Sales	-	51,363	-	-	54,542	-	-	350,761	-

(b) Completed Housing Inventories (Nonconsolidated)

(Units)

	6/03	3/04	9/03	3/03	9/02	3/02
Detached Housing	30	25	30	120	90	45
Condominiums	285	455	475	485	130	175
Total	315	480	505	605	220	220

(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	176	138	314	178	136	149
Condominiums	2,663	1,200	3,863	443	3,420	1,429
Total	2,839	1,338	4,177	621	3,556	1,578

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

[3] CONSTRUCTION

(¥ millions)

	Three Months Ended June 30		Change (%)	Year Ended March 31, 2004
	2004	2003		
Revenue from Operations	¥18,553	¥21,843	(15.1)%	¥180,502
Operating Income	(6,344)	(5,554)	-	1,332

(¥ millions)

	Year to 3/05 (Forecast as of April 30, 2004)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥184,000	10.1%
Operating Income	3,000	-

- The construction segment reported an operating loss for the quarter, because handovers of construction work completed by the Mitsui Home Group are concentrated in the second half of the fiscal year, especially in the fourth quarter.
- The balance of orders for Mitsui Home Group projects under construction at the beginning of the period under review was lower than a year earlier, which pushed down revenue and earnings. The balance of orders at the end of the period, however, was up year-on-year.

(a) Orders, Order Backlogs and Project Completions

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2004	2003	2004
Orders:			
Work-on-Hand at Beginning of Period	88,845	90,943	90,943
Orders during Period	32,637	30,269	141,665
Total	121,483	121,213	232,609
Project Completions	11,049	15,444	143,763
Work-on-Hand at End of Period	110,434	105,769	88,845

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

(b) Projects

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2004	2003	2004
Project Completions:	11,049	15,444	143,763
Work-on-Hand at End of Period			
Total	110,434	105,769	88,845
Work in progress	23,269	26,748	8,910
As a percentage of Work-on-Hand at End of Period	21.1%	25.3%	10.0%
Projects during Period	25,407	29,200	139,681

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

[4] BROKERAGE, CONSIGNMENT SALES AND CONSULTING

(¥ millions)

	Three Months Ended June 30		Change (%)	Year Ended March 31, 2004
	2004	2003		
Revenue from Operations	¥13,332	¥11,274	18.3%	¥53,585
Operating Income	2,919	1,420	105.5	14,078

(¥ millions)

	Year to 3/05 (Forecast as of April 30, 2004)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥56,000	23.8%
Operating Income	16,000	18.2

- This segment reported increases in both revenue and earnings. Our performance benefited from increased sales from Mitsui Real Estate Sales' brokerage services to individuals and corporations, as well as solid consulting-related fees, including from project management and asset management.

(¥ millions)

	Three Months Ended June 30				Year Ended March 31	
	2004		2003		2004	
	Units	Revenue	Units	Revenue	Units	Revenue
Brokerage	7,228	9,716	6,994	8,221	28,499	37,919
Consignment Sales	609	1,110	730	1,434	7,632	9,172
Consulting	-	2,505	-	1,618	-	6,493
Total	-	13,332	-	11,274	-	53,585

[5] PROPERTY MANAGEMENT

(¥ millions)

	Three Months Ended June 30		Change (%)	Year Ended March 31, 2004
	2004	2003		
Revenue from Operations	¥17,805	¥17,786	0.1%	¥77,481
Operating Income	2,833	3,003	(5.7)	10,844

(¥ millions)

	Year to 3/05 (Forecast as of April 30, 2004)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥78,000	22.8%
Operating Income	11,000	25.8

- In the quarter under review, property management revenue increased thanks to the completion of new projects, including office buildings, retail facilities, and housing developments. However, tenant improvement revenue was down due to a decline in the number of office building tenant changeovers.

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2004	2003	2004
	Revenue	Revenue	Revenue
Property Management	13,502	12,059	51,511
Tenant Improvement	4,302	5,727	25,969
Total	17,805	17,786	77,481

[6] SALES OF HOUSING MATERIALS AND MERCHANDISE

(¥ millions)

	Three Months Ended June 30		Change (%)	Year Ended March 31, 2004
	2004	2003		
Revenue from Operations	¥17,127	¥15,403	11.2%	¥61,768
Operating Income	110	35	208.4	151

(¥ millions)

	Year to 3/05 (Forecast as of April 30, 2004)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥67,000	25.6%
Operating Income	500	22.0

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2004	2003	2004
	Revenue	Revenue	Revenue
Housing Materials	4,496	4,291	19,956
Merchandise	12,631	11,112	41,812
Total	17,127	15,403	61,768

[7] FACILITY OPERATIONS

(¥ millions)

	Three Months Ended June 30		Change (%)	Year Ended March 31, 2004
	2004	2003		
Revenue from Operations	¥9,661	¥9,240	4.6%	¥37,629
Operating Income	415	(113)	-	(527)

(¥ millions)

	Year to 3/05 (Forecast as of April 30, 2004)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥38,000	25.4%
Operating Income	500	83.2

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2004	2003	2004
	Revenue	Revenue	Revenue
Hotels	6,559	6,272	24,485
Other	3,102	2,967	13,144
Total	9,661	9,240	37,629

[8] OTHER

(¥ millions)

	Three Months Ended June 30		Change (%)	Year Ended March 31, 2004
	2004	2003		
Revenue from Operations	¥1,885	¥2,202	(14.4)%	¥8,734
Operating Income	345	538	(35.9)	2,591

(¥ millions)

	Year to 3/05 (Forecast as of April 30, 2004)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥8,000	23.6%
Operating Income	1,000	34.5

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2004	2003	2004
	Revenue	Revenue	Revenue
Finance and Lease	391	419	1,583
Other	1,493	1,783	7,150
Total	1,885	2,202	8,734

ASSETS AND LIABILITIES

REAL PROPERTY FOR SALE

On a consolidated basis, the balance of real property for sale, including advances paid for purchases, at June 30, 2004, stood at ¥358.8 billion, up ¥15.2 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. Expenses related to purchases of land for this segment of the parent company's business in the quarter under review totaled ¥35.6 billion.

TANGIBLE AND INTANGIBLE ASSETS

On a consolidated basis, the balance of tangible and intangible assets was ¥1,647.8 billion. Although the Company made significant investments including the Muromachi Mitsui Shinkan Building Project (slated for completion in September 2005), the total balance declined ¥7.5 billion due to a deduction of ¥9.4 billion in depreciation.

INTEREST-BEARING DEBT

At June 30, 2004, total consolidated interest-bearing debt stood at ¥1,410.9 billion, up ¥89.4 billion over the quarter. The increase derived mainly from seasonal factors, such as payments of construction costs by the parent company related to condominium buildings completed in the previous fiscal year, as well as from payment of trade advances for consignment sale projects of Mitsui Real Estate Sales. Compared with June 30, 2003, interest-bearing debt was down ¥37.7 billion.

Segment Information

Three Months Ended June 30, 2004

(¥ millions)

	I . Revenue from Operations			Costs and Expenses	Operating Income (Loss)	II . Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	85,134	1,355	86,489	69,854	16,634	1,889,630	6,417	14,932
(2) Sales of Housing, Office Buildings and Land	51,363	-	51,363	46,611	4,751	430,057	160	71
(3) Construction	18,553	870	19,424	25,768	(6,344)	63,093	613	120
(4) Brokerage, Consignment Sales and Consulting	13,332	1,893	15,225	12,306	2,919	22,087	187	154
(5) Property Management	17,805	4,913	22,719	19,885	2,833	35,430	210	303
(6) Sales of Housing Materials and Merchandise	17,127	6,752	23,880	23,770	110	45,055	277	891
(7) Facility Operations	9,661	90	9,751	9,335	415	100,113	672	157
(8) Other	1,885	2,484	4,370	4,024	345	22,743	714	1,013
Total	214,862	18,361	233,224	211,558	21,665	2,608,212	9,253	17,643
Elimination or Corporate	-	(18,361)	(18,361)	(13,996)	(4,365)	278,925	161	70
Consolidated	214,862	-	214,862	197,562	17,300	2,887,138	9,414	17,713

Three Month Ended June 30, 2003

(¥ millions)

	I . Revenue from Operations			Costs and Expenses	Operating Income (Loss)	II . 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
Total	215,207	19,570	234,778	212,781	21,996	2,721,471	9,821	10,648
Elimination or Corporate	-	(19,570)	(19,570)	(15,457)	(4,113)	200,381	163	341
Consolidated	215,207	-	215,207	197,324	17,883	2,921,853	9,984	10,989

Year Ended March 31, 2004

(¥ millions)

	I . Revenue from Operations			Costs and Expenses	Operating Income (Loss)	II . Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	332,380	5,328	337,709	274,692	63,016	1,914,041	27,353	23,203
(2) Sales of Housing, Office Buildings and Land	350,761	-	350,761	317,824	32,936	458,770	564	1,395
(3) Construction	180,502	7,251	187,753	186,421	1,332	57,075	2,198	2,411
(4) Brokerage, Consignment Sales and Consulting	53,585	11,655	65,241	51,163	14,078	43,973	823	1,577
(5) Property Management	77,481	20,722	98,203	87,359	10,844	39,911	1,076	963
(6) Sales of Housing Materials and Merchandise	61,768	32,463	94,231	94,080	151	49,741	1,138	2,042
(7) Facility Operations	37,629	386	38,015	38,543	(527)	116,140	3,502	1,753
(8) Other	8,734	10,855	19,589	16,997	2,591	31,632	3,083	1,968
Total	1,102,844	88,662	1,191,507	1,067,083	124,423	2,711,286	39,739	35,318
Elimination or Corporate	-	(88,662)	(88,662)	(73,485)	(15,177)	205,296	675	520
Consolidated	1,102,844	-	1,102,844	993,598	109,246	2,916,582	40,415	35,838

Leasing

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

Sales of Housing, Office Buildings and Land

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

Construction

Construction of detached housing, flats, etc.

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, retail facilities, etc., and asset management services for investors.

Property Management

Property management services (including tenant improvement)

Sales of Housing Materials and Merchandise

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

Facility Operations

Operation of hotels and golf courses, etc.

Other

Financing operations for housing loans and leasing business, etc.

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	June 30		March 31		Change		June 30	
	2004	% of Total Assets	2004	% of Total Assets	Amount	Percentage	2003	% of Total Assets
I . Current Assets:	¥644,374	22.3	¥671,847	23.0	¥(27,472)	(4.1)	¥673,833	23.1
Cash and Time Deposits	89,044		142,018		(52,973)		81,372	
Accounts Receivable—Trade	23,994		28,477		(4,482)		30,402	
Marketable Securities	125		105		20		200	
Real Property for Sale	339,201	11.7	323,307	11.1	15,893	4.9	398,667	13.6
Expenditure on Contracts in Progress	19,365		8,211		11,153		20,162	
Other Inventories	9,824		8,586		1,237		8,498	
Advances Paid for Purchases	19,608		20,265		(656)		23,980	
Short-Term Loans	10,119		14,020		(3,900)		24,174	
Deferred Income Taxes	58,931		56,329		2,601		40,875	
Other Current Assets	76,535		73,437		3,098		48,598	
Allowance for Doubtful Accounts	(2,376)		(2,913)		536		(3,099)	
II . Fixed Assets:	2,242,762	77.7	2,244,734	77.0	(1,971)	(0.1)	2,248,018	76.9
1. Tangible Fixed Assets:	1,614,935	55.9	1,620,778	55.6	(5,842)	(0.4)	1,652,433	56.6
Buildings and Structures	462,800	16.0	476,521	16.3	(13,720)	(2.9)	503,304	17.2
Machinery, Equipment and Materials Handling Equipment	5,336		5,058		277		5,628	
Land	1,083,210	37.5	1,087,266	37.3	(4,056)	(0.4)	1,092,962	37.4
Construction in Progress	30,473		18,860		11,613		16,890	
Other Tangible Assets	33,115		33,072		42		33,646	
2. Intangible Fixed Assets:	32,949	1.2	34,675	1.2	(1,726)	(5.0)	35,062	1.2
Leasehold Rights	24,456		25,947		(1,490)		25,967	
Other Intangible Fixed Assets	8,492		8,728		(235)		9,094	
3. Investments and Other Assets:	594,877	20.6	589,280	20.2	5,597	0.9	560,522	19.2
Investment Securities	275,702		262,763		12,939		211,976	
Long-Term Loans	10,370		10,390		(19)		16,424	
Lease Deposits	202,148		201,845		302		216,869	
Deferred Income Taxes	11,755		11,984		(228)		16,073	
Deferred Income Taxes- Revaluation	33,305		33,305		-		33,163	
Other	80,874		88,143		(7,269)		94,037	
Allowance for Doubtful Accounts	(19,279)		(19,151)		(127)		(28,021)	
III. Deferred Assets	0		0		(0)		0	
Total Assets	¥2,887,138	100.0	¥2,916,582	100.0	¥(29,444)	(1.0)	¥2,921,853	100.0

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	June 30		March 31		Change		June 30	
	2004	% of Total Assets	2004	% of Total Assets	Amount	Percentage	2003	% of Total Assets
I . Current Liabilities:	¥552,793	19.1	¥615,292	21.1	¥(62,498)	(10.2)	¥649,508	22.2
Accounts Payable—Trade	50,290		117,965		(67,674)		69,018	
Short-Term Debt	174,989	6.1	228,209	7.8	(53,220)	(23.3)	242,793	8.3
Commercial Paper	154,000		37,000		117,000		106,000	
Bond Redeemable Within One Year	-		10,000		(10,000)		56,242	
Income Taxes Payable	8,735		16,975		(8,239)		8,106	
Advances from Contracts in Progress	21,553		16,604		4,949		20,834	
Allowance for Completed Project Indemnities	1,718		1,929		(210)		1,655	
Allowance for Possible Guarantee Losses	278		309		(30)		201	
Deferred Income Taxes	0		0		-		-	
Other Current Liabilities	141,227		186,298		(45,071)		144,656	
II . Long-Term Liabilities:	1,659,895	57.5	1,626,151	55.8	33,743	2.1	1,618,407	55.4
Corporate Bonds	215,000		215,000		-		215,000	
Long-Term Debt	866,951	30.0	831,291	28.5	35,659	4.3	828,690	28.4
Deposits from Tenants	288,682		291,322		(2,639)		302,101	
Allowance for Employees' Retirement Benefits	24,639		23,420		1,219		21,640	
Allowance for Directors' Retirement Benefits	1,635		1,682		(46)		1,485	
Deferred Income Taxes	46,811		46,099		712		33,080	
Deferred Income Taxes - Revaluation	151,018		151,018		-		149,190	
Other Fixed Liabilities	65,155		66,316		(1,161)		67,219	
Total Liabilities	2,212,688	76.6	2,241,443	76.9	(28,755)	(1.3)	2,267,916	77.6
MINORITY INTEREST:								
Minority Interests in Consolidated Subsidiaries	13,947	0.5	15,973	0.5	(2,026)	(12.7)	15,329	0.5
SHAREHOLDERS' EQUITY:								
I . Common Stock	134,433	4.7	134,433	4.6	-	-	134,433	4.6
II . Additional Paid-in Capital	205,823	7.1	205,823	7.1	0	0.0	205,823	7.0
III . Retained Earnings	163,753	5.7	167,890	5.8	(4,136)	(2.5)	166,994	5.7
IV . Surplus from Land Revaluation	160,253		158,227		2,025		155,570	
V . Unrealized Gains/Losses on Securities	30,724		26,317		4,407		1,612	
VI . Foreign Currency Translation Adjustment	(33,440)		(32,545)		(894)		(24,769)	
	661,547	22.9	660,145	22.6	1,402	0.2	639,665	21.9
VII . Treasury Stock	(1,045)		(979)		(66)		(1,058)	
Total Shareholders' Equity	660,502	22.9	659,165	22.6	1,336	0.2	638,606	21.9
Total Liabilities, Minority Interest and Shareholders' Equity	¥2,887,138	100.0	¥2,916,582	100.0	¥(29,444)	(1.0)	¥2,921,853	100.0

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Three Months Ended June 30				Change		Year Ended March 31	
	2004	% of Total Revenue	2003	% of Total Revenue	Amount	Percentage	2004	% of Total Revenue
I. Revenue from Operations	¥214,862	100.0	¥215,207	100.0	¥(344)	(0.2)	¥1,102,844	100.0
II. Cost of Revenue from Operations	169,761	79.0	168,865	78.5	895	0.5	873,627	79.2
Gross Operating Profit	45,101	21.0	46,342	21.5	(1,240)	(2.7)	229,217	20.8
III. Selling, General and Administrative Expenses	27,801	12.9	28,458	13.2	(657)	(2.3)	119,971	10.9
Operating Income	17,300	8.1	17,883	8.3	(583)	(3.3)	109,246	9.9
IV. Non-Operating Income:	3,051	1.4	2,468	1.1	582	23.6	9,521	0.9
Interest Income	251		297		(45)		1,219	
Dividend Income	679		569		109		1,942	
Equity in Net Income of Affiliated Companies	330		550		(219)		3,534	
Other Non-Operating Income	1,789		1,050		738		2,824	
V. Non-Operating Expenses:	6,195	2.9	7,615	3.5	(1,419)	(18.6)	31,531	2.9
Interest Expenses	5,202		6,057		(854)		22,757	
Other Non-Operating Expenses	993		1,557		(564)		8,773	
Ordinary Income	14,155	6.6	12,736	5.9	1,418	11.1	87,236	7.9
VI. Extraordinary Gains	269	0.1	364	0.2	(95)	(26.2)	5,665	0.5
VII. Extraordinary Losses	377	0.2	642	0.3	(265)	(41.2)	69,254	6.3
Income before Income Taxes	14,047	6.5	12,458	5.8	1,588	12.8	23,647	2.1
Income Taxes	5,857		5,552		304		23,914	
Deferred Income Taxes	121		418		(297)		(15,057)	
Minority Interests	(1,681)		(1,362)		(318)		335	
Net Income	¥9,749	4.5	¥7,849	3.6	¥1,900	24.2	¥14,454	1.3

Nonconsolidated Financial Statements

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	June 30		March 31		Change		June 30	
	2004	% of Total Assets	2004	% of Total Assets	Amount	Percentage	2003	% of Total Assets
I. Current Assets:	¥593,113	22.8	¥616,108	23.6	¥(22,995)	(3.7)	¥647,861	24.8
Cash and Time Deposits	34,875		69,767		(34,891)		38,595	
Accounts Receivable	9,198		11,061		(1,863)		16,809	
Real Property for Sale	139,526	5.4	150,431	5.8	(10,905)	(7.2)	186,697	7.1
Real Property in Progress	133,258	5.1	110,381	4.2	22,876	20.7	127,067	4.9
Land for Development	30,765	1.2	20,826	0.8	9,938	47.7	44,766	1.7
Expenditure on Contracts in Progress	-		-		-		589	
Advances Paid for Purchases	19,392		20,065		(672)		23,141	
Prepaid Expenses	3,918		3,505		412		3,348	
Short-Term Loans	111,149		96,406		14,742		137,572	
Other Receivables	11,046		32,955		(21,909)		11,213	
Operational Investment	37,230		40,160		(2,930)		10,510	
Deferred Income Taxes	47,969		47,969		-		29,791	
Other Current Assets	15,417		13,886		1,531		18,664	
Allowance for Doubtful Accounts	(634)		(1,309)		675		(908)	
II. Fixed Assets:	2,011,364	77.2	1,994,984	76.4	16,380	0.8	1,965,293	75.2
1. Tangible Fixed Assets:	1,194,144	45.8	1,189,263	45.6	4,880	0.4	1,196,379	45.8
Buildings	285,055	10.9	289,620	11.1	(4,565)	(1.6)	296,724	11.4
Structures	8,673		8,784		(110)		9,033	
Machinery	1,459		1,545		(86)		1,622	
Transportation Equipment	46		50		(3)		57	
Tools, Furniture and Fixtures	3,983		4,122		(138)		3,626	
Land	864,737	33.2	867,472	33.2	(2,735)	(0.3)	869,016	33.3
Construction in Progress	25,379		12,858		12,521		11,493	
Other Tangible Assets	4,809		4,809		-		4,806	
2. Intangible Fixed Assets:	21,288	0.8	21,387	0.8	(98)	(0.5)	21,710	0.8
Leasehold Rights	17,926		17,926		-		17,928	
Software	3,175		3,271		(95)		3,589	
Other Intangible Fixed Assets	187		190		(3)		192	
3. Investments and Other Assets:	795,931	30.6	784,333	30.0	11,598	1.5	747,203	28.6
Investment Securities	201,474		188,371		13,103		139,257	
Investments in Consolidated Subsidiaries and Affiliated Companies	181,975		181,975		-		184,020	
Investments	24,695		24,729		(34)		23,387	
Long-Term Loans	9,162		9,165		(3)		15,094	
Long-Term Loans to Affiliates	169,511		165,174		4,337		157,684	
Lease Deposits	197,391	7.6	197,100	7.5	291	0.1	211,396	8.1
Other Investments	24,951		31,046		(6,095)		28,628	
Allowance for Doubtful Accounts	(13,231)		(13,230)		(1)		(12,266)	
Total Assets	¥2,604,478	100.0	¥2,611,093	100.0	¥(6,614)	(0.3)	¥2,613,154	100.0

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	June 30		March 31		Change		June 30	
	2004	% of Total Assets	2004	% of Total Assets	Amount	Percentage	2003	% of Total Assets
I. Current Liabilities:	¥435,471	16.7	¥487,722	18.7	¥(52,250)	(10.7)	¥527,366	20.2
Accounts Payable	16,880		78,611		(61,731)		35,106	
Short-Term Debt	156,655	6.0	205,416	7.9	(48,761)	(23.7)	217,685	8.3
Commercial Paper	154,000		37,000		117,000		106,000	
Bond Redeemable Within One Year	-		10,000		(10,000)		56,242	
Other Payables	2,466		10,207		(7,741)		3,554	
Income Taxes Payable	6,041		12,319		(6,277)		6,125	
Accrued Expenses	9,772		8,568		1,203		10,138	
Advances Received	37,001		34,376		2,624		40,197	
Deposits	45,601		81,140		(35,539)		41,944	
Other Current Liabilities	7,053		10,081		(3,027)		10,371	
II. Long-Term Liabilities:	1,487,716	57.1	1,451,511	55.6	36,204	2.5	1,443,632	54.8
Corporate Bonds	215,000	8.3	215,000	8.2	-	-	215,000	8.2
Long-Term Debt	772,724	29.7	738,113	28.3	34,611	4.7	724,429	27.7
Deposits from Tenants	268,228	10.3	270,229	10.3	(2,000)	(0.7)	279,804	10.7
Deferred Income Taxes	28,213		25,275		2,938		12,666	
Deferred Income Taxes - Revaluation	151,018		151,018		-		149,190	
Allowance for Employees' Retirement Benefits	10,874		9,979		895		8,437	
Allowance for Directors' Retirement Benefits	1,143		1,129		13		1,002	
Other Fixed Liabilities	40,512		40,765		(252)		43,101	
Total Liabilities	1,923,188	73.8	1,939,234	74.3	(16,045)	(0.8)	1,960,998	75.0
SHAREHOLDERS' EQUITY:								
Common Stock	134,433	5.2	134,433	5.1	-	-	134,433	5.1
Additional Paid-in Capital:	205,824	7.9	205,824	7.9	0	0.0	205,823	7.9
Capital Reserve	205,823		205,823		-		205,823	
Other Capital Reserve	1		0		0		-	
Gain on Disposal of Treasury Stock	1		0		0		-	
Retained Earnings:	89,489	3.4	86,282	3.3	3,207	3.7	93,183	3.6
Legal Reserve	13,688		13,688		-		13,688	
Other Reserve	16,790		16,790		-		16,790	
Reserve for Substitute Assets	48,844		49,292		(447)		49,292	
Unappropriated Earnings	10,166		6,511		3,654		13,411	
Net Income	(8,196)		6,605		(1,591)		8,113	
Surplus from Land Revaluation	222,408	8.5	220,399	8.4	2,009	0.9	217,885	8.3
Unrealized Gain/Loss on Securities	30,171	1.2	25,887	1.0	4,284	16.6	1,621	0.1
Treasury Stock	(1,037)	(0.0)	(967)	(0.0)	(70)	7.2	(790)	(0.0)
Total Shareholders' Equity	681,290	26.2	671,859	25.7	9,431	1.4	652,155	25.0
Total Liabilities and Shareholders' Equity	¥2,604,478	100.0	¥2,611,093	100.0	¥(6,614)	(0.3)	¥2,613,154	100.0

NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Three Months Ended June 30				Change		Year Ended March 31	
	2004	% of Total Revenue	2003	% of Total Revenue	Amount	Percentage	2004	% of Total Revenue
Revenue from Operations:	¥113,923	100.0	¥125,156	100.0	¥(11,232)	(9.0)	¥615,984	100.0
Leasing	61,799	54.2	59,898	47.8	1,900	3.2	240,484	39.0
Sales of Housing, Office Buildings and Land	40,852	35.9	53,415	42.7	(12,563)	(23.5)	333,901	54.2
Other	11,272	9.9	11,841	9.5	(569)	(4.8)	41,599	6.8
Cost of Revenue from Operations:	91,256		98,953		(7,697)		503,830	
Leasing	50,095		47,935		2,160		196,320	
Sales of Housing, Office Buildings and Land	36,425		42,550		(6,124)		278,593	
Other	4,734		8,468		(3,733)		28,916	
Selling, General and Administrative Expenses	7,562		9,365		(1,802)		46,233	
Operating Income	15,104	13.3	16,837	13.5	(1,732)	(10.3)	65,920	10.7
Non-Operating Income/Expense	(920)		(2,599)		1,678		(2,998)	
Non-Operating Income:	3,765		3,253		512		23,688	
Interest Income	890		1,011		(121)		4,114	
Dividend Income	1,507		1,529		(22)		17,460	
Other Non-Operating Income	1,368		711		656		2,113	
Non-Operating Expenses:	4,685		5,852		(1,166)		26,687	
Interest Expenses	4,128		4,725		(596)		18,084	
Other Non-Operating Expenses	556		1,126		(569)		8,602	
Ordinary Income	14,184	12.5	14,238	11.4	(53)	(0.4)	62,922	10.2
Extraordinary Gains/Losses	-		-		-		(59,728)	
Extraordinary Gains	-		-		-		4,664	
Extraordinary Losses	-		-		-		64,392	
Income before Income Taxes	14,184	12.5	14,238	11.4	(53)	(0.4)	3,193	0.5
Income Taxes	5,988		6,125		(137)		16,955	
Deferred Income Taxes	-		-		-		(20,366)	
Net Income	8,196	7.2	8,113	6.5	83	1.0	6,605	1.1
Earning Brought Forward from Previous Period	3,978		5,298		(1,319)		5,298	
Interim Dividends	-		-		-		2,878	
Reversal of Revaluation Difference for Land	(2,009)		-		(2,009)		(2,513)	
Unappropriated Earnings	¥10,166		¥13,411		¥(3,245)		¥6,511	