

February 10, 2005

FACT BOOK

For the Nine Months Ended December 31, 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 Nine Months Ended December 31, 2004

CONSOLIDATED RESULTS

(¥ millions)

	Nine Months Ended December 31, 2004	Year to 3/05 (Forecast as of October 29, 2004)	9-Month Results/ Full-Year Forecast	Year Ended March 31, 2004
Revenue from Operations	¥700,745	¥1,105,000	63.4%	¥1,102,844
Operating Income	63,989	114,000	56.1%	109,246
Ordinary Income	51,042	93,000	54.9%	87,236
Net Income	7,617	24,000	31.7%	14,454

	Nine Months Ended December 31		Change (amount)
	2004	2003	
Revenue from Operations	¥700,745	¥745,955	(¥45,209)
Operating Income	63,989	74,157	(10,168)
Ordinary Income	51,042	59,321	(8,279)
Net Income	7,617	38,099	(30,481)

First, we will take a look at performance figures for the nine-month period as percentages of full-year forecasts. For the period, revenue from operations, operating income and ordinary income figures were below 75% of full-year forecasts. However, this was mainly due to seasonal fluctuations affecting the Group's residential business aimed at individual customers (sales of condominiums and detached housing by the parent company, subcontracted residential construction by Mitsui Home, and consignment sales by Mitsui Real Estate Sales). Revenue and earnings from such business are generally concentrated in the fourth quarter of each fiscal year.

Compared with the previous corresponding nine-month period, revenue from operations, operating income and ordinary income were down. This was because the reported number of condominiums for sale by the parent company, as well as the number of buildings completed by Mitsui Home, will be concentrated in the fourth quarter of the current fiscal year. Although profits for the nine-month period were down year-on-year, we have not changed our full-year forecasts, which call for increases in both revenue and income.

Net income also declined, due mainly to the early adoption (in the interim period ended September 30, 2004) of impairment accounting for fixed assets, as well as to the factors described above.

CONSOLIDATED FORECAST

The Group performed favorably in the nine-month period under review in light of its full-year forecasts (for revenue from operations, operating income, ordinary income and net income), disclosed at the time of its interim results announcement (October 29, 2004). For this reason, we have not changed such forecasts.

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)

	Nine Months Ended December 31, 2004	Year to 3/05 (Forecast as of October 29, 2004)	9-Month Results/ Full-Year Forecast	Year Ended March 31, 2004
Revenue from Operations	¥256,130	¥342,000	74.9%	¥332,380
Operating Income	48,052	61,000	78.8%	63,016

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2004	2003	
Revenue from Operations	¥256,130	¥250,394	5,736
Operating Income	48,052	51,403	(3,351)

- This segment reported increased revenue from operations owing to rises in the number of office buildings and retail facilities (both newly on-stream and those making full-term contributions) handled by the parent company, as well as in the number of residential subleasing units (handled by Mitsui Fudosan Housing Lease) and car-park leasing spaces (Mitsui Real Estate Sales). However, segment operating income declined due to a fall in revenue from existing office buildings caused by tenant turnover, as well as the renovation, reconstruction and sale of existing office buildings.
- On a consolidated basis (including overseas), the vacancy rate for all office buildings and retail facilities on December 31, 2004, was 4.1% (5.2% on September 30, 2004). The vacancy rate for office buildings in Tokyo Metropolitan Area leased by the parent company was 4.1% (4.8% on September 30, 2004).

(a) Leasing

(¥ millions)

	Nine Months Ended December 31		Change (amount)	Year Ended March 31
	2004	2003		2004
	Revenue	Revenue		Revenue
Office Buildings	¥162,421	¥163,748	(¥1,327)	¥216,437
Retail Facilities	36,424	32,170	4,253	¥42,958
Residentials	38,043	36,816	1,227	49,295
Other (Car Park, etc.)	19,240	17,658	1,581	23,689
Total	¥256,130	¥250,394	¥5,736	¥332,380

(b) Leased Floor Space

		December 31		March 31, 2004
		2004	2003	
Office Buildings and Retail Facilities	Leased Floor space (m ²):			
	Owned	1,932,155	1,818,039	1,877,654
	Managed	1,457,531	1,445,209	1,434,888
	Total	3,389,687	3,263,248	3,312,542
	Vacancy Rate(%)	4.1	5.3	5.0
Residentials	Leased Units:			
	Owned	269	271	274
	Managed	47,690	42,870	44,671
	Total	47,959	43,141	44,945

(c) Total Floor Space (Nonconsolidated)

	December 31, 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	120	2,474	48.2	120	2,410	48.1
Managed	197	2,656	51.8	196	2,602	51.9
Total	317	5,130	100.0	316	5,012	100.0

(d) Vacancy Rate at End of Term

(%)

	12/04	9/04	3/04	9/03	3/03	9/02	3/02
Consolidated							
Office Buildings and Retail Facilities (including overseas)	4.1	5.2	5.0	6.0	6.0	5.2	4.1
Nonconsolidated							
Tokyo Metropolitan Area Office Buildings	4.1	4.8	4.4	5.8	5.4	3.6	2.4
Regional Area Office Buildings	6.4	6.9	7.6	8.8	12.1	12.1	9.2

(e) Breakdown of Leasing Operations (Nonconsolidated)

		Total		Tokyo Metropolitan Area		Regional Areas	
		Nine Months Ended December 31		Nine Months Ended December 31		Nine Months Ended December 31	
		2004	2003	2004	2003	2004	2003
Office Buildings	Number of Buildings	266	269	227	230	39	39
	Leased Floor Space (1,000m ²)	2,200	2,144	1,903	1,852	297	292
	Leasing Revenue (¥ millions)	149,160	150,256	133,535	134,957	15,624	15,298
	Vacancy Rate (%)	4.4	5.3	4.1	5.0	6.4	7.2
Retail Facilities	Number of Buildings	49	45	34	31	15	14
	Leased Floor Space (1,000m ²)	861	770	549	519	312	251
	Leasing Revenue (¥ millions)	32,684	28,144	21,585	17,251	11,098	10,893
	Vacancy Rate (%) *1	3.2	6.5	0.5	1.0	7.5	16.2

*1: Excluding AMsquare (shopping center, Mie Prefecture), which has been renovated and will reopen entirely in March 2005 (partly reopened in autumn of 2004), the regional vacancy rate was 0.2%, and the total was 0.4% at December 31, 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)

	Nine Months Ended December 31, 2004	Year to 3/05 (Forecast as of October 29, 2004)	9-Month Results/ Full-Year Forecast	Year Ended March 31, 2004
Revenue from Operations	¥144,262	¥332,000	43.5%	¥350,761
Operating Income	11,083	36,000	30.8%	32,936

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2004	2003	
Revenue from Operations	¥144,262	¥199,754	(55,491)
Operating Income	11,083	18,283	(7,199)

- Completion and hand-over of condominiums for sale will be concentrated in the fourth quarter of the current fiscal year (January–March 2005). For this reason, the total housing sales reported in the nine-month period under review (consolidated basis) was limited to 2,149 units (1,637 condominiums and 512 detached houses), down from 3,304 units (2,694 condominiums and 610 detached houses) in the previous corresponding period. As a result, segment revenue and earnings declined. Nonetheless, the number of condominiums contracted for sale by December 31, 2004, was more than 90% of the Group’s full-year forecast of 5,250 units.
- On December 31, 2004, the parent company has completed housing inventories totaling 310 units (245 condominiums and 65 detached houses).
- Amid continued growth in the real estate investment market, during the period the Group achieved solid sales to investors of rental condominiums developed by the Company and buildings acquired and value-enhanced by the Company. Revenue from these activities is included within “Other Sales” in the table below.

(a) Housing Sales and Other Sales

	Nine Months Ended December 31						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	414	22,320	5,391	499	27,085	5,428	655	35,117	5,361
Other	98	2,214	2,259	111	2,982	2,687	186	4,573	2,459
Total	512	24,534	4,792	610	30,067	4,929	841	39,690	4,719
Condominiums									
Tokyo Metropolitan Area	842	52,499	6,235	2,129	121,514	5,708	3,934	204,200	5,191
Other	795	23,428	2,947	565	16,645	2,946	1,632	49,973	3,062
Total	1,637	75,928	4,638	2,694	138,160	5,128	5,566	254,173	4,567
Total Housing Sales									
Tokyo Metropolitan Area	1,256	74,819	5,957	2,628	148,600	5,654	4,589	239,317	5,215
Other	893	25,643	2,872	676	19,627	2,904	1,818	54,546	3,000
Total	2,149	100,462	4,675	3,304	168,228	5,092	6,407	293,864	4,587
Other Sales	-	43,799	-	-	31,526	-	-	56,897	-
Total Sales	-	144,262	-	-	199,754	-	-	350,761	-

(b) Completed Housing Inventories (Nonconsolidated)

(Units)

	12/04	9/04	3/04	9/03	3/03	9/02	3/02
Detached Housing	65	40	25	30	120	90	45
Condominiums	245	210	455	475	485	130	175
Total	310	250	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	478	654	506	148	538
Condominiums	2,663	3,447	6,110	1,637	4,473	3,425
Total	2,839	3,925	6,764	2,143	4,621	3,963

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)

	Nine Months Ended December 31, 2004	Year to 3/05 (Forecast as of October 29, 2004)	9-Month Results/ Full-Year Forecast	Year Ended March 31, 2004
Revenue from Operations	¥118,117	¥184,000	64.2%	¥180,502
Operating Income	(3,061)	3,000	—	1,332

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2004	2003	
Revenue from Operations	¥118,117	¥122,191	(4,073)
Operating Income	(3,061)	(1,809)	(1,252)

- Completion and hand-over of housing contracted by Mitsui Home are concentrated in the fourth quarter of each fiscal year. For this reason, the segment posted an operating loss, as it did in the previous corresponding period.
- Both revenue and operating income declined due to Mitsui Home's low balance of orders for projects under construction at the beginning of the period, compared with a year earlier (which caused revenue to decline), while profits were affected by rising costs of materials. However, the volume of orders secured by Mitsui Home during the period, as well as the term-end balance of orders, exceeded the respective figures for the previous corresponding term.

(a) Orders, Order Backlogs and Project Completions

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31
	2004	2003	2004
Orders:			
Work-on-Hand at Beginning of Period	88,845	90,943	90,943
Orders during Period	105,738	98,372	141,665
Total	194,584	189,316	232,609
Project Completions	88,889	93,979	143,763
Work-on-Hand at End of Period	105,694	95,336	88,845

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

(b) Projects

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31
	2004	2003	2004
Project Completions:	88,889	93,979	143,763
Work-on-Hand at End of Period			
Total	105,694	95,336	88,845
Work in progress	27,094	23,746	8,910
As a percentage of Work-on-Hand at End of Period	25.6%	24.9%	10.0%
Projects during Period	107,073	104,733	139,681

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

[4] BROKERAGE, CONSIGNMENT SALES AND CONSULTING

(¥ millions)

	Nine Months Ended December 31, 2004	Year to 3/05 (Forecast as of October 29, 2004)	9-Month Results/ Full-Year Forecast	Year Ended March 31, 2004
Revenue from Operations	¥40,521	¥57,000	71.1%	¥53,585
Operating Income	8,758	17,000	51.5%	14,078

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2004	2003	
Revenue from Operations	¥40,521	¥37,595	2,925
Operating Income	8,758	7,811	946

- Although revenue from the “Brokerage” category continued to increase, revenue from the “Consignment sales” category declined because sales will be proportionally higher in the fourth quarter of the current fiscal year. Revenue from the “Consulting” category increased, thanks to increased fees stemming from growing assets under the management of the parent company, Mitsui Fudosan Investment Advisors and Nippon Building Fund Management.

(¥ millions)

	Nine Months Ended December 31				Year Ended March 31	
	2004		2003		2004	
	Units	Revenue	Units	Revenue	Units	Revenue
Brokerage	21,468	29,956	21,244	28,492	28,499	37,919
Consignment Sales	3,732	4,275	4,773	5,567	7,632	9,172
Consulting	-	6,289	-	3,535	-	6,493
Total	-	40,521	-	37,595	-	53,585

[5] PROPERTY MANAGEMENT

(¥ millions)

	Nine Months Ended December 31, 2004	Year to 3/05 (Forecast as of October 29, 2004)	9-Month Results/ Full-Year Forecast	Year Ended March 31, 2004
Revenue from Operations	¥56,792	¥78,000	72.8%	¥77,481
Operating Income	8,429	11,000	76.6%	10,844

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2004	2003	
Revenue from Operations	¥56,792	¥55,133	1,659
Operating Income	8,429	8,028	401

- The “Property management” category posted higher revenues, benefiting from increases in the number of office buildings, retail facilities and housing units under management. However, revenue from the “Tenant improvement” category was down due to a decline in tenant turnover in the wake of recovery in the office building market.

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31
	2004	2003	2004
	Revenue	Revenue	Revenue
Property Management	41,355	38,163	51,511
Tenant Improvement	15,437	16,969	25,969
Total	56,792	55,133	77,481

[6] SALES OF HOUSING MATERIALS AND MERCHANDISE

(¥ millions)

	Nine Months Ended December 31, 2004	Year to 3/05 (Forecast as of October 29, 2004)	9-Month Results/ Full-Year Forecast	Year Ended March 31, 2004
Revenue from Operations	¥49,405	¥65,000	76.0%	¥61,768
Operating Income	355	0	-	151

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2004	2003	
Revenue from Operations	¥49,405	¥46,308	3,096
Operating Income	355	559	(204)

- Revenue in this segment improved, thanks mainly to the newly opened stores of Uni Living. Due to weak personal consumption and higher sales promotion costs, however, segment operating income declined.

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31
	2004	2003	2004
	Revenue	Revenue	Revenue
Housing Materials	15,164	14,648	19,956
Merchandise	34,240	31,660	41,812
Total	49,405	46,308	61,768

[7] FACILITY OPERATIONS

(¥ millions)

	Nine Months Ended December 31, 2004	Year to 3/05 (Forecast as of October 29, 2004)	9-Month Results/ Full-Year Forecast	Year Ended March 31, 2004
Revenue from Operations	¥30,111	¥39,000	77.2%	¥37,629
Operating Income	1,525	1,000	152.5%	(527)

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2004	2003	
Revenue from Operations	¥30,111	¥28,591	1,519
Operating Income	1,525	(136)	1,662

- This segment reported increases in both revenue and operating income owing to improved occupancies of the Group's hotel operations in Hawaii.

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31
	2004	2003	2004
	Revenue	Revenue	Revenue
Hotels	19,807	18,355	24,485
Other	10,303	10,236	13,144
Total	30,111	28,591	37,629

[8] OTHER

(¥ millions)

	Nine Months Ended December 31, 2004	Year to 3/05 (Forecast as of October 29, 2004)	9-Month Results/ Full-Year Forecast	Year Ended March 31, 2004
Revenue from Operations	¥5,404	¥8,000	67.6%	¥8,734
Operating Income	1,357	1,000	135.7%	2,591

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2004	2003	
Revenue from Operations	¥5,404	¥5,986	(582)
Operating Income	1,357	1,614	(256)

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31
	2004	2003	2004
	Revenue	Revenue	Revenue
Finance and Lease	1,287	1,240	1,583
Other	4,117	4,745	7,150
Total	5,404	5,986	8,734

Segment Information

Nine Months Ended December 31, 2004

(¥ millions)

	I. Revenue from Operations			Costs and Expenses	Operating Income (Loss)	II. Assets	Depreciation	Impairment Loss	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total						
(1) Leasing	256,130	4,430	260,560	212,508	48,052	1,912,152	19,549	8,272	46,598
(2) Sales of Housing, Office Buildings and Land	144,262	-	144,262	133,178	11,083	452,777	481	2,475	237
(3) Construction	118,117	3,541	121,659	124,721	(3,061)	66,701	1,860	83	2,322
(4) Brokerage, Consignment Sales and Consulting	40,521	5,401	45,922	37,164	8,758	22,283	583	-	423
(5) Property Management	56,792	14,017	70,809	62,380	8,429	42,186	666	-	620
(6) Sales of Housing Materials and Merchandise	49,405	25,653	75,058	74,703	355	51,519	853	-	1,221
(7) Facility Operations	30,111	362	30,474	28,948	1,525	77,462	2,064	22,975	2,004
(8) Other	5,404	7,715	13,119	11,762	1,357	24,037	2,074	-	1,988
Total	700,745	61,121	761,867	685,366	76,500	2,649,118	28,133	33,806	55,416
Elimination or Corporate	-	(61,121)	(61,121)	(48,610)	(12,510)	250,385	541	-	269
Consolidated	700,745	-	700,745	636,755	63,989	2,899,504	28,675	33,806	55,685

Nine Months Ended December 31, 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	250,394	4,141	254,535	203,132	51,403	1,927,964	20,482	15,457
(2) Sales of Housing, Office Buildings and Land	199,754	-	199,754	181,470	18,283	452,856	394	974
(3) Construction	122,191	4,569	126,760	128,569	(1,809)	65,322	1,613	1,896
(4) Brokerage, Consignment Sales and Consulting	37,595	6,845	44,440	36,629	7,811	26,925	613	1,298
(5) Property Management	55,133	14,852	69,986	61,957	8,028	44,731	688	708
(6) Sales of Housing Materials and Merchandise	46,308	24,532	70,840	70,280	559	51,301	833	1,379
(7) Facility Operations	28,591	376	28,968	29,104	(136)	116,300	2,642	1,206
(8) Other	5,986	8,181	14,168	12,553	1,614	27,611	2,342	1,555
Total	745,955	63,499	809,454	723,698	85,755	2,713,014	29,611	24,476
Elimination or Corporate	-	(63,499)	(63,499)	(51,901)	(11,597)	204,345	500	420
Consolidated	745,955	-	745,955	671,797	74,157	2,917,359	30,112	24,897

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:	December 31		March 31		Change		December 31	
	2004	% of Total Assets	2004	% of Total Assets	Amount	Percentage	2003	% of Total Assets
I. Current Assets:	¥671,239	23.2	¥671,847	23.0	¥(608)	(0.1)	¥684,608	23.5
Cash and Time Deposits	83,182		142,018		(58,835)		96,861	
Accounts Receivable—Trade	22,658		28,477		(5,819)		24,489	
Marketable Securities	314		105		208		110	
Real Property for Sale	359,403	12.4	323,307	11.1	36,095	11.2	397,591	13.6
Expenditure on Contracts in Progress	20,948		8,211		12,736		18,118	
Other Inventories	10,904		8,586		2,317		9,410	
Advances Paid for Purchases	22,430		20,265		2,164		11,278	
Short-Term Loans	9,540		14,020		(4,479)		12,726	
Deferred Income Taxes	59,998		56,329		3,669		39,071	
Other Current Assets	83,471		73,437		10,033		78,180	
Allowance for Doubtful Accounts	(1,612)		(2,913)		1,300		(3,230)	
II. Fixed Assets:	2,228,264	76.8	2,244,734	77.0	(16,469)	(0.7)	2,232,751	76.5
1. Tangible Fixed Assets:	1,604,428	55.3	1,620,778	55.6	(16,350)	(1.0)	1,626,506	55.7
Buildings and Structures	463,053	16.0	476,521	16.3	(13,467)	(2.8)	481,110	16.5
Machinery, Equipment and Materials Handling Equipment	4,869		5,058		(188)		5,170	
Land	1,083,456	37.4	1,087,266	37.3	(3,809)	(0.4)	1,089,488	37.3
Construction in Progress	29,833		18,860		10,973		17,381	
Other Tangible Assets	23,214		33,072		(9,858)		33,355	
2. Intangible Fixed Assets:	29,621	1.0	34,675	1.2	(5,053)	(14.6)	34,908	1.2
Leasehold Rights	21,487		25,947		(4,460)		25,955	
Other Intangible Fixed Assets	8,134		8,728		(593)		8,953	
3. Investments and Other Assets:	594,214	20.5	589,280	20.2	4,934	0.8	571,335	19.6
Investment Securities	273,604		262,763		10,841		235,694	
Long-Term Loans	11,251		10,390		860		16,360	
Lease Deposits	202,056		201,845		211		206,070	
Deferred Income Taxes	11,529		11,984		(454)		16,145	
Deferred Income Taxes- Revaluation	32,273		33,305		(1,031)		33,163	
Other	82,859		88,143		(5,284)		85,125	
Allowance for Doubtful Accounts	(19,360)		(19,151)		(208)		(21,224)	
III. Deferred Assets	0		0		(0)		0	
Total Assets	¥2,899,504	100.0	¥2,916,582	100.0	¥(17,078)	(0.6)	¥2,917,359	100.0

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	December 31		March 31		Change		December 31	
	2004	% of Total Assets	2004	% of Total Assets	Amount	Percentage	2003	% of Total Assets
I. Current Liabilities:	¥599,238	20.7	¥615,292	21.1	¥(16,053)	(2.6)	¥610,862	20.9
Accounts Payable—Trade	66,032		117,965		(51,933)		69,603	
Short-Term Debt	199,823	6.9	228,209	7.8	(28,386)	(12.4)	232,718	8.0
Commercial Paper	147,000		37,000		110,000		103,000	
Bond Redeemable Within One Year	—		10,000		(10,000)		10,000	
Income Taxes Payable	4,411		16,975		(12,563)		20,519	
Advances from Contracts in Progress	22,971		16,604		6,367		22,183	
Allowance for Completed Project Indemnities	1,808		1,929		(120)		1,937	
Allowance for Possible Guarantee Losses	176		309		(132)		221	
Deferred Income Taxes	0		0		—		—	
Other Current Liabilities	157,015		186,298		(29,283)		150,680	
II. Long-Term Liabilities:	1,629,945	56.2	1,626,151	55.8	3,793	0.2	1,614,714	55.4
Corporate Bonds	235,000		215,000		20,000		215,000	
Long-Term Debt	810,223	27.9	831,291	28.5	(21,068)	(2.5)	819,540	28.1
Deposits from Tenants	289,236		291,322		(2,085)		295,390	
Allowance for Employees' Retirement Benefits	27,276		23,420		3,856		24,274	
Allowance for Directors' Retirement Benefits	1,792		1,682		109		1,607	
Deferred Income Taxes	51,403		46,099		5,303		43,077	
Deferred Income Taxes – Revaluation	151,018		151,018		—		149,190	
Other Fixed Liabilities	63,993		66,316		(2,323)		66,632	
Total Liabilities	2,229,183	76.9	2,241,443	76.9	(12,260)	(0.5)	2,225,577	76.3
MINORITY INTEREST:								
Minority Interests in Consolidated Subsidiaries	15,140	0.5	15,973	0.5	(833)	(5.2)	16,702	0.6
SHAREHOLDERS' EQUITY:								
I. Common Stock	134,433	4.6	134,433	4.6	—	—	134,433	4.6
II. Additional Paid-in Capital	205,828	7.1	205,823	7.1	5	0.0	205,823	7.1
III. Retained Earnings	134,904	4.7	167,890	5.8	(32,985)	(19.6)	191,982	6.6
IV. Surplus from Land Revaluation	182,402		158,227		24,174		158,004	
V. Unrealized Gains/Losses on Securities	27,833		26,317		1,516		16,103	
VI. Foreign Currency Translation Adjustment	(28,938)		(32,545)		3,607		(30,359)	
	656,463	22.6	660,145	22.6	(3,682)	(0.6)	675,987	23.2
VII. Treasury Stock	(1,282)		(979)		(302)		(907)	
Total Shareholders' Equity	655,180	22.6	659,165	22.6	(3,984)	(0.6)	675,079	23.1
Total Liabilities, Minority Interest and Shareholders' Equity	¥2,899,504	100.0	¥2,916,582	100.0	¥(17,078)	(0.6)	¥2,917,359	100.0

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Nine Months Ended December 31				Change		Year Ended March 31	
	2004	% of Total Revenue	2003	% of Total Revenue	Amount	Percentage	2004	% of Total Revenue
I. Revenue from Operations	¥700,745	100.0	¥745,955	100.0	¥(45,209)	(6.1)	¥1,102,844	100.0
II. Cost of Revenue from Operations	555,132	79.2	585,577	78.5	(30,445)	(5.2)	873,627	79.2
Gross Operating Profit	145,613	20.8	160,377	21.5	(14,764)	(9.2)	229,217	20.8
III. Selling, General and Administrative Expenses	81,623	11.7	86,219	11.6	(4,596)	(5.3)	119,971	10.9
Operating Income	63,989	9.1	74,157	9.9	(10,168)	(13.7)	109,246	9.9
IV. Non-Operating Income:	8,293	1.2	8,357	1.1	(63)	(0.8)	9,521	0.9
Interest Income	768		898		(130)		1,219	
Dividend Income	1,356		1,326		29		1,942	
Equity in Net Income of Affiliated Companies	3,591		3,978		(386)		3,534	
Other Non-Operating Income	2,576		2,153		423		2,824	
V. Non-Operating Expenses:	21,241	3.0	23,194	3.1	(1,952)	(8.4)	31,531	2.9
Interest Expenses	15,660		17,370		(1,710)		22,757	
Other Non-Operating Expenses	5,581		5,823		(242)		8,773	
Ordinary Income	51,042	7.3	59,321	7.9	(8,279)	(14.0)	87,236	7.9
VI. Extraordinary Gains	4,183	0.6	3,517	0.5	665	18.9	5,665	0.5
VII. Extraordinary Losses	35,142	5.0	2,564	0.3	32,577	1,270.2	69,254	6.3
Income before Income Taxes	20,083	2.9	60,274	8.1	(40,190)	(66.7)	23,647	2.1
Income Taxes	5,987		20,926		(14,938)		23,914	
Deferred Income Taxes	6,921		1,262		5,659		(15,057)	
Minority Interests	(443)		(13)		(430)		335	
Net Income	¥7,617	1.1	¥38,099	5.1	¥(30,481)	(80.0)	¥14,454	1.3

Nonconsolidated Financial Statements

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	December 31		March 31		Change		December 31	
	2004	% of Total Assets	2004	% of Total Assets	Amount	Percentage	2003	% of Total Assets
I. Current Assets:	¥623,033	23.9	¥616,108	23.6	6,924	1.1	¥626,421	24.1
Cash and Time Deposits	22,553		69,767		(47,213)		24,521	
Accounts Receivable	7,440		11,061		(3,621)		9,223	
Real Property for Sale	142,797	5.5	150,431	5.8	(7,634)	(5.1)	172,504	6.6
Real Property in Progress	152,372	5.8	110,381	4.2	41,991	38.0	146,668	5.6
Land for Development	34,652	1.3	20,826	0.8	13,825	66.4	32,572	1.3
Expenditure on Contracts in Progress	—		—		—		572	
Advances Paid for Purchases	22,212		20,065		2,147		10,412	
Prepaid Expenses	3,527		3,505		22		3,562	
Short-Term Loans	117,319		96,406		20,912		124,915	
Other Receivables	10,412		32,955		(22,543)		13,442	
Operational Investment	38,685		40,160		(1,474)		37,496	
Deferred Income Taxes	47,969		47,969		—		29,791	
Other Current Assets	23,773		13,886		9,887		21,648	
Allowance for Doubtful Accounts	(684)		(1,309)		625		(911)	
II. Fixed Assets:	1,987,621	76.1	1,994,984	76.4	(7,362)	(0.4)	1,972,747	75.9
1. Tangible Fixed Assets:	1,202,225	46.0	1,189,263	45.6	12,962	1.1	1,189,389	45.8
Buildings	293,245	11.2	289,620	11.1	3,625	1.3	289,946	11.2
Structures	7,981		8,784		(802)		8,641	
Machinery	1,799		1,545		253		1,492	
Transportation Equipment	21		50		(28)		56	
Tools, Furniture and Fixtures	4,309		4,122		187		3,930	
Land	869,148	33.3	867,472	33.2	1,676	0.2	868,624	33.4
Construction in Progress	24,430		12,858		11,571		11,888	
Other Tangible Assets	1,287		4,809		(3,521)		4,808	
2. Intangible Fixed Assets:	19,068	0.7	21,387	0.8	(2,319)	(10.8)	21,485	0.8
Leasehold Rights	15,976		17,926		(1,949)		17,928	
Software	2,812		3,271		(458)		3,371	
Other Intangible Fixed Assets	279		190		89		185	
3. Investments and Other Assets:	766,328	29.4	784,333	30.0	(18,005)	(2.3)	761,873	29.3
Investment Securities	195,848		188,371		7,477		160,599	
Investments in Consolidated Subsidiaries and Affiliated Companies	179,011		181,975		(2,964)		182,480	
Investments	25,053		24,729		323		23,865	
Long-Term Loans	10,014		9,165		848		15,063	
Long-Term Loans to Affiliates	157,821		165,174		(7,352)		164,137	
Lease Deposits	198,424	7.6	197,100	7.5	1,323	0.7	200,421	7.7
Other Investments	26,671		31,046		(4,375)		24,895	
Allowance for Doubtful Accounts	(26,517)		(13,230)		(13,286)		(9,589)	
Total Assets	¥2,610,654	100.0	¥2,611,093	100.0	¥(438)	(0.0)	¥2,599,169	100.0

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	December 31		March 31		Change		December 31	
	2004	% of Total Assets	2004	% of Total Assets	Amount	Percentage	2003	% of Total Assets
I . Current Liabilities:	¥484,824	18.6	¥487,722	18.7	¥(2,897)	(0.6)	¥485,030	18.7
Accounts Payable	18,444		78,611		(60,166)		24,688	
Short-Term Debt	183,859	7.0	205,416	7.9	(21,557)	(10.5)	205,469	7.9
Commercial Paper	147,000		37,000		110,000		103,000	
Bond Redeemable Within One Year	—		10,000		(10,000)		10,000	
Other Payables	12,992		10,207		2,785		6,325	
Income Taxes Payable	—		12,319		(12,319)		14,631	
Accrued Expenses	6,018		8,568		(2,550)		6,336	
Advances Received	45,104		34,376		10,728		42,920	
Deposits	62,784		81,140		(18,355)		58,577	
Other Current Liabilities	8,619		10,081		(1,462)		13,082	
II . Long-Term Liabilities:	1,454,500	55.7	1,451,511	55.6	2,988	0.2	1,438,716	55.3
Corporate Bonds	235,000	9.0	215,000	8.2	20,000	9.3	215,000	8.3
Long-Term Debt	719,044	27.5	738,113	28.3	(19,068)	(2.6)	725,878	27.9
Deposits from Tenants	268,880	10.3	270,229	10.3	(1,349)	(0.5)	272,533	10.5
Deferred Income Taxes	26,030		25,275		755		22,379	
Deferred Income Taxes - Revaluation	151,018		151,018		—		149,190	
Allowance for Employees' Retirement Benefits	12,863		9,979		2,884		10,551	
Allowance for Directors' Retirement Benefits	1,228		1,129		98		1,087	
Other Fixed Liabilities	40,435		40,765		(330)		42,096	
Total Liabilities	1,939,325	74.3	1,939,234	74.3	91	0.0	1,923,747	74.0
SHAREHOLDERS' EQUITY:								
Common Stock	134,433	5.1	134,433	5.1	—	—	134,433	5.2
Additional Paid-in Capital:	205,829	7.9	205,824	7.9	5	0.0	205,823	7.9
Capital Reserve	205,823		205,823		—		205,823	
Other Additional Paid-in Capital	6		0		5		—	
Gain on Disposal of Treasury Stock	6		0		5		—	
Retained Earnings:	75,928	2.9	86,282	3.3	(10,354)	(12.0)	99,945	3.8
Legal Reserve	13,688		13,688		—		13,688	
Reserve for Substitute Assets	48,844		49,292		(447)		49,292	
Other Reserve	16,790		16,790		—		16,790	
Unappropriated Earnings	(3,395)		6,511		(9,907)		20,173	
Surplus from Land Revaluation	229,412	8.8	220,399	8.4	9,012	4.1	220,318	8.5
Unrealized Gain/Loss on Securities	26,990	1.0	25,887	1.0	1,102	4.3	15,797	0.6
Treasury Stock	(1,263)	(0.0)	(967)	(0.0)	(296)	30.6	(896)	(0.0)
Total Shareholders' Equity	671,329	25.7	671,859	25.7	(529)	(0.1)	675,421	26.0
Total Liabilities and Shareholders' Equity	¥2,610,654	100.0	¥2,611,093	100.0	¥(438)	(0.0)	¥2,599,169	100.0

NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Nine Months Ended December 31				Change		Year Ended March 31	
	2004	% of Total Revenue	2003	% of Total Revenue	Amount	Percentage	2004	% of Total Revenue
Revenue from Operations:	¥341,600	100.0	¥396,025	100.0	¥(54,425)	(13.7)	¥615,984	100.0
Leasing	185,089	54.1	181,483	45.8	3,606	2.0	240,484	39.0
Sales of Housing, Office Buildings and Land	123,864	36.3	185,292	46.8	(61,427)	(33.2)	333,901	54.2
Other	32,646	9.6	29,249	7.4	3,396	11.6	41,599	6.8
Cost of Revenue from Operations:	279,197		321,787		(42,590)		503,830	
Leasing	151,338		144,717		6,621		196,320	
Sales of Housing, Office Buildings and Land	111,734		156,725		(44,991)		278,593	
Other	16,124		20,344		(4,220)		28,916	
Selling, General and Administrative Expenses	22,269		30,251		7,981		46,233	
Operating Income	40,133	11.7	43,986	11.1	(3,852)	(8.8)	65,920	10.7
Non-Operating Income/Expense	(6,836)		(11,701)		4,864		(2,998)	
Non-Operating Income:	8,853		7,514		1,338		23,688	
Interest Income	2,675		3,132		(457)		4,114	
Dividend Income	4,616		2,855		1,760		17,460	
Other Non-Operating Income	1,561		1,526		35		2,113	
Non-Operating Expenses:	15,690		19,216		(3,526)		26,687	
Interest Expenses	12,334		13,721		(1,387)		18,084	
Other Non-Operating Expenses	3,356		5,494		(2,138)		8,602	
Ordinary Income	33,296	9.7	32,284	8.2	1,011	3.1	62,922	10.2
Extraordinary Gains/Losses	(25,825)		2,533		(28,359)		(59,728)	
Extraordinary Gains	3,802		2,533		1,268		4,664	
Extraordinary Losses	29,627		—		29,627		64,392	
Income before Income Taxes	7,471	2.2	34,818	8.8	(27,347)	(78.5)	3,193	0.5
Income Taxes	2,955		14,631		(11,676)		16,955	
Deferred Income Taxes	—		—		—		(20,366)	
Net Income	4,516	1.3	20,187	5.1	(15,671)	(77.6)	6,605	1.1
Earning Brought Forward from Previous Period	3,978		5,298		(1,319)		5,298	
Interim Dividends	2,877		2,878		(0)		2,878	
Reversal of Revaluation Difference for Land	(9,012)		(2,433)		(6,579)		(2,513)	
Unappropriated Earnings	¥(3,395)		¥20,173		¥(23,569)		¥6,511	