

August 1, 2005

FACT BOOK

For the Three Months Ended June 30, 2005



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Corporate Data

Mitsui Fudosan Co., Ltd.

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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, 2005

CONSOLIDATED RESULTS

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31
	2005	2004		2005
Revenue from Operations	¥222,619	¥214,862	¥7,756	¥1,111,359
Operating Income	19,174	17,300	1,874	115,764
Ordinary Income	16,911	14,155	2,755	94,637
Net Income	11,359	9,749	1,610	28,693

(¥ millions)

	Year to 3/06 (Forecast as of April 28, 2005)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥1,125,000	19.8
Operating Income	122,000	15.7
Ordinary Income	100,000	16.9
Net Income	50,000	22.7

- ◆ In the three months ended June 30, 2005, revenue from operations totaled ¥222.6 billion, up 3.6% from the previous corresponding period. Operating income grew 10.8%, to ¥19.1 billion.
- ◆ The “Leasing” segment benefited from the completion of multiple projects in the second half of the previous fiscal year. These included Toranomon Kotohira Tower (office building in Minato-ku, Tokyo), Kojun Building (retail facility in Chuo-ku, Tokyo), LaLaport Koshien (retail facility in Nishinomiya-shi, Hyogo), and ZOE Ginza (retail facility in Chuo-ku, Tokyo). As a result, segment revenue increased ¥3.9 billion, and segment operating income climbed ¥2.0 billion.
- ◆ The nonconsolidated vacancy rate for office buildings in the Tokyo Metropolitan Area at June 30, 2005, was 2.5% compared with 3.0% at March 31, 2005, and 4.4% at March 31, 2004.
- ◆ The Company continued to report healthy sales of condominiums, securing sales contracts for around 65% of units estimated to be sold and handed over in the current fiscal year. Completed inventories of condominiums declined to 260 units at the end of the quarter, compared with 490 units at March 31, 2005.
- ◆ The “Sales of housing, office buildings and land” segment reported revenue and earnings increases from the previous corresponding period. In the area of housing sales to individuals, the operating margin increased as a result of reductions in marketing expenses. Sales of properties to investors also proceeded according to plan.
- ◆ The rise in operating income helped boost ordinary income by ¥2.7 billion (19.5%) and net income by ¥1.6 billion (16.5%) over the previous corresponding period.
- ◆ Revenue from operations, operating income and ordinary income fell short of 20% of our full-year forecast. However, this was mainly due to seasonal factors derived from 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.

CONSOLIDATED FORECAST

Because the Company is performing generally according to plan, 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 28, 2005.

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 (amount)	Year Ended March 31, 2005
	2005	2004		
Revenue from Operations	¥89,092	¥85,134	¥3,958	¥343,719
Operating Income	18,662	16,634	2,027	62,520

(¥ millions)

	Year to 3/06 (Forecast as of April 28, 2005)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥357,000	25.0
Operating Income	63,000	29.6

- Revenue from operations in this segment increased year-on-year due to the completion of multiple projects in the second half of the previous fiscal year. These included Toranomom Kotohira Tower (office building in Minato-ku, Tokyo), Kojun Building (retail facility in Chuo-ku, Tokyo), LaLaport Koshien (retail facility in Nishinomiya-shi, Hyogo), and ZOE Ginza (retail facility in Chuo-ku, Tokyo). The residential leasing (centering on Mitsui Fudosan Housing Lease) and the car-park leasing (Mitsui Real Estate Sales) businesses both reported increased in units and spaces under management. Owing largely to the revenue gain, segment operating income also increased.
- On a consolidated basis (including overseas), the total vacancy rate for all office buildings and retail facilities was 3.0% at June 30, 2005, largely unchanged from 2.8% at March 31. On a nonconsolidated basis, the vacancy rate of office buildings in the Tokyo Metropolitan Area improved to 2.5%, from 3.0% at March 31, owing to favorable demand for office building space, especially in central Tokyo.

(a) Leasing

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2005	2004	2005
	Revenue	Revenue	Revenue
Office Buildings	54,241	54,504	215,718
Retail Facilities	14,365	11,865	50,957
Residentials	13,593	12,569	51,311
Other (Car Parks, etc.)	6,891	6,194	25,732
Total	89,092	85,134	343,719

(b) Leased Floor Space

		June 30, 2005	March 31, 2005
Office Buildings and Retail Facilities	Leased Floor space (m ²):		
	Owned	1,940,011	1,957,426
	Managed	1,460,482	1,464,710
	Total	3,400,493	3,422,135
Vacancy Rate(%)		3.0	2.8
Residentials	Leased Units:		
	Owned	260	258
	Managed	51,177	50,081
	Total	51,437	50,339
Car Parks	Managed Units:		
	Total	66,381	59,122

(c) Total Floor Space (Nonconsolidated)

	June 30, 2005			March 31, 2005		
	No. of Buildings	Total Floor Space (1,000m ²)	Share of Total Floor Space (%)	No. of Buildings	Total Floor Space (1,000m ²)	Share of Total Floor Space (%)
Owned	117	2,479	48.4	117	2,454	48.1
Managed	196	2,643	51.6	197	2,646	51.9
Total	313	5,122	100.0	314	5,101	100.0

(d) Vacancy Rate at End of Term

(%)

	6/05	3/05	9/04	3/04	9/03	3/03
Consolidated						
Office Buildings and Retail Facilities (including overseas)	3.0	2.8	5.2	5.0	6.0	6.0
Nonconsolidated						
Tokyo Metropolitan Area Office Buildings	2.5	3.0	4.8	4.4	5.8	5.4
Regional Area Office Buildings	7.9	7.0	6.9	7.6	8.8	12.1

(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	
		2005	2004	2005	2004	2005	2004
Office Buildings	Number of Buildings	263	265	224	226	39	39
	Leased Floor Space (1,000m ²)	2,204	2,174	1,912	1,881	292	293
	Leasing Revenue (¥ millions)	49,862	50,088	44,521	44,902	5,341	5,186
	Vacancy Rate (%)	3.3	4.8	2.5	4.5	7.9	6.5
Retail Facilities	Number of Buildings	48	48	33	34	15	14
	Leased Floor Space (1,000m ²)	850	828	514	576	335	252
	Leasing Revenue (¥ millions)	13,095	10,571	8,381	7,235	4,714	3,336
	Vacancy Rate (%)	2.3	5.9	3.5	0.7	0.5	16.0

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 (amount)	Year Ended March 31, 2005
	2005	2004		
Revenue from Operations	¥52,701	¥51,363	¥1,338	¥334,472
Operating Income	5,876	4,751	1,124	35,153

(¥ millions)

	Year to 3/06 (Forecast as of April 28, 2005)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥328,000	16.1
Operating Income	42,000	14.0

- In this segment, 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 in the fourth quarter.
- The Group sold a total of 734 units to individuals during the quarter (506 condominium units and 228 detached houses). This compares with 622 units (443 condominium units and 179 detached houses) in the previous corresponding period.
- Completed housing inventories of the parent company at June 30, 2005, totaled 325 units (260 condominium units and 65 detached houses), down from 545 units (490 condominium units and 55 detached houses) at March 31.
- The Group estimates that 4,500 condominium units will be sold and handed over in the current fiscal year. Of this total, it has already secured sales contracts for around 65%.
- Sales of income-producing properties to investors (included in the “Other sales” category of this segment) proceeded well during the quarter, contributing to overall segment revenue and earnings increases.

(a) Housing Sales and Other Sales

	Three Months Ended June 30						Year Ended March 31		
	2005			2004			2005		
	Units	Revenue (¥ millions)	Unit Price (¥ millions)	Units	Revenue (¥ millions)	Unit Price (¥ millions)	Units	Revenue (¥ millions)	Unit Price (¥ millions)
Detached Housing									
Tokyo Metropolitan Area	200	10,591	52	150	7,923	52	560	30,399	54
Other	28	1,378	49	29	578	19	116	2,610	22
Total	228	11,970	52	179	8,502	47	676	33,009	48
Condominiums									
Tokyo Metropolitan Area	378	17,353	45	231	21,357	92	3,445	170,601	49
Other	128	4,205	32	212	6,600	31	1,685	52,016	30
Total	506	21,559	42	443	27,957	63	5,130	222,617	43
Other Sales	-	19,171	-	-	14,903	-	-	78,844	-
Total Sales	-	52,701	-	-	51,363	-	-	334,472	-

(b) Completed Housing Inventories (Nonconsolidated)

(Units)

	6/05	3/05	9/04	3/04	9/03	3/03
Detached Housing	65	55	40	25	30	120
Condominiums	260	490	210	455	475	485
Total	325	545	250	480	505	605

(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	198	190	388	226	162	186
Condominiums	2,128	1,093	3,221	506	2,715	1,366
Total	2,326	1,283	3,609	732	2,877	1,552

Note: Above figures except reported number of units include those scheduled for completion in the next fiscal year and after.

[3] CONSTRUCTION

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2005
	2005	2004		
Revenue from Operations	¥20,981	¥18,553	¥2,428	¥183,552
Operating Income	(6,077)	(6,344)	266	2,359

(¥ millions)

	Year to 3/06 (Forecast as of April 28, 2005)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥187,000	11.2
Operating Income	3,000	-

- This 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 each fiscal year, especially in the fourth quarter. The order backlog for Mitsui Home Group projects at the beginning of the period under review was higher than a year earlier, which helped improve revenue and earnings in this segment.

Orders, Order Backlogs and Sales Proceeds (Consolidated figures of Mitsui Home)

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2005	2004	2005
Orders:			
Order Backlogs at Beginning of Period	108,223	105,874	105,874
Order Backlogs of Newly Consolidated Subsidiary	-	-	1,040
Order Received during Period	41,947	43,239	190,727
Total	150,171	149,113	297,641
Sales Proceeds	22,729	19,405	189,418
Order Backlogs at End of Period	127,442	129,708	108,223

[4] BROKERAGE, CONSIGNMENT SALES AND CONSULTING

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2005
	2005	2004		
Revenue from Operations	¥12,676	¥13,332	(¥656)	¥60,223
Operating Income	1,508	2,919	(1,410)	18,607

(¥ millions)

	Year to 3/06 (Forecast as of April 28, 2005)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥58,000	21.9
Operating Income	17,000	8.9

- This segment benefited from improved year-on-year results from Mitsui Real Estate Sales' brokerage services for individual and corporate clients. In the previous corresponding period, however, the Group generated significant brokerage and project management fees related to large-scale projects for corporate clients. By comparison, therefore, segment revenues and operating income for the period under review were down.

(¥ millions)

	Three Months Ended June 30				Year Ended March 31	
	2005		2004		2005	
	Units	Revenue	Units	Revenue	Units	Revenue
Brokerage	7,267	9,958	7,228	9,716	28,966	41,531
Consignment Sales	815	1,457	609	1,110	6,653	8,809
Consulting	-	1,259	-	2,505	-	9,882
Total	-	12,676	-	13,332	-	60,223

[5] PROPERTY MANAGEMENT

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2005
	2005	2004		
Revenue from Operations	¥19,298	¥17,805	¥1,492	¥78,248
Operating Income	2,855	2,833	21	10,767

(¥ millions)

	Year to 3/06 (Forecast as of April 28, 2005)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥85,000	22.7
Operating Income	11,000	26.0

- In the quarter under review, both revenue and operating income in this segment increased year-on-year, thanks to the completion of new projects, including office buildings, retail facilities, and housing developments.

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2005	2004	2005
	Revenue	Revenue	Revenue
Property Management	14,530	13,502	56,145
Tenant Improvement	4,767	4,302	22,103
Total	19,298	17,805	78,248

[6] SALES OF HOUSING MATERIALS AND MERCHANDISE

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2005
	2005	2004		
Revenue from Operations	¥16,783	¥17,127	(¥344)	¥65,228
Operating Income	443	110	333	187

(¥ millions)

	Year to 3/06 (Forecast as of April 28, 2005)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥66,000	25.4
Operating Income	500	88.7

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2005	2004	2005
	Revenue	Revenue	Revenue
Housing Materials	4,379	4,496	20,416
Merchandise	12,404	12,631	44,812
Total	16,783	17,127	65,228

[7] FACILITY OPERATIONS

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2005
	2005	2004		
Revenue from Operations	¥9,594	¥9,661	(¥66)	¥38,509
Operating Income	502	415	86	1,386

(¥ millions)

	Year to 3/06 (Forecast as of April 28, 2005)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥36,000	26.7
Operating Income	1,500	33.5

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2005	2004	2005
	Revenue	Revenue	Revenue
Hotels	6,633	6,559	25,486
Other	2,961	3,102	13,023
Total	9,594	9,661	38,509

[8] OTHER

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2005
	2005	2004		
Revenue from Operations	¥1,492	¥1,885	(¥393)	¥7,404
Operating Income	396	345	51	1,849

(¥ millions)

	Year to 3/06 (Forecast as of April 28, 2005)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥8,000	18.7
Operating Income	1,000	39.7

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2005	2004	2005
	Revenue	Revenue	Revenue
Finance and Lease	375	391	1,549
Other	1,116	1,493	5,855
Total	1,492	1,885	7,404

ASSETS AND LIABILITIES

[Property for Sale]

- On a consolidated basis, the balance of real property for sale, including advances paid for purchases, at June 30, 2005, stood at ¥394.6 billion, up ¥19.4 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 ¥48.8 billion.

[Tangible and Intangible Fixed Assets]

- On a consolidated basis, the balance of tangible and intangible assets at June 30, 2005, was ¥1,656.3 billion, up ¥11.1 billion from March 31. Investments made during the quarter include Nihonbashi Mitsui Tower (office building in Chuo-ku, Tokyo, completed in July 2005).

[Interest-Bearing Debt]

- At June 30, 2005, total consolidated interest-bearing debt stood at ¥1,372.6 billion, up ¥93.5 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, 2004, interest-bearing debt was down ¥38.3 billion.

Segment Information

Three Months Ended June 30, 2005

(¥ 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	89,092	1,241	90,334	71,671	18,662	1,917,222	6,542	-	17,602
(2) Sales of Housing, Office Buildings and Land	52,701	-	52,701	46,825	5,876	489,669	129	-	89
(3) Construction	20,981	1,768	22,750	28,827	(6,077)	58,628	627	-	1,188
(4) Brokerage, Consignment Sales and Consulting	12,676	1,664	14,340	12,831	1,508	29,952	199	-	212
(5) Property Management	19,298	5,100	24,398	21,543	2,855	41,525	190	-	140
(6) Sales of Housing Materials and Merchandise	16,783	7,471	24,254	23,810	443	43,962	238	-	90
(7) Facility Operations	9,594	85	9,680	9,178	502	75,139	546	-	616
(8) Other	1,492	2,463	3,955	3,559	396	21,832	620	-	981
Total	222,619	19,796	242,415	218,247	24,167	2,677,932	9,095	-	20,921
Elimination or Corporate	-	(19,796)	(19,796)	(14,803)	(4,992)	224,500	163	-	76
Consolidated	222,619	-	222,619	203,444	19,174	2,902,433	9,258	-	20,998

Three Months Ended June 30, 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	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

Year Ended March 31, 2005

(¥ 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	343,719	5,970	349,689	287,169	62,520	1,934,689	26,372	8,272	67,182
(2) Sales of Housing, Office Buildings and Land	334,472	-	334,472	299,318	35,153	498,466	639	2,475	430
(3) Construction	183,552	6,226	189,778	187,419	2,359	56,317	2,503	83	2,760
(4) Brokerage, Consignment Sales and Consulting	60,223	10,578	70,802	52,194	18,607	86,407	823	-	747
(5) Property Management	78,248	19,306	97,555	86,787	10,767	44,567	967	-	957
(6) Sales of Housing Materials and Merchandise	65,228	34,620	99,848	99,660	187	51,685	1,158	-	1,413
(7) Facility Operations	38,509	472	38,981	37,595	1,386	77,423	2,612	22,975	2,385
(8) Other	7,404	10,297	17,702	15,853	1,849	27,685	2,714	-	2,556
Total	1,111,359	87,472	1,198,831	1,066,000	132,831	2,777,242	37,790	33,806	78,434
Elimination or Corporate	-	(87,472)	(87,472)	(70,405)	(17,066)	150,957	721	-	463
Consolidated	1,111,359	-	1,111,359	995,594	115,764	2,928,199	38,512	33,806	78,898

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	
	2005	% of Total Assets	2005	% of Total Assets	Amount	%	2004	% of Total Assets
I. Current Assets:	¥709,021	24.4	¥745,703	25.5	¥(36,682)	(4.9)	¥644,374	22.3
Cash and Time Deposits	59,810		113,427		(53,616)		89,044	
Accounts Receivable—Trade	19,075		28,533		(9,458)		23,994	
Marketable Securities	289		304		(14)		125	
Real Property for Sale	376,117		351,888		24,229		339,201	
Expenditure on Contracts in Progress	21,402		9,891		11,511		19,365	
Other Inventories	9,946		9,548		398		9,824	
Advances Paid for Purchases	18,530		23,330		(4,800)		19,608	
Short-Term Loans	8,916		12,136		(3,220)		10,119	
Equity Investments in Properties for Sale	101,478		91,850		9,627		—	
Deferred Income Taxes	53,752		50,872		2,879		58,931	
Other Current Assets	41,140		57,051		(15,910)		76,535	
Allowance for Doubtful Accounts	(1,438)		(3,131)		1,692		(2,376)	
II. Fixed Assets:	2,193,411	75.6	2,182,495	74.5	10,916	0.5	2,242,762	77.7
1. Tangible Fixed Assets:	1,624,819	56.0	1,615,619	55.2	9,199	0.6	1,614,935	55.9
Buildings and Structures	465,069		466,886		(1,816)		462,800	
Machinery, Equipment and Materials Handling Equipment	4,880		4,830		50		5,336	
Land	1,090,676		1,089,664		1,011		1,083,210	
Construction in Progress	40,822		30,692		10,129		30,473	
Other Tangible Assets	23,369		23,545		(175)		33,115	
2. Intangible Fixed Assets:	31,571	1.1	29,585	1.0	1,986	6.7	32,949	1.2
Leasehold Rights	23,868		21,457		2,410		24,456	
Other Intangible Fixed Assets	7,703		8,127		(424)		8,492	
3. Investments and Other Assets:	537,020	18.5	537,289	18.3	(268)	(0.1)	594,877	20.6
Investment Securities	236,296		235,813		482		275,702	
Long-Term Loans	10,431		11,264		(833)		10,370	
Lease Deposits	198,719		200,265		(1,546)		202,148	
Deferred Income Taxes	30,736		30,708		28		11,755	
Deferred Tax Assets on Land Revaluation	21,262		21,262		—		33,305	
Other	50,867		49,708		1,158		80,874	
Allowance for Doubtful Accounts	(11,293)		(11,733)		440		(19,279)	
III. Deferred Assets	0	0.0	0	0.0	0	27.9	0	0.0
Total Assets	¥2,902,433	100.0	¥2,928,199	100.0	¥(25,765)	(0.9)	¥2,887,138	100.0

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	June 30		March 31		Change		June 30	
	2005	% of Total Assets	2005	% of Total Assets	Amount	%	2004	% of Total Assets
I. Current Liabilities:	¥635,718	21.9	¥634,920	21.7	¥798	0.1	¥552,793	19.1
Accounts Payable—Trade	44,863		114,236		(69,372)		50,290	
Short-Term Debt	247,064		243,078		3,985		174,989	
Commercial Paper	137,000		29,000		108,000		154,000	
Bond Redeemable Within One Year	10,000		—		10,000		—	
Income Taxes Payable	12,121		16,754		(4,632)		8,735	
Advances from Contracts in Progress	20,434		15,170		5,263		21,553	
Allowance for Completed Project Indemnities	1,436		1,593		(157)		1,718	
Allowance for Possible Guarantee Losses	203		252		(49)		278	
Deferred Income Taxes	—		—		—		0	
Other Current Liabilities	162,594		214,833		(52,238)		141,227	
II. Long-Term Liabilities:	1,551,759	53.5	1,585,583	54.1	(33,823)	(2.1)	1,659,895	57.5
Corporate Bonds	225,000		235,000		(10,000)		215,000	
Long-Term Debt	753,560		771,971		(18,410)		866,951	
Deposits from Tenants	285,699		288,251		(2,552)		288,682	
Allowance for Employees' Retirement Benefits	28,060		26,978		1,082		24,639	
Allowance for Directors' and Corporate Auditors' Retirement Benefits	1,676		1,943		(267)		1,635	
Deferred Income Taxes	46,150		46,496		(346)		46,811	
Deferred Tax Liabilities on Land Revaluation	157,995		157,995		—		151,018	
Other Fixed Liabilities	53,615		56,945		(3,330)		65,155	
Total Liabilities	2,187,478	75.4	2,220,504	75.8	(33,025)	(1.5)	2,212,688	76.6
MINORITY INTEREST:								
Minority Interests in Consolidated Subsidiaries	17,850	0.6	19,977	0.7	(2,126)	(10.6)	13,947	0.5
SHAREHOLDERS' EQUITY:								
I. Common Stock	134,433	4.6	134,433	4.6	—	—	134,433	4.7
II. Additional Paid-in Capital	205,831	7.1	205,830	7.0	0	0.0	205,823	7.1
III. Retained Earnings	162,613	5.6	155,097	5.3	7,516	4.8	163,753	5.7
IV. Reserve on Land Revaluation	184,468	6.4	183,625	6.3	842	0.5	160,253	5.5
V. Net Unrealized Holding Gains on Securities	32,781	1.1	33,348	1.1	(566)	(1.7)	30,724	1.1
VI. Foreign Currency Translation Adjustment	(21,623)	(0.8)	(23,255)	(0.8)	1,632	(7.0)	(33,440)	(1.2)
	698,504	24.0	689,078	23.5	9,426	1.4	661,547	22.9
VII. Treasury Stock	(1,399)	(0.0)	(1,360)	(0.0)	(39)	2.9	(1,045)	(0.0)
Total Shareholders' Equity	697,104	24.0	687,717	23.5	9,387	1.4	660,502	22.9
Total Liabilities, Minority Interest and Shareholders' Equity	¥2,902,433	100.0	¥2,928,199	100.0	¥(25,765)	(0.9)	¥2,887,138	100.0

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Three Months Ended June 30				Change		Year Ended March 31	
	2005	% of Total Revenue	2004	% of Total Revenue	Amount	%	2005	% of Total Revenue
I. Revenue from Operations	¥222,619	100.0	¥214,862	100.0	¥7,756	3.6	¥1,111,359	100.0
II. Cost of Revenue from Operations	176,080	79.1	169,761	79.0	6,319	3.7	879,260	79.1
Gross Operating Profit	46,538	20.9	45,101	21.0	1,436	3.2	232,098	20.9
III. Selling, General and Administrative Expenses	27,363	12.3	27,801	12.9	(437)	(1.6)	116,334	10.5
Operating Income	19,174	8.6	17,300	8.1	1,874	10.8	115,764	10.4
IV. Non-Operating Income:	3,237	1.5	3,051	1.4	186	6.1	9,947	0.9
Interest Income	192		251		(59)		1,065	
Dividend Income	745		679		66		2,051	
Equity in Net Income of Affiliated Companies	—		330		(330)		3,595	
Other Non-Operating Income	2,299		1,789		510		3,233	
V. Non-Operating Expenses:	5,501	2.5	6,195	2.9	(694)	(11.2)	31,074	2.8
Interest Expenses	5,129		5,202		(73)		20,443	
Equity in Net Loss of Affiliated Companies	32		—		32		—	
Other Non-Operating Expenses	339		993		(653)		10,631	
Ordinary Income	16,911	7.6	14,155	6.6	2,755	19.5	94,637	8.5
VI. Extraordinary Gains	975	0.4	269	0.1	706	262.7	4,968	0.4
VII. Extraordinary Losses	1,031	0.4	377	0.2	653	173.0	47,764	4.3
Income before Income Taxes	16,856	7.6	14,047	6.5	2,808	20.0	51,841	4.6
Income Taxes	7,071	3.2	5,857	2.7	1,213	20.7	26,489	2.4
Deferred Income Taxes	38	0.0	121	0.1	(82)	(68.2)	(4,847)	(0.5)
Minority Interests	(1,613)	(0.7)	(1,681)	(0.8)	68	(4.1)	1,506	0.1
Net Income	¥11,359	5.1	¥9,749	4.5	¥1,610	16.5	¥28,693	2.6

Nonconsolidated Financial Statements

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	June 30		March 31		Change		June 30	
	2005	% of Total Assets	2005	% of Total Assets	Amount	%	2004	% of Total Assets
I. Current Assets:	¥668,520	25.9	¥703,823	26.9	¥(35,303)	(5.0)	¥593,113	22.8
Cash and Time Deposits	39,427		46,086		(6,658)		34,875	
Accounts Receivable	4,552		10,349		(5,797)		9,198	
Real Property for Sale	119,457		146,547		(27,090)		139,526	
Real Property in Progress	129,940		111,985		17,955		133,258	
Land for Development	94,522		58,832		35,689		30,765	
Advances Paid for Purchases	18,202		23,027		(4,825)		19,392	
Short-Term Loans	87,308		88,685		(1,376)		111,149	
Equity Investments in Properties for Sale	101,961		91,899		10,061		37,230	
Deferred Income Taxes	41,558		41,558		—		47,969	
Other Current Assets	31,966		86,840		(54,874)		30,381	
Allowance for Doubtful Accounts	(377)		(1,991)		1,614		(634)	
II. Fixed Assets:	1,912,961	74.1	1,909,711	73.1	3,250	0.2	2,011,364	77.2
1. Tangible Fixed Assets:	1,190,401	46.2	1,181,728	45.3	8,672	0.7	1,194,144	45.8
Buildings	289,316		290,833		(1,517)		285,055	
Land	850,324		850,289		34		864,737	
Construction in Progress	35,185		24,796		10,388		25,379	
Other Tangible Assets	15,575		15,808		(232)		18,971	
2. Intangible Fixed Assets	21,824	0.8	19,027	0.7	2,796	14.7	21,288	0.8
3. Investments and Other Assets:	700,735	27.1	708,955	27.1	(8,219)	(1.2)	795,931	30.6
Investment Securities	156,181		155,197		984		201,474	
Investments in Stock of Consolidated Subsidiaries and Affiliated Companies	190,828		191,525		(696)		181,970	
Investments	0		0		—		24,695	
Investments in Consolidated Subsidiaries and Affiliated Companies	5		5		—		5	
Long-Term Loans	10,051		10,038		13		9,162	
Long-Term Loans to Consolidated Subsidiaries and Affiliated Companies	148,970		156,703		(7,732)		169,511	
Lease Deposits	196,358		198,910		(2,552)		197,391	
Other	25,650		23,902		1,748		24,951	
Allowance for Doubtful Accounts	(27,311)		(27,327)		15		(13,231)	
Total Assets	¥2,581,481	100.0	¥2,613,534	100.0	¥(32,052)	(1.2)	¥2,604,478	100.0

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	June 30		March 31		Change		June 30	
	2005	% of Total Assets	2005	% of Total Assets	Amount	%	2004	% of Total Assets
I . Current Liabilities:	¥521,980	20.2	¥533,050	20.4	¥(11,070)	(2.1)	¥435,471	16.7
Accounts Payable	10,255		71,749		(61,493)		16,880	
Short-Term Debt	223,809		222,809		1,000		156,655	
Commercial Paper	137,000		29,000		108,000		154,000	
Bond Redeemable Within One Year	10,000		—		10,000		—	
Other Payables	4,675		18,364		(13,688)		2,466	
Income Taxes Payable	8,816		12,275		(3,459)		6,041	
Accrued Expenses	9,418		7,541		1,877		9,772	
Advances Received	38,644		35,959		2,684		37,001	
Deposits	70,160		127,124		(56,963)		45,601	
Other Current Liabilities	9,199		8,226		972		7,053	
II . Long-Term Liabilities:	1,363,743	52.8	1,391,845	53.3	(28,101)	(2.0)	1,487,716	57.1
Corporate Bonds	145,000		155,000		(10,000)		135,000	
Convertible Bonds with Stock Acquisition Rights	80,000		80,000		—		80,000	
Long-Term Debt	657,415		674,803		(17,388)		772,724	
Deposits from Tenants	266,775		268,380		(1,604)		268,228	
Deferred Income Taxes	7,739		8,149		(410)		28,213	
Deferred Tax Liabilities on Land Revaluation	157,995		157,995		—		151,018	
Allowance for Employees' Retirement Benefits	12,984		12,118		865		10,874	
Allowance for Directors' and Corporate Auditors' Retirement Benefits	1,185		1,270		(85)		1,143	
Other Fixed Liabilities	34,648		34,127		521		40,512	
Total Liabilities	1,885,723	73.0	1,924,896	73.7	(39,172)	(2.0)	1,923,188	73.8
SHAREHOLDERS' EQUITY:								
Common Stock	134,433	5.2	134,433	5.1	—	—	134,433	5.2
Additional Paid-in Capital:	205,831	8.0	205,831	7.9	0	0.0	205,824	7.9
Capital Reserve	205,823		205,823		—		205,823	
Other Additional Paid-in Capital	8		8		0		1	
Retained Earnings:	94,528	3.7	86,771	3.3	7,756	8.9	89,489	3.4
Legal Reserve	13,688		13,688		—		13,688	
Reserve for Substitute Assets	48,454		48,844		(389)		48,844	
Other Reserve	16,790		16,790		—		16,790	
Unappropriated Earnings	15,593		7,448		8,145		10,166	
Reserve on Land Revaluation	230,582	9.0	230,582	8.9	—	—	222,408	8.5
Net unrealized Holding Gains on Securities	31,779	1.2	32,377	1.2	(598)	(1.8)	30,171	1.2
Treasury Stock	(1,396)	(0.1)	(1,357)	(0.1)	(38)	2.9	(1,037)	(0.0)
Total Shareholders' Equity	695,757	27.0	688,638	26.3	7,119	1.0	681,290	26.2
Total Liabilities and Shareholders' Equity	¥2,581,481	100.0	¥2,613,534	100.0	¥(32,052)	(1.2)	¥2,604,478	100.0

NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Three Months Ended June 30				Change		Year Ended March 31	
	2005	% of Total Revenue	2004	% of Total Revenue	Amount	%	2005	% of Total Revenue
Revenue from Operations:	¥119,864	100.0	¥113,923	100.0	¥5,940	5.2	604,456	100.0
Leasing	64,131		61,799		2,332		249,007	
Sales of Housing, Office Buildings and Land	47,334		40,852		6,482		307,707	
Other	8,397		11,272		(2,874)		47,741	
Cost of Revenue from Operations:	96,044	80.1	91,256	80.1	4,787	5.2	490,001	81.1
Leasing	50,836		50,095		740		205,467	
Sales of Housing, Office Buildings and Land	40,863		36,425		4,437		262,791	
Other	4,344		4,734		(390)		21,741	
Gross Operating Profit	23,819	19.9	22,667	19.9	1,152	5.1	114,455	18.9
Selling, General and Administrative Expenses	7,174	6.0	7,562	6.6	(387)	(5.1)	41,361	6.8
Operating Income	16,644	13.9	15,104	13.3	1,540	10.2	73,093	12.1
Non-Operating Income:	5,314	4.4	3,765	3.3	1,548	41.1	11,208	1.8
Interest Income	815		890		(74)		3,440	
Dividend Income	2,627		1,507		1,120		5,316	
Other	1,870		1,368		502		2,451	
Non-Operating Expenses:	4,168	3.5	4,685	4.1	(516)	(11.0)	23,587	3.9
Interest Expenses	3,943		4,128		(185)		16,157	
Other	225		556		(331)		7,430	
Ordinary Income	17,789	14.8	14,184	12.5	3,605	25.4	60,714	10.0
Extraordinary Gains	—	—	—	—	—	—	4,324	0.7
Extraordinary Losses	—	—	—	—	—	—	37,136	6.1
Income before Income Taxes	17,789	14.8	14,184	12.5	3,605	25.4	27,902	4.6
Income Taxes	7,037	5.8	5,988	5.3	1,049	17.5	19,560	3.2
Deferred Income Taxes	—	—	—	—	—	—	(8,186)	(1.3)
Net Income	10,752	9.0	8,196	7.2	2,556	31.2	16,529	2.7
Earning Brought Forward from Previous Period	4,841		3,978		862		3,978	
Interim Dividends	—		—		—		2,877	
Reversal of Reserve on Land Revaluation	—		(2,009)		2,009		(10,182)	
Unappropriated Earnings	¥15,593		¥10,166		¥5,427		¥7,448	