

February 9, 2007

# FACT BOOK

For the Nine Months Ended December 31, 2006



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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:**

¥174,296 million

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

881,424,727

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

Tokyo, Osaka (Code: 8801)

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

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

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### **Forward-Looking Statements**

In this Fact Book, statements other than historical facts are forward-looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks and uncertainties related to internal and external factors that may cause actual results and achievements to differ from those anticipated in these statements. Therefore, we do not advise potential investors to base investment decisions solely on this Fact Book.

# Consolidated Financial Highlights (Unaudited)

For the Nine Months Ended December 31, 2006

## CONSOLIDATED RESULTS

(¥ millions)

	Nine Months Ended December 31		Change (amount)	Year Ended March 31
	2006	2005		2006
Revenue from Operations	¥765,523	¥ 755,908	¥9,614	¥1,159,280
Operating Income	89,442	76,888	12,553	137,543
Ordinary Income	77,065	63,450	13,615	118,970
Net Income	52,070	45,677	6,393	56,541

- In the nine-month period ended December 31, 2006, revenue from operations totaled ¥765.5 billion, up 1.3% from the previous corresponding period. Operating income grew 16.3%, to ¥89.4 billion.
- The “Leasing” segment benefited from the full-term operation of two projects completed in the previous fiscal year: Nihonbashi Mitsui Tower and Ginza Mitsui Building (both located in Chuo-ku, Tokyo). Other contributors to earnings included large-scale shopping malls opened in the autumn of 2006, such as Lazona Kawasaki Plaza (Kawasaki, Kanagawa), Urban Dock LaLaport Toyosu (Koto-ku, Tokyo), and LaLaport Kashiwa-no-Ha (Kashiwa, Chiba). The segment also enjoyed the positive effects of rising office rents, especially in central Tokyo. As a result, segment revenue increased ¥20.8 billion, and segment operating income climbed ¥8.4 billion.
- The vacancy rate remained low. On a consolidated basis (including overseas), the total vacancy rate for all office buildings and retail facilities was 1.4% at December 31, 2006. On a nonconsolidated basis, the vacancy rate of office buildings in the Tokyo Metropolitan Area was 1.2%.
- Conditions for the “Sales of housing, office buildings and land” segment remained favorable, with most contracts scheduled within the fiscal year (4,500 units, revised upwards from previous forecast of 4,400) already concluded. The Group also made solid progress in sales to investors, as planned. Segment operating income, therefore, grew ¥2.3 billion year-on-year.
- The “Construction,” “Brokerage, consignment sales and consulting,” “Property management,” and “Facility operations” segments all reported increased earnings.
- The increase in operating income boosted ordinary income by ¥13.6 billion and net income by ¥6.3 billion compared with the previous corresponding period.

## Consolidated Forecast

In light of its favorable performance in the nine-month period under review, the Group has revised its original full-year forecasts (made on April 28, 2006) for revenue from operations, operating income, and net income, as shown below.

(¥ millions)

	Year Ending March 31,2007		Change (amount)
	Latest Forecast as of February 9, 2007	Previous Forecast as of April 28, 2006	
Revenue from Operations	¥1,220,000	¥1,220,000	-
Operating Income	155,000	145,000	10,000
Ordinary Income	135,000	125,000	10,000
Net Income	70,000	63,000	7,000

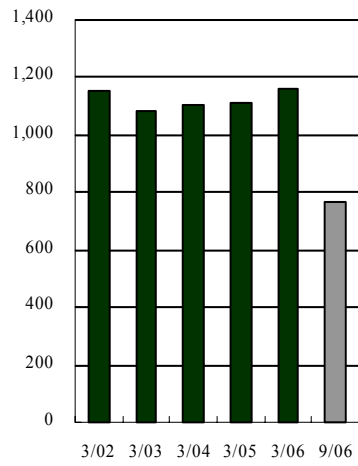
## Segment Information

(¥ millions)

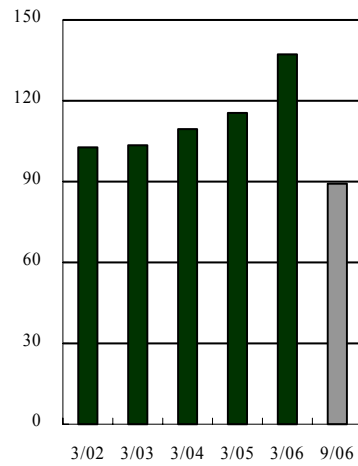
	Nine Months Ended December 31		Change (amount)	Year Ended March 31, 2006
	2006	2005		
<b>Leasing</b>				
Revenue from Operations	¥291,943	¥271,120	¥20,822	¥364,339
Operating Income	61,139	52,647	8,491	67,929
<b>Sales of Housing, Office Buildings and Land</b>				
Revenue from Operations	148,255	172,771	(24,516)	336,917
Operating Income	18,066	15,728	2,338	44,654
<b>Construction</b>				
Revenue from Operations	121,970	115,647	6,322	187,496
Operating Income	(3,490)	(3,744)	253	2,351
<b>Brokerage, Consignment Sales and Consulting</b>				
Revenue from Operations	50,069	45,982	4,086	68,748
Operating Income	13,851	12,795	1,056	22,592
<b>Property Management</b>				
Revenue from Operations	66,066	67,579	(1,512)	90,437
Operating Income	9,954	9,501	452	12,746
<b>Sales of Housing Materials and Merchandise</b>				
Revenue from Operations	50,489	48,570	1,919	65,065
Operating Income	709	989	(279)	831
<b>Facility Operations</b>				
Revenue from Operations	30,517	29,453	1,063	38,976
Operating Income	1,561	1,496	64	1,921
<b>Other</b>				
Revenue from Operations	6,211	4,783	1,428	7,297
Operating Income	1,936	1,460	476	2,470

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.

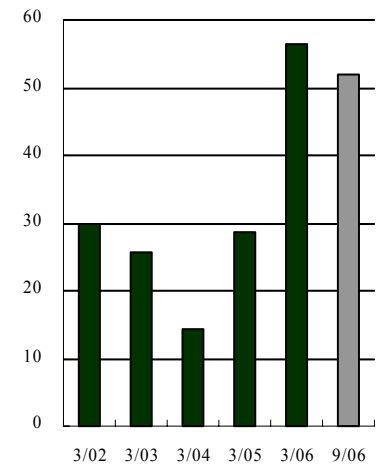
**Revenue from Operations**  
(¥ billion)



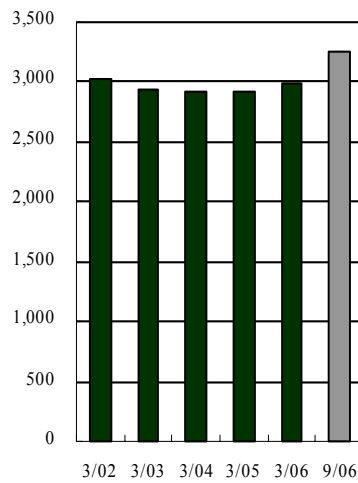
**Operating Income**  
(¥ billion)



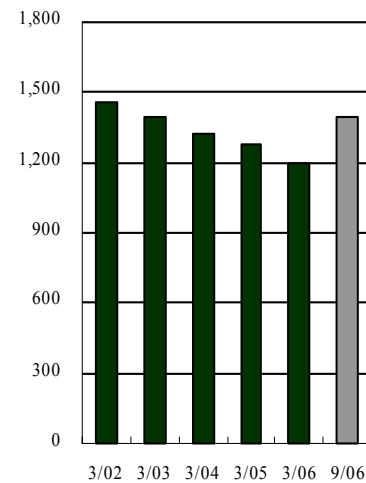
**Net Income**  
(¥ billion)



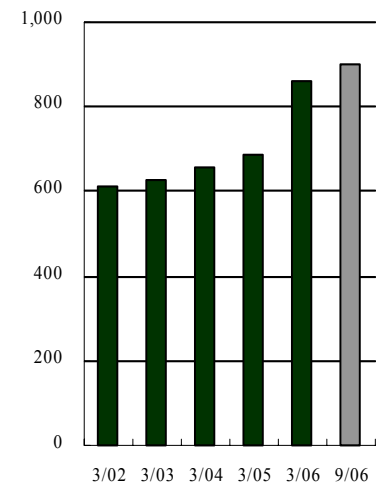
**Total Assets**  
(¥ billion)



**Interest-Bearing Debt**  
(¥ billion)



**Shareholders' Equity**  
(¥ billion)



## Consolidated Business Overview

### RESULTS OF OPERATIONS

	(¥ millions)		Change (amount)
	Nine Months Ended December 31		
	2006	2005	
<b>Revenue from Operations</b>	¥765,523	¥755,908	¥9,614
Leasing	291,943	271,120	20,822
Sales of Housing, Office Buildings and Land	148,255	172,771	(24,516)
Construction	121,970	115,647	6,322
Brokerage, Consignment Sales and Consulting	50,069	45,982	4,086
Property Management	66,066	67,579	(1,512)
Sales of Housing Materials and Merchandise	50,489	48,570	1,919
Facility Operations	30,517	29,453	1,063
Other	6,211	4,783	1,428
<b>Operating Income</b>	89,442	76,888	12,553
Leasing	61,139	52,647	8,491
Sales of Housing, Office Buildings and Land	18,066	15,728	2,338
Construction	(3,490)	(3,744)	253
Brokerage, Consignment Sales and Consulting	13,851	12,795	1,056
Property Management	9,954	9,501	452
Sales of Housing Materials and Merchandise	709	989	(279)
Facility Operations	1,561	1,496	64
Other	1,936	1,460	476
Elimination or Corporate	(14,286)	(13,986)	(300)
<b>Non-Operating Income/Expenses</b>	(12,376)	(13,438)	1,061
Equity in Net Income of Affiliated Companies	3,821	2,921	900
Interest Expense, in Net	(15,179)	(14,785)	(393)
Other	(1,019)	(1,574)	554
<b>Ordinary Income</b>	77,065	63,450	13,615
<b>Extraordinary Gains/Losses</b>	(2,191)	6,739	(8,931)
Extraordinary Gains	9,733	8,765	967
Extraordinary Losses	(11,925)	(2,026)	(9,899)
<b>Income before Income Taxes</b>	74,874	70,190	4,683
Income Taxes	(23,281)	(24,852)	1,570
Minority Interests	477	339	138
<b>Net Income</b>	52,070	45,677	6,393

## [Segments Results]

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

### [1] LEASING

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2006	2005	
Revenue from Operations	¥291,943	¥271,120	¥20,822
Operating Income	61,139	52,647	8,491

- Revenue from operations in the “Office buildings” category of this segment rose ¥8.3 billion, owing to the full-term contribution of two projects completed in the previous fiscal year—Nihonbashi Mitsui Tower and Ginza Mitsui Building (both located in Chuo-ku, Tokyo)—as well as Toyosu Center Building Annex (Koto-ku, Tokyo), which came newly on-stream during the period. Revenue from existing office buildings also increased.
- Revenue from operations in the “Retail facilities” category grew ¥5.0 billion. This was due to the opening of several large-scale shopping malls, notably Lazona Kawasaki Plaza (Kawasaki, Kanagawa), Urban Dock LaLaport Toyosu (Koto-ku, Tokyo), and LaLaport Kashiwa-no-Ha (Kashiwa, Chiba).
- The Group reported increases in both the number of residential units under management of Mitsui Fudosan Housing Lease and car-parking spaces under management of Mitsui Real Estate Sales. As a result, overall revenue from operations in this segment grew ¥20.8 billion year-on-year. The revenue increase also boosted segment operating income, which climbed ¥8.4 billion.
- On a nonconsolidated basis, the vacancy rate of office buildings in the Tokyo Metropolitan Area was 1.2% on December 31, 2006 (from 1.0% on March 31, 2006). The continued low vacancy rate was the result of solid demand for space in large-scale office buildings, especially in high-quality locations of central Tokyo. On a consolidated basis (including overseas), the total vacancy rate for all office buildings and retail facilities was 1.4% at December 31, 2006, largely unchanged from March 31.

#### (a) Leasing

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31, 2006
	2006	2005	
	Revenue	Revenue	Revenue
Office Buildings	173,899	165,555	222,069
Retail Facilities	47,787	42,712	56,968
Residential	43,955	41,000	55,768
Other (Car Park, etc.)	26,300	21,850	29,533
<b>Total</b>	<b>291,943</b>	<b>271,120</b>	<b>364,339</b>



**(b) Leased Floor Space**

		December 31		March 31, 2006
		2006	2005	
<b>Office Buildings and Retail Facilities</b>	Leased Floor space (m <sup>2</sup> ):			
	Owned	2,044,249	1,999,654	1,950,660
	Managed	1,608,696	1,422,035	1,450,452
	<b>Total</b>	<b>3,652,945</b>	<b>3,441,689</b>	<b>3,401,112</b>
	Vacancy Rate (%)	<b>1.4</b>	<b>2.7</b>	<b>1.4</b>
<b>Residentials</b>	Leased Units:			
	Owned	242	277	236
	Managed	58,053	53,142	55,521
	<b>Total</b>	<b>58,295</b>	<b>53,419</b>	<b>55,757</b>
<b>Car Parks</b>	Managed Units:			-
	<b>Total</b>	<b>88,427</b>	<b>70,976</b>	<b>75,879</b>

**(c) Total Floor Space of Office Buildings and Retail Facilities (Nonconsolidated)**

	December 31, 2006			March 31, 2006		
	No. of Buildings	Floor Space (1,000m <sup>2</sup> )	Share of Total Floor Space (%)	No. of Buildings	Floor Space (1,000m <sup>2</sup> )	Share of Total Floor Space (%)
Owned	123	2,819	49.4	112	2,547	49.4
Managed	183	2,886	50.6	189	2,613	50.6
<b>Total</b>	<b>306</b>	<b>5,705</b>	<b>100.0</b>	<b>301</b>	<b>5,160</b>	<b>100.0</b>

**(d) Vacancy Rate at End of Term**

(%)

	12/06	9/06	3/06	9/05	3/05	9/04	3/04
<b>Consolidated</b>							
Office Buildings and Retail Facilities (including overseas)	<b>1.4</b>	1.3	1.4	2.9	2.8	5.2	5.0
<b>Nonconsolidated</b>							
Tokyo Metropolitan Area Office Buildings	1.2	1.0	1.0	2.7	3.0	4.8	4.4
Regional Area Office Buildings	5.3	4.9	5.7	7.0	7.0	6.9	7.6

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

		Total		Tokyo Metropolitan Area		Regional Areas	
		December 31		December 31		December 31	
		2006	2005	2006	2005	2006	2005
Office Buildings	Number of Buildings	254	258	219	221	35	37
	Leased Floor Space (1,000m <sup>2</sup> )	2,354	2,261	2,066	1,976	288	286
	Leasing Revenue (¥ millions)	159,482	150,879	143,648	134,989	15,834	15,890
	Vacancy Rate (%)	1.7	3.1	1.2	2.6	5.3	6.3
Retail Facilities	Number of Buildings	50	48	35	33	15	15
	Leased Floor Space (1,000m <sup>2</sup> )	1,008	853	653	516	355	337
	Leasing Revenue (¥ millions)	43,581	38,883	28,374	24,490	15,207	14,393
	Vacancy Rate (%)	0.8	2.2	1.2	3.4	0.2	0.2

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

<Major Projects>

**(NEWLY ON-STREAM)**

JFE Building (Chiyoda-ku, Tokyo)	Office building	purchased in April 2006
Toyosu Center Building Annex (Koto-ku, Tokyo)	Office building	completed in August 2006
Lazona Kawasaki Plaza (Kawasaki, Kanagawa)	Retail facility	opened in September 2006
Urban Dock LaLaport Toyosu (Koto-ku, Tokyo)	Retail facility	opened in October 2006
LaLaport Kashiwa-no-Ha (Kashiwa, Chiba)	Retail facility	opened in November 2006

**(FULL-TERM CONTRIBUTION)**

Nihonbashi Mitsui Tower (Chuo-ku, Tokyo)	Office building & Hotels	completed in July 2005
GINZA MITSUI BUILDING (Chuo-ku, Tokyo)	Office building & Hotels	completed in September 2005

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

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2006	2005	
Revenue from Operations	¥148,255	¥172,771	¥ (24,516)
Operating Income	18,066	15,728	2,338

- In the nine-month period under review, the Group sold a total of 1,875 residential units (1,470 condominium units and 405 detached houses). This compares with 2,506 units (1,881 condominium units and 625 detached houses) in the previous corresponding period.
- Compared with the previous fiscal year, sales in the current fiscal year will be more concentrated in the fourth quarter. Accordingly, the segment reported a year-on-year decline in revenue from operations. Due to a continued favorable selling environment, however, most contracts scheduled within the fiscal year (4,500 units, revised upwards from previous forecast of 4,400) were already concluded during the period under review.
- Sales of income-producing properties to investors (included in the “Other sales” category of this segment) proceeded well during the period, owing largely to the sale of condominiums in the “Park Axis” complex in central Tokyo to Nippon Accommodations Fund (1,072 units sold in the period under review). This contributed to overall segment revenue and earnings increases.

### (a) Housing Sales and Other Sales

	Nine Months Ended December 31						Year Ended March 31, 2006		
	2006			2005			Units	Revenue (¥ millions)	Unit Price (¥ millions)
	Units	Revenue (¥ millions)	Unit Price (¥ millions)	Units	Revenue (¥ millions)	Unit Price (¥ millions)			
<b>Detached Housing</b>									
Tokyo Metropolitan Area	360	18,291	50	535	27,688	51	597	30,590	5,124
Other	45	1,455	32	90	4,091	45	109	4,971	4,561
<b>Total</b>	<b>405</b>	<b>19,746</b>	<b>48</b>	<b>625</b>	<b>31,779</b>	<b>50</b>	<b>706</b>	<b>35,561</b>	<b>5,037</b>
<b>Condominiums</b>									
Tokyo Metropolitan Area	860	43,410	50	1,526	69,300	45	3,274	146,763	4,482
Other	610	23,443	38	355	12,228	34	1,067	34,138	3,199
<b>Total</b>	<b>1,470</b>	<b>66,853</b>	<b>45</b>	<b>1,881</b>	<b>81,529</b>	<b>43</b>	<b>4,341</b>	<b>180,902</b>	<b>4,167</b>
<b>Other Sales</b>	-	<b>61,654</b>	-	-	<b>59,462</b>	-	-	<b>120,453</b>	-
<b>Total Sales</b>	-	<b>148,255</b>	-	-	<b>172,771</b>	-	-	<b>336,917</b>	-

### (b) Completed Housing Inventories (Nonconsolidated)

(Units)

	12/06	9/06	3/06	9/05	3/05	9/04	3/04
Detached Housing	72	40	20	45	55	40	25
Condominiums	116	100	235	200	490	210	455
<b>Total</b>	<b>188</b>	<b>140</b>	<b>255</b>	<b>245</b>	<b>545</b>	<b>250</b>	<b>480</b>

Note: Previously, figures for completed housing inventories at the end of each period were disclosed as multiples of five. Effective the nine-month period under review, however, actual numbers are used.

**(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	140	393	533	405	128	474
Condominiums	2,902	5,023	7,925	1,470	6,455	4,983
<b>Total</b>	<b>3,042</b>	<b>5,416</b>	<b>8,458</b>	<b>1,875</b>	<b>6,583</b>	<b>5,457</b>

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

**[3] CONSTRUCTION**

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2006	2005	
Revenue from Operations	¥121,970	¥115,647	¥6,322
Operating Income	(3,490)	(3,744)	253

- This segment reported an operating loss for the nine-month period, because handovers of construction work completed by the Mitsui Home Group are concentrated in the fourth quarter of each fiscal year.
- The order backlog for Mitsui Home Group projects at the beginning of the period under review was higher than a year earlier, which boosted revenue and also helped improve earnings in this segment.

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

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31
	2006	2005	2006
<b>Orders:</b>			
Order Backlogs at Beginning of Period	112,510	108,223	108,223
Order Received during Period	144,475	144,653	199,425
<b>Sales Proceeds</b>	<b>124,311</b>	<b>120,989</b>	<b>195,138</b>
<b>Order Backlogs at End of Period</b>	<b>132,674</b>	<b>131,888</b>	<b>112,510</b>

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

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2006	2005	
Revenue from Operations	¥50,069	¥45,982	¥4,086
Operating Income	13,851	12,795	1,056

(¥ millions)

	Nine Months Ended December 31				Year Ended March 31, 2006	
	2006		2005		Units	Revenue
	Units	Revenue	Units	Revenue		
Brokerage	22,837	37,077	22,410	34,994	30,671	48,791
Consignment Sales	4,222	5,685	3,984	4,747	6,040	8,204
Consulting	-	7,306	-	6,241	-	11,752
<b>Total</b>	-	<b>50,069</b>	-	<b>45,982</b>	-	<b>68,748</b>

**[5] PROPERTY MANAGEMENT**

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2006	2005	
Revenue from Operations	¥66,066	¥67,579	¥(1,512)
Operating Income	9,954	9,501	452

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31, 2006
	2006	2005	
	Revenue	Revenue	Revenue
Property Management	47,550	44,423	59,394
Tenant Improvement	18,516	23,156	31,043
<b>Total</b>	<b>66,066</b>	<b>67,579</b>	<b>90,437</b>

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

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2006	2005	
Revenue from Operations	¥50,489	¥48,570	¥1,919
Operating Income	709	989	(279)

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31
	2006	2005	2006
	Revenue	Revenue	Revenue
Housing Materials	15,862	14,489	20,759
Merchandise	34,627	34,080	44,306
<b>Total</b>	<b>50,489</b>	<b>48,570</b>	<b>65,065</b>

**[7] FACILITY OPERATIONS**

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2006	2005	
Revenue from Operations	¥30,517	¥29,453	¥1,063
Operating Income	1,561	1,496	64

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31
	2006	2005	2006
	Revenue	Revenue	Revenue
Hotels	20,948	19,449	25,486
Other	9,568	10,004	13,023
<b>Total</b>	<b>30,517</b>	<b>29,453</b>	<b>38,509</b>

**[8] OTHER**

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2006	2005	
Revenue from Operations	¥6,211	¥4,783	¥1,428
Operating Income	1,936	1,460	476

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31
	2006	2005	2006
	Revenue	Revenue	Revenue
Finance and Lease	904	987	1,302
Other	5,306	3,796	5,995
<b>Total</b>	<b>6,211</b>	<b>4,783</b>	<b>7,297</b>

## FINANCIAL POSITION

### Total Assets, Liabilities and Net Assets

(¥ millions)

	Nine Months Ended December 31,2006	Year Ended March 31,2006	Change (amount)
Total Assets	3,253,045	2,986,501	2,666,543
Total Liabilities	2,333,868	2,109,691	224,177
Interest-Bearing Debt	1,396,672	1,199,291	197,381
Net Assets	919,176	858,363	-
Shareholders' Equity	902,612	858,363	44,248
Debt-Equity Ratio (Times)	1.5	1.4	0.1

- Notes: 1. Interest-bearing debt: Short-term debt + Commercial paper + Bonds redeemable within one year + Bonds + Long-term debt  
 2. Debt-equity ratio: Interest-bearing debt ÷ Shareholders' equity  
 3. For the year ended March 2006, shareholders' equity is listed in the net assets and shareholders' equity columns.

#### [Real Property for Sale]

- On a consolidated basis, the balance of real property for sale (including advances paid for purchases) at December 31, 2006, was ¥585.5 billion, up ¥160.6 billion from March 31, 2006. The increase stemmed mainly from the fact that revenue in the "Sales of housing, office buildings and land" segment is concentrated in the second half of each fiscal year, especially in the fourth quarter. Also, the value of new acquisitions exceeded that of properties sold to recover costs, following steady progress in land acquisitions.

#### [Tangible and Intangible Assets]

- During the nine-month period under review, the Group invested in the construction of such projects as Lazona Kawasaki Plaza (Kawasaki, Kanagawa) and Urban Dock LaLaport Toyosu (Koto-ku, Tokyo). The Group also undertook replacement of assets following an exchange of fixed assets with Nippon Building Fund Inc. On a consolidated basis, the balance of tangible and intangible fixed assets at December 31, 2006, was ¥1,671.7 billion, down ¥2.5 billion from March 31.

#### [Interest-Bearing Debt]

- At December 31, 2006, total consolidated interest-bearing debt stood at ¥1,396.6 billion, up ¥197.3 billion from March 31. The increase derived mainly from rises in the balances of real property for sale and operating investments. Other factors included payments of construction costs (decline in payables) by the parent company related to condominium buildings completed in the previous fiscal year. Compared with December 31, 2005, interest-bearing debt was up ¥20.8 billion.



## Segment Information

**Nine Months Ended December 31, 2006**

(¥ 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	291,943	4,402	296,345	235,206	61,139	1,928,314	21,482	130,218
(2) Sales of Housing, Office Buildings and Land	148,255	-	148,255	130,188	18,066	752,330	354	2,532
(3) Construction	121,970	2,410	124,380	127,871	(3,490)	62,512	1,623	2,104
(4) Brokerage, Consignment Sales and Consulting	50,069	3,236	53,305	39,453	13,851	43,923	570	785
(5) Property Management	66,066	16,506	82,573	72,618	9,954	59,130	609	949
(6) Sales of Housing Materials and Merchandise	50,489	27,366	77,856	77,146	709	47,807	661	763
(7) Facility Operations	30,517	251	30,769	29,207	1,561	82,960	1,963	1,370
(8) Other	6,211	7,826	14,038	12,101	1,936	19,461	1,687	1,331
<b>Total</b>	<b>765,523</b>	<b>61,997</b>	<b>827,520</b>	<b>723,794</b>	<b>103,728</b>	<b>2,996,441</b>	<b>28,953</b>	<b>140,056</b>
Elimination or Corporate	-	(62,000)	(62,000)	(47,713)	(14,286)	256,603	610	2,500
<b>Consolidated</b>	<b>765,523</b>	<b>-</b>	<b>765,523</b>	<b>676,081</b>	<b>89,442</b>	<b>3,253,045</b>	<b>29,563</b>	<b>142,557</b>

**Nine Months Ended December 31, 2005**

(¥ 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	271,120	3,935	275,055	222,408	52,647	1,931,692	21,306	46,355
(2) Sales of Housing, Office Buildings and Land	172,771	-	172,771	157,043	15,728	523,842	394	236
(3) Construction	115,647	5,411	121,058	124,802	(3,744)	63,520	1,704	2,153
(4) Brokerage, Consignment Sales and Consulting	45,982	5,445	51,427	38,632	12,795	26,693	607	555
(5) Property Management	67,579	15,514	83,093	73,592	9,501	48,120	608	547
(6) Sales of Housing Materials and Merchandise	48,570	25,331	73,901	72,911	989	46,915	715	324
(7) Facility Operations	29,453	226	29,679	28,183	1,496	79,703	1,670	2,825
(8) Other	4,783	7,766	12,549	11,089	1,460	23,254	2,002	2,910
<b>Total</b>	<b>755,908</b>	<b>63,630</b>	<b>819,539</b>	<b>728,663</b>	<b>90,875</b>	<b>2,743,743</b>	<b>29,008</b>	<b>55,906</b>
Elimination or Corporate	-	(63,630)	(63,630)	(49,644)	(13,986)	275,539	547	1,531
<b>Consolidated</b>	<b>755,908</b>	<b>-</b>	<b>755,908</b>	<b>679,019</b>	<b>76,888</b>	<b>3,019,283</b>	<b>29,555</b>	<b>57,438</b>

**Year Ended March 31, 2006**

(¥ 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	364,339	5,579	369,918	301,989	67,929	1,918,066	29,046	78,155
(2) Sales of Housing, Office Buildings and Land	336,917	12	336,930	292,275	44,654	555,232	499	289
(3) Construction	187,496	7,761	195,258	192,907	2,351	54,673	2,270	3,128
(4) Brokerage, Consignment Sales and Consulting	68,748	9,264	78,012	55,420	22,592	61,457	850	1,051
(5) Property Management	90,437	22,212	112,649	99,903	12,746	50,380	844	973
(6) Sales of Housing Materials and Merchandise	65,065	34,493	99,558	98,727	831	52,236	967	408
(7) Facility Operations	38,976	296	39,273	37,351	1,921	83,505	2,282	3,470
(8) Other	7,297	10,384	17,682	15,211	2,470	26,976	2,642	3,648
<b>Total</b>	<b>1,159,280</b>	<b>90,004</b>	<b>1,249,285</b>	<b>1,093,786</b>	<b>155,498</b>	<b>2,802,529</b>	<b>39,402</b>	<b>91,085</b>
Elimination or Corporate	-	(90,004)	(90,004)	(72,050)	(17,954)	183,972	756	1,667
<b>Consolidated</b>	<b>1,159,280</b>	<b>-</b>	<b>1,159,280</b>	<b>1,021,736</b>	<b>137,543</b>	<b>2,986,501</b>	<b>40,159</b>	<b>92,753</b>

**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.

## Earning Forecast

[CONSOLIDATED EARNING FORECAST AS OF APRIL 28, 2006]  
For the Year Ending March 31, 2007

(¥ millions)

	Year Ending March 31,2007		Change (amount)	Year Ended March 31,2006
	Latest Forecast as of February 9, 2007	Previous Forecast as of April 28, 2006		
<b>Revenue from Operations</b>	¥1,220,000	¥1,220,000	-	¥1,159,280
Consolidated/Nonconsolidated Ratio (Times)	(2.71)	(2.64)	(0.07)	(1.84)
Leasing	396,000	388,000	8,000	364,339
Sales of Housing, Office Buildings and Land	340,000	355,000	(15,000)	336,917
Construction	194,000	194,000	-	187,496
Brokerage, Consignment Sales and Consulting	78,000	74,000	4,000	68,748
Property Management	97,000	94,000	3,000	90,437
Sales of Housing Materials and Merchandise	68,000	68,000	-	65,065
Facility Operations	40,000	40,000	-	38,976
Other	7,000	7,000	-	7,297
<b>Operating Income</b>	155,000	145,000	10,000	137,543
Consolidated/Nonconsolidated Ratio (Times)	(2.21)	(2.07)		(1.62)
Leasing	80,000	72,000	8,000	67,929
Sales of Housing, Office Buildings and Land	46,000	46,000	-	44,654
Construction	3,000	3,000	-	2,351
Brokerage, Consignment Sales and Consulting	26,000	23,000	3,000	22,592
Property Management	13,000	13,000	-	12,746
Sales of Housing Materials and Merchandise	1,000	1,000	-	831
Facility Operations	2,000	2,000	-	1,921
Other	2,000	2,000	-	2,470
Elimination or Corporate	(18,000)	(17,000)	(1,000)	(17,954)
<b>Non-Operating Income/Expenses</b>	(20,000)	(20,000)	-	(18,572)
Interest Expense, in Net	(21,000)	(19,500)	(1,500)	(19,594)
Other, in Net	1,000	(500)	1,500	1,022
<b>Ordinary Income</b>	135,000	125,000	10,000	118,970
Consolidated/Nonconsolidated Ratio (Times)	(2.29)	(2.12)	(0.17)	(1.59)
<b>Extraordinary Gains/Losses</b>	(26,000)	(23,000)	(3,000)	(26,008)
<b>Income before Income Taxes</b>	109,000	102,000	7,000	92,962
<b>Income Taxes</b>	(37,500)	(37,500)	-	(35,254)
<b>Minority Interests</b>	(1,500)	(1,500)	-	(1,166)
<b>Net Income</b>	¥70,000	¥63,000	¥7,000	¥56,541
Consolidated/Nonconsolidated Ratio (Times)	(1.79)	(1.54)	(0.25)	(1.92)

**[NONCONSOLIDATED EARNING FORECAST AS OF MAY 23, 2006]**  
**For the Year Ending March 31, 2007**

(¥ millions)

	Year Ending March 31,2006		Change (amount)	Year Ended March 31,2006
	Latest Forecast as of February 9, 2007	Previous Forecast as of May 23, 2006		
<b>Revenue from Operations</b>	¥451,000	¥462,000	¥(11,000)	¥629,318
Leasing	281,000	274,000	7,000	258,599
Sales of Housing, Office Buildings and Land	115,000	133,000	(18,000)	318,679
Other	55,000	55,000	-	52,039
<b>Gross Margin (%)</b>	20.5	19.9	0.6	19.6
Leasing	19.0	17.5	1.5	16.8
Sales of Housing, Office Buildings and Land	15.5	13.5	2.0	17.0
Other	38.5	47.5	(9.0)	49.4
Selling, General and Administrative Expenses	(22,500)	(22,000)	(500)	(38,539)
<b>Operating Income</b>	70,000	70,000	-	84,766
<b>Non-Operating Income/Expenses</b>	(11,000)	(11,000)	-	(10,128)
Interest Expense, in Net	(12,500)	(12,000)	(500)	(12,062)
<b>Ordinary Income</b>	59,000	59,000	-	74,638
<b>Extraordinary Gains/Losses</b>	(6,000)	(3,000)	(3,000)	(25,367)
<b>Income before Income Taxes</b>	53,000	56,000	(3,000)	49,270
Income Taxes	(14,000)	(15,000)	1,000	(19,808)
<b>Net Income</b>	¥39,000	¥41,000	¥(2,000)	¥29,461

## Consolidated Financial Statements

### CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	December 31, 2006		March 31, 2006		Change		December 31, 2005	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
<b>I . Current Assets:</b>	¥967,542	29.7	¥717,372	24.0	¥250,170	34.9	¥766,305	25.4
Cash and Time Deposits	61,386		62,845		(1,459)		60,652	
Accounts Receivable—Trade	23,709		29,797		(3,087)		24,213	
Marketable Securities	50		50		-		50	
Real Property for Sale	550,314		399,757		150,556		414,349	
Expenditure on Contracts in Progress	25,064		9,632		15,432		23,388	
Other Inventories	12,307		9,453		2,854		10,175	
Advances Paid for Purchases	35,217		25,163		10,053		21,315	
Short-Term Loans	7,484		8,065		(580)		9,356	
Equity Investments in Properties for Sale	133,010		81,545		51,464		101,645	
Deferred Income Taxes	51,978		49,003		2,974		53,384	
Other Current Assets	67,527		45,588		21,938		48,792	
Allowance for Doubtful Accounts	(507)		(531)		23		(1,017)	
<b>II . Fixed Assets:</b>	2,285,502	70.3	2,269,129	76.0	16,372	0.7	2,252,977	74.6
1. Tangible Fixed Assets:	1,646,090	50.6	1,642,348	55.0	3,741	0.2	1,628,368	53.9
Buildings and Structures	496,949		518,025		(21,075)		505,268	
Machinery, Equipment and Materials Handling Equipment	6,099		5,804		295		5,477	
Land	1,108,193		1,082,012		26,180		1,086,787	
Construction in Progress	9,793		11,011		(1,218)		5,817	
Other Tangible Fixed Assets	25,054		25,495		(440)		25,017	
2. Intangible Fixed Assets:	25,649	0.8	31,928	1.1	(6,279)	(19.7)	31,419	1.0
Leasehold Rights	17,461		24,117		(6,656)		24,006	
Other Intangible Fixed Assets	8,187		7,810		377		7,413	
3. Investments and Other Assets:	613,762	18.9	594,851	19.9	18,910	3.2	593,189	19.7
Investment Securities	349,103		317,090		32,013		295,391	
Long-Term Loans	5,046		9,195		(4,149)		8,662	
Lease Deposits	187,788		184,670		3,118		196,469	
Deferred Income Taxes	20,202		24,134		(3,931)		31,078	
Deferred Tax Assets on Land Revaluation	13,086		18,423		(5,336)		21,262	
Other	47,837		50,905		(3,067)		50,372	
Allowance for Doubtful Accounts	(9,303)		(9,567)		264		(10,047)	
<b>III. Deferred Assets</b>	-	-	-	-	-	-	0	0.0
<b>Total Assets</b>	¥3,253,045	100.0	¥2,986,501	100.0	¥266,543	8.9	¥3,019,283	100.0

Note: "Investment Securities" includes investments by silent partnership (tokumei kumiai) and preferred securities issued by specific purpose companies (tokutei moku-teki kaisha). The combined totals of such investments were as follows:

December 31, 2006: ¥37.9 billion

March 31, 2006: ¥37.0 billion

## CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	December 31, 2006		March 31, 2006		Change		December 31, 2005	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
<b>I. Current Liabilities:</b>	¥774,182	23.8	¥582,016	19.5	¥192,165	33.0	¥745,289	24.7
Accounts Payable—Trade	70,836		106,346		(35,509)		63,227	
Short-Term Debt	220,515		192,670		27,845		229,282	
Commercial Paper	216,000		36,000		180,000		142,000	
Bond Redeemable Within One Year	-		30,000		(30,000)		105,742	
Income Taxes Payable	23,740		16,462		7,277		20,707	
Advances from Contracts in Progress	25,392		16,467		8,924		24,283	
Allowance for Completed Project Indemnities	1,488		1,447		41		1,394	
Allowance for Possible Guarantee Losses	166		142		23		162	
Deferred Income Taxes	0		0		-		-	
Other Current Liabilities	216,042		182,479		33,562		157,888	
<b>II. Long-Term Liabilities:</b>	1,559,686	48.0	1,527,674	51.1	32,012	2.1	1,495,613	49.5
Corporate Bonds	185,000		155,000		30,000		135,000	
Long-Term Debt	775,156		785,621		(10,464)		763,244	
Deposits from Tenants	317,119		288,313		28,805		290,583	
Allowance for Employees' Retirement Benefits	30,467		27,294		3,173		30,544	
Allowance for Directors' and Corporate Auditors' Retirement Benefits	1,991		1,851		140		1,788	
Deferred Income Taxes	53,732		59,599		(5,867)		61,998	
Deferred Tax Liabilities on Land Revaluation	157,664		163,001		(5,336)		157,995	
Other Long-Term Liabilities	38,553		46,992		(8,438)		54,458	
<b>Total Liabilities</b>	<b>2,333,868</b>	<b>71.8</b>	<b>2,109,691</b>	<b>70.6</b>	<b>224,177</b>	<b>10.6</b>	<b>2,240,902</b>	<b>74.2</b>
<b>MINORITY INTERESTS:</b>								
Minority Interests in Consolidated Subsidiaries	-	-	18,446	0.7	-	-	16,213	0.6
<b>SHAREHOLDERS' EQUITY:</b>								
Common Stock	-	-	174,296	5.8	-	-	136,563	4.5
Additional Paid-in Capital	-	-	248,295	8.3	-	-	210,602	7.0
Retained Earnings	-	-	199,706	6.7	-	-	185,183	6.1
Reserve on Land Revaluation	-	-	191,096	6.4	-	-	192,106	6.4
Unrealized Gain/Loss on Securities	-	-	63,424	2.1	-	-	58,630	1.9
Foreign Currency Translation Adjustment	-	-	(16,308)	(0.5)	-	-	(19,081)	(0.6)
Treasury Stock	-	-	(2,147)	(0.1)	-	-	(1,838)	(0.1)
<b>Total Shareholders' Equity</b>	<b>-</b>	<b>-</b>	<b>858,363</b>	<b>28.7</b>	<b>-</b>	<b>-</b>	<b>762,166</b>	<b>25.2</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>-</b>	<b>-</b>	<b>¥2,986,501</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>¥3,019,283</b>	<b>100.0</b>

(¥ millions)

NET ASSETS:	December 31, 2006		March 31, 2006		Change		December 31, 2005	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
<b>I . Total Shareholders' Equity</b>	¥615,949	18.9	-	-	-	-	-	-
Common Stock	174,296	5.4	-	-	-	-	-	-
Additional Paid-in Capital	248,305	7.6	-	-	-	-	-	-
Retained Earnings	196,135	6.1	-	-	-	-	-	-
Treasury Stock	(2,787)	(0.1)	-	-	-	-	-	-
<b>II . Total Valuation Translation Adjustments and Others</b>	286,663	8.8	-	-	-	-	-	-
Net Unrealized Holding Gains on Securities	63,861	2.0	-	-	-	-	-	-
Deferred Gains or Losses on Hedges	65	0.0	-	-	-	-	-	-
Reserve on Land Revaluation	237,766	7.3	-	-	-	-	-	-
Foreign Currency Translation Adjustment	(15,030)	(0.5)	-	-	-	-	-	-
<b>III . Minority Interests in Consolidated Subsidiaries</b>	16,564	0.5	-	-	-	-	-	-
<b>Total Net Assets</b>	919,176	28.2	-	-	-	-	-	-
<b>Total Liabilities and Net Assets</b>	¥3,253,045	100.0	-	-	-	-	-	-

## CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Nine Months Ended December 31				Change		Year Ended March 31	
	2006	% of Total Revenue	2005	% of Total Revenue	Amount	%	2006	% of Total Revenue
<b>I. Revenue from Operations*</b>	¥765,523	100.0	¥755,908	100.0	¥9,614	1.3	¥1,159,280	100.0
<b>II. Cost of Revenue from Operations</b>	589,590	77.0	596,283	78.9	(6,692)	(1.1)	904,200	78.0
<b>Gross Operating Profit</b>	175,932	23.0	159,624	21.1	16,307	10.2	255,079	22.0
<b>III. Selling, General and Administrative Expenses</b>	86,490	11.3	82,735	10.9	3,754	4.5	117,536	10.1
<b>Operating Income</b>	89,442	11.7	76,888	10.2	12,553	16.3	137,543	11.9
<b>IV. Non-Operating Income:</b>	9,254	1.2	7,273	1.0	1,980	27.2	7,993	0.7
Interest Income	531		509		22		667	
Dividend Income	1,409		1,048		360		1,028	
Equity in Net Income of Affiliated Companies	3,821		2,921		900		3,155	
Other Non-Operating Income	3,492		2,794		697		3,140	
<b>V. Non-Operating Expenses:</b>	21,631	2.8	20,712	2.8	919	4.4	26,565	2.3
Interest Expenses	15,710		15,295		415		20,261	
Other Non-Operating Expenses	5,920		5,417		503		6,303	
<b>Ordinary Income</b>	77,065	10.1	63,450	8.4	13,615	21.5	118,970	10.3
<b>VI. Extraordinary Gains:</b>	9,733	1.3	8,765	1.2	967	11.0	12,111	1.0
<b>VII. Extraordinary Losses:</b>	11,925	1.6	2,026	0.3	9,899	488.5	38,120	3.3
<b>Income before Income Taxes</b>	74,874	9.8	70,190	9.3	4,683	6.7	92,962	8.0
<b>Income Taxes</b>	26,754	3.5	26,914	3.6	(159)		26,178	
<b>Deferred Income Taxes</b>	(3,473)	(0.5)	(2,061)	(0.3)	(1,411)		9,075	
<b>Minority Interests</b>	(477)	(0.0)	(339)	(0.0)	(138)		1,166	
<b>Net Income</b>	¥52,070	6.8	¥45,677	6.0	¥6,393	14.0	¥56,541	4.9



## Nonconsolidated Financial Statements

### NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	December 31, 2006		March 31, 2006		Change		December 31, 2005	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
<b>I. Current Assets:</b>	¥678,735	23.9	¥738,892	27.3	¥(60,157)	(8.1)	¥753,077	28.2
Cash and Time Deposits	35,721		31,852		3,868		31,265	
Accounts Receivable	3,732		7,881		(4,148)		7,257	
Real Property for Sale	105,660		109,446		(3,785)		130,209	
Real Property in Progress	46,514		174,546		(128,032)		169,391	
Land for Development	39,161		78,685		(39,524)		81,907	
Advances Paid for Purchases	4,660		24,802		(20,142)		20,956	
Short-Term Loans	241,572		128,645		112,926		131,781	
Equity Investments in Properties for Sale	134,987		84,991		49,996		102,339	
Deferred Income Taxes	35,405		39,147		(3,741)		41,558	
Other Current Assets	31,328		58,909		(27,580)		36,679	
Allowance for Doubtful Accounts	(8)		(16)		8		(268)	
<b>II. Fixed Assets:</b>	2,146,998	76.1	1,972,539	72.7	192,458	9.8	1,918,016	71.8
<b>I. Tangible Fixed Assets:</b>	1,256,128	44.1	1,240,323	45.7	15,804	1.3	1,195,568	44.8
Buildings	335,329		352,842		(17,513)		331,330	
Land	896,320		860,968		35,351		842,039	
Construction in Progress	6,371		9,529		(3,157)		5,158	
Other Tangible Fixed Assets	18,107		16,982		1,124		17,039	
<b>2. Intangible Fixed Assets</b>	16,536	0.6	21,668	0.8	(5,131)	(23.7)	21,773	0.8
<b>3. Investments and Other Assets:</b>	892,332	31.4	710,547	26.2	181,785	25.6	700,675	26.2
Investment Securities	238,396		227,074		11,322		207,546	
Investments in Stock of Consolidated Subsidiaries and Affiliated Companies	240,392		196,172		44,220		197,131	
Investments in Consolidated Subsidiaries and Affiliated Companies	-		5		(5)		8	
Long-Term Loans	4,728		8,861		(4,133)		8,314	
Long-Term Loans to Consolidated Subsidiaries and Affiliated Companies	217,589		97,358		120,231		94,576	
Lease Deposits	187,345		184,951		2,394		195,501	
Other	22,801		26,109		(3,307)		25,289	
Allowance for Doubtful Accounts	(18,922)		(29,986)		11,064		(27,692)	
<b>Total Assets</b>	<b>¥2,843,733</b>	<b>100.0</b>	<b>¥2,711,431</b>	<b>100.0</b>	<b>¥132,301</b>	<b>4.9</b>	<b>¥2,671,094</b>	<b>100.0</b>

## NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	December 31, 2006		March 31, 2006		Change		December 31, 2005	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
<b>I . Current Liabilities:</b>	¥611,713	21.5	¥528,995	19.5	¥82,717	15.6	¥ 620,183	23.2
Accounts Payable	19,549		62,879		(43,330)		19,504	
Short-Term Debt	211,301		183,440		27,861		210,160	
Commercial Paper	216,000		36,000		180,000		142,000	
Bond Redeemable Within One Year	-		30,000		(30,000)		105,742	
Other Payables	16,851		12,120		4,730		9,720	
Income Taxes Payable	14,379		9,336		5,043		11,606	
Accrued Expenses	6,350		7,468		(1,118)		5,818	
Advances Received	30,211		33,026		(2,814)		35,409	
Deposits	85,364		147,443		(62,079)		72,001	
Other Current Liabilities	11,705		7,279		4,425		8,219	
<b>II . Long-Term Liabilities:</b>	1,399,174	49.2	1,360,621	50.2	38,552	2.8	1,310,560	49.1
Corporate Bonds	185,000		155,000		30,000		135,000	
Long-Term Debt	705,577		706,363		(785)		667,884	
Deposits from Tenants	299,975		269,925		30,050		272,255	
Deferred Income Taxes	16,782		24,002		(7,219)		25,100	
Deferred Income Taxes - Revaluation	152,229		163,001		(10,772)		157,995	
Allowance for Employees' Retirement Benefits	15,298		12,675		2,623		14,953	
Allowance for Directors' and Corporate Auditors' Retirement Benefits	1,462		1,323		138		1,282	
Other Long-Term Liabilities	22,848		28,330		(5,482)		36,088	
<b>Total Liabilities</b>	<b>2,010,887</b>	<b>70.7</b>	<b>1,889,617</b>	<b>69.7</b>	<b>121,270</b>	<b>6.4</b>	<b>1,930,743</b>	<b>72.3</b>
<b>Net Assets:</b>								
Common Stock	-		174,296	6.4	-		136,563	5.1
Additional Paid-in Capital	-		248,286	9.1	-		210,603	7.9
Retained Earnings	-		101,821	3.8	-		101,819	3.8
Surplus from Land Revaluation	-		237,887	8.8	-		236,074	8.9
Unrealized Gains/Losses on Securities	-		61,656	2.3	-		57,116	2.1
Treasury Stock	-		(2,134)	(0.1)	-		(1,827)	(0.1)
<b>Total Net Assets</b>	<b>-</b>	<b>-</b>	<b>821,814</b>	<b>30.3</b>	<b>-</b>	<b>-</b>	<b>740,350</b>	<b>27.7</b>
<b>Total Liabilities and Net Assets</b>	<b>-</b>	<b>-</b>	<b>¥2,711,431</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>¥2,671,094</b>	<b>100.0</b>

NET ASSET:	December 31, 2006		March 31, 2006		Change		December 31, 2005	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
<b>I. Shareholders' Equity</b>								
Common Stock	174,296	6.2	-		-		-	
Additional Paid-in Capital	248,296	8.7	-		-		-	
Retained Earnings	93,689	3.3	-		-		-	
Treasury Stock	(2,774)	(0.1)	-		-		-	
<b>Total Shareholders' Equity</b>	<b>513,507</b>	<b>18.1</b>	<b>-</b>		<b>-</b>		<b>-</b>	
<b>II. Valuation, Translation Adjustments and Others</b>								
Net Unrealized Holding Gains on Securities	62,437	2.2	-		-		-	
Deferred Gains or Losses on Hedge	13	0.0	-		-		-	
Reserve on Land Revaluation	256,836	9.0	-		-		-	
<b>Total Valuation, Translation Adjustments and Others</b>	<b>319,338</b>	<b>11.2</b>	<b>-</b>		<b>-</b>		<b>-</b>	
<b>Total Net Assets</b>	<b>832,845</b>	<b>29.3</b>	<b>-</b>		<b>-</b>		<b>-</b>	
<b>Total Liabilities and Net Asset</b>	<b>¥2,843,783</b>	<b>100.0</b>	<b>-</b>		<b>-</b>		<b>-</b>	

## NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Nine Months Ended December 31				Change		Year Ended March 31	
	2006	% of Total Revenue	2005	% of Total Revenue	Amount	%	2006	% of Total Revenue
<b>Revenue from Operations</b>	¥334,421	100.0	¥392,429	100.0	¥(58,008)	(14.8)	¥629,318	100.0
Leasing	207,365		193,330		14,035		258,599	
Sales of Housing, Office Buildings and Land	96,001		162,915		(66,913)		318,679	
Other	31,056		36,184		(5,130)		52,039	
<b>Cost of Revenue from Operations</b>	263,432	78.8	322,792	82.3	(59,359)	(18.4)	506,011	80.4
Leasing	165,675		158,711		6,963		215,125	
Sales of Housing, Office Buildings and Land	80,313		144,011		(63,698)		264,537	
Other	17,443		20,068		(2,625)		26,349	
<b>Selling, General and Administrative Expenses</b>	17,401	5.2	23,728	6.0	(6,327)	(26.7)	38,539	6.1
<b>Operating Income</b>	53,687	16.0	45,908	17.7	7,678	16.7	84,766	13.5
<b>Non-Operating Income/Expense</b>	(5,981)		(7,232)		1,250		(10,128)	
Non-Operating Income:	10,985	3.3	9,421	2.4	1,563	16.6	10,784	1.7
Interest Income	2,909		2,355		553		3,034	
Dividend Income	7,340		5,254		2,085		5,288	
Other Non-Operating Income	735		1,811		(1,076)		2,461	
Non-Operating Expenses:	16,966	5.1	16,654	4.2	312	1.9	20,913	3.3
Interest Expenses	12,260		11,458		802		15,097	
Other Non-Operating Expenses	4,705		5,195		(489)		5,815	
<b>Ordinary Income</b>	47,605	14.2	38,676	9.9	8,929	23.1	74,638	11.9
<b>Extraordinary Gains/Losses</b>	16,076		7,393		8,682		(25,367)	
Extraordinary Gains:	27,068	8.1	7,393	1.8	19,674	266.1	8,344	1.3
Extraordinary Losses:	10,992	3.3	-	-	10,992	-	33,712	5.4
<b>Income before Income Taxes</b>	63,682	19.0	46,070	11.7	17,611	38.2	49,270	7.8
<b>Income Taxes</b>	16,322	4.8	18,424	4.7	(2,102)	(11.4)	16,600	2.6
<b>Deferred Income Taxes</b>	-	-	-	-	-	-	3,208	0.5
<b>Net Income</b>	¥47,360	14.2	¥27,646	7.0	¥19,713	71.3	¥29,461	4.7