

April 27, 2007

FACT BOOK

For the Year Ended March 31, 2007



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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/corporate/ir/index.html

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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 Year Ended March 31, 2007

CONSOLIDATED RESULTS

(¥ millions)

	Year Ended March 31		YoY Change	
	2007	2006	(amount)	(percentage)
Revenue from Operations	¥1,229,193	¥1,159,280	¥69,913	6.0
Operating Income	161,842	137,543	24,298	17.7
Ordinary Income	142,324	118,970	23,353	19.6
Net Income	75,213	56,541	18,672	33.0

- In the fiscal year ended March 31, 2007, revenue from operations totaled ¥1,229.1 billion, up ¥69.9 billion (6.0%) from the previous fiscal period.
- Operating income grew ¥24.2 billion (17.7%), to ¥161.8 billion, the highest figure in the Company's history. Ordinary income rose ¥23.3 billion (19.6%), to a record-high ¥142.3 billion, representing the fourth consecutive period of year-on-year gains.
- Net income for the year climbed ¥18.6 billion (33.0%), to ¥75.2 billion, for the second consecutive record-high figure.
- The "Leasing" segment benefited from the full-year operation of two projects completed in the previous fiscal year—Nihonbashi Mitsui Tower and Ginza Mitsui Building (both located in Chuo-ku, Tokyo). Also contributing was the opening of four large-scale shopping malls in Tokyo Metropolitan Area, including LaLaport Toyosu (Koto-ku) and Tokyo Midtown (Minato-ku). Other positive factors included increased income from existing office buildings, especially those in attractive central business district. As a result, segment revenue increased ¥33.7 billion, and segment operating income climbed ¥13.4 billion.
- The "Sales of housing, office buildings and land" segment reported a ¥4.7 billion increase in revenue and a ¥4.5 billion rise in operating income. Profitability improved owing to a continuation of favorable sales conditions for housing units aimed at individuals, especially high-value-added housing units. Sales of properties to investors also grew, reflecting ongoing expansion of the real estate investment market. Notable among these were properties in the "Park Axis" apartment houses.
- Both the "Brokerage, consignment sales and consulting" and "Property management" segments reported increased year-on-year revenue and operating income, owing to increases in brokerage services for individuals and corporations, as well as expansion of assets under the Group's management.
- Given the Company's favorable performance in the year under review, we plan to increase the year-end cash dividend to ¥9.00 per share (original forecast was ¥5.00). An interim dividend of ¥5.00 has already been paid.

CONSOLIDATED FORECAST

(¥ millions)

	Year to Mar/08	Year Ended Mar/07	YoY Change	
	(forecast)	(actual)	(amount)	(percentage)
Revenue from Operations	¥1,390,000	¥1,229,193	¥160,807	13.1
Operating Income	175,000	161,842	13,158	8.1
Ordinary Income	152,000	142,324	9,676	6.8
Net Income	85,000	75,213	9,787	13.0

Note: In the year ending March 2008, we plan to increase annual cash dividends to ¥18.00 per share (¥9.00 interim dividend and ¥9.00 year-end dividend).

CONSOLIDATED FINANCIAL SUMMARY

(¥ millions)

Operating Results:	Year Ended March 31		Change (amount)
	2007	2006	
Revenue from Operations	¥1,229,193	¥1,159,280	¥69,913
Operating Income	161,842	137,543	24,298
Ordinary Income	142,324	118,970	23,353
Net Income	75,213	56,541	18,672
Financial Position:	March 31, 2007	March 31, 2006	Change (amount)
Total Assets	¥3,294,190	¥2,986,501	¥307,688
Interest-Bearing Debt	1,258,426	1,199,291	59,135
Net Assets	963,213	858,363	-
Cash Flows:	Year Ended March 31		Change (amount)
	2007	2006	
Cash Flows from Operating Activities	¥57,969	¥22,510	¥35,459
Cash Flows from Investing Activities	(77,006)	(60,833)	(16,173)
Cash Flows from Financing Activities	38,085	(12,445)	50,530
Cash and Cash Equivalents at End of Period	81,816	62,587	19,228

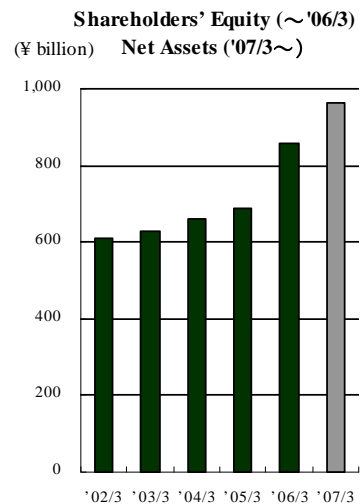
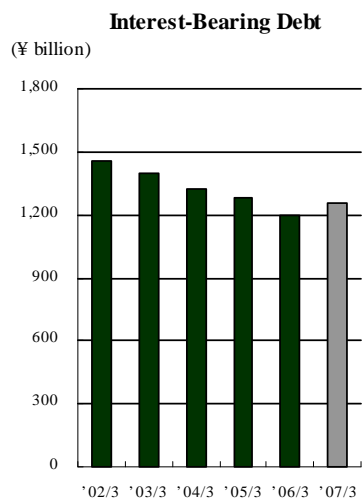
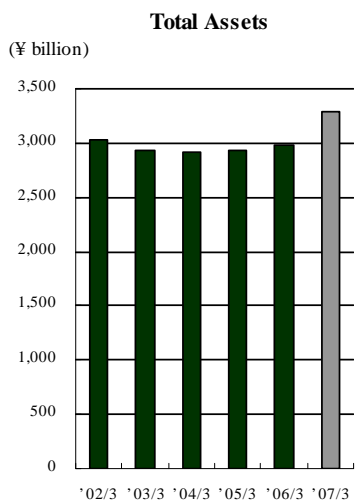
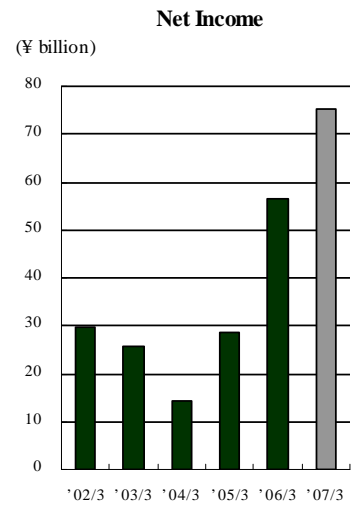
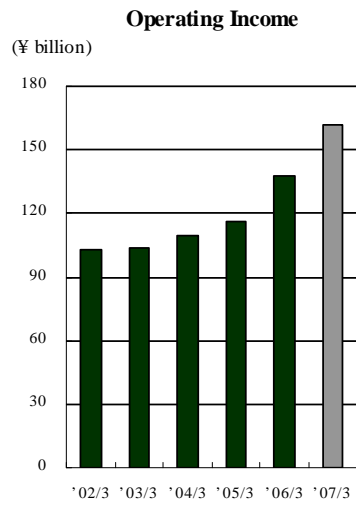
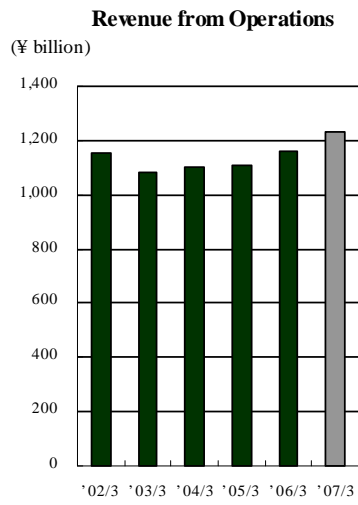
Note: Net Assets: Shareholder's Equity prior to enactment of Corporate Law on May 1, 2006.

SEGMENT INFORMATION

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
Leasing			
Revenue from Operations	¥398,069	¥364,339	¥33,730
Operating Income	81,350	67,929	13,421
Sales of Housing, Office Buildings and Land			
Revenue from Operations	341,629	336,917	4,711
Operating Income	49,239	44,654	4,584
Construction			
Revenue from Operations	193,970	187,496	6,473
Operating Income	2,718	2,351	366
Brokerage, Consignment Sales and Consulting			
Revenue from Operations	77,349	68,748	8,601
Operating Income	26,049	22,592	3,456
Property Management			
Revenue from Operations	99,632	90,437	9,194
Operating Income	14,308	12,746	1,562
Sales of Housing Materials and Merchandise			
Revenue from Operations	69,394	65,065	4,328
Operating Income	855	831	24
Facility Operations			
Revenue from Operations	40,200	38,976	1,224
Operating Income	1,754	1,921	(167)
Other			
Revenue from Operations	8,946	7,297	1,649
Operating Income	2,811	2,470	340

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 Corporate Law 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

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
Revenue from Operations	¥1,229,193	¥1,159,280	¥69,913
Leasing	398,069	364,339	33,730
Sales of Housing, Office Buildings and Land	341,629	336,917	4,711
Construction	193,970	187,496	6,473
Brokerage, Consignment Sales and Consulting	77,349	68,748	8,601
Property Management	99,632	90,437	9,194
Sales of Housing Materials and Merchandise	69,394	65,065	4,328
Facility Operations	40,200	38,976	1,224
Other	8,946	7,297	1,649
Operating Income	161,842	137,543	24,298
Leasing	81,350	67,929	13,421
Sales of Housing, Office Buildings and Land	49,239	44,654	4,584
Construction	2,718	2,351	366
Brokerage, Consignment Sales and Consulting	26,049	22,592	3,456
Property Management	14,308	12,746	1,562
Sales of Housing Materials and Merchandise	855	831	24
Facility Operations	1,754	1,921	(167)
Other	2,811	2,470	340
Elimination or Corporate	(17,245)	(17,954)	709
Non-Operating Income/Expenses	(19,517)	(18,572)	(945)
Equity in Net Income/Loss of Affiliated Companies	4,410	3,155	1,254
Interest Expense, in Net	(20,638)	(19,594)	(1,044)
Other, in Net	(3,289)	(2,133)	(1,155)
Ordinary Income	142,324	118,970	23,353
Extraordinary Gains/Losses	(26,304)	(26,008)	(295)
Extraordinary Gains	17,604	12,111	5,493
Extraordinary Losses	43,909	38,120	5,789
Income before Income Taxes	116,020	92,962	23,057
Income Taxes	38,998	35,254	3,744
Minority Interests	1,807	1,166	641
Net Income	¥75,213	¥56,541	¥18,672

[Revenue and Income from Operations]

- In the fiscal year ended March 31, 2007, revenue from operations totaled ¥1,229.1 billion, up 6.0% from the previous fiscal period. Operating income grew 17.7%, to ¥161.8 billion.
- The “Leasing” segment benefited from the full-year operation of two projects completed in the previous fiscal year—Nihonbashi Mitsui Tower and Ginza Mitsui Building (both located in Chuo-ku, Tokyo). Also contributing was the opening of four large-scale shopping malls in Tokyo Metropolitan Area, including LaLaport Toyosu (Koto-ku) and Tokyo Midtown (Minato-ku). Other positive factors included increased income from existing office buildings, especially those in attractive central business district. As a result, segment revenue increased ¥33.7 billion, and segment operating income climbed ¥13.4 billion.
- The “Sales of housing, office buildings and land” segment reported a ¥4.7 billion increase in revenue and a ¥4.5 billion rise in operating income. Profitability improved owing to a continuation of favorable sales conditions for housing units aimed at individuals. Sales of properties to investors also grew, reflecting ongoing expansion of the real estate investment market. Notable among these were properties in the “Park Axis” apartment houses.
- Both the “Brokerage, consignment sales and consulting” and “Property management” segments reported increased year-on-year revenue and operating income, owing to solid progress in brokerage services and corporations, as well as expansion of assets under the Group’s management.
- The increase in operating income boosted ordinary income by ¥23.3 billion (19.6%). Net income for the year was ¥18.6 billion (33.0%) higher than the previous fiscal period.

[Segments Results]

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

[1] LEASING

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
Revenue from Operations	¥398,069	¥364,339	¥33,730
Operating Income	81,350	67,929	13,421

- Revenue from operations in the “Office buildings” category of this segment increased ¥12.2 billion, due to the full-year operation of two projects completed during the previous fiscal year—Nihonbashi Mitsui Tower and Ginza Mitsui Building (both located in Chuo-ku, Tokyo). Other projects came on-stream during the year, including Tokyo Midtown (Minato-ku) and Toyosu Center Building Annex (Koto-ku). Other positive factors included increased income from existing office buildings, especially those in appealing central business district.
- Revenue from operations in the “Retail facilities” category grew ¥11.2 billion. A number of facilities opened for business during the year, including Lazona Kawasaki Plaza (Kawasaki-shi, Kanagawa), Urban Dock and LaLaport Toyosu (Koto-ku, Tokyo), LaLaport Kashiwanoha (Kashiwa-shi, Chiba), LaLaport Yokohama (Yokohama-shi, Kanagawa) and LOVELA Bandai (Niigata-shi, Niigata).
- The residential leasing (centering on Mitsui Fudosan Housing Lease) and the car-park leasing (Mitsui Real Estate Sales) businesses both reported increases in units under management.
- For the entire “Leasing” segment, revenue from operations grew ¥33.7 billion, and segment operating income rose ¥13.4 billion.
- On a nonconsolidated basis, the vacancy rate of office buildings in the Tokyo Metropolitan Area 1.6%, compared from 1.0% a year earlier. The continued low vacancy rate was the result of solid demand for space in office buildings, especially in central Tokyo. On a consolidated basis (including overseas), the total vacancy rate for all office buildings and retail facilities was 1.4% at March 31, 2006 (compared with 1.4% a year earlier).

(a) Leasing

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
	Revenue	Revenue	
Office Buildings	234,292	222,069	12,223
Retail Facilities	68,255	56,968	11,287
Residential	59,909	55,768	4,140
Other (Car Park, etc.)	35,611	29,533	6,078
Total	398,069	364,339	33,730

(b) Leased Floor Space

(¥ millions)

		Year Ended March 31		Change (amount)
		2007	2006	
Office Buildings and Retail Facilities	Leased Floor Space (m ²):			
	Owned	2,054,563	1,950,660	103,903
	Managed	1,943,747	1,450,452	493,295
	Total	3,998,310	3,401,112	597,198
	Vacancy Rate (%)	1.4	1.4	-
Residentials	Leased Units:			
	Owned	241	236	5
	Managed	60,744	55,521	5,223
	Total	60,985	55,757	5,228
Car Parks	Managed Units: Total	96,929	75,879	21,050

(c) Vacancy Rate at End of Term

(%)

	3/07	9/06	3/06	9/05	3/05	9/04	3/04
Consolidated							
Office Buildings and Retail Facilities (including overseas)	1.4	1.3	1.4	2.9	2.8	5.2	5.0
Nonconsolidated							
Tokyo Metropolitan Area Office Buildings	1.6	1.0	1.0	2.7	3.0	4.8	4.4
Regional Area Office Buildings	4.4	4.9	5.7	7.0	7.0	6.9	7.6

(d) Breakdown of Leasing Operations (Nonconsolidated)

		Total		Tokyo Metropolitan Area		Regional Areas	
		Year Ended March 31		Year Ended March 31		Year Ended March 31	
		2007	2006	2007	2006	2007	2006
Office Buildings	Number of Buildings	246	252	212	216	34	36
	Leased Floor Space (1,000m ²)	2,540	2,225	2,261	1,937	278	287
	Leasing Revenue (¥ millions)	214,801	201,883	193,787	180,869	21,013	21,013
	Vacancy Rate (%)	1.9	1.7	1.6	1.0	4.4	5.7
Retail Facilities	Number of Buildings	49	47	33	32	16	15
	Leased Floor Space (1,000m ²)	1,110	859	737	513	373	346
	Leasing Revenue (¥ millions)	62,091	51,716	41,683	32,435	20,407	19,281
	Vacancy Rate (%)	0.5	0.6	0.5	0.8	0.5	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
LaLaport Toyosu (Koto-ku, Tokyo)	Retail facility opened in October 2006
LaLaport Kashiwanoha (Kashiwa, Chiba)	Retail facility opened in November 2006
Tokyo Midtown (Minato-ku, Tokyo)	Office building, retail facility, hotel and leased housing units completed in January 2007
LOVELA Bandai (Niigata, Niigata)	Retail facility opened in March 2007
LaLaport Yokohama (Yokohama, Kanagawa)	Retail facility opened in March 2007

(FULL-YEAR CONTRIBUTION)

*Not fully operational in the previous fiscal year

Nihonbashi Mitsui Tower (Chuo-ku, Tokyo)	Office building and hotel completed in July 2005
Ginza Mitsui Building (Chuo-ku, Tokyo)	Office building and hotel completed in September 2005

[2] SALES OF HOUSING, OFFICE BUILDINGS AND LAND

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
Revenue from Operations	¥341,629	¥336,917	¥4,711
Operating Income	49,239	44,654	4,584

- For the year, the number of condominiums sold to individual customers remained mostly unchanged from the previous year. However, profitability improved thanks to the rising sales prices of high-value-added properties amid an ongoing favorable sales environment. Revenue from the “Other sales” category also increased owing to growth in sales of properties to investors (notably the “Park Axis” development), reflecting ongoing expansion of the real estate investment market. As a result, overall segment revenue grew ¥4.7 billion year-on-year, and segment operating income rose ¥4.5 billion.
- Mitsui Fudosan Residential had 376 units in completed inventories slated for sale to individuals (267 condominium units and 109 detached houses) at year-end, up 121 from a year earlier. Completed inventories at the end of the previous fiscal year totaled 255 units (235 condominium units and 20 detached houses).

(a) Housing Sales and Other Sales

	Year Ended March 31					
	2007			2006		
	Units	Revenue (¥ millions)	Unit Price (¥10 thousands)	Units	Revenue (¥ millions)	Unit Price (¥10 thousands)
Detached Housing						
Tokyo Metropolitan Area	631	33,231	5,266	597	30,590	5,124
Other	76	2,258	2,972	109	4,971	4,560
Total	707	35,490	5,020	706	35,561	5,037
Condominiums						
Tokyo Metropolitan Area	3,260	159,056	4,879	3,274	146,763	4,483
Other	1,227	43,304	3,529	1,067	34,138	3,200
Total	4,487	202,361	4,510	4,341	180,902	4,167
Other Sales	-	103,778	-	-	120,453	-
Total Sales	-	341,629	-	-	336,917	-

(b) Completed Housing Inventories

(Units)

	3/07	9/06	3/06	9/05	3/05	9/04	3/04
Detached Housing	109	40	20	45	55	40	25
Condominiums	267	100	235	200	490	210	455
Total	376	140	255	245	545	250	480

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

(c) Housing Contracts for Sale

(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	645	785	707	78	727
Condominiums	2,902	6,339	9,241	4,487	4,754	6,382
Total	3,042	6,984	10,026	5,194	4,832	7,109

Note: Figures except for Reported No. of Units include those scheduled for completion in the next fiscal year and after.

[3] CONSTRUCTION

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
Revenue from Operations	¥193,970	¥187,496	¥6,473
Operating Income	2,718	2,351	366

Despite a slight decrease over the year in the order backlog for projects contracted by the Mitsui Home Group, the “Construction” segment posted increases in both revenue and operating income. This was because the backlog at the beginning of the period was higher than a year earlier. Also, Mitsui Home Remodeling Co., Ltd., a subsidiary of Mitsui Home, due to increased revenue from the renovation business, reported an increase in revenue.

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

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
Orders:			
Order Backlogs at Beginning of Period	112,510	108,223	4,286
Order Received during Period	198,106	199,425	(1,318)
Sales Proceeds	199,776	195,138	4,637
Order Backlogs at End of Period	110,841	112,510	(1,669)

[4] BROKERAGE, CONSIGNMENT SALES AND CONSULTING

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
Revenue from Operations	¥77,349	¥68,748	¥8,601
Operating Income	26,049	22,592	3,456

- Both revenue and operating income in this segment increased year-on-year. Contributing factors included solid performances by Mitsui Real Estate Sales' brokerage services for individual and corporate clients, as well as consignment sales by Mitsui Fudosan Residential. Segment results also benefited from growth in assets under management of the entire Group, including the Nippon Accommodations Fund (newly listed J-REIT managed by Mitsui Fudosan Accommodation Fund Management) and private placement-style real estate funds managed by Mitsui Fudosan Investment Advisors.

(¥ millions)

	Year Ended March 31				Change (amount)	
	2007		2006			
	Units	Revenue	Units	Revenue		
Brokerage	31,455	52,161	30,671	48,791	784	3,369
Consignment Sales	7,660	10,811	6,040	8,204	1,620	2,606
Consulting	-	14,377	-	11,752	-	2,625
Total	-	77,349	-	68,748	-	8,601

[5] PROPERTY MANAGEMENT

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
Revenue from Operations	¥99,632	¥90,437	¥9,194
Operating Income	14,308	12,746	1,562

- Revenue from the "Property management" category increased owing to a rise in the number of newly opened properties managed by the Group. These included Tokyo Midtown, as well as four large-scale retail facilities in Tokyo, such as LaLaport Toyosu. Revenue from the "Tenant Improvement" category also rose as tenants moved into the newly opened facilities. As a result, both revenue and operating income in this segment increased year-on-year.

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
	Revenue	Revenue	
Property Management	66,026	59,394	6,631
Tenant Improvement	33,606	31,043	2,563
Total	99,632	90,437	9,194

[6] SALES OF HOUSING MATERIALS AND MERCHANDISE

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
Revenue from Operations	¥69,394	¥65,065	¥4,328
Operating Income	855	831	24

- Revenue in this segment increased owing to higher revenue from Mitsui Home's housing materials processing and sales business, as well as increased sales from home centers operated by Uni Living, whose revenue was also boosted by the opening of new stores. Due to rising costs, however, segment operating income rose only slightly.

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
	Revenue	Revenue	
Housing Materials	23,688	20,759	2,929
Merchandise	45,705	44,306	1,399
Total	69,394	65,065	4,328

[7] FACILITY OPERATIONS

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
Revenue from Operations	¥40,200	¥38,976	¥1,224
Operating Income	1,754	1,921	(167)

- This segment benefited from the full-year operation of the Mitsui Garden Hotel Ginza (Chuo-ku- Tokyo), which opened in the previous year, as well as a favorable performance by Halekulani (hotel in Hawaii). As a result, revenue in the "Hotels" category increased. Revenue in the "Other" category declined, however, due to renovation work on the Tsunamachi Mitsui Club. For the overall segment, therefore, revenue increased, but operating income was down.

	Year Ended March 31		Change (amount)
	2007	2006	
Hotels	27,900	26,510	1,389
Other	12,300	12,465	(165)
Total	40,200	38,976	1,224

[8] OTHER

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
Revenue from Operations	¥8,946	¥7,297	¥1,649
Operating Income	2,811	2,470	340

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
	Revenue	Revenue	
Finance and Lease	1,206	1,302	(96)
Other	7,740	5,995	1,745
Total	8,946	7,297	1,649

ASSETS, LIABILITIES AND NET ASSETS

(¥ millions)

Assets	March 31		Change (amount)
	2007	2006	
Cash and Time Deposits	¥83,050	¥62,845	¥20,204
Marketable Securities	50	50	-
Real Property for Sale*	552,134	424,921	127,212
Equity Investments in Properties for sale	121,670	81,545	40,124
Tangible & Intangible Fixed Assets	1,716,832	1,674,277	42,554
Investment Securities	357,281	317,090	40,191
Short-Term Loans	6,773	8,065	(1,291)
Long-Term Loans	5,394	9,195	(3,801)
Lease Deposits	186,952	184,670	2,281
Deferred Income Taxes	81,674	73,137	8,537
Deferred Tax Assets on Land Revaluation	13,064	18,423	(5,358)
Other Assets	169,316	132,283	37,033
Total Assets	¥3,294,190	¥2,986,501	¥307,688

*Real Property for Sale includes Advances Paid for Purchases.

(¥ millions)

Liabilities, Net Assets and Minority Interests	March 31		Change (amount)
	2007	2006	
Interest-Bearing Debt	¥1,258,426	¥1,199,291	¥59,135
Deposits from Tenants	322,785	288,313	34,472
Deferred Income Taxes	54,074	59,599	(5,525)
Deferred Tax Liabilities on Land Revaluation	185,104	163,001	22,102
Other Liabilities	510,587	399,487	111,100
Total Liabilities	2,333,976	2,109,691	221,285
Net Assets	963,213	876,810	86,403
Common Stock	174,296	174,296	-
Additional Paid-in Capital	248,308	248,295	12
Retained Earnings	218,682	199,706	18,976
Treasury Stock	(3,125)	(2,147)	(978)
Total Shareholders' Equity	944,195	858,363	85,832
Unrealized Holding Gains on Securities	72,159	63,424	8,734
Deferred Gains or Losses on Hedges Reserve on Land Revaluation	53	-	-
Foreign Currency Translation Adjustment	(13,442)	(16,308)	2,865
Minority Interests in Consolidated Subsidiaries	19,018	18,446	571
Total Liabilities, Net Assets and Minority Interest	¥3,294,190	¥2,986,501	¥307,688

[Real Property for Sale]

Over the period under review, the balance of real property for sale rose ¥127.2 billion. This was due mainly to steady purchases of housing - use land by Mitsui Fudosan Residential, as well as purchases of land by the parent company for sales to investors.

(a) Real Property for Sale (including Advances Paid for Purchases)

(¥ millions)

	March 31, 2007	March 31, 2006	Change (amount)
Mitsui Fudosan Residential	311,494	-	311,494
Mitsui Fudosan	194,794	387,481	(192,687)
Mitsui Home	8,127	3,069	5,058
Other and Elimination	37,717	34,370	3,347
Consolidated Total	552,134	424,921	127,212

(b) Accounts of Real Property for Sale

(¥ millions)

March 31, 2006	New Investments	Cost Recovery	Others	March 31, 2007
424,921	397,952	(252,981)	(17,757)	552,134

[Tangible and Intangible Assets]

On a consolidated basis, the balance of tangible and intangible fixed assets over the period rose ¥42.5 billion. The balance of assets increased due to the completion of Lazona Kawasaki Plaza and LaLaport Toyosu, as well as the purchase of land for the Nihonbashi 1-chome Building. By contrast, demolition of the JFE Building and the exchange of five properties held by the parent company caused assets to decline.

(a) Tangible and Intangible Assets

(¥ millions)

	March 31, 2007	March 31, 2006	Change (amount)
Mitsui Fudosan	1,302,326	1,261,992	40,333
Mitsui Fudosan America	87,496	87,353	142
Mitsui Home	35,069	35,711	(642)
Other and Elimination	291,941	289,220	2,720
Consolidated Total	1,716,832	1,674,277	42,554

(b) Tangible and Intangible Fixed Assets

(¥ millions)

March 31, 2006	Capital Expenditure	Depreciation	Disposal/Sale	March 31, 2007
1,674,277	220,357	(40,122)	(137,679)	1,716,832

<Major new investments>

JFE Building

Nihonbashi 1-chome Building

[Investment Securities]

At March 31, 2006, investments in specific purpose companies (tokutei mokuteki kaisha) and investments by silent partnership (tokumei kumiai)—both included in Investment Securities—amounted to ¥38.9 billion (compared with ¥37.0 billion a year earlier).

[Interest-Bearing Debt]

At March 31, 2007, total consolidated interest-bearing debt stood at ¥1,258.4 billion, up ¥59.1 billion over the fiscal year. The increase derived mainly from steady purchases of real property for sale by the parent company and Mitsui Fudosan Residential.

(¥ millions)

	March 31, 2007	March 31, 2006	Change (amount)
Mitsui Fudosan	1,175,331	1,110,803	64,527
Mitsui Fudosan Residential	120,000	-	120,000
Mitsui Real Estate Sales	13	14,159	(14,146)
Mitsui Fudosan America	50,850	51,050	(199)
Loans to Subsidiaries	(319,499)	(225,999)	(93,499)
Other and Elimination	231,731	249,277	(17,546)
Consolidated Total	1,258,426	1,199,291	59,135

[Common Stock]

At fiscal year-end, common stock amounted ¥174.2 billion, unchanged from the previous fiscal year-end figure

[Additional Paid-in Capital]

At fiscal year-end, additional paid-in capital amounted ¥248.3 billion, practically unchanged from the previous fiscal year-end figure

[Retained Earnings]

Consolidated retained earnings at year-end stood at ¥218.6 billion, up ¥18.9 billion. Factors boosting retained earnings included ¥75.2 billion in net income. Factors holding down retained earnings included ¥49.7 billion in reversal of land revaluation difference due to the sale of land, as well as ¥8.7 billion in dividends paid.

[Contingent Liabilities]

(¥ millions)

	March 31, 2007	March 31, 2006	Change (amount)
Loans Guaranteed	96,013	106,425	(10,411)

Earning Forecast

CONSOLIDATED EARNING FORECAST AS OF APRIL 27, 2007

For the Year Ending March 31, 2008

(¥ millions)

	Year to March 31		Change (amount)
	2008 (forecast)	2007 (actual)	
Revenue from Operations	¥1,390,000	¥1,229,193	¥160,807
Consolidated/Nonconsolidated Ratio (Times)	(-)	(2.71)	(-)
Leasing	470,000	398,069	71,931
Sales of Housing, Office Buildings and Land	400,000	341,629	58,371
Construction	197,000	193,970	3,030
Brokerage, Consignment Sales and Consulting	82,000	77,349	4,651
Property Management	106,000	99,632	6,368
Sales of Housing Materials and Merchandise	73,000	69,394	3,606
Facility Operations	54,000	40,200	13,800
Other	8,000	8,946	(946)
Operating Income	175,000	161,842	13,158
Consolidated/Nonconsolidated Ratio (Times)	(-)	(2.18)	(-)
Leasing	85,000	81,350	3,650
Sales of Housing, Office Buildings and Land	58,000	49,239	8,761
Construction	4,000	2,718	1,282
Brokerage, Consignment Sales and Consulting	27,000	26,049	951
Property Management	15,000	14,308	692
Sales of Housing Materials and Merchandise	1,000	855	145
Facility Operations	0	1,754	(1,754)
Other	2,000	2,811	(811)
Elimination or Corporate	(17,000)	(17,245)	245
Non-Operating Income/Expenses	(23,000)	(19,517)	(3,483)
Interest Expense, in Net	(26,000)	(20,638)	(5,362)
Other, in Net	3,000	1,121	1,879
Ordinary Income	152,000	142,324	9,676
Consolidated/Nonconsolidated Ratio (Times)	(-)	(2.26)	(-)
Extraordinary Gains/Losses	(10,000)	(26,304)	16,304
Income before Income Taxes	142,000	116,020	25,980
Income Taxes	(55,000)	(38,998)	(16,002)
Minority Interests	(2,000)	(1,807)	(193)
Net Income	¥85,000	¥75,213	¥9,787
Consolidated/Nonconsolidated Ratio (Times)	(-)	(1.80)	(-)

[Revenue and Income from Operations]

For the year ending March 2008, the Group forecasts a ¥160.8 billion increase in consolidated revenue from operations, to ¥1,390.0 billion; a ¥13.1 billion rise in operating income, to ¥175.0 billion; and a ¥9.6 billion gain in ordinary income, to ¥152.0 billion.

After factoring in an extraordinary loss of ¥10.0 billion related to the disposal of assets, we expect net income to increase ¥9.7 billion, to ¥85.0 billion.

- **Leasing** : Despite the negative impact on revenue of replacing the JFE Building and other existing properties, revenue in this segment will be boosted by the full-year operation of Tokyo Midtown and large-scale retail facilities completed by the parent company in the year under review. For the year, we expect a ¥71.9 billion increase in segment revenue and a ¥3.6 billion rise in operating income.
- **Sales of Housing, Office Buildings and Land** : In this segment, we forecast a ¥58.3 billion increase in revenue and an ¥8.7 billion rise in operating income. For Mitsui Fudosan Residential, we anticipate a higher number of housing units to be sold (6,400 units forecast, up from 5,194 in the year under review), as well as improved profitability (10.5% forecast operating margin, up from 9.4%). For the parent company, we expect sales to investors and the real estate securitization business to remain favorable.
- **Construction** : Thanks to higher anticipated revenue and earnings from projects subcontracted by the Mitsui Home Group (consolidated subsidiary), we project a ¥3.0 billion rise in segment revenue and a ¥1.2 billion increase in operating income.
- **Brokerage, Consignment Sales and Consulting** : In this segment, we forecast a ¥4.6 billion increase in revenue and a ¥0.9 billion rise in operating income. In addition to the favorable brokerage business of Mitsui Real Estate Sales, the segment will benefit from an increase in fee-based income stemming from expansion of assets under the management of Group companies.
- **Property Management** : In this segment, we project a ¥6.3 billion increase in revenue and a ¥0.6 billion gain in operating income. The segment will benefit from a rise in the number of properties handled, centering on those completed in the year under review. These include office buildings managed by Mitsui Fudosan Building Management and First Facilities; retail facilities managed by LaLaport, and condominium buildings managed by Mitsui Fudosan Housing Services.
- **Sales of Housing Materials and Merchandise** : Owing mainly to improved revenue and earnings of Uni Living, we expect a ¥3.6 billion increase in segment revenue and a ¥0.1 billion rise in segment operating income.
- **Facility Operations** : We forecast a ¥13.8 billion increase in revenue in this segment, due mainly to the full-year operation of Mitsui Garden Hotel, as well as the planned purchase of four resort facilities from Yamaha. However, we predict that segment operating income will decline ¥1.7 billion, due to expenses associated with the opening of new hotels, as well as various first-year expenses related to the four resorts. These include amortization of goodwill on the acquisition of the resort management company, as well as various costs on the transfer of business systems.

[Capital Expenditures]

(¥ millions)

	Year to March 31		Change (amount)
	2008 (forecast)	2007 (actual)	
Capital Expenditure	140,000	220,357	(80,357)
Depreciation	44,000	40,122	3,878

[Accounts of Real Property for Sale]

(¥ millions)

	Year to March 31		Change (amount)
	2008 (forecast)	2007 (actual)	
New Investments	400,000	397,952	2,048
Cost Recovery	280,000	252,981	27,019

[Interest-Bearing Debt]

(¥ millions)

	Year to March 31		Change (amount)
	2008 (forecast)	2007 (actual)	
Interest-Bearing Debt	1,390,000	1,258,426	131,574

[Housing Sales]

(¥ millions)

	Year to March 31		Change (amount)
	2008 (forecast)	2007 (actual)	
Revenue from Operations	286,000	237,851	48,149
Detached Housing	44,000	35,490	8,510
Condominiums	242,000	202,361	39,639
Operating Profit Margins (%)	10.5	9.4	1.1

[Housing Unit for Sale]

(¥ millions)

	Year to March 31		Change (amount)
	2008 (forecast)	2007 (actual)	
Detached Housing	800	707	93
Condominiums	5,600	4,487	1,113
Total	6,400	5,194	1,206

Segment Information

Year Ended March 31, 2007

(¥ 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	398,069	6,399	404,469	323,118	81,350	1,970,251	29,137	203,955
(2) Sales of Housing, Office Buildings and Land	341,629	8	341,637	292,398	49,239	732,667	559	2,917
(3) Construction	193,970	5,896	199,866	197,148	2,718	59,031	2,168	2,528
(4) Brokerage, Consignment Sales and Consulting	77,349	4,645	81,995	55,946	26,049	51,794	771	1,282
(5) Property Management	99,632	23,161	122,793	108,484	14,308	69,050	890	1,743
(6) Sales of Housing Materials and Merchandise	69,394	37,127	106,522	105,666	855	50,694	907	1,221
(7) Facility Operations	40,200	332	40,533	38,779	1,754	84,857	2,627	2,038
(8) Other	8,946	10,328	19,275	16,463	2,811	22,567	2,248	2,095
Total	1,229,193	87,899	1,317,093	1,138,006	179,087	3,040,915	39,311	217,782
Elimination or Corporate	-	(87,899)	(87,899)	(70,654)	(17,245)	253,274	811	2,574
Consolidated	1,229,193	-	1,229,193	1,067,351	161,842	3,294,190	40,122	220,357

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
Total	1,159,280	90,004	1,249,285	1,093,786	155,498	2,802,529	39,402	91,085
Elimination or Corporate	-	(90,004)	(90,004)	(72,050)	(17,954)	183,972	756	1,667
Consolidated	1,159,280	-	1,159,280	1,021,736	137,543	2,986,501	40,159	92,753

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 Summary (FY2003-2007)

(¥ millions)

		Year Ended March 31					
		2003	2004	2005	2006	2007	
P/L	Revenue from Operations	¥1,082,397	¥1,102,844	¥1,111,359	¥1,159,280	¥1,229,193	
	Operating Income	103,295	109,246	115,764	137,543	161,842	
	Ordinary Income	76,514	87,236	94,637	118,970	142,324	
	Net Income (Loss)	25,553	14,454	28,693	56,541	75,213	
Segment*	Leasing	Revenue from Operations	329,671	332,380	343,719	364,339	398,069
		Operating Income	66,563	63,016	62,520	67,929	81,350
	Sales of Housing, Office Buildings and Land	Revenue from Operations	335,341	350,761	334,472	336,917	341,629
		Operating Income	32,589	32,936	35,153	44,654	49,239
	Construction	Revenue from Operations	183,090	180,502	183,552	187,496	193,970
		Operating Income	326	1,332	2,359	2,351	2,718
	Brokerage, Consignment Sales and Consulting	Revenue from Operations	46,503	53,585	60,223	68,748	77,349
		Operating Income	10,997	14,078	18,607	22,592	26,049
	Property Management	Revenue from Operations	69,589	77,481	78,248	90,437	99,632
		Operating Income	7,713	10,844	10,767	12,746	14,308
	Sales of Housing Materials and Merchandise	Revenue from Operations	65,682	61,768	65,228	65,065	69,394
		Operating Income	104	151	187	831	855
	Facility Operations	Revenue from Operations	40,880	37,629	38,509	38,976	40,200
		Operating Income	(3,356)	(527)	1,386	1,921	1,754
	Other	Revenue from Operations	11,639	8,734	7,404	7,297	8,946
		Operating Income	2,534	2,591	1,849	2,470	2,811
	B/S	Total Assets	2,929,069	2,916,582	2,928,199	2,986,501	3,294,190
		Real Property for Sale	408,994	343,573	375,219	424,921	552,134
Tangible and Intangible Fixed Assets		1,687,115	1,655,454	1,645,205	1,674,277	1,716,832	
Capital Expenditures		61,159	35,838	78,898	92,753	220,357	
Depreciation		39,781	40,415	38,512	40,159	40,122	
Interest-Bearing Debt		1,397,211	1,321,501	1,279,049	1,199,291	1,258,426	
Retained Earnings		155,390	167,890	155,097	199,706	218,682	
Net Assets ※		628,434	659,165	687,717	858,363	963,213	
C/F	Cash Flows from Operating Activities (1)	118,484	141,600	100,135	22,510	57,969	
	Cash Flows from Investing Activities (2)	(60,751)	(21,122)	(76,870)	(60,833)	(77,006)	
	Cash Flows from Financing Activities (3)	(59,897)	(92,509)	(52,081)	(12,445)	38,085	
	Free Cash Flows (1)+(2)	57,733	120,477	23,265	(38,323)	(19,037)	
Key Data	ROA (%)	3.78	4.06	4.30	4.92	5.50	
	Debt/Equity Ratio (Times)	2.2	2.0	1.9	1.4	1.3	
	Equity Ratio (%)	21.5	22.6	23.5	28.7	28.7	
	No. of Consolidated Subsidiaries	131	127	121	120	132	
	No. of Affiliates in Equity Method	57	52	45	46	49	

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

※ Prior to the year ended March 2006, "Net Assets" were referred to as "Shareholder's Equity."

- Real Property for Sale: Real Property for Sale + Advances from Contracts in Progress
- Interest-Bearing Debt: Short-Term Debt + Commercial Paper + Bond Redeemable within one year + Corporate Bonds+ Long-Term Debt
- ROA: (Operating income + Non-Operating income/Expenses)/Average Total Assets
- Debt-Equity Ratio: Interest-Bearing Debt/Net Assets

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥millions)

ASSETS:	Year Ended March 31				Change	
	2007	% of Total Assets	2006	% of Total Assets	Amount	%
I. Current Assets:	¥956,897	29.0	¥717,372	24.0	¥239,524	33.4
Cash and Time Deposits	83,050		62,845		20,204	
Accounts Receivable—Trade	37,964		26,797		11,166	
Marketable Securities	50		50		-	
Real Property for Sale	519,478		399,757		119,720	
Expenditure on Contracts in Progress	11,040		9,632		1,407	
Other Inventories	10,663		9,453		1,210	
Advances Paid for Purchases	32,655		25,163		7,491	
Short-Term Loans	6,773		8,065		(1,291)	
Equity Investments in Properties for Sale	121,670		81,545		40,124	
Deferred Income Taxes	65,678		49,003		16,674	
Other Current Assets	68,420		45,588		22,832	
Allowance for Doubtful Accounts	(547)		(531)		(16)	
II. Fixed Assets:	2,337,292	71.0	2,269,129	76.0	68,163	3.0
1. Tangible Fixed Assets:	1,691,086	51.4	1,642,348	55.0	48,737	3.0
Buildings and Structures	494,274		518,025		(23,750)	
Machinery, Equipment and Materials Handling Equipment	6,110		5,804		306	
Land	1,155,208		1,082,012		73,196	
Construction in Progress	9,408		11,011		(1,603)	
Other Tangible Assets	26,083		25,495		588	
2. Intangible Fixed Assets:	25,745	0.8	31,928	1.1	(6,182)	(19.4)
Leasehold Rights	17,465		24,117		(6,652)	
Other Intangible Fixed Assets	8,280		7,810		469	
3. Investments and Other Assets:	620,460	18.8	594,851	19.9	25,608	4.3
Investment Securities ※	357,281		317,090		40,191	
Long-Term Loans	5,394		9,195		(3,801)	
Lease Deposits	186,952		184,670		2,281	
Deferred Income Taxes	15,996		24,134		(8,137)	
Deferred Tax Assets on Land Revaluation	13,064		18,423		(5,358)	
Other	50,228		50,905		(676)	
Allowance for Doubtful Accounts	(8,457)		(9,567)		1,110	
Total Assets	¥3,294,190	100.0	¥2,986,501	100.0	¥307,688	10.3

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:

March 31, 2006: ¥37.0 billion

March 31, 2007: ¥38.9 billion

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	March 31				Change	
	2007	% of Total Assets	2006	% of Total Assets	Amount	%
I. Current Liabilities:	¥685,907	20.8	¥582,016	19.5	¥103,890	17.9
Accounts Payable—Trade	131,947		106,346		25,601	
Short-Term Debt	226,767		192,670		34,097	
Commercial Paper	16,000		36,000		(20,000)	
Bond Redeemable Within One Year	-		30,000		(30,000)	
Income Taxes Payable	20,596		16,462		4,133	
Advances from Contracts in Progress	17,428		16,467		960	
Allowance for Completed Project Indemnities	1,547		1,447		100	
Allowance for Possible Guarantee Losses	146		142		3	
Deferred Income Taxes	1,183		0		1,183	
Other Current Liabilities	270,290		182,479		87,810	
II. Long-Term Liabilities:	1,645,068	50.0	1,527,674	51.1	117,394	7.7
Corporate Bonds	215,000		155,000		60,000	
Long-Term Debt	800,658		785,621		15,037	
Deposits from Tenants	322,785		288,313		34,472	
Allowance for Employees' Retirement Benefits	27,478		27,294		183	
Allowance for Directors' and Corporate Auditors' Retirement Benefits	2,075		1,851		224	
Deferred Income Taxes	52,891		59,599		(6,708)	
Deferred Tax Liabilities on Land Revaluation	185,104		163,001		22,102	
Other Long-Term Liabilities	39,074		46,992		(7,917)	
Total Liabilities	2,330,976	70.8	2,109,691	70.6	221,285	10.5
MINORITY INTEREST:						
Minority Interests in Consolidated Subsidiaries	-	-	18,446	0.7	-	-
SHAREHOLDERS' EQUITY:						
Common Stock	-	-	174,296	5.8	-	-
Additional Paid-in Capital	-	-	248,295	8.3	-	-
Retained Earnings	-	-	199,706	6.7	-	-
Revenue on Land Revaluation	-	-	191,096	6.4	-	-
Unrealized Gains/Losses on Securities	-	-	63,424	2.1	-	-
Foreign Currency Translation Adjustment	-	-	(16,308)	(0.5)	-	-
Treasury Stock	-	-	(2,147)	(0.1)	-	-
Total Shareholders' Equity	-	-	858,363	28.7	-	-
Total Liabilities and Shareholders' Equity	-	-	¥2,986,501	100.0	-	-

(¥ millions)

NET ASSETS:	March 31				Change	
	2007	% of Total Assets	2006	% of Total Assets	Amount	%
I. Total Shareholders' Equity	638,161	19.3	-	-	-	-
Common Stock	174,296	5.3	-	-	-	-
Additional Paid-in Capital	248,308	7.5	-	-	-	-
Retained Earnings	218,682	6.6	-	-	-	-
Treasury Stock	(3,125)	(0.1)	-	-	-	-
II. Total Valuation Translation Adjustments and Others	306,034	9.3	-	-	-	-
Net Unrealized Holding Gains on Securities	72,159	2.2	-	-	-	-
Deferred Gains or Losses on Hedges	53	0.0	-	-	-	-
Reserve on Land Revaluation	247,263	7.5	-	-	-	-
Foreign Currency Translation Adjustment	(13,442)	(0.4)	-	-	-	-
III. Minority Interests in Consolidated Subsidiaries	19,018	0.6	-	-	-	-
Total Net Assets	963,213	29.2	-	-	-	-
Total Liabilities and Net Assets	¥3,294,190	100.0	-	-	-	-

[Change in Accounting Treatment]

(Accounting Standard for Presenting Net Assets in the Balance Sheets)

Effective from the interim term under review, the Company applied Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standards Board of Japan, Statement No. 5, December 9, 2005) and Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standards Board of Japan, Guidance No. 8, December 9, 2005).

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Year Ended March 31				Change	
	2007	% of Total Revenue	2006	% of Total Revenue	Amount	%
I. Revenue from Operations	¥1,229,193	100.0	¥1,159,280	100.0	¥69,913	6.0
II. Cost of Revenue from Operations	942,928	76.7	904,200	78.0	38,728	4.3
Gross Operating Profit	286,265	23.3	255,079	22.0	31,185	12.2
III. Selling, General and Administrative Expenses	124,423	10.1	117,536	10.1	6,886	5.9
Operating Income	161,842	13.2	137,543	11.9	24,298	17.7
IV. Non-Operating Income:	10,751	0.9	7,993	0.7	2,758	34.5
Interest Income	782		667		114	
Dividend Income	1,408		1,028		379	
Equity in Net Income of Affiliated Companies	4,410		3,155		1,254	
Other Non-Operating Income	4,150		3,140		1,009	
V. Non-Operating Expenses:	30,269	2.5	26,565	2.3	3,703	13.9
Interest Expenses	21,421		20,261		1,159	
Other Non-Operating Expenses	8,848		6,303		2,544	
Ordinary Income	142,324	11.6	118,970	10.3	23,353	19.6
VI. Extraordinary Gains:	17,604	1.4	12,111	1.0	5,493	45.4
Gain on Sales of Fixed Assets	17,320		9,418		7,902	
Transfer from Allowance for Doubtful Accounts	-		2,232		(2,232)	
Other Extraordinary Gains	284		460		(175)	
VII. Extraordinary Losses:	43,909	3.6	38,120	3.3	5,789	15.2
Loss on Sales of Fixed Assets	9,643		26,355		(16,711)	
Loss on Liquidation of Consolidated Affiliates	-		4,760		(4,760)	
Loss on Devaluation of Real Property for Sale	28,735		4,274		24,461	
Loss on Disposal of Fixed Assets	4,574		-		4,574	
Other Extraordinary Losses	955		2,729		(1,774)	
Income before Income Taxes	116,020	9.4	92,962	8.0	23,057	24.8
Income Taxes	26,044	2.1	26,178	2.2	(133)	
Deferred Income Taxes	12,953	1.1	9,075	0.8	3,877	
Minority Interests	1,807	0.1	1,166	0.1	641	
Net Income	¥75,213	6.1	¥56,541	4.9	¥18,672	33.0

CONSOLIDATED STATEMENTS OF CHANGES IN-SHAREHOLDERS'-EQUITY AND OTHERS (UNAUDITED)

(¥ millions)

	Shareholders' Equity						
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Other Total	Total Net Assets
Balance At March 31, 2006	174,296	248,295	199,706	(2,147)	620,150	256,659	876, 810
Cash Dividends Paid			(8,795)		(8,795)		(8,795)
Bonus to Directors			(176)		(176)		(176)
Net Income			75,213		75,213		75,213
Revaluation of Reserve on Land Revaluation, Net of Tax			(49,719)		(49,719)		(49,719)
Revaluation of Fixed Assets			2,453		2,453		2,453
Purchase of Treasury Stock				(995)	(995)		(955)
Sale of Treasury Stock		12		17	30		30
Changes in Items Other than Shareholders' Equity During Term						68,392	68,392
Changes in Twelve Months	-	12	18,976	(978)	18,010	68,392	86,403
Balance At March 31, 2007	174,296	248,308	218,682	(3,125)	638,161	325,052	963,213

OTHER ASSETS

(¥ millions)

	Valuation, Translation Adjustment and Others					Minority Interests	Total Net Assets
	Net Unrealized Holding Gains on Securities	Revaluation of Reserve on Land Revaluation	Deferred Gains or Losses on Hedge	Foreign Currency Translation Adjustment	Total		
Balance as of March 31, 2006	63,424	191,096	-	(16,308)	238,213	18,446	876,810
Changes in Twelve Months	8,734	56,166	53	2,865	67,820	571	86,403
Balance as of March 31, 2007	72,159	247,263	53	(13,442)	306,034	19,018	963,213

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(¥ millions)

	Year Ended March 31		Change (amount)
	2007	2006	
I. Cash Flows From Operating Activities:			
Income before Income Taxes	¥116,120	¥92,962	¥23,057
Depreciation and Amortization	40,122	40,159	(36)
Gain/Loss on Equity in Net Income of Affiliated Companies	(4,410)	(3,155)	(1,254)
Loss on Liquidation of Affiliated Companies	-	4,760	(4,760)
Loss on Devaluation of Real Property for Sale	28,735	4,274	24,461
Gain/Loss on Sales of Tangible and Intangible Fixed Assets	7,676	16,936	(24,613)
Loss on Disposal of Tangible and Intangible Fixed Assets	4,574	-	4,574
Transfer from Allowance for Doubtful Accounts	-	(2,232)	2,232
Interest and Dividend Income	(2,190)	(1,696)	(494)
Interest Expense	21,421	20,261	1,159
Increase/Decrease in Accounts Receivable	(11,177)	2,151	(13,329)
Increase/Decrease in Accounts Payable	6,815	16	6,799
Purchase of Real Property for Sale*	(366,095)	(359,857)	(6,238)
Sales of Real Property for Sale*	251,719	258,967	(7,247)
Increase/Decrease in Operational Investment	(40,124)	10,305	(50,430)
Bonuses Paid to Directors	(177)	(126)	(50)
Other	59,937	(16,775)	76,712
Subtotal	97,493	66,951	30,541
Cash Receipts of Interest and Dividend Income	3,179	2,587	591
Cash Payments of Interest Expense	(20,554)	(20,266)	(288)
Income Taxes Paid	(22,148)	(26,762)	4,614
Net Cash Provided by Operating Activities	57,969	22,510	35,459
II. Cash Flows From Investing Activities:			
Purchase of Marketable and Investment Securities	(27,493)	(30,737)	3,243
Sales of Marketable and Investment Securities	5,262	24,184	(18,922)
Purchase of Tangible and Intangible Fixed Assets	(219,797)	(99,756)	(120,040)
Sales of Tangible and Intangible Fixed Assets	139,000	38,730	100,270
Increase in Loans	(4,050)	(3,654)	(395)
Decrease in Loans	7,699	7,582	116
Decrease in Deposits from Tenants	(38,544)	(39,446)	902
Increase in Deposits from Tenants	70,281	39,608	30,673
Increase in Lease Deposits	(23,962)	(11,417)	(12,545)
Decrease in Lease Deposits	22,435	25,658	(3,223)
Purchase of Securities with Change in Scope of Consolidation	(7,612)	(1,649)	(5,962)
Sales of Securities with Change in Scope of Consolidation	-	(71)	71
Other	(224)	(9,863)	9,638
Net Cash Used in Investing Activities	(77,006)	(60,833)	(16,173)
III. Cash Flows From Financing Activities:			
Increase/Decrease in Short-Term Debt	(15,998)	(370)	(15,627)
Proceeds from Long-Term Debt	272,999	154,000	118,999
Repayment of Long-Term Debt	(237,629)	(187,269)	(50,360)
Proceeds from Issuance of Bonds	60,000	30,000	30,000
Redemption of Bonds	(30,000)	(330)	(29,670)
Cash Dividends Paid	(8,793)	(6,982)	(1,810)
Cash Dividends Paid to Minority Interests	(1,511)	(705)	(806)
Increase/Decrease in Treasury Stock	(981)	(786)	(195)
Net Cash Used in Financing Activities	38,085	(12,445)	50,530
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	180	277	(97)
V. Net Increase (Decrease) in Cash and Cash Equivalents	19,228	(50,490)	69,719
VI. Cash and Cash Equivalents at Beginning of Year	62,587	113,078	(50,490)
VII. Cash and Cash Equivalents at End of Year	¥81,816	¥62,587	¥19,228

*Note: "Purchase of Real Property for Sale" and "Sales of Real Property for Sale" show cash flows from changes of Real Property for Sale and Advances Paid for Purchases on consolidated balance sheets.

Nonconsolidated Financial Statements

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥millions)

ASSETS:	Year Ended March 31				Change	
	2007	% of Total Assets	2006	% of Total Assets	Amount	%
I. Current Assets:	¥560,987	20.2	¥738,892	27.3	¥ (177,905)	(24.1)
Cash and Time Deposits	52,842		31,852		20,989	
Accounts Receivable	10,688		7,881		2,806	
Real Property for Sale	95,570		109,446		(13,875)	
Real Property in Progress	50,128		174,546		(124,417)	
Land for Development	44,390		78,685		(34,295)	
Advances Paid for Purchases	4,704		24,802		(20,098)	
Prepaid Expenses	3,347		3,014		332	
Short-Term Loans	100,959		128,645		(27,685)	
Other Receivables	7,293		35,294		(28,001)	
Operational Investment	123,451		84,991		38,459	
Deferred Income Taxes	50,108		39,147		10,961	
Other Current Assets	17,511		20,599		(3,088)	
Allowance for Doubtful Accounts	(9)		(16)		7	
II. Fixed Assets:	2,212,645	79.8	1,972,539	72.7	240,106	12.2
1. Tangible Fixed Assets:	1,285,874	46.4	1,240,323	45.7	45,550	3.7
Buildings	326,134		352,842		(26,708)	
Structures	7,370		6,835		534	
Machinery	2,479		2,427		51	
Transportation Equipment	17		24		(6)	
Tools, Furniture and Fixtures	6,595		6,402		192	
Land	934,462		860,968		73,493	
Construction in Progress	7,516		9,529		(2,013)	
Other Tangible Assets	1,299		1,291		7	
2. Intangible Fixed Assets:	16,451	0.6	21,668	0.8	(5,216)	(24.1)
Leasehold Rights	14,605		19,199		(4,593)	
Software	1,585		2,185		(600)	
Other Intangible Fixed Assets	260		282		(22)	
3. Investments and Other Assets:	910,319	32.8	710,547	26.2	199,772	28.1
Investment Securities	252,669		227,074		25,594	
Equities in Consolidated Subsidiaries and Affiliated Companies	245,490		196,172		49,317	
Investments in Consolidated Subsidiaries and Affiliated Companies	20		5		15	
Long-Term Loans	5,107		8,861		(3,754)	
Long-Term Loans to Affiliates	218,844		97,358		121,486	
Claims in Bankruptcy and Reorganization	299		504		(204)	
Long-term Prepaid Expenses	16,909		17,603		(693)	
Lease Deposits	185,592		184,951		641	
Other Investments and Assets	4,272		8,002		(3,729)	
Allowance for Doubtful Accounts	(18,884)		(29,986)		11,101	
Total Assets	¥2,773,633	100.0	¥2,711,431	100.0	¥62,201	2.3

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	Year Ended March 31				Change	
	2007	% of Total Assets	2006	% of Total Assets	Amount	%
I. Current Liabilities:	¥436,806	15.8	¥528,995	19.5	¥ (92,189)	(17.4)
Accounts Payable	19,558		62,879		(43,320)	
Short-Term Debt	66,000		61,000		5,000	
Long-Term Debt Due Within One Year	135,660		122,440		13,220	
Commercial Paper	16,000		36,000		(20,000)	
Bond Redeemable Within One Year	-		30,000		(30,000)	
Other Payables	18,832		12,120		6,712	
Income Taxes Payable	-		9,336		(9,336)	
Accrued Expenses	8,445		7,468		976	
Advances Received	28,254		33,026		(4,771)	
Deposits	133,626		147,443		(13,816)	
Other Current Liabilities	10,427		7,279		3,147	
II. Long-Term Liabilities:	1,495,063	53.9	1,360,621	50.2	134,441	9.9
Corporate Bonds	215,000		155,000		60,000	
Long-Term Debt	742,670		706,363		36,307	
Deposits from Tenants	304,824		269,925		34,898	
Deferred Income Taxes	16,779		24,002		(7,222)	
Deferred Income Taxes - Revaluation	179,669		163,001		16,667	
Allowance for Employees' Retirement Benefits	12,713		12,675		38	
Allowance for Directors' Retirement Benefits	1,508		1,323		184	
Long-Term Deposits	8,146		12,387		(4,240)	
Other Fixed Liabilities	13,751		15,942		(2,191)	
Total Liabilities	1,931,869	69.7	1,889,617	69.7	42,251	2.2
SHAREHOLDERS' EQUITY:						
Common Stock	-	-	174,296	6.4	-	
Additional Paid-in Capital	-	-	248,286	9.1	-	
Retained Earnings	-	-	101,821	3.8	-	
Surplus from Land Revaluation	-	-	237,887	8.8	-	
Unrealized Gains/Losses on Securities	-	-	61,656	2.3	-	
Treasury Stock	-	-	(2,134)	(0.1)	-	
Total Shareholders' Equity	-	-	821,814	30.3	-	
Total Liabilities and Shareholders' Equity			¥2,711,431	100.0	-	

(¥ millions)

NET ASSETS:	Year Ended March 31				Change	
	2007	% of Total Assets	2006	% of Total Assets	Amount	%
I . Total Shareholders' Equity	504,497	18.2	-	-	-	-
Common Stock	174,296	6.3	-	-	-	-
Additional Paid-in Capital	248,300	8.9	-	-	-	-
Retained Earnings	85,017	3.1	-	-	-	-
Treasury Stock	(3,116)	(0.1)	-	-	-	-
II . Total Valuation Translation Adjustments and Others	337,265	12.1	-	-	-	-
Net Unrealized Holding Gains on Securities	70,784	2.5	-	-	-	-
Deferred Gains or Losses on Hedges	13	0.0	-	-	-	-
Reserve on Land Revaluation	266,467	9.6	-	-	-	-
Total Net Assets	841,763	30.3	-	-	-	-
Total Liabilities and Net Assets	¥2,773,633	100.0	-	-	-	-

NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Year Ended March 31				Change	
	2007	% of Total Revenue	2006	% of Total Revenue	Amount	%
Revenue from Operations	¥453,227	100.0	¥629,318	100.0	¥(176,091)	(28.0)
Leasing	282,707	62.4	258,599	41.1	24,107	9.3
Sales of Housing, Office Buildings and Land	115,959	25.6	318,679	50.6	(202,719)	(63.6)
Other	54,560	12.0	52,039	8.3	2,520	4.8
Cost of Revenue from Operations	357,391	78.9	506,011	80.4	(148,620)	(29.4)
Leasing	228,162		215,125		13,037	
Sales of Housing, Office Buildings and Land	96,695		264,537		(167,842)	
Other	32,533		26,349		6,184	
Selling, General and Administrative Expenses	21,527	4.7	38,539	6.1	(17,012)	(44.1)
Operating Income	74,308	16.4	84,766	13.5	(10,458)	(12.3)
Non-Operating Income/Expense	(11,437)		(10,128)		(1,308)	
Non-Operating Income:	12,660	2.8	10,784	1.7	1,876	17.4
Interest Income	4,449		3,034		1,414	
Dividend Income	7,382		5,288		2,093	
Other Non-Operating Income	829		2,461		(1,631)	
Non-Operating Expenses:	24,098	5.3	20,913	3.3	3,185	15.2
Interest Expenses	12,614		11,821		792	
Bond Interest	3,656		3,253		403	
Commercial Interest	528		22		505	
Other Non-Operating Expenses	7,298		5,815		1,483	
Ordinary Income	62,871	13.9	74,638	11.9	(11,766)	(15.8)
Extraordinary Gains/Losses	(6,440)		(25,367)		18,927	
Extraordinary Gains:	32,391	7.2	8,344	1.3	24,047	288.2
Gain on Sales of Fixed Assets	14,799		6,139		8,660	
Transfer from Allowance for Doubtful Accounts	-		2,205		(2,205)	
Gain from Extinction of Predecessor Company's Shares	17,592		-		17,592	
Extraordinary Losses:	38,832	8.6	33,712	5.4	5,120	15.2
Loss on Sales of Fixed Assets	9,516		24,870		(15,354)	
Loss on Liquidation of Affiliated Company	-		4,567		(4,567)	
Loss on Devaluation of Real Property for Sale	25,490		4,274		21,216	
Loss on Disposal of Fixed Assets	3,825		-		3,825	
Income before Income Taxes	56,430	12.5	49,270	7.8	7,160	14.5
Income Taxes	1,150	0.3	16,600	2.6	(15,450)	(93.1)
Deferred Income Taxes	13,543	3.0	3,208	0.5	10,334	322.1
Net Income	41,737	9.2	29,461	4.7	12,275	41.7
Earning Brought Forward from Previous Period	-		4,841		-	
Interim Dividends	-		4,109		-	
Reversal of Revaluation Difference for Land	-		(7,305)		-	
Unappropriated Earnings	-		¥22,887		-	