

July 31, 2007

FACT BOOK

For the Three Months Ended June 30, 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

Contents

Consolidated Financial Highlights	1
Consolidated Business Overview	4
Segment Information	14
Consolidated Financial Statements	16
Nonconsolidated Financial Statements	19

Forward-Looking Statements

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

Consolidated Financial Highlights (Unaudited)

For the Three Months Ended June 30, 2007

CONSOLIDATED RESULTS

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥292,111	¥237,290	¥54,821	¥1,229,193
Operating Income	29,576	28,245	1,331	161,842
Ordinary Income	26,220	24,073	2,147	142,324
Net Income	22,132	21,123	1,008	75,213

(¥ millions)

	Year to 3/08 (Forecast as of April 27, 2007)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥1,390,000	21.0
Operating Income	175,000	16.9
Ordinary Income	152,000	17.3
Net Income	85,000	26.0

- In the three-month period ended June 30, 2007, revenue from operations totaled ¥292.1 billion, up 23.1% from the previous corresponding period. The segment's performance was boosted by year-on-year revenue increases in all business segments. Operating income grew 4.7%, to ¥29.5 billion.
- The "Leasing" segment benefited from the completion of several major projects in the previous fiscal year. In addition to Tokyo Midtown (Minato-ku, Tokyo), four large-scale retail facilities opened in the Tokyo Metropolitan Area, including Urban Dock LaLaport Toyosu (Koto-ku, Tokyo). As a result, segment revenue increased ¥17.0 billion, and segment operating income climbed ¥3.1 billion.
- Conditions for leasing office buildings remained favorable. On a nonconsolidated basis, the vacancy rate of office buildings in the Tokyo Metropolitan Area remained low, ending the quarter at 1.4%. This compares with 1.6% on March 31, 2007, and 1.0% on March 31, 2006.
- The "Sales of housing, office buildings and land" segment reported a ¥21.7 billion increase in revenue and a ¥4.5 billion decline in operating income. Both revenue and income from sales of housing units to individuals increased, thanks to handovers of several large-scale projects. However, there was a decline in income from sales of income-producing properties to investors, as few major projects were completed during the quarter.
- Owing to continued favorable conditions in the condominium market, especially with respect to large-scale development projects, the Group has already secured contracts for around 80% of units scheduled for sale in the current fiscal year.
- The "Brokerage, consignment sales and consulting" reported a ¥3.3 billion increase in revenue and a ¥2.2 billion rise in operating income, owing to the handover of large-scale condominium consignment sales projects.
- Thanks to the increase in operating income, ordinary income grew ¥2.1 billion (8.9%), and net income rose ¥1.0 billion (4.8%), compared with the previous corresponding period.
- The figures for revenue from operations, operating income, and ordinary income are each equivalent to around 20% of the Group's respective forecasts for the entire fiscal year. This is mainly due to seasonal factors pertaining to sales of housing to individuals (subcontracted construction of made-to-order houses, and consignment sales). In general, sales in this category are concentrated in the second half of each fiscal year, especially the fourth quarter.

CONSOLIDATED FORECAST

Because the Company is performing generally according to plan, it has not modified its interim and full-year forecasts for revenue from operations, operating income, ordinary income, and net income. Those forecasts were made on April 27, 2007.

SEGMENT INFORMATION

(¥ millions)

	Three Months Ended June 30		Change (amount)
	2007	2006	
Leasing			
Revenue from Operations	¥110,698	¥93,686	¥17,011
Operating Income	22,718	19,568	3,149
Sales of Housing, Office Buildings and Land			
Revenue from Operations	79,801	58,033	21,767
Operating Income	7,738	12,274	(4,536)
Construction			
Revenue from Operations	23,558	22,002	1,556
Operating Income	(6,078)	(6,146)	68
Brokerage, Consignment Sales and Consulting			
Revenue from Operations	18,267	14,953	3,314
Operating Income	5,277	3,013	2,264
Property Management			
Revenue from Operations	27,835	19,756	8,078
Operating Income	4,217	2,951	1,266
Sales of Housing Materials and Merchandise			
Revenue from Operations	19,232	16,982	2,249
Operating Income	366	249	116
Facility Operations			
Revenue from Operations	10,232	9,721	510
Operating Income	(373)	660	(1,033)
Other			
Revenue from Operations	2,486	2,153	332
Operating Income	952	642	309

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)

	Three Months Ended June 30		Change (amount)
	2007	2006	
Revenue from Operations	¥292,111	¥237,290	¥54,821
Leasing	110,698	93,686	17,011
Sales of Housing, Office Buildings and Land	79,801	58,033	21,767
Construction	23,558	22,002	1,556
Brokerage, Consignment Sales and Consulting	18,267	14,953	3,314
Property Management	27,835	19,756	8,078
Sales of Housing Materials and Merchandise	19,232	16,982	2,249
Facility Operations	10,232	9,721	510
Other	2,486	2,153	332
Operating Income	29,576	28,245	1,331
Leasing	22,718	19,568	3,149
Sales of Housing, Office Buildings and Land	7,738	12,274	(4,536)
Construction	(6,078)	(6,146)	68
Brokerage, Consignment Sales and Consulting	5,277	3,013	2,264
Property Management	4,217	2,951	1,266
Sales of Housing Materials and Merchandise	366	249	116
Facility Operations	(373)	660	(1,033)
Other	952	642	309
Elimination or Corporate	(5,241)	(4,967)	(274)
Non-Operating Income/Expenses	(3,356)	(4,172)	815
Equity in Net Income/Loss of Affiliated Companies	1,602	183	1,418
Interest Expense, in Net	(5,777)	(4,907)	(870)
Other, in Net	818	551	267
Ordinary Income	26,220	24,073	2,147
Extraordinary Gains/Losses	10,169	(951)	11,121
Extraordinary Gains	12,086	9,217	2,869
Extraordinary Losses	1,916	10,169	(8,252)
Income before Income Taxes	36,390	23,121	13,268
Income Taxes	15,864	3,620	12,244
Minority Interests	(1,605)	(1,622)	16
Net Income	¥22,132	¥21,123	¥1,008

[Segments Results]

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

[1] LEASING

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥110,698	¥93,686	¥17,011	¥398,069
Operating Income	22,718	19,568	3,149	81,350

(¥ millions)

	Year to 3/08 (Forecast as of April 27, 2007)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥470,000	23.6
Operating Income	85,000	26.7

- This segment posted a ¥17.0 billion increase in revenue and a ¥3.1 billion rise in operating income. Contributing to earnings was a number of office buildings and retail facilities completed in the previous fiscal year. These included Tokyo Midtown (Minato-ku, Tokyo), Toyosu Center Building Annex (Koto-ku, Tokyo), Lazona Kawasaki Plaza (Kawasaki, Kanagawa), Urban Dock LaLaport Toyosu (Koto-ku, Tokyo), LaLaport Kashiwanoha (Kashiwa-shi, Chiba), and LoveLa Bandai (Niigata-shi, Niigata). In addition, 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.
- On a nonconsolidated basis, the vacancy rate of office buildings in the Tokyo Metropolitan Area was 1.4%, compared with 1.6% at March 31, 2007. The continued low vacancy rate was the result of solid demand for space in office buildings. On a consolidated basis (including overseas), the total vacancy rate for all office buildings and retail facilities was 1.3% (compared with 1.4% at March 31, 2007).

(a) Leasing

(¥ millions)

	Three Months Ended June 30		Year Ended March 31, 2007
	2007	2006	
	Revenue	Revenue	Revenue
Office Buildings	61,959	56,617	234,292
Retail Facilities	22,292	14,131	68,255
Residentials	16,916	14,740	59,909
Other (Car Park, etc.)	9,528	8,197	35,611
Total	110,698	93,686	398,069

(b) Leased Floor Space

(¥ millions)

		Three Months Ended June 30		Year Ended March 31,2007
		2007	2006	
Office Buildings and Retail Facilities	Leased Floor space (m ²):			
	Owned	1,978,325	1,933,549	2,054,563
	Managed	1,953,351	1,540,239	1,943,747
	Total	3,931,676	3,473,788	3,998,310
	Vacancy Rate (%)	1.3	1.3	1.4
Residentials	Leased Units:			
	Owned	235	230	241
	Managed	63,621	56,335	60,744
	Total	63,856	56,565	60,985
Car Parks	Managed Units:			
	Total	100,909	79,304	96,929

(c) Vacancy Rate at End of Term

(%)

	6/07	3/07	9/06	3/06	9/05	3/05
Consolidated						
Office Buildings and Retail Facilities (including overseas)	1.3	1.4	1.3	1.4	2.9	2.8
Nonconsolidated						
Tokyo Metropolitan Area Office Buildings	1.4	1.6	1.0	1.0	2.7	3.0
Regional Area Office Buildings	5.0	4.4	4.9	5.7	7.0	7.0

(d) Breakdown of Leasing Operations (Nonconsolidated)

		Total		Tokyo Metropolitan Area		Regional Areas	
		Three Months Ended June 30		Three Months Ended June 30		Three Months Ended June 30	
		2007	2006	2007	2006	2007	2006
Office Buildings	Number of Buildings	243	251	209	215	34	36
	Leased Floor Space (1,000m ²)	2,464	2,283	2,190	1,996	274	287
	Leasing Revenue (¥ millions)	57,027	52,019	52,297	46,817	4,730	5,201
	Vacancy Rate (%)	1.8	1.5	1.4	0.9	5.0	5.8
Retail Facilities	Number of Buildings	50	47	34	32	16	15
	Leased Floor Space (1,000m ²)	1,121	873	748	519	373	354
	Leasing Revenue (¥ millions)	20,585	12,723	15,298	7,887	5,286	4,835
	Vacancy Rate (%)	0.4	0.6	0.5	0.9	0.3	0.2

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

[2] SALES OF HOUSING, OFFICE BUILDINGS AND LAND

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31,2007
	2007	2006		
Revenue from Operations	¥79,801	¥58,033	¥21,767	¥341,629
Operating Income	7,738	12,274	(4,536)	49,239

(¥ millions)

	Year to 3/08 (Forecast as of April 27, 2007)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥ 400,000	20.0
Operating Income	58,000	13.3

- In the three-month period under review, the Group sold a total of 1,377 residential units (1,266 condominium units and 111 detached houses). This compares with 593 units (435 condominium units and 158 detached houses) in the previous corresponding period. This significant increase helped boost revenue for the segment. However, sales of income-producing properties to investors (included in the “Other sales” category of this segment) declined due to a fall in the number of handovers. There was also a decline in allocations from sales of properties SPCs. Accordingly, segment revenue rose ¥21.7 billion, but operating income decreased ¥4.5 billion.
- Completed housing inventories at June 30, 2007, totaled 337 units (220 condominium units and 117 detached houses), down from 376 units (267 condominium units and 109 detached houses) at March 31, 2007. The Group estimates that 5,600 condominium units will be sold and handed over in the current fiscal year. It has already secured sales contracts for around 80% of these units.

(a) Housing Sales and Other Sales

	Three Months Ended June 30						Year Ended March 31		
	2007			2006			2007		
	Units	Revenue (¥ millions)	Unit Price (¥ millions)	Units	Revenue (¥ millions)	Unit Price (¥ millions)	Units	Revenue (¥ millions)	Unit Price (¥ millions)
Detached Housing									
Tokyo Metropolitan Area	105	5,445	52	148	6,666	45	631	33,231	53
Other	6	201	34	10	380	38	76	2,258	30
Total	111	5,647	51	158	7,047	45	707	35,490	50
Condominiums									
Tokyo Metropolitan Area	1,159	53,529	46	245	14,561	59	3,260	159,056	49
Other	107	3,241	30	190	5,603	29	1,227	43,304	35
Total	1,266	56,771	45	435	20,164	46	4,487	202,361	45
Other Sales	-	17,382	-	-	30,821	-	-	103,778	-
Total Sales	-	79,801	-	-	58,033	-	-	341,629	-

(b) Completed Housing Inventories

(Units)

	6/07	3/07	9/06	3/06	9/05	3/05	9/04
Detached Housing	117	109	40	20	45	55	40
Condominiums	220	267	100	235	200	490	210
Total	337	376	140	255	245	545	250

Note: Previously, figures for completed housing inventories at the end of each period were disclosed as multiples of five. Effective from the year ended March 31, 2007, 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	78	166	244	111	133	186
Condominiums	4,754	1,429	6,183	1,266	4,917	1,525
Total	4,832	1,595	6,427	1,377	5,050	1,711

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

[3] CONSTRUCTION

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥23,558	¥22,002	¥1,556	¥193,970
Operating Income(Loss)	(6,078)	(6,146)	68	2,718

(¥ millions)

	Year to 3/08 (Forecast as of April 27, 2007)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥ 197,000	12.0
Operating Income	4,000	-

- This segment reported an operating loss for the quarter, because handovers of construction work completed by Mitsui Home are concentrated in the second half of each fiscal year, especially the fourth quarter.

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

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2007	2006	2007
Orders:			
Order Backlogs at Beginning of Period	110,841	112,510	112,510
Order Received during Period	42,475	45,190	198,106
Sales Proceeds	24,677	22,809	199,776
Order Backlogs at End of Period	128,639	134,891	110,841

[4] BROKERAGE, CONSIGNMENT SALES AND CONSULTING

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥18,267	¥14,953	¥3,314	¥77,349
Operating Income	5,277	3,013	2,264	26,049

(¥ millions)

	Year to 3/08 (Forecast as of April 27, 2007)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥82,000	22.3
Operating Income	27,000	19.5

- In this segment, revenue increased ¥3.3 billion, and operating income climbed ¥2.2 billion. Contributing factors included an increase in handovers of large-scale condominium building projects sold under consignment by Mitsui Fudosan Residential, as well as a year-on-year improvement in the performance of Mitsui Real Estate Sales' brokerage services for individual and corporate clients.

(¥ millions)

	Three Months Ended June 30				Year Ended March 31	
	2007		2006		2007	
	Units	Revenue	Units	Revenue	Units	Revenue
Brokerage	7,898	13,566	7,557	11,592	31,455	52,161
Consignment Sales	1,291	2,444	1,054	1,169	7,660	10,811
Consulting	-	2,256	-	2,190	-	14,377
Total	-	18,267	-	14,953	-	77,349

[5] PROPERTY MANAGEMENT

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥27,835	¥19,756	¥8,078	¥99,632
Operating Income	4,217	2,951	1,266	14,308

(¥ millions)

	Year to 3/08 (Forecast as of April 27, 2007)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥ 106,000	26.3
Operating Income	15,000	28.1

- Revenue in this segment rose ¥8.0 billion compared with the previous corresponding period, while operating income was up ¥1.2 billion. The segment benefited from an increase in the number of Group-managed properties that commenced operations in the previous fiscal year. These included four large-scale retail facilities in Tokyo, such as Urban Dock LaLaport Toyosu (Koto-ku, Tokyo), as well as Tokyo Midtown (Minato-ku, Tokyo).

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2007	2006	2007
	Revenue	Revenue	Revenue
Property Management	17,694	15,252	66,026
Tenant Improvement	10,140	4,504	33,606
Total	27,835	19,756	99,632

[6] SALES OF HOUSING MATERIALS AND MERCHANDISE

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥19,232	¥16,982	¥2,249	¥69,394
Operating Income	366	249	116	855

(¥ millions)

	Year to 3/08 (Forecast as of April 27, 2007)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥ 73,000	26.3
Operating Income	1,000	36.6

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2007	2006	2007
	Revenue	Revenue	Revenue
Housing Materials	5,701	4,653	23,688
Merchandise	13,530	12,329	45,705
Total	19,232	16,982	69,394

[7] FACILITY OPERATIONS

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥10,232	¥9,721	¥510	¥40,200
Operating Income	(373)	660	(1,033)	1,754

(¥ millions)

	Year to 3/08 (Forecast as of April 27, 2007)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥ 54,000	18.9
Operating Income	0	-

- Revenue in this segment increased thanks to the opening of two hotels during the period: Mitsui Garden Hotel Shiodome Italia-gai (Minato-ku, Tokyo) and Mitsui Garden Hotel Prana Tokyo Bay (Urayasu-shi, Chiba). Due to an increase in expenses associated with the new openings, however, segment operating income declined.

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2007	2006	2007
	Revenue	Revenue	Revenue
Hotels	7,453	6,977	27,900
Other	2,779	2,744	12,300
Total	10,232	9,721	40,200

[8] OTHER

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥2,486	¥2,153	¥332	¥8,946
Operating Income	952	642	309	2,811

(¥ millions)

	Year to 3/08 (Forecast as of April 27, 2007)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥ 8,000	31.1
Operating Income	2,000	47.6

(¥ millions)

	Three Months Ended June 30		Year Ended March 31
	2007	2006	2007
	Revenue	Revenue	Revenue
Finance and Lease	314	330	1,206
Other	2,171	1,822	7,740
Total	2,486	2,153	8,946

ASSETS, LIABILITIES AND NET ASSETS

[Real Property for Sale]

At June 30, 2007, the balance of real property for sale was ¥566.3 billion, up ¥14.2 billion from March 31, 2007. The increase was due mainly to new purchases of land by Mitsui Fudosan Residential.

[Tangible and Intangible Assets]

On a consolidated basis, the balance of tangible and intangible fixed assets at the end of the period stood at ¥1,729.6 billion, up ¥12.8 billion from March 31, 2007. The increase stemmed from new investments made during the quarter, for an urban redevelopment project in Yodoyabashi. (Osaka-shi, Osaka).

[Interest-Bearing Debt]

At June 30, 2007, total consolidated interest-bearing debt stood at ¥1,387.1 billion, up ¥128.7 billion over the quarter. The increase was mainly due to seasonal factors, including payment of construction costs for condominium buildings completed in the previous fiscal year by Mitsui Fudosan Residential, as well as payment of deposits for properties sold under consignment sales arrangements.

Segment Information

Three Months Ended June 30, 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	110,698	2,180	112,878	90,160	22,718	1,974,325	7,117	25,984
(2) Sales of Housing, Office Buildings and Land	79,801	-	79,801	72,063	7,738	756,889	198	588
(3) Construction	23,558	1,147	24,705	30,783	(6,078)	59,023	559	1,093
(4) Brokerage, Consignment Sales and Consulting	18,267	658	18,925	13,648	5,277	50,591	191	511
(5) Property Management	27,835	6,344	34,180	29,962	4,217	66,492	247	694
(6) Sales of Housing Materials and Merchandise	19,232	7,378	26,610	26,243	366	44,962	253	434
(7) Facility Operations	10,232	71	10,303	10,676	(373)	83,367	727	617
(8) Other	2,486	2,552	5,038	4,086	952	17,864	555	594
Total	292,111	20,332	312,443	277,625	34,818	3,053,516	9,851	30,518
Elimination or Corporate	-	(20,332)	(20,332)	(15,090)	(5,241)	283,894	199	229
Consolidated	292,111	-	292,111	262,534	29,576	3,337,410	10,051	30,747

Three Months Ended June 30, 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	93,686	1,401	95,088	75,519	19,568	1,908,539	6,944	105,099
(2) Sales of Housing, Office Buildings and Land	58,033	-	58,033	45,758	12,274	563,137	83	180
(3) Construction	22,002	821	22,824	28,970	(6,146)	58,359	539	952
(4) Brokerage, Consignment Sales and Consulting	14,953	1,314	16,267	13,254	3,013	36,040	192	180
(5) Property Management	19,756	5,110	24,866	21,915	2,951	45,254	192	102
(6) Sales of Housing Materials and Merchandise	16,982	7,547	24,530	24,280	249	43,967	216	108
(7) Facility Operations	9,721	80	9,802	9,141	660	86,728	647	263
(8) Other	2,153	2,439	4,592	3,950	642	20,389	569	606
Total	237,290	18,715	256,005	222,792	33,213	2,762,415	9,386	107,495
Elimination or Corporate	-	(18,715)	(18,715)	(13,748)	(4,967)	275,531	195	237
Consolidated	237,290	-	237,290	209,044	28,245	3,037,947	9,581	107,732

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

Leasing

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

Sales of Housing, Office Buildings and Land

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

Construction

Construction of detached housing, flats, etc.

Brokerage, Consignment Sales and Consulting

Real estate agency, sales agency, and sales consignment services, as well as project management services for development of office buildings, retail facilities, etc., and asset management services for investors.

Property Management

Property management services (including tenant improvement)

Sales of Housing Materials and Merchandise

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

Facility Operations

Operation of hotels and golf courses, etc.

Other

Financing operations for housing loans and leasing business, etc.

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	June 30, 2007		March 31, 2007		Change		June 30, 2006	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
I. Current Assets:	¥969,772	29.1	¥956,897	29.0	¥12,874	1.3	¥775,195	25.5
Cash and Time Deposits	62,475		83,050		(20,574)		62,451	
Accounts Receivable—Trade	25,737		37,964		(12,226)		19,815	
Marketable Securities	50		50		-		50	
Real Property for Sale	535,254		519,478		15,775		439,214	
Expenditure on Contracts in Progress	20,675		11,040		9,635		21,546	
Other Inventories	11,814		10,663		1,151		10,397	
Advances Paid for Purchases	31,116		32,655		(1,539)		23,364	
Short-Term Loans	6,442		6,773		(330)		8,249	
Equity Investments in Properties for Sale	138,488		121,670		16,818		82,047	
Deferred Income Taxes	68,330		65,678		2,651		51,727	
Other Current Assets	69,898		68,420		1,478		56,836	
Allowance for Doubtful Accounts	(511)		(547)		35		(506)	
II. Fixed Assets:	2,367,638	70.9	2,337,292	71.0	30,345	1.3	2,262,752	74.5
1. Tangible Fixed Assets:	1,703,938	51.0	1,691,086	51.4	12,852	0.8	1,635,454	53.8
Buildings and Structures	488,330		494,274		(5,943)		483,043	
Machinery, Equipment and Materials Handling Equipment	6,313		6,110		202		5,637	
Land	1,158,860		1,155,208		3,651		1,105,455	
Construction in Progress	24,477		9,408		15,068		16,341	
Other Tangible Fixed Assets	25,956		26,083		(127)		24,976	
2. Intangible Fixed Assets:	25,738	0.8	25,745	0.8	(6)	(0.0)	25,871	0.9
Leasehold Rights	17,463		17,465		(2)		18,198	
Other Intangible Fixed Assets	8,275		8,280		(4)		7,672	
3. Investments and Other Assets:	637,960	19.1	620,460	18.8	17,500	2.8	601,426	19.8
Investment Securities	380,300		357,281		23,019		323,152	
Long-Term Loans	3,445		5,394		(1,948)		10,105	
Lease Deposits	185,942		186,952		(1,009)		187,872	
Deferred Income Taxes	16,019		15,996		23		24,127	
Deferred Tax Assets on Land Revaluation	13,064		13,064		-		18,423	
Other Investments and Assets	47,547		50,228		(2,681)		47,177	
Allowance for Doubtful Accounts	(8,359)		(8,457)		97		(9,431)	
Total Assets	¥3,337,410	100.0	¥3,294,190	100.0	¥43,220	1.3	¥3,037,947	100.0

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	June 30, 2007		March 31, 2007		Change		June 30, 2006	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
I . Current Liabilities:	¥748,053	22.4	¥685,907	20.8	¥62,145	9.1	¥625,461	20.6
Accounts Payable—Trade	58,499		131,947		(73,448)		42,518	
Short-Term Debt	274,397		226,767		47,630		213,273	
Commercial Paper	109,000		16,000		93,000		146,000	
Bond Redeemable Within One Year	25,000		-		25,000		20,000	
Income Taxes Payable	14,341		20,596		(6,255)		8,640	
Advances from Contracts in Progress	23,685		17,428		6,257		23,903	
Deferred Income Taxes	985		1,183		(198)		0	
Allowance for Completed Project Indemnities	1,507		1,547		(40)		1,462	
Allowance for Possible Guarantee Losses	165		146		19		132	
Other Current Liabilities	240,471		270,290		(29,818)		169,530	
II . Long-Term Liabilities:	¥1,609,082	48.2	¥1,645,068	50.0	(35,985)	(2.2)	¥1,531,055	50.4
Corporate Bonds	190,000		215,000		(25,000)		155,000	
Long-Term Debt	788,801		800,658		(11,857)		790,128	
Deposits from Tenants	320,361		322,785		(2,424)		299,891	
Allowance for Employees' Retirement Benefits	28,050		27,478		572		28,237	
Allowance for Directors' and Corporate Auditors' Retirement Benefits	1,108		2,075		(967)		1,841	
Deferred Income Taxes	56,877		52,891		3,985		50,041	
Deferred Tax Liabilities on Land Revaluation	185,104		185,104		-		163,001	
Other Long-Term Liabilities	38,779		39,074		(294)		42,912	
Total Liabilities	2,357,136	70.6	2,330,976	70.8	26,159	1.1	2,156,517	71.0
NET ASSETS:								
I . Total Shareholders' Equity:	¥650,456	19.5	¥638,161	19.3	12,295	1.9	¥590,062	19.4
Common Stock	174,296	5.2	174,296	5.3	-	-	174,296	5.7
Additional Paid-in Capital	248,311	7.5	248,308	7.5	3	0.0	248,299	8.2
Retained Earnings	231,259	6.9	218,682	6.6	12,576	5.8	169,713	5.6
Treasury Stock	(3,409)	(0.1)	(3,125)	(0.1)	(284)	9.1	(2,246)	(0.1)
II . Total Valuation Translation Adjustments and Others:	312,555	9.4	306,034	9.3	6,520	2.1	275,187	9.1
Net Unrealized Holding Gains on Securities	77,556	2.3	72,159	2.2	5,396	7.5	53,805	1.8
Deferred Gains or Losses on Hedges	121	0.0	53	0.0	67	125.9	(38)	(0.0)
Reserve on Land Revaluation	248,905	7.5	247,263	7.5	1,641	0.7	237,639	7.8
Foreign Currency Translation Adjustment	(14,027)	(0.4)	(13,442)	(0.4)	(584)	4.3	(16,218)	(0.5)
III . Minority Interests in Consolidated Subsidiaries	17,261	0.5	19,018	0.6	(1,756)	(9.2)	16,180	0.5
Total Net Assets	980,273	29.4	963,213	29.2	17,060	1.8	881,429	29.0
Total Liabilities and Net Assets	¥3,337,410	100.0	¥3,294,190	100.0	¥43,220	1.3	¥3,037,947	100.0

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	June 30, 2007		June 30,2006		Change		March 31, 2007	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	%	Amount	% of Total Revenue
I . Revenue from Operations	¥292,111	100.0	¥237,290	100.0	¥54,821	23.1	¥1,229,193	100.0
II . Cost of Revenue from Operations	229,785	78.7	181,038	76.3	48,746	26.9	942,928	76.7
Gross Operating Profit	62,326	21.3	56,251	23.7	6,075	10.8	286,265	23.3
III. Selling, General and Administrative Expenses	32,749	11.2	28,005	11.8	4,743	16.9	124,423	10.1
Operating Income	29,576	10.1	28,245	11.9	1,331	4.7	161,842	13.2
IV. Non-Operating Income:	3,679	1.3	1,903	0.8	1,775	93.3	10,751	0.9
Interest Income	190		211		(20)		782	
Dividend Income	1,234		857		376		1,408	
Equity in Net Income of Affiliated Companies	1,602		183		1,418		4,410	
Other Non-Operating Income	651		650		0		4,150	
V. Non-Operating Expenses:	7,035	2.4	6,075	2.6	959	15.8	30,269	2.5
Interest Expenses	5,967		5,118		849		21,421	
Other Non-Operating Expenses	1,068		957		110		8,848	
Ordinary Income	26,220	9.0	24,073	10.1	2,147	8.9	142,324	11.6
VI. Extraordinary Gains	12,086	4.1	9,217	3.9	2,869	31.1	17,604	1.4
VII. Extraordinary Losses	1,916	0.6	10,169	4.3	(8,252)	(81.2)	43,909	3.6
Income before Income Taxes	36,390	12.5	23,121	9.7	13,268	57.4	116,020	9.4
Income Taxes	15,881	5.4	6,895	2.9	8,985		26,044	2.1
Deferred Income Taxes	(17)	(0.0)	(3,275)	(1.4)	3,258		12,953	1.1
Minority Interests	(1,605)	(0.5)	(1,622)	(0.7)	16		1,807	0.1
Net Income	¥22,132	7.6	¥21,123	8.9	¥1,008	4.8	¥75,213	6.1

Nonconsolidated Financial Statements

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	June 30, 2007		March 31, 2007		Change		June 30, 2006	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
I. Current Assets:	¥644,267	22.4	¥560,987	20.2	¥83,280	14.8	¥743,689	27.2
Cash and Time Deposits	36,993		52,842		(15,848)		34,899	
Accounts Receivable	6,551		10,688		(4,137)		3,917	
Real Property for Sale	97,769		95,570		2,198		94,572	
Real Property in Progress	41,611		50,128		(8,517)		221,936	
Land for Development	44,865		44,390		475		88,469	
Advances Paid for Purchases	5,326		4,704		621		22,977	
Short-Term Loans	197,467		100,959		96,507		106,657	
Equity Investments in Properties for Sale	138,453		123,451		15,002		85,036	
Deferred Income Taxes	50,108		50,108		-		39,147	
Other Current Assets	25,133		28,151		(3,018)		46,085	
Allowance for Doubtful Accounts	(12)		(9)		(3)		(11)	
II. Fixed Assets:	2,233,970	77.6	2,212,645	79.8	21,324	1.0	1,986,919	72.8
1. Tangible Fixed Assets:	1,301,325	45.2	1,285,874	46.4	15,451	1.2	1,234,664	45.2
Buildings	322,710		326,134		(3,423)		319,222	
Land	938,566		934,462		4,104		884,481	
Construction in Progress	22,527		7,516		15,011		14,708	
Other Tangible Assets	17,520		17,761		(240)		16,250	
2. Intangible Fixed Assets	16,440	0.6	16,451	0.6	(11)	(0.1)	15,604	0.6
3. Investments and Other Assets:	916,204	31.8	910,319	32.8	5,884	0.6	736,650	27.0
Investment Securities	274,723		252,669		22,054		216,321	
Investments in Stock of Consolidated Subsidiaries and Affiliated Companies	245,565		245,490		75		214,122	
Investments in Consolidated Subsidiaries and Affiliated Companies	20		20		-		5	
Long-Term Loans	3,150		5,107		(1,956)		9,772	
Long-Term Loans to Consolidated Subsidiaries and Affiliated Companies	205,334		218,844		(13,510)		102,672	
Lease Deposits	184,872		185,592		(720)		188,031	
Other Investments and Assets	21,416		21,481		(65)		23,085	
Allowance for Doubtful Accounts	(18,877)		(18,884)		7		(17,360)	
Total Assets	¥2,878,237	100.0	¥2,773,633	100.0	¥104,604	3.8	¥2,730,608	100.0

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	June 30, 2007		March 31, 2007		Change		June 30, 2006	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
I . Current Liabilities:	¥557,607	19.4	¥436,806	15.8	¥120,801	27.7	¥530,788	19.4
Accounts Payable	12,727		19,558		(6,831)		9,138	
Short-Term Debt	243,615		201,660		41,955		205,274	
Commercial Paper	109,000		16,000		93,000		146,000	
Bond Redeemable Within One Year	25,000		-		25,000		20,000	
Other Payables	4,609		18,832		(14,222)		3,995	
Income Taxes Payable	6,407		-		6,407		4,495	
Accrued Expenses	10,355		8,445		1,910		9,460	
Advances Received	27,673		28,254		(580)		43,202	
Deposits	106,301		133,626		(27,325)		78,791	
Other Current Liabilities	11,916		10,427		1,489		10,429	
II . Long-Term Liabilities:	1,454,022	50.5	1,495,063	53.9	(41,040)	(2.7)	1,375,366	50.4
Corporate Bonds	190,000		215,000		(25,000)		155,000	
Long-Term Debt	725,973		742,670		(16,696)		718,589	
Deposits from Tenants	301,970		304,824		(2,853)		281,908	
Deferred Income Taxes	20,517		16,779		3,738		17,714	
Deferred Income Taxes - Revaluation	179,669		179,669		-		163,001	
Allowance for Employees' Retirement Benefits	13,284		12,713		571		13,439	
Allowance for Directors' and Corporate Auditors' Retirement Benefits	615		1,508		(893)		1,370	
Other Long-Term Liabilities	21,991		21,898		93		24,343	
Total Liabilities	2,011,630	69.9	1,931,869	69.7	79,760	4.1	1,906,155	69.8
NET ASSETS:								
I . Total Shareholders' Equity:	¥522,304	18.1	¥504,497	18.2	¥17,806	3.5	¥487,543	17.9
Common Stock	174,296	6.0	174,296	6.3	-	-	174,296	6.4
Additional Paid-in Capital	248,303	8.6	248,300	8.9	3	0.0	248,289	9.1
Retained Earnings	103,104	3.6	85,017	3.1	18,087	21.3	67,190	2.5
Treasury Stock	(3,400)	(0.1)	(3,116)	(0.1)	(284)	9.1	(2,233)	(0.1)
II . Total Valuation Translation Adjustments and Others:	344,303	12.0	337,265	12.1	7,037	2.1	336,910	12.3
Net Unrealized Holding Gains on Securities	76,241	2.7	70,784	2.5	5,456	7.7	52,465	1.9
Deferred Gains or Losses on Hedges	12	0.0	13	0.0	(0)	(3.3)	14	0.0
Reserve on Land Revaluation	268,049	9.3	266,467	9.6	1,581	0.6	284,430	10.4
Total Net Assets	866,607	30.1	841,763	30.3	24,843	3.0	824,453	30.2
Total Liabilities and Net Assets	¥2,878,237	100.0	¥2,773,633	100.0	¥104,604	3.8	¥2,730,608	100.0

NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	June 30, 2007		June 30, 2006		Change		March 31, 2007	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	%	Amount	% of Total Revenue
I .Revenue from Operations	¥106,537	100.0	¥127,021	100.0	¥(20,484)	(16.1)	¥453,227	100.0
Leasing	80,713	75.8	66,165	52.1	14,547	22.0	282,707	62.4
Sales of Housing, Office Buildings and Land	13,309	12.5	49,726	39.1	(36,416)	(73.2)	115,959	25.6
Other	12,514	11.7	11,129	8.8	1,384	12.4	54,560	12.0
II .Cost of Revenue from Operations	87,052	81.7	97,050	76.4	(9,997)	(10.3)	357,391	78.9
Leasing	66,457		53,037		13,419		228,162	
Sales of Housing, Office Buildings and Land	11,385		39,483		(28,097)		96,695	
Other	9,209		4,529		4,679		32,533	
Gross Operating Profit	19,484	18.3	29,971	23.6	(10,486)	(35.0)	95,835	21.1
III .Selling, General and Administrative Expenses	4,907	4.6	6,738	5.3	(1,830)	(27.2)	21,527	4.7
Operating Income	14,577	13.7	23,233	18.3	(8,655)	(37.3)	74,308	16.4
IV .Non-Operating Income:	18,795	17.6	4,157	3.3	14,638	352.1	12,660	2.8
Interest Income	1,384		741		643		4,449	
Dividend Income	17,149		3,199		13,950		7,382	
Other Non-Operating Income	261		216		44		829	
V .Non-Operating Expenses:	5,462	5.1	4,314	3.4	1,147	26.6	24,098	5.3
Interest Expenses	3,626		3,017		609		12,614	
Bond Interest	1,064		915		148		3,656	
Commercial Interest	44		22		21		528	
Other Non-Operating Expenses	726		359		367		7,298	
Ordinary Income	27,910	26.2	23,075	18.2	4,835	21.0	62,871	13.9
VI .Extraordinary Gains	12,035	11.3	9,054	7.1	2,980	32.9	32,391	7.2
VII .Extraordinary Losses	1,652	1.6	9,800	7.7	(8,148)	(83.1)	38,832	8.6
Income before Income Taxes	38,293	35.9	22,330	17.6	15,963	71.5	56,430	12.5
Income Taxes	10,712	10.0	5,854	4.6	4,858	83.0	1,150	0.3
Deferred Income Taxes	-	-	-	-	-	-	13,543	3.0
Net Income	¥27,581	25.9	¥16,476	13.0	¥11,105	67.4	¥41,737	9.2