

February 7, 2008

FACT BOOK

For the Nine Months Ended December 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.mitsui-fudosan.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 Nine Months Ended December 31, 2007

CONSOLIDATED RESULTS

(¥ millions)

	Nine Months Ended December 31		Change		Year Ended March 31, 2007
	2007	2006	(amount)	(%)	
Revenue from Operations	¥913,883	¥765,523	¥148,360	19.4	¥1,229,193
Operating Income	102,130	89,442	12,688	14.2	161,842
Ordinary Income	93,248	77,065	16,182	21.0	142,324
Net Income	58,408	52,070	6,337	12.2	75,213

(¥ millions)

	Year to 3/08 (Forecast as of October 31, 2007)	9-Month Results/ Full-Year Forecast (%)
	Revenue from Operations	¥1,380,000
Operating Income	175,000	58.4
Ordinary Income	152,000	61.3
Net Income	85,000	68.7

- In the nine-month period ended December 31, 2007, revenue from operations totaled ¥913.8 billion, up 19.4% from the previous corresponding period. Operating income grew 14.2%, to ¥102.1 billion.
- Revenue and earnings in the “Leasing” segment benefited from the full-term operations of Tokyo Midtown (Minato-ku, Tokyo) and four large-scale retail facilities completed in the Tokyo Metropolitan Area in the previous fiscal year, including LaLaport Yokohama (Yokohama, Kanagawa). Also contributing were office buildings and retail facilities completed in the period under review, notably Grand Tokyo North Tower (office building in Chiyoda-ku, Tokyo). As a result, segment revenue increased ¥52.8 billion, and segment operating income climbed ¥6.5 billion.
- Vacancy rates remained at low levels. On a consolidated basis (including overseas), the total vacancy rate for all office buildings and retail facilities was 1.2% at December 31, 2007. On a nonconsolidated basis, the vacancy rate of office buildings in the Tokyo Metropolitan Area ended the period at 1.3%.
- The “Sales of housing, office buildings and land” segment reported year-on-year increases in both revenue and earnings, owing mainly to the handover of large-scale projects, such as Shibaura Island Grove Tower (Minato-ku, Tokyo) for end-users. We also made solid progress in sales to investors. As a result, segment revenue increased ¥72.2 billion, and segment operating income grew ¥5.2 billion year-on-year.
- The “Brokerage, consignment sales and consulting” and “Property management” segments reported year-on-year increased revenue and earnings.
- The increase in operating income boosted ordinary income by ¥16.1 billion and net income by ¥6.3 billion compared with the previous corresponding period.

Consolidated Business Overview

RESULTS OF OPERATIONS

(¥ millions)

	Nine Months Ended December 31		Change (amount)
	2007	2006	
Revenue from Operations	¥913,883	¥765,523	¥148,360
Leasing	344,834	291,943	52,891
Sales of Housing, Office Buildings and Land	220,458	148,255	72,203
Construction	115,702	121,970	(6,267)
Brokerage, Consignment Sales and Consulting	56,745	50,069	6,676
Property Management	77,680	66,066	11,613
Sales of Housing Materials and Merchandise	54,592	50,489	4,102
Facility Operations	36,198	30,517	5,681
Other	7,671	6,211	1,459
Operating Income	102,130	89,442	12,688
Leasing	67,639	61,139	6,500
Sales of Housing, Office Buildings and Land	23,353	18,066	5,286
Construction	(4,648)	(3,490)	(1,157)
Brokerage, Consignment Sales and Consulting	14,166	13,851	314
Property Management	11,464	9,954	1,509
Sales of Housing Materials and Merchandise	804	709	94
Facility Operations	456	1,561	(1,104)
Other	2,976	1,936	1,040
Elimination or Corporate	(14,082)	(14,286)	204
Non-Operating Income/Expenses	(8,881)	(12,376)	3,494
Equity in Net Income/Loss of Affiliated Companies	7,724	3,821	3,902
Interest Expense, in Net	(18,553)	(15,179)	(3,374)
Other, in Net	1,947	(1,019)	2,967
Ordinary Income	93,248	77,065	16,182
Extraordinary Gains/Losses	2,706	(2,191)	4,898
Extraordinary Gains	13,826	9,733	4,092
Extraordinary Losses	(11,119)	(11,925)	805
Income before Income Taxes	95,955	74,874	21,081
Income Taxes	(38,489)	(23,281)	(15,207)
Minority Interests	941	477	463
Net Income	¥58,408	¥52,070	¥6,337

SEGMENTS RESULTS

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

[1] LEASING

(¥ millions)

	Nine Months Ended December 31		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥344,834	¥291,943	¥52,891	¥398,069
Operating Income	67,639	61,139	6,500	81,350

(¥ millions)

	Year to 3/08 (Forecast as of October 31, 2007)	9-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥470,000	73.4
Operating Income	88,000	76.9

- This segment posted a ¥52.8 billion increase in revenue and a ¥6.5 billion rise in operating income. Segment earnings benefited from the full-term contribution of Tokyo Midtown (Minato-ku, Tokyo) and four large-scale retail facilities in the Tokyo Metropolitan Area completed in the previous fiscal year, including LaLaport Yokohama (Yokohama, Kanagawa). Also contributing were office buildings and retail facilities (see page 5 for details) completed in the period under review, notably Grand Tokyo North Tower (office building in Chiyoda-ku, Tokyo). Other factors included the residential leasing (centering on Mitsui Fudosan Housing Lease) business, which reported an increase in units under management.
- On a consolidated basis (including overseas), the total vacancy rate for all office buildings and retail facilities was 1.2% at December 31, 2007 (compared with 1.4% at March 31, 2007). Moreover, 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 period at 1.3% (compared with 1.6% on March 31, 2007).

(a) Leasing

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31, 2007
	2007	2006	
	Revenue	Revenue	Revenue
Office Buildings	194,553	173,899	234,292
Retail Facilities	68,488	47,787	68,255
Residentials	52,008	43,955	59,909
Other (Car Park, etc.)	29,784	26,300	35,611
Total	344,834	291,943	398,069

(b) Leased Floor Space

		Nine Months Ended December 31		Year Ended March 31, 2007
		2007	2006	
Office Buildings and Retail Facilities	Leased Floor space (m ²):			
	Owned	2,062,253	2,044,249	2,054,563
	Managed	1,983,279	1,608,696	1,943,747
	Total	4,045,532	3,652,945	3,998,310
	Vacancy Rate (%)	1.2	1.4	1.4
Residentials	Leased Units:			
	Owned	260	242	241
	Managed	66,504	58,053	60,744
	Total	66,764	58,295	60,985
Car Parks	Managed Units: Total	114,178	88,427	96,929

(c) Vacancy Rate at End of Term

(%)

	12/07	9/07	3/07	9/06	3/06	9/05
Consolidated						
Office Buildings and Retail Facilities (including overseas)	1.2	1.1	1.4	1.3	1.4	2.9
Nonconsolidated						
Tokyo Metropolitan Area Office Buildings	1.3	1.1	1.6	1.0	1.0	2.7
Regional Area Office Buildings	5.0	4.5	4.4	4.9	5.7	7.0

(d) Breakdown of Leasing Operations (Nonconsolidated)

		Total		Tokyo Metropolitan Area		Regional Areas	
		Nine Months Ended December 31		Nine Months Ended December 31		Nine Months Ended December 31	
		2007	2006	2007	2006	2007	2006
Office Buildings	Number of Buildings	236	254	202	219	34	35
	Leased Floor Space (1,000m ²)	2,541	2,354	2,254	2,066	287	288
	Leasing Revenue (¥ millions)	179,596	159,482	164,976	143,648	14,619	15,834
	Vacancy Rate (%)	1.7	1.7	1.3	1.2	5.0	5.3
Retail Facilities	Number of Buildings	52	50	35	35	17	15
	Leased Floor Space (1,000m ²)	1,216	1,008	800	653	416	355
	Leasing Revenue (¥ millions)	64,815	43,581	48,254	28,374	16,561	15,207
	Vacancy Rate (%)	0.3	0.8	0.5	1.2	0.1	0.2

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

<Major Projects in the third quarter>

(NEWLY ON-STREAM)

Ginza Velvia Kan (Chuo-ku, Tokyo)	Retail facility opened in April 2007
Nitta Building (Chuo-ku, Tokyo)	Retail facility opened in September 2007
Tokyo Club Building (Chiyoda-ku, Tokyo)	Office building and retail facility completed in October 2007
Grand Tokyo North Tower (Chiyoda-ku, Tokyo)	Office building completed in October 2007
LaLaGarden Kasukabe (Kasukabe, Saitama)	Office building opened in November 2007

(FULL-TERM CONTRIBUTION)

Toyosu Center Building Annex (Koto-ku, Tokyo)	Office building completed in August 2006
Lazona Kawasaki Plaza (Kawasaki, Kanagawa)	Retail facility opened in September 2006
Urban Dock LaLaport Toyosu (Koto-ku, Tokyo)	Retail facility opened in October 2006
LaLaport Kashiwanoha (Kashiwa, Chiba)	Retail facility opened in November 2006
Tokyo Midtown (Minato-ku, Tokyo)	Office building, retail facility, hotel and rental 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

[2] SALES OF HOUSING, OFFICE BUILDINGS AND LAND

(¥ millions)

	Nine Months Ended December 31		Change (amount)	Year Ended March 31,2007
	2007	2006		
Revenue from Operations	¥220,458	¥148,255	¥72,203	¥341,629
Operating Income	23,353	18,066	5,286	49,239

(¥ millions)

	Year to 3/08 (Forecast as of October 31, 2007)	9-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥400,000	55.1
Operating Income	58,000	40.3

- This segment reported a significant year-on-year increase in revenue, owing to the handover of several large-scale condominium projects, including Shibaura Island Grove Tower (Minato-ku, Tokyo) and Park City LaLa Yokohama (Yokohama, Kanagawa). The selling environment remained favorable, especially for projects in attractive inner-city locations and large-scale development projects. Completed housing inventories at December 31, 2007, totaled 352 units (255 condominium units and 97 detached houses).
- Income-producing properties for investors (included in the “Other sales” category of this segment) also performed well. Highlights of the period include the sale of the “Park Axis” series of condominiums to Nippon Accommodations Fund (J-REIT), and private funds.

(a) Housing Sales and Other Sales

	Nine Months Ended December 31						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	429	22,115	52	360	18,291	51	631	33,231	53
Other	58	2,083	36	45	1,455	32	76	2,258	30
Total	487	24,199	50	405	19,746	49	707	35,490	50
Condominiums									
Tokyo Metropolitan Area	2,383	110,179	46	860	43,410	50	3,260	159,056	49
Other	690	21,734	31	610	23,443	38	1,227	43,304	35
Total	3,073	131,914	43	1,470	66,853	45	4,487	202,361	45
Other Sales	-	64,345	-	-	61,654	-	-	103,778	-
Total Sales	-	220,458	-	-	148,255	-	-	341,629	-

(b) Completed Housing Inventories

(Units)

	12/07	9/07	3/07	9/06	3/06	9/05	3/05
Detached Housing	97	81	109	40	20	45	55
Condominiums	255	252	267	100	235	200	490
Total	352	333	376	140	255	245	545

Note: Previously, figures for completed housing inventories at the end of each period were disclosed as multiples of five. Effective the third quarter of previous fiscal year, 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	512	590	487	103	508
Condominiums	4,754	3,525	8,279	3,073	5,206	3,668
Total	4,832	4,037	8,869	3,560	5,309	4,176

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

[3] CONSTRUCTION

(¥ millions)

	Nine Months Ended December 31		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥115,702	¥121,970	¥(6,267)	¥193,970
Operating Income(Loss)	(4,648)	(3,490)	(1,157)	2,718

(¥ millions)

	Year to 3/08 (Forecast as of October 31, 2007)	9-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥188,000	61.5
Operating Income	2,000	-

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

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

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31 2007
	2007	2006	
Orders:			
Order Backlogs at Beginning of Period	110,841	112,510	112,510
Order Received during Period	137,312	144,475	198,106
Sales Proceeds	119,240	124,311	199,776
Order Backlogs at End of Period	128,912	132,674	110,841

[4] BROKERAGE, CONSIGNMENT SALES AND CONSULTING

(¥ millions)

	Nine Months Ended December 31		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥56,745	¥50,069	¥6,676	¥77,349
Operating Income	14,166	13,851	314	26,049

(¥ millions)

	Year to 3/08 (Forecast as of October 31, 2007)	9-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥82,000	69.2
Operating Income	27,000	52.5

(¥ millions)

	Nine Months Ended December 31				Year Ended March 31 2007	
	2007		2006		Units	Revenue
	Units	Revenue	Units	Revenue		
Brokerage	23,130	44,408	22,837	37,077	31,455	52,161
Consignment Sales	2,650	4,907	4,222	5,685	7,660	10,811
Consulting	-	7,429	-	7,306	-	14,377
Total	-	56,745	-	50,069	-	77,349

[5] PROPERTY MANAGEMENT

(¥ millions)

	Nine Months Ended December 31		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥77,680	¥66,066	¥11,613	¥99,632
Operating Income	11,464	9,954	1,509	14,308

(¥ millions)

	Year to 3/08 (Forecast as of October 31, 2007)	9-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥107,000	72.6
Operating Income	15,000	76.4

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31 2007
	2007	2006	
	Revenue	Revenue	Revenue
Property Management	54,850	47,550	66,026
Tenant Improvement	22,829	18,516	33,606
Total	77,680	66,066	99,632

[6] SALES OF HOUSING MATERIALS AND MERCHANDISE

(¥ millions)

	Nine Months Ended December 31		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥54,592	¥50,489	¥4,102	¥69,394
Operating Income	804	709	94	855

(¥ millions)

	Year to 3/08 (Forecast as of October 31, 2007)	9-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥73,000	74.8
Operating Income	1,000	80.4

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31 2007
	2007	2006	
	Revenue	Revenue	Revenue
Housing Materials	17,851	15,862	23,688
Merchandise	36,741	34,627	45,705
Total	54,592	50,489	69,394

[7] FACILITY OPERATIONS

(¥ millions)

	Nine Months Ended December 31		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥36,198	¥30,517	¥5,681	¥40,200
Operating Income	456	1,561	(1,104)	1,754

(¥ millions)

	Year to 3/08 (Forecast as of October 31, 2007)	9-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥51,000	71.0
Operating Income	0	-

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31 2007
	2007	2006	
	Revenue	Revenue	Revenue
Hotels	26,522	20,948	27,900
Other	9,676	9,568	12,300
Total	36,198	30,517	40,200

[8] OTHER

(¥ millions)

	Nine Months Ended December 31		Change (amount)	Year Ended March 31, 2007
	2007	2006		
Revenue from Operations	¥7,671	¥6,211	¥1,459	¥8,946
Operating Income	2,976	1,936	1,040	2,811

(¥ millions)

	Year to 3/08 (Forecast as of October 31, 2007)	9-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥9,000	85.2
Operating Income	2,000	148.8

(¥ millions)

	Nine Months Ended December 31		Year Ended March 31 2007
	2007	2006	
	Revenue	Revenue	Revenue
Finance and Lease	988	904	1,206
Other	6,682	5,306	7,740
Total	7,671	6,211	8,946

FINANCIAL POSITION

Total Assets, Liabilities and Net Assets

(¥ millions)

	Nine Months Ended December 31, 2007	Year Ended March 31, 2007	Change (amount)
Total Assets	3,631,438	3,294,190	337,248
Total Liabilities	2,648,808	2,330,976	317,832
Interest-Bearing Debt	1,648,225	1,258,426	389,799
Net Assets	982,629	963,213	19,416
Shareholders' Equity	964,907	944,195	20,712
Debt-Equity Ratio (Times)	1.7	1.3	0.4

- Notes: 1. Interest-bearing debt: Short-term debt + Commercial paper + Bonds redeemable within one year + Bonds + Long-term debt
2. Shareholders' equity = Net assets – Minority interests – New share subscription rights
3. Debt-equity ratio: Interest-bearing debt ÷ Shareholders' equity

[Real Property for Sale]

At December 31, 2007, the balance of real property for sale (including advances paid for purchases) was ¥593.3 billion, up ¥41.1 billion from March 31, 2007. The increase stemmed mainly from the fact that revenue in the "Sales of housing, office buildings and land" segment is concentrated in the second half of each fiscal year, especially in the fourth quarter. Accordingly, the value of new acquisitions exceeded that of properties sold to recover costs.

[Tangible and Intangible Assets]

On a consolidated basis, the balance of tangible and intangible fixed assets at the end of the period stood at ¥1,955.0 billion, up ¥238.2 billion from March 31, 2007. The increase stemmed from construction investments made during the period, including in Grand Tokyo North Tower (Chiyoda-ku, Tokyo), as well as acquisitions, such as Mitsui Mutual Life Insurance Otemachi Building (Chiyoda-ku, Tokyo).

[Interest-Bearing Debt]

At December 31, 2007, total consolidated interest-bearing debt stood at ¥1,648.2 billion, up ¥389.7 billion from March 31, 2007. The increase was mainly due to rises in tangible and intangible fixed assets, as well as in real property for sale. Other factors included payment of construction costs for condominium projects completed in the previous fiscal year (leading to a decline in notes and accounts payable). Compared with a year earlier, total consolidated interest-bearing debt increased ¥251.5 billion.

Earning Forecast

CONSOLIDATED EARNING FORECAST

For the Year Ending March 31, 2008

In light of its performance in the period under review, the Company believes it is on track to achieve its forecasts for operating income, ordinary income, and net income for the year ending March 31, 2008 (those forecasts were announced on October 31, 2007). For this reason, the Company has not changed those forecasts.

(¥ millions)		
	Year to March 31	
	2008 (forecast)	2007 (actual)
Revenue from Operations	¥1,380,000	¥1,229,193
Consolidated/Nonconsolidated Ratio (Times)	(-)	(2.71)
Leasing	470,000	398,069
Sales of Housing, Office Buildings and Land	400,000	341,629
Construction	188,000	193,970
Brokerage, Consignment Sales and Consulting	82,000	77,349
Property Management	107,000	99,632
Sales of Housing Materials and Merchandise	73,000	69,394
Facility Operations	51,000	40,200
Other	9,000	8,946
Operating Income	175,000	161,842
Leasing	88,000	81,350
Sales of Housing, Office Buildings and Land	58,000	49,239
Construction	2,000	2,718
Brokerage, Consignment Sales and Consulting	27,000	26,049
Property Management	15,000	14,308
Sales of Housing Materials and Merchandise	1,000	855
Facility Operations	0	1,754
Other	2,000	2,811
Elimination or Corporate	(18,000)	(17,245)
Non-Operating Income/Expenses	(23,000)	(19,517)
Interest Expense, in Net	(27,000)	(20,638)
Other, in Net	4,000	1,121
Ordinary Income	152,000	142,324
Extraordinary Gains/Losses	(10,000)	(26,304)
Income before Income Taxes	142,000	116,020
Income Taxes	(55,000)	(38,998)
Minority Interests	(2,000)	(1,807)
Net Income	¥85,000	¥75,213

In the “Sales of housing” category of the “Sales of housing, office buildings and land” segment, the Company has revised its revenue forecast downward by ¥10 billion due to a decline in the number of units sold. Nevertheless, we expect the operating margin for this category to improve by 0.5 percentage point.

<Sales of Housing>

(¥ millions)

	Latest Forecast (as of February 7,2008)	Previous Forecast (as of October 31,2007)	Change	Year Ended March 31, 2007
Revenue from Operations	¥276,000	¥286,000	¥(10,000)	¥237,851
Detached Housing	39,000	44,000	(5,000)	35,490
Condominiums	237,000	242,000	(5,000)	202,361
Operating Margin (%)	11.0	10.5	0.5pt.	9.4

<Number of Housing Units (to be sold)>

(Units)

	Latest Forecast (as of February 7,2008)	Previous Forecast (as of October 31,2007)	Change	Year Ended March 31, 2007
Detached Housing	750	800	(50)	707
Condominiums	5,300	5,500	(200)	4,487
Total	6,050	6,300	(250)	5,194

Segment Information

Nine Months Ended December 31, 2007

(¥ millions)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	344,834	6,149	350,983	283,343	67,639	2,258,219	22,645	267,059
(2) Sales of Housing, Office Buildings and Land	220,458	-	220,458	197,104	23,353	769,798	627	1,865
(3) Construction	115,702	3,577	119,280	123,928	(4,648)	64,351	1,734	2,089
(4) Brokerage, Consignment Sales and Consulting	56,745	2,005	58,751	44,585	14,166	58,962	684	1,358
(5) Property Management	77,680	19,797	97,478	86,013	11,464	73,851	858	1,255
(6) Sales of Housing Materials and Merchandise	54,592	26,614	81,206	80,402	804	44,250	785	740
(7) Facility Operations	36,198	214	36,413	35,956	456	86,257	2,377	5,534
(8) Other	7,671	7,784	15,455	12,478	2,976	17,931	1,674	1,745
Total	913,883	66,143	980,027	863,815	116,212	3,373,622	31,388	281,647
Elimination or Corporate	-	(66,143)	(66,143)	(52,061)	(14,082)	257,815	627	1,508
Consolidated	913,883	-	913,883	811,753	102,130	3,631,438	32,015	283,155

Nine Months Ended December 31, 2006

(¥ millions)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	291,943	4,402	296,345	235,206	61,139	1,928,314	21,482	130,218
(2) Sales of Housing, Office Buildings and Land	148,255	-	148,255	130,188	18,066	752,330	354	2,532
(3) Construction	121,970	2,410	124,380	127,871	(3,490)	62,512	1,623	2,104
(4) Brokerage, Consignment Sales and Consulting	50,069	3,236	53,305	39,453	13,851	43,923	570	785
(5) Property Management	66,066	16,506	82,573	72,618	9,954	59,130	609	949
(6) Sales of Housing Materials and Merchandise	50,489	27,366	77,856	77,146	709	47,807	661	763
(7) Facility Operations	30,517	251	30,769	29,207	1,561	82,960	1,963	1,370
(8) Other	6,211	7,826	14,038	12,101	1,936	19,461	1,687	1,331
Total	765,523	62,000	827,523	723,794	103,729	2,996,441	28,953	140,056
Elimination or Corporate	-	(62,000)	(62,000)	(47,713)	(14,286)	256,603	610	2,500
Consolidated	765,523	-	765,523	676,081	89,442	3,253,045	29,563	142,557

Year Ended March 31, 2007

(¥ millions)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	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:	December 31, 2007		March 31, 2007		Change		December 31, 2006	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
I . Current Assets:	¥1,001,013	27.6	¥956,897	29.0	¥44,115	4.6	¥967,542	29.7
Cash and Time Deposits	62,568		83,050		(20,481)		61,386	
Accounts Receivable—Trade	29,058		37,964		(8,905)		23,709	
Marketable Securities	94		50		44		50	
Real Property for Sale	558,325		519,478		38,846		550,314	
Expenditure on Contracts in Progress	23,735		11,040		12,695		25,064	
Other Inventories	12,450		10,663		1,786		12,307	
Advances Paid for Purchases	34,981		32,655		2,325		35,217	
Short-Term Loans	7,200		6,773		427		7,484	
Equity Investments in Properties for Sale	124,497		121,670		2,826		133,010	
Deferred Income Taxes	68,366		65,678		2,688		51,978	
Other Current Assets	80,300		68,420		11,879		67,527	
Allowance for Doubtful Accounts	(566)		(547)		(18)		(507)	
II . Fixed Assets:	2,630,425	72.4	2,337,292	71.0	293,132	12.5	2,285,502	70.3
1. Tangible Fixed Assets:	1,927,235	53.0	1,691,086	51.4	236,148	14.0	1,646,090	50.6
Buildings and Structures	552,612		494,274		28,337		496,949	
Machinery, Equipment and Materials Handling Equipment	6,934		6,110		823		6,099	
Land	1,342,715		1,155,208		187,506		1,108,193	
Construction in Progress	27,663		9,408		18,254		9,793	
Other Tangible Fixed Assets	27,309		26,083		1,225		25,054	
2. Intangible Fixed Assets:	27,819	0.8	25,745	0.8	2,074	8.1	25,649	0.8
Leasehold Rights	17,458		17,465		(7)		17,461	
Other Intangible Fixed Assets	10,361		8,280		2,081		8,187	
3. Investments and Other	675,369	18.6	620,460	18.8	54,909	8.8	613,762	18.9
Investment Securities	417,523		357,281		60,242		349,103	
Long-Term Loans	4,648		5,394		(745)		5,046	
Lease Deposits	186,872		186,952		(79)		187,788	
Deferred Income Taxes	16,237		15,996		240		20,202	
Deferred Tax Assets on Land Revaluation	9,227		13,064		(3,836)		13,086	
Other Investments and Assets	49,131		50,228		(1,096)		47,837	
Allowance for Doubtful Accounts	(8,272)		(8,457)		184		(9,303)	
Total Assets	¥3,631,438	100.0	¥3,294,190	100.0	¥337,248	10.2	¥3,253,045	100.0

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	December 31, 2007		March 31, 2007		Change		December 31, 2006	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
I . Current Liabilities:	¥868,526	23.9	¥685,907	20.8	¥182,618	26.6	¥774,182	23.8
Accounts Payable—Trade	70,949		131,947		(60,998)		70,836	
Short-Term Debt	252,347		226,767		25,579		220,515	
Commercial Paper	221,000		16,000		205,000		216,000	
Bond Redeemable Within One Year	30,000		-		30,000		-	
Income Taxes Payable	30,420		20,596		9,823		23,740	
Advances from Contracts in Progress	23,971		17,428		6,542		25,392	
Deferred Income Taxes	983		1,183		(199)		0	
Allowance for Completed Project Indemnities	1,593		1,547		46		1,488	
Allowance for Possible Guarantee Losses	166		146		20		166	
Other Current Liabilities	237,094		270,290		(33,195)		216,042	
II . Long-Term Liabilities:	1,780,281	49.0	1,645,068	50.0	135,213	8.2	1,559,686	48.0
Corporate Bonds	235,000		215,000		20,000		185,000	
Long-Term Debt	909,878		800,658		109,219		775,156	
Deposits from Tenants	340,111		322,785		17,325		317,119	
Deferred Income Taxes	41,474		52,891		(11,417)		53,732	
Deferred Tax Liabilities on Land Revaluation	181,267		185,104		(3,836)		157,664	
Allowance for Employees' Retirement Benefits	30,539		27,478		3,061		30,467	
Allowance for Directors' and Corporate Auditors' Retirement Benefits	1,202		2,075		(873)		1,991	
Other Long-Term Liabilities	40,808		39,074		1,734		38,553	
Total Liabilities	2,648,808	72.9	2,330,976	70.8	317,832	13.6	2,333,868	71.8
NET ASSETS:								
I . Total Shareholders' Equity:	675,433	18.6	638,161	19.3	37,271	5.8	615,949	18.9
Common Stock	174,296	4.8	174,296	5.3	-	-	174,296	5.4
Additional Paid-in Capital	248,327	6.8	248,308	7.5	18	0.0	248,305	7.6
Retained Earnings	257,089	7.1	218,682	6.6	38,407	17.6	196,135	6.0
Treasury Stock	(4,280)	(0.1)	(3,125)	(0.1)	(1,154)	36.9	(2,787)	(0.1)
II . Total Valuation Translation Adjustments and Others:	289,474	8.0	306,034	9.3	(16,559)	(5.4)	286,663	8.8
Net Unrealized Holding Gains on Securities	53,198	1.5	72,159	2.2	(18,961)	(26.3)	63,861	2.0
Deferred Gains or Losses on Hedges	59	0.0	53	0.0	6	11.9	65	0.0
Reserve on Land Revaluation	251,440	6.9	247,263	7.5	4,176	1.7	237,766	7.3
Foreign Currency Translation Adjustment	(15,223)	(0.4)	(13,442)	(0.4)	(1,781)	13.2	(15,030)	(0.5)
III . New Share Subscription Rights:	57	0.0	-	-	57	-	-	-
IV . Minority Interests in Consolidated Subsidiaries	17,664	0.5	19,018	0.6	(1,353)	(7.1)	16,564	0.5
Total Net Assets	982,629	27.1	963,213	29.2	19,416	2.0	919,176	28.2
Total Liabilities and Net Assets	¥3,631,438	100.0	¥3,294,190	100.0	¥337,248	10.2	¥3,253,045	100.0

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	December 31, 2007		December 31, 2006		Change		March 31, 2007	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	%	Amount	% of Total Revenue
I . Revenue from Operations	¥913,883	100.0	¥765,523	100.0	¥148,360	19.4	¥1,229,193	100.0
II . Cost of Revenue from Operations	711,620	77.9	589,590	77.0	122,029	20.7	942,928	76.7
Gross Operating Profit	202,263	22.1	175,932	23.0	26,330	15.0	286,265	23.3
III. Selling, General and Administrative Expenses	100,132	10.9	86,490	11.3	13,642	15.8	124,423	10.1
Operating Income	102,130	11.2	89,442	11.7	12,688	14.2	161,842	13.2
IV. Non-Operating Income:	11,650	1.3	9,254	1.2	2,396	25.9	10,751	0.9
Interest Income	514		531		(16)		782	
Dividend Income	2,166		1,409		757		1,408	
Equity in Net Income of Affiliated Companies	7,724		3,821		3,902		4,410	
Other Non-Operating Income	1,245		3,492		(2,246)		4,150	
V. Non-Operating Expenses:	20,532	2.3	21,631	2.8	(1,098)	(5.1)	30,269	2.5
Interest Expenses	19,068		15,710		3,358		21,421	
Other Non-Operating Expenses	1,463		5,920		(4,456)		8,848	
Ordinary Income	93,248	10.2	77,065	10.1	16,182	21.0	142,324	11.6
VI. Extraordinary Gains	13,826	1.5	9,733	1.3	4,092	42.0	17,604	1.4
VII. Extraordinary Losses	11,119	1.2	11,925	1.6	(805)	(6.8)	43,909	3.6
Income before Income Taxes	95,955	10.5	74,874	9.8	21,081	28.2	116,020	9.4
Income Taxes	37,607	4.1	26,754	3.5	10,852		26,044	2.1
Deferred Income Taxes	881	0.1	(3,473)	(0.5)	4,355		12,953	1.1
Minority Interests	(941)	(0.1)	(477)	(0.0)	(463)		1,807	0.1
Net Income	¥58,408	6.4	¥52,070	6.8	¥6,337	12.2	¥75,213	6.1

Nonconsolidated Financial Statements

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	December 31, 2007		March 31, 2007		Change		December 31, 2006	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
I. Current Assets:	¥686,214	21.5	¥560,987	20.2	¥125,227	22.3	¥678,735	23.9
Cash and Time Deposits	33,419		52,842		(19,422)		35,721	
Accounts Receivable	6,121		10,688		(4,566)		3,732	
Real Property for Sale	89,366		95,570		(6,203)		105,660	
Real Property in Progress	45,424		50,128		(4,704)		46,514	
Land for Development	51,080		44,390		6,690		39,161	
Advances Paid for Purchases	4,884		4,704		179		4,660	
Short-Term Loans	249,812		100,959		148,852		241,572	
Equity Investments in Properties for Sale	125,536		123,451		2,085		134,987	
Deferred Income Taxes	50,244		50,108		136		35,405	
Other Current Assets	30,335		28,151		2,183		31,328	
Allowance for Doubtful Accounts	(12)		(9)		(3)		(8)	
II. Fixed Assets:	2,506,731	78.5	2,212,645	79.8	294,086	13.3	2,164,998	76.1
1. Tangible Fixed Assets:	1,608,001	50.4	1,285,874	46.4	322,127	25.1	1,256,128	44.1
Buildings	376,520		326,134		50,385		335,329	
Land	1,185,290		934,462		250,827		896,320	
Construction in Progress	25,542		7,516		18,026		6,371	
Other Tangible Assets	20,648		17,761		2,887		18,107	
2. Intangible Fixed Assets	16,379	0.5	16,451	0.6	(71)	(0.4)	16,536	0.6
3. Investments and Other Assets:	882,350	27.6	910,319	32.8	(27,969)	(3.1)	892,332	31.4
Investment Securities	221,320		252,669		(31,349)		238,396	
Investments in Stock of Consolidated Subsidiaries and Affiliated Companies	318,030		245,490		72,540		240,392	
Investments in Consolidated Subsidiaries and Affiliated Companies	-		20		(20)		-	
Long-Term Loans	4,152		5,107		(954)		4,728	
Long-Term Loans to Consolidated Subsidiaries and Affiliated Companies	150,955		218,844		(67,889)		217,589	
Lease Deposits	184,473		185,592		(1,119)		187,345	
Other Investments and Assets	22,240		21,481		758		22,801	
Allowance for Doubtful Accounts	(18,821)		(18,884)		63		(18,922)	
Total Assets	¥3,192,946	100.0	¥2,773,633	100.0	¥419,313	15.1	¥2,843,733	100.0

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	December 31 2007		March 31, 2007		Change		December 31, 2006	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	%	Amount	% of Total Assets
I . Current Liabilities:	¥691,685	21.7	¥436,806	15.8	¥254,879	58.4	¥611,713	21.5
Accounts Payable	12,642		19,558		(6,916)		19,549	
Short-Term Debt	228,313		201,660		26,653		211,301	
Commercial Paper	221,000		16,000		205,000		216,000	
Bond Redeemable Within One Year	30,000		-		30,000		-	
Other Payables	29,635		18,832		10,802		16,851	
Income Taxes Payable	18,596		-		18,596		14,379	
Accrued Expenses	8,293		8,445		(151)		6,350	
Advances Received	22,232		28,254		(6,022)		30,211	
Deposits	108,601		133,626		(25,025)		85,364	
Other Current Liabilities	12,369		10,427		1,942		11,705	
II . Long-Term Liabilities:	1,642,049	51.4	1,495,063	53.9	146,986	9.8	1,399,174	49.2
Corporate Bonds	235,000		215,000		20,000		185,000	
Long-Term Debt	848,263		742,670		105,593		705,577	
Deposits from Tenants	327,699		304,824		22,875		299,975	
Deferred Income Taxes	17,230		16,779		451		16,782	
Deferred Income Taxes - Revaluation	175,832		179,669		(3,836)		152,229	
Allowance for Employees' Retirement Benefits	14,861		12,713		2,147		15,298	
Allowance for Directors' and Corporate Auditors' Retirement Benefits	615		1,508		(893)		1,462	
Negative Goodwill	633		-		633		-	
Other Long-Term Liabilities	21,913		21,898		15		22,848	
Total Liabilities	2,333,735	73.1	1,931,869	69.7	401,865	20.8	2,010,887	70.7
NET ASSETS:								
I . Total Shareholders' Equity:	544,054	17.0	504,497	18.2	39,556	7.8	513,507	18.1
Common Stock	174,296	5.4	174,296	6.3	-	-	174,296	6.2
Additional Paid-in Capital	248,319	7.8	248,300	8.9	18	0.0	248,296	8.7
Retained Earnings	125,709	3.9	85,017	3.1	40,691	47.9	93,689	3.3
Treasury Stock	(4,270)	(0.1)	(3,116)	(0.1)	(1,154)	37.0	(2,774)	(0.1)
II . Total Valuation Translation Adjustments and Others:	315,099	9.9	337,265	12.1	(22,166)	(6.6)	319,338	11.2
Net Unrealized Holding Gains on Securities	52,284	1.7	70,784	2.5	(18,500)	(26.1)	62,437	2.2
Deferred Gains or Losses on Hedges	11	0.0	13	0.0	(1)	(10.0)	13	0.0
Reserve on Land Revaluation	262,803	8.2	266,467	9.6	(3,664)	(1.4)	256,886	9.0
III . New Share Subscription Rights:	57	0.0	-	-	57	-	-	-
Total Net Assets	859,211	26.9	841,763	30.3	17,447	2.1	832,845	29.3
Total Liabilities and Net Assets	¥3,192,946	100.0	¥2,773,633	100.0	¥419,313	15.1	¥2,843,733	100.0

NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	December 31, 2007		December 31, 2006		Change		March 31, 2007	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	%	Amount	% of Total Revenue
I .Revenue from Operations	¥331,443	100.0	¥334,421	100.0	¥(2,977)	(0.9)	¥453,227	100.0
Leasing	255,872	77.2	207,365	62.0	48,507	23.4	282,707	62.4
Sales of Housing, Office Buildings and Land	37,847	11.4	96,001	28.7	(58,154)	(60.6)	115,959	25.6
Other	37,723	11.4	31,054	9.3	6,669	21.5	54,560	12.0
II .Cost of Revenue from Operations	261,768	79.0	263,432	78.8	(1,664)	(0.6)	357,391	78.9
Leasing	210,342		165,675		44,667		228,162	
Sales of Housing, Office Buildings and Land	32,192		80,313		(48,120)		96,695	
Other	19,232		17,443		1,789		32,533	
Gross Operating Profit	69,675	21.0	70,988	21.2	(1,313)	(1.9)	95,835	21.1
III.Selling, General and Administrative Expenses	13,721	4.1	17,401	5.2	(3,680)	(21.1)	21,527	4.7
Operating Income	55,953	16.9	53,587	16.0	2,366	4.4	74,308	16.4
IV.Non-Operating Income:	26,079	7.9	10,985	3.3	15,094	137.4	12,660	2.8
Interest Income	4,367		2,909		1,458		4,449	
Dividend Income	21,129		7,340		13,789		7,382	
Other Non-Operating Income	582		735		(152)		829	
V.Non-Operating Expenses:	15,889	4.8	16,966	5.1	(1,076)	(6.3)	24,098	5.3
Interest Expenses	11,468		9,243		2,225		12,614	
Bond Interest	3,491		2,692		798		3,656	
Commercial Interest	558		325		232		528	
Other Non-Operating Expenses	371		4,705		(4,333)		7,298	
Ordinary Income	66,143	20.0	47,605	14.2	18,538	38.9	62,871	13.9
VI.Extraordinary Gains	23,493	7.1	27,068	8.1	(3,575)	(13.2)	32,391	7.2
VII.Extraordinary Losses	9,147	2.8	10,992	3.3	(1,844)	(16.8)	38,832	8.6
Income before Income Taxes	80,489	24.3	63,682	19.0	16,807	26.4	56,430	12.5
Income Taxes	22,350	6.8	16,322	4.8	6,028	36.9	1,150	0.3
Deferred Income Taxes	-	-	-	-	-	-	13,543	3.0
Net Income	¥58,139	17.5	¥47,360	14.2	¥10,779	22.8	¥41,737	9.2