

April 30, 2008

FACT BOOK

For the Year Ended March 31, 2008



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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, 2008

CONSOLIDATED RESULTS

	Year Ended March 31		YoY Change	
	2008	2007	(amount)	(%)
	(¥ millions)			
Revenue from Operations	¥1,360,023	¥1,229,193	¥130,829	10.6
Operating Income	179,282	161,842	17,440	10.8
Ordinary Income	162,835	142,324	20,511	14.4
Net Income	87,378	75,213	12,164	16.2

- Revenue from operations rose 10.6% year-on-year, to ¥1,360.0 billion. Operating income climbed 10.8%, to ¥179.2 billion—a record-high amount for the second successive year.
- The “Leasing” segment benefited from the full-scale operations of four large-scale retail facilities completed in the Tokyo Metropolitan Area in the previous fiscal year, including LaLaport Yokohama (Yokohama, Kanagawa) and Tokyo Midtown (Minato-ku, Tokyo). Also contributing were office buildings and retail facilities completed in the period under review, notably Grand Tokyo North Tower (Chiyoda-ku, Tokyo) and Akasaka Biz Tower (Minato-ku, Tokyo). As a result, segment revenue increased ¥70.9 billion, and segment operating income climbed ¥9.3 billion from the previous fiscal period.
- The “Sales of housing, office buildings and land” segment reported a ¥40.6 billion increase in revenue and an ¥8.5 billion rise in operating income. Profitability from sales of housing to individuals improved owing to an increase in units sold, the development of large-scale projects, and the location of projects in attractive inner-city locations. We also reported increased sales of income-producing properties to investors, such as the “Park Axis” series of apartment houses, as well as properties sold to private funds.
- The “Brokerage, consignment sales and consulting” segment posted a ¥6.9 billion increase in revenue and a ¥0.5 billion rise in operating income. Brokerage services for individuals and institutions performed generally well. Our asset management business also showed steady progress, reflecting an increase in assets under management of Group companies.
- The increase in operating income boosted ordinary income by ¥20.5 billion (14.4%), to ¥162.8 billion, representing the fifth consecutive year of record-high ordinary income. Net income for the year grew ¥12.1 billion (16.2%), to ¥87.3 billion, a record-high amount for the third successive year.
- The Company declared a year-end cash dividend of ¥11.00 per share, compared with its initial forecast of ¥9.00.

CONSOLIDATED FORECAST

	Year to Mar/09		Year Ended Mar/08	YoY Change	
	(forecast)	(actual)	(amount)	(%)	
	(¥ millions)				
Revenue from Operations	¥1,530,000	¥1,360,023	¥169,977	12.5	
Operating Income	200,000	179,282	20,718	11.6	
Ordinary Income	175,000	162,835	12,165	7.5	
Net Income	95,000	87,378	7,622	8.7	

For the year ending March 2009, the Company plans to pay total cash dividends of ¥22.00 per share (¥11.00 interim dividend, plus ¥11.00 year-end dividend).

CONSOLIDATED FINANCIAL SUMMARY

(¥ millions)

Operating Results:	Year Ended March 31		Change (amount)
	2008	2007	
Revenue from Operations	¥1,360,023	¥1,229,193	¥130,829
Operating Income	179,282	161,842	17,440
Ordinary Income	162,835	142,324	20,511
Net Income	87,378	75,213	12,164
Financial Position:	March 31, 2008	March 31, 2007	Change (amount)
Total Assets	¥3,634,489	¥3,294,190	¥340,299
Interest-Bearing Debt	1,550,420	1,258,426	291,994
Net Assets	992,003	963,213	28,789
Cash Flows:	Year Ended March 31		Change (amount)
	2008	2007	
Cash Flows from Operating Activities	¥97,762	¥57,969	¥39,792
Cash Flows from Investing Activities	(392,160)	(77,006)	(315,153)
Cash Flows from Financing Activities	276,136	38,085	238,051
Cash and Cash Equivalents at End of Period	63,495	81,816	(18,320)

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)
	2008	2007	
Leasing			
Revenue from Operations	¥469,000	¥398,069	¥70,930
Operating Income	90,666	81,350	9,315
Sales of Housing, Office Buildings and Land			
Revenue from Operations	382,266	341,629	40,637
Operating Income	57,809	49,239	8,570
Construction			
Revenue from Operations	188,658	193,970	(5,311)
Operating Income	1,900	2,718	(818)
Brokerage, Consignment Sales and Consulting			
Revenue from Operations	84,269	77,349	6,919
Operating Income	26,595	26,049	545
Property Management			
Revenue from Operations	102,463	99,632	2,831
Operating Income	15,496	14,308	1,187
Sales of Housing Materials and Merchandise			
Revenue from Operations	72,975	69,394	3,580
Operating Income	1,170	855	314
Facility Operations			
Revenue from Operations	49,745	40,200	9,544
Operating Income	269	1,754	(1,485)
Other			
Revenue from Operations	10,643	8,946	1,696
Operating Income	3,903	2,811	1,092

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)
	2008	2007	
Revenue from Operations	¥1,360,023	¥1,229,193	¥130,829
Leasing	469,000	398,069	70,930
Sales of Housing, Office Buildings and Land	382,266	341,629	40,637
Construction	188,658	193,970	(5,311)
Brokerage, Consignment Sales and Consulting	84,269	77,349	6,919
Property Management	102,463	99,632	2,831
Sales of Housing Materials and Merchandise	72,975	69,394	3,580
Facility Operations	49,745	40,200	9,544
Other	10,643	8,946	1,696
Operating Income	179,282	161,842	17,440
Leasing	90,666	81,350	9,315
Sales of Housing, Office Buildings and Land	57,809	49,239	8,570
Construction	1,900	2,718	(818)
Brokerage, Consignment Sales and Consulting	26,595	26,049	545
Property Management	15,496	14,308	1,187
Sales of Housing Materials and Merchandise	1,170	855	314
Facility Operations	269	1,754	(1,485)
Other	3,903	2,811	1,092
Elimination or Corporate	(18,528)	(17,245)	(1,283)
Non-Operating Income/Expenses	(16,446)	(19,517)	3,070
Equity in Net Income/Loss of Affiliated Companies	7,063	4,410	2,653
Interest Expense, in Net	(25,371)	(20,638)	(4,732)
Other, in Net	1,860	(3,289)	5,149
Ordinary Income	162,835	142,324	20,511
Extraordinary Gains/Losses	(7,769)	(26,304)	18,535
Extraordinary Gains	22,200	17,604	4,595
Extraordinary Losses	29,969	43,909	(13,939)
Income before Income Taxes	155,066	116,020	39,046
Income Taxes	(66,249)	(38,998)	(27,250)
Minority Interests	(1,439)	(1,807)	368
Net Income	¥87,378	¥75,213	¥12,164

[Revenue and Income from Operations]

- In the fiscal year ended March 31, 2008, revenue from operations totaled ¥1,360.0 billion, up 10.6% from the previous fiscal period. Operating income grew 10.8%, to ¥179.2 billion.
- The “Leasing” segment benefited from the full-scale operations of four large-scale retail facilities completed in the Tokyo Metropolitan Area in the previous fiscal year, including LaLaport Yokohama (Yokohama, Kanagawa) and Tokyo Midtown (Minato-ku, Tokyo). Also contributing were office buildings and retail facilities completed in the period under review, notably Grand Tokyo North Tower (Chiyoda-ku, Tokyo) and Akasaka Biz Tower (Minato-ku, Tokyo). As a result, segment revenue increased ¥70.9 billion, and segment operating income climbed ¥9.3 billion from the previous fiscal period.
- The “Sales of housing, office buildings and land” segment reported a ¥40.6 billion increase in revenue and an ¥8.5 billion rise in operating income. Profitability from sales of housing to individuals improved owing to an increase in units sold, the development of large-scale projects, and the location of projects in attractive inner-city locations. We also reported increased sales of income-producing properties to investors, such as the “Park Axis” series of apartment houses, as well as properties sold to private funds.
- The “Brokerage, consignment sales and consulting” segment posted a ¥6.9 billion increase in revenue and a ¥0.5 billion rise in operating income. Brokerage services for individuals and institutions performed generally

well. Our asset management business also showed steady progress, reflecting an increase in assets under management of Group companies.

- The “Property management” segment reported increased year-on-year revenue and operating income, owing to an increase in projects completed in the previous fiscal year.
- The increase in operating income boosted ordinary income by ¥20.5 billion (14.4%). Net income for the year grew ¥12.1 billion (16.2%).

SEGMENTS RESULTS

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

[1] LEASING

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
Revenue from Operations	¥469,000	¥398,069	¥70,930
Operating Income	90,666	81,350	9,315

- In the “Leasing” segment, revenue from operations grew ¥70.9 billion, and operating income rose ¥9.3 billion. Contributing to segment earnings was the full-year operation of four large-scale retail facilities completed in the previous fiscal year, including LaLaport Yokohama (Yokohama, Kanagawa) and Tokyo Midtown (Minato-ku, Tokyo). Also contributing were projects that went on stream in the year under review, notably Grand Tokyo North Tower (Chiyoda-ku, Tokyo) and Akasaka Biz Tower (Minato-ku, Tokyo), as well as new projects. Income from existing office buildings benefited from solid progress in rent fee adjustments. Other factors included the residential leasing business (centering on Mitsui Fudosan Housing Lease), which both reported increases in units under management, as well as the office building leasing business of Mitsui Fudosan America.
- On a nonconsolidated basis, the vacancy rate of office buildings in the Tokyo Metropolitan Area was 1.3% at fiscal year-end, down from 1.6% 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 1.3% at March 31, 2008 (down from 1.4% a year earlier).

(a) Leasing

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
	Revenue	Revenue	
Office Buildings	265,516	234,292	31,223
Retail Facilities	92,295	68,255	24,040
Residentials	71,139	59,909	11,229
Other (Car Park, etc.)	40,048	35,611	4,436
Total	469,000	398,069	70,930

(b) Leased Floor Space

		Year Ended March 31		Change (amount)
		2008	2007	
Office Buildings and Retail Facilities	Leased Floor space (m ²):			
	Owned	1,999,887	2,054,563	(54,676)
	Managed	2,065,210	1,943,747	121,464
	Total	4,065,098	3,998,310	66,788
	Vacancy Rate (%)	1.3	1.4	(0.1)
Residentials	Leased Units:			
	Owned	296	241	55
	Managed	69,288	60,744	8,544
	Total	69,584	60,985	8,599
Car Parks	Managed Units:			
	Total	116,661	96,929	19,732

(c) Vacancy Rate at End of Term

(%)

	3/08	3/07	3/06	3/05	3/04	3/03
Consolidated						
Office Buildings and Retail Facilities (including overseas)	1.3	1.4	1.4	2.8	5.0	6.0
Nonconsolidated						
Tokyo Metropolitan Area Office Buildings	1.3	1.6	1.0	3.0	4.4	5.4
Regional Area Office Buildings	5.8	4.4	5.7	7.0	7.6	12.1

(d) Breakdown of Leasing Operations (Nonconsolidated)

		Total		Tokyo Metropolitan Area		Regional Areas	
		Year Ended March 31		Year Ended March 31		Year Ended March 31	
		2008	2007	2008	2007	2008	2007
Office Buildings	Number of Buildings	221	246	187	212	34	34
	Leased Floor Space (1,000m ²)	2,604	2,540	2,311	2,261	293	278
	Leasing Revenue (¥ millions)	244,431	214,801	224,946	193,787	19,485	21,013
	Vacancy Rate (%)	1.9	1.9	1.3	1.6	5.8	4.4
Retail Facilities	Number of Buildings	53	49	36	33	17	16
	Leased Floor Space (1,000m ²)	1,235	1,110	819	737	416	373
	Leasing Revenue (¥ millions)	87,393	62,091	65,232	41,683	22,160	20,407
	Vacancy Rate (%)	0.3	0.5	0.4	0.5	0.0	0.5

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

<Major Projects>

(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)	Retail facility opened in November 2007
Akasaka Biz Tower (Minato-ku, Tokyo)	Office building and retail facility completed in January 2008
Yodoyabashi Mitsui Building (Osaka, Osaka)	Office building and retail facility completed in March 2008

(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)

	Year Ended March 31		Change (amount)
	2008	2007	
Revenue from Operations	¥382,266	¥341,629	¥40,637
Operating Income	57,809	49,239	8,570

- With respect to housing units for individuals, customers became increasingly selective about properties to buy, reflecting bipolarization of market. However, Mitsui Fudosan Residential reported a major increase in units sold. Revenue was also boosted by solid demand for units in large-scale development projects and in attractive inner-city locations. In addition, we reported increased sales of income-producing properties to investors, such as the “Park Axis” series of apartment houses, as well as properties sold to private funds. As a result, overall segment revenue grew ¥40.6 billion year-on-year, and segment operating income rose ¥8.5 billion.
- The Company had 568 units in completed inventories slated for sale to individuals (453 condominium units and 115 detached houses) at year-end, up 192 from a year earlier. Completed inventories at the end of the previous fiscal year totaled 376 units (267 condominium units and 109 detached houses).

(a) Housing Sales and Other Sales

	Year Ended March 31					
	2008			2007		
	Units	Revenue (¥ millions)	Unit Price (¥ millions)	Units	Revenue (¥ millions)	Unit Price (¥ millions)
Detached Housing						
Tokyo Metropolitan Area	630	32,379	51	631	33,231	53
Other	83	3,009	36	76	2,258	30
Total	713	35,389	50	707	35,490	50
Condominiums						
Tokyo Metropolitan Area	4,133	199,318	48	3,260	159,056	49
Other	1,116	35,658	32	1,227	43,304	35
Total	5,249	234,977	45	4,487	202,361	45
Other Sales	-	111,899	-	-	103,778	-
Total Sales	-	382,266	-	-	341,629	-

(b) Completed Housing Inventories

(Units)

	3/08	3/07	3/06	3/05	3/04	3/03
Detached Housing	115	109	20	55	25	120
Condominiums	453	267	235	490	455	485
Total	568	376	255	545	480	605

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	683	761	713	48	710
Condominiums	4,754	4,331	9,085	5,249	3,836	4,604
Total	4,832	5,014	9,846	5,962	3,884	5,314

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)
	2008	2007	
Revenue from Operations	¥188,658	¥193,970	¥(5,311)
Operating Income	1,900	2,718	(818)

- Due to the small order backlog at the beginning of the year for projects contracted by the Mitsui Home Group, as well as a low volume of orders received during the year, segment revenue declined ¥5.3 billion, and segment operating income fell ¥0.8 billion.

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

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
Orders:			
Order Backlogs at Beginning of Period	110,841	112,510	(1,669)
Order Received during Period	187,441	198,106	(10,665)
Sales Proceeds	194,219	199,776	(5,556)
Order Backlogs at End of Period	104,062	110,841	(6,778)

[4] BROKERAGE, CONSIGNMENT SALES AND CONSULTING

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
Revenue from Operations	¥84,269	¥77,349	¥6,919
Operating Income	26,595	26,049	545

- The brokerage business of Mitsui Real Estate Sales generally performed well, despite the impact of changing market conditions since the second half of the period. In addition, Resident First made good progress in its rental housing brokerage business, and the consulting business (including asset management services provided by Nippon Building Fund Management, Mitsui Fudosan Investment Advisors, and others) benefited from an increase in assets under management of the entire Group. Overall segment revenue and operating income increased accordingly.

(¥ millions)

	Year Ended March 31				Change (amount)	
	2008		2007		Revenue	Units
	Revenue	Units	Revenue	Units		
Brokerage	62,097	31,757	52,161	31,455	9,936	302
Consignment Sales	10,067	5,358	10,811	7,660	(744)	(2,302)
Consulting	12,104	-	14,377	-	(2,272)	-
Total	84,269	-	77,349	-	6,919	-

< Brokerage Business of Mitsui Real Estate Sales >

(¥ millions)

	Year Ended March 31				Change (amount)	
	2008		2007			
	Revenue	Units	Revenue	Units	Revenue	Units
Brokerage	1,378,571	32,040	1,382,097	31,693	(3,527)	347

Note: Above figures for brokerage revenue and units represent the entire Mitsui Fudosan Group, including the Mitsui Rehouse equity-method affiliates.

< Consignment Sales Business of Mitsui Fudosan Residential >

(¥ millions)

	Year Ended March 31				Change (amount)	
	2008		2007			
	Revenue	Units	Revenue	Units	Revenue	Units
Consignment Sales	266,625	5,200	201,954	4,326	64,671	874

Note: On October 1, 2006, the consignment sales business, previously handled by Mitsui Real Estate Sales, was transferred to Mitsui Fudosan Residential. Figures in the above table, therefore, are those for Mitsui Fudosan Residential only. (The consignment sales business of Mitsui Real Estate Sales is not included in figures for the year ended March 2007.)

[5] PROPERTY MANAGEMENT

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
Revenue from Operations	¥102,463	¥99,632	¥2,831
Operating Income	15,496	14,308	1,187

- Revenue in this segment rose ¥2.8 billion year-on-year, while operating income was up ¥1.1 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) and Tokyo Midtown (Minato-ku, Tokyo).

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
	Revenue	Revenue	
Property Management	73,141	66,026	7,115
Tenant Improvement	29,322	33,606	(4,283)
Total	102,463	99,632	2,831

[6] SALES OF HOUSING MATERIALS AND MERCHANDISE

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
Revenue from Operations	¥72,975	¥69,394	¥3,580
Operating Income	1,170	855	314

- Revenue in this segment rose ¥3.5 billion, and segment operating income grew ¥0.3 billion. The segment benefited from higher sales from home centers operated by Uni Living, whose revenue was boosted by the opening of new stores. Sales of housing materials by Mitsui Home also increased.

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
	Revenue	Revenue	
Housing Materials	25,496	23,688	1,807
Merchandise	47,478	45,705	1,772
Total	72,975	69,394	3,580

[7] FACILITY OPERATIONS

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
Revenue from Operations	¥49,745	¥40,200	¥9,544
Operating Income	269	1,754	(1,485)

- Revenue in this segment increased ¥9.5 billion, owing to the opening of two hotels during the year—Mitsui Garden Hotel Shiodome Italia-gai (Minato-ku, Tokyo) and Mitsui Garden Hotel Prana Tokyo Bay (Urayasu, Chiba)—and the acquisition of four resort facilities, including Nemunosato (Shima, Mie). However, segment operating income declined ¥1.4 billion, due to expenses associated with the opening of hotels and acquisition of resort facilities.

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
Hotels	37,499	27,900	9,599
Other	12,245	12,300	(55)
Total	49,745	40,200	9,544

[8] OTHER

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
Revenue from Operations	¥10,643	¥8,946	¥1,696
Operating Income	3,903	2,811	1,092

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
	Revenue	Revenue	
Finance and Lease	1,362	1,206	155
Other	9,281	7,740	1,541
Total	10,643	8,946	1,696

ASSETS, LIABILITIES AND NET ASSETS

(¥ millions)

Assets	March 31		Change (amount)
	2008	2007	
Cash and Time Deposits	¥50,722	¥83,050	¥(32,327)
Marketable Securities	13,094	50	13,044
Real Property for Sale*	660,486	552,134	108,352
Equity Investments in Properties for sale	97,151	121,670	(24,518)
Tangible & Intangible Fixed Assets	1,961,811	1,716,832	244,978
Investment Securities	390,418	357,281	33,137
Short-Term Loans	8,170	6,773	1,396
Long-Term Loans	4,670	5,394	(723)
Lease Deposits	196,788	186,952	9,836
Deferred Income Taxes	75,082	81,675	(6,593)
Deferred Tax Assets on Land Revaluation	8,308	13,064	(4,756)
Other Assets	167,783	169,312	(1,529)
Total Assets	¥3,634,489	¥3,294,190	¥340,299

*Real Property for Sale includes Advances Paid for Purchases.

(¥ millions)

Liabilities, Net Assets and Minority Interests	March 31		Change (amount)
	2008	2007	
Interest-Bearing Debt	¥1,550,420	¥1,258,426	¥291,994
Deposits from Tenants	356,612	322,785	33,826
Deferred Income Taxes	31,231	54,075	(22,844)
Deferred Tax Liabilities on Land Revaluation	186,189	185,104	1,084
Other Liabilities	518,032	510,584	7,447
Total Liabilities	2,642,486	2,330,976	311,509
Net Assets	992,003	963,213	28,789
Common Stock	174,296	174,296	-
Additional Paid-in Capital	248,328	248,308	20
Retained Earnings	278,748	218,682	60,066
Treasury Stock	(4,333)	(3,125)	(1,208)
Deferred Gains or Losses on Hedges Reserve on Land Revaluation	257,728	247,263	10,464
Unrealized Holding Gains on Securities	32,575	72,159	(39,583)
Deferred Gains or Losses on Hedges	(106)	53	(159)
Foreign Currency Translation Adjustment	(15,927)	(13,442)	(2,484)
New Share Subscription Rights	86	-	86
Minority Interests in Consolidated Subsidiaries	20,607	19,018	1,589
Total Liabilities, Net Assets and Minority Interest	¥3,634,489	¥3,294,190	¥340,299

[Real Property for Sale]

At March 31, 2008, the balance of real property for sale was ¥660.4 billion, up ¥108.3 billion from a year earlier. The increase stemmed mainly from steady acquisitions by Mitsui Fudosan Residential of land for housing.

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

(¥ millions)

	March 31, 2008	March 31, 2007	Change (amount)
Mitsui Fudosan Residential	360,589	311,494	49,094
Mitsui Fudosan	232,710	194,794	37,915
Mitsui Fudosan America	41,805	7,153	34,651
Other and Elimination	25,381	38,691	(13,309)
Consolidated Total	660,486	552,134	108,352

(b) Accounts of Real Property for Sale

(¥ millions)

March 31, 2007	New Investments	Cost Recovery	Others	March 31, 2008
552,134	360,882	(275,619)	23,089	660,486

[Tangible and Intangible Assets]

On a consolidated basis, the balance of tangible and intangible fixed assets at the end of the period was ¥244.9 billion higher than a year earlier. The increase stemmed from investments made by the parent company during the period (including in Grand Tokyo North Tower, Yodoyabashi Mitsui Building, and Mitsui Mutual Life Insurance Otemachi Building), as well as new investments in redevelopment projects.

(a) Tangible and Intangible Assets

(¥ millions)

	March 31, 2008	March 31, 2007	Change (amount)
Mitsui Fudosan	1,648,105	1,302,326	345,779
Mitsui Fudosan America	81,890	87,496	(5,605)
Mitsui Home	33,184	35,069	(1,884)
Other and Elimination	198,630	291,941	(93,310)
Consolidated Total	1,961,811	1,716,832	244,978

(b) Tangible and Intangible Fixed Assets

(¥ millions)

March 31, 2007	Capital Expenditure	Depreciation	Disposal/Sale	March 31, 2008
1,716,832	340,462	(44,304)	(51,179)	1,961,811

[Interest-Bearing Debt]

At March 31, 2008, total consolidated interest-bearing debt stood at ¥1,550.4 billion, up ¥291.9 billion from a year earlier. The increase was mainly due to a rise in new investments by the parent company in tangible and intangible fixed assets, as well as solid progress made by Mitsui Fudosan Residential in purchasing real property for sale.

(¥ millions)

	March 31, 2008	March 31, 2007	Change (amount)
Mitsui Fudosan	1,451,670	1,175,331	276,339
Mitsui Fudosan Residential	172,000	120,000	52,000
Mitsui Fudosan America	76,240	50,850	25,389
Loans to Subsidiaries	(324,001)	(319,499)	(4,501)
Other and Elimination	174,511	231,744	(57,232)
Consolidated Total	1,550,420	1,258,426	291,994

[Retained Earnings]

At the end of the period, retained earnings amounted to ¥278.7 billion, up ¥60.0 billion from a year earlier. Net income provided an ¥87.3 billion boost to retained earnings. Factors holding down retained earnings included a ¥9.7 billion reversal of land revaluation differential and ¥15.8 billion in cash dividend payments.

[Contingent Liabilities]

(¥ millions)

	March 31, 2008	March 31, 2007	Change (amount)
Loans Guaranteed	81,605	96,013	(14,408)

CASH FLOWS

Cash and cash equivalents at fiscal year-end stood at ¥63.4 billion, down ¥18.3 billion from a year earlier.

Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥97.7 billion. Cash flows were boosted by income before income taxes of ¥155.0 billion, up ¥39.0 billion year-on-year, as well as a decrease in equity investment in property for sale. By contrast, purchases of real property for sale exceeded proceeds from sale of same by ¥100.4 billion.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥392.1 billion. While the Company made ¥129.4 billion in purchases of marketable securities, cash flows were boosted by ¥35.9 billion in sales of tangible and intangible fixed assets. However, this was outweighed by ¥346.7 billion in purchases of tangible and intangible fixed assets.

Cash Flows from Financing Activities

Net cash provided by financing activities was ¥276.1 billion (compared with ¥38.0 billion in the previous year), due primarily to an increase in borrowings.

Earning Forecast

CONSOLIDATED EARNING FORECAST AS OF APRIL 30, 2008

For the Year Ending March 31, 2009

(¥ millions)

	Year to March 31		Change (amount)
	2009 (forecast)	2008 (actual)	
Revenue from Operations	¥1,530,000	¥1,360,023	¥169,977
Leasing	530,000	469,000	61,000
Sales of Housing, Office Buildings and Land	478,000	382,266	95,734
Construction	191,000	188,658	2,342
Brokerage, Consignment Sales and Consulting	84,000	84,269	(269)
Property Management	107,000	102,463	4,537
Sales of Housing Materials and Merchandise	73,000	72,975	25
Facility Operations	57,000	49,745	7,255
Other	10,000	10,643	(643)
Operating Income	200,000	179,282	20,718
Leasing	95,000	90,666	4,334
Sales of Housing, Office Buildings and Land	76,000	57,809	18,191
Construction	3,000	1,900	1,100
Brokerage, Consignment Sales and Consulting	25,000	26,595	(1,595)
Property Management	16,000	15,496	504
Sales of Housing Materials and Merchandise	1,000	1,170	(170)
Facility Operations	1,000	269	731
Other	3,000	3,903	(903)
Elimination or Corporate	(20,000)	(18,528)	(1,472)
Non-Operating Income/Expenses	(25,000)	(16,446)	(8,554)
Interest Expense, in Net	(29,000)	(25,371)	(3,629)
Other, in Net	4,000	8,924	(4,924)
Ordinary Income	175,000	162,835	12,165
Extraordinary Gains/Losses	(10,000)	(7,769)	(2,231)
Income before Income Taxes	165,000	155,066	9,934
Income Taxes	(68,000)	(66,249)	(1,751)
Minority Interests	(2,000)	(1,439)	(561)
Net Income	¥95,000	¥87,378	¥7,622

[Revenue and Income from Operations]

For the year ending March 2009, the Company forecasts a 12.5% increase in revenue from operations, to ¥169.9 billion, and an 11.6% rise in operating income, to ¥20.7 billion.

Due to higher projected operating income, we forecast ordinary income to grow 7.5%, to ¥12.1 billion. We also expect to post an extraordinary loss related to the disposal of assets due to reconstruction. Taking this factor into account, the Company forecasts net income of ¥7.6 billion, up 8.7%.

- **Leasing:** Despite the sale of properties and an expected increase in repair and maintenance costs, this segment will benefit from the full-year operation of facilities completed during the year under review (including Grand Tokyo North Tower and Akasaka Biz Tower), as well as higher rental income from existing facilities. We therefore expect ¥61.0 billion year-on-year increase in segment revenue and ¥4.3 billion rise in segment operating income.
- **Sales of Housing, Office Buildings and Land:** The housing sales business of Mitsui Fudosan Residential should post increases in both revenue and income thanks to expected rises in number of units to be booked and price per unit. Sales by the parent company of income-producing properties to investors are also forecast to remain strong. Accordingly, we expect ¥95.7 billion increase in segment revenue and ¥18.1 billion rise in segment operating income.
- **Construction:** We forecast ¥2.3 billion increase in revenue and ¥1.1 billion rise in operating income for this segment, driven by building projects contracted by the Mitsui Home Group.
- **Brokerage, Consignment Sales and Consulting :** In the past year, the brokerage market has been in an adjustment phase. Taking this into consideration, we expect segment revenue to decline ¥0.2 billion and segment operating income to fall ¥1.5 billion.
- **Property Management:** We expect to see an increase in properties managed by Group companies, especially properties 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 housing units managed by Mitsui Real Estate Housing Services. Therefore, we predict ¥4.5 billion rise in segment revenue and ¥0.5 billion increase in segment operating income.
- **Sales of Housing Materials and Merchandise:** We expect the overall performance of this segment to remain mostly unchanged.
- **Facility Operations:** Revenue in this segment will be boosted by the full-year operation of four resorts acquired during the year under review. Meanwhile, earnings will benefit from a decline in opening-related costs for two hotels that commenced operations during the year. Accordingly, we expect ¥7.2 billion increase in segment revenue and ¥0.7 billion rise in segment operating income.

[Capital Expenditures]

(¥ millions)

	Year to March 31		Change (amount)
	2009 (forecast)	2008 (actual)	
Capital Expenditure	160,000	340,462	(180,462)
Depreciation	47,000	44,304	2,696

[Accounts of Real Property for Sale]

(¥ millions)

	Year to March 31		Change (amount)
	2009 (forecast)	2008 (actual)	
New Investments	400,000	360,882	39,118
Cost Recovery	330,000	275,619	54,381

* Real Property for Sale includes Advances Paid for Purchases.

[Interest-Bearing Debt]

(¥ millions)

	Year to March 31		Change (amount)
	2009 (forecast)	2008 (actual)	
Interest-Bearing Debt	1,640,000	1,550,420	89,580

[Housing Sales]

(¥ millions)

	Year to March 31		Change (amount)
	2009 (forecast)	2008 (actual)	
Revenue from Operations	329,000	270,367	58,633
Detached Housing	39,000	35,389	3,611
Condominiums	290,000	234,977	55,023
Operating Profit Margins (%)	11.0	11.4	(0.4)pt.

[Housing Unit for Sale]

	Year to March 31		Change (amount)
	2009 (forecast)	2008 (actual)	
Detached Housing	700	713	(13)
Condominiums	5,400	5,249	151
Total	6,100	5,962	138

Segment Information

Year Ended March 31, 2008

(¥ millions)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	Assets	Depreciation	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total					
(1) Leasing	469,000	8,227	477,227	386,561	90,666	2,288,639	31,426	319,487
(2) Sales of Housing, Office Buildings and Land	382,266	-	382,266	324,456	57,809	824,969	878	2,848
(3) Construction	188,658	5,678	194,336	192,436	1,900	53,845	2,365	2,917
(4) Brokerage, Consignment Sales and Consulting	84,269	4,195	88,465	61,870	26,595	68,060	986	1,710
(5) Property Management	102,463	28,573	131,037	115,540	15,496	73,292	1,224	1,863
(6) Sales of Housing Materials and Merchandise	72,975	35,994	108,970	107,799	1,170	46,072	1,024	877
(7) Facility Operations	49,745	315	50,060	49,791	269	88,311	3,297	6,207
(8) Other	10,643	10,263	20,907	17,003	3,903	23,999	2,245	2,499
Total	1,360,023	93,247	1,453,271	1,255,460	197,811	3,467,191	43,448	338,410
Elimination or Corporate	-	(93,247)	(93,247)	(74,719)	(18,528)	167,297	855	2,051
Consolidated	1,360,023	-	1,360,023	1,180,740	179,282	3,634,489	44,304	340,462

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 Summary (FY2003-2007)

(¥ millions)

		Year Ended March 31					
		2004	2005	2006	2007	2008	
P/L	Revenue from Operations	¥1,102,844	¥1,111,359	¥1,159,280	¥1,229,193	¥1,360,023	
	Operating Income	109,246	115,764	137,543	161,842	179,282	
	Ordinary Income	87,236	94,637	118,970	142,324	162,835	
	Net Income (Loss)	14,454	28,693	56,541	75,213	87,378	
Segment*	Leasing	Revenue from Operations	332,380	343,719	364,339	398,069	469,000
		Operating Income	63,016	62,520	67,929	81,350	90,666
	Sales of Housing, Office Buildings and Land	Revenue from Operations	350,761	334,472	336,917	341,629	382,266
		Operating Income	32,936	35,153	44,654	49,239	57,809
	Construction	Revenue from Operations	180,502	183,552	187,496	193,970	188,658
		Operating Income	1,332	2,359	2,351	2,718	1,900
	Brokerage, Consignment Sales and Consulting	Revenue from Operations	53,585	60,223	68,748	77,349	84,269
		Operating Income	14,078	18,607	22,592	26,049	26,595
	Property Management	Revenue from Operations	77,481	78,248	90,437	99,632	102,463
		Operating Income	10,844	10,767	12,746	14,308	15,496
	Sales of Housing Materials and Merchandise	Revenue from Operations	61,768	65,228	65,065	69,394	72,975
		Operating Income	151	187	831	855	1,170
	Facility Operations	Revenue from Operations	37,629	38,509	38,976	40,200	49,745
		Operating Income	(527)	1,386	1,921	1,754	269
	Other	Revenue from Operations	8,734	7,404	7,297	8,946	10,643
		Operating Income	2,591	1,849	2,470	2,811	3,903
B/S	Total Assets	2,916,582	2,928,199	2,986,501	3,294,190	3,634,489	
	Real Property for Sale	343,573	375,219	424,921	552,134	660,486	
	Tangible and Intangible Fixed Assets	1,655,454	1,645,205	1,674,277	1,716,832	1,961,811	
	Capital Expenditures	35,838	78,898	92,753	220,357	340,462	
	Depreciation	40,415	38,512	40,159	40,122	44,304	
	Interest-Bearing Debt	1,321,501	1,279,049	1,199,291	1,258,426	1,550,420	
	Retained Earnings	167,890	155,097	199,706	218,682	278,748	
	Net Assets ※	659,165	687,717	858,363	963,213	992,003	
C/F	Cash Flows from Operating Activities (1)	141,600	100,135	22,510	57,969	97,762	
	Cash Flows from Investing Activities (2)	(21,122)	(76,870)	(60,833)	(77,006)	(392,160)	
	Cash Flows from Financing Activities (3)	(92,509)	(52,081)	(12,445)	38,085	276,136	
	Free Cash Flows (1)+(2)	120,477	23,265	(38,323)	(19,037)	(294,397)	
Key Data	ROA (%)	4.06	4.30	4.92	5.50	5.53	
	ROE (%)	2.25	4.26	7.31	8.35	9.12	
	Debt/Equity Ratio (Times)	2.0	1.9	1.4	1.3	1.6	
	Equity Ratio (%)	22.6	23.5	28.7	28.7	26.7	
	No. of Consolidated Subsidiaries	127	121	120	132	139	
	No. of Affiliates in Equity Method	52	45	46	49	44	

*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 "Shareholders' 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
- ROE: Net Income/Average shareholders' equity over period
(Shareholders' equity = Net Assets – Minority interests)
- Debt-Equity Ratio: Interest-Bearing Debt/Net Assets

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	Year Ended March 31				Change	
	2008	% of Total Assets	2007	% of Total Assets	Amount	%
I. Current Assets:	¥1,016,128	28.0	¥956,897	29.0	¥59,230	6.2
Cash and Time Deposits	50,722		83,050		(32,327)	
Accounts Receivable—Trade	34,593		37,964		(3,370)	
Marketable Securities	13,094		50		13,044	
Real Property for Sale	643,560		519,478		124,082	
Expenditure on Contracts in Progress	8,492		11,040		(2,547)	
Other Inventories	10,206		10,663		(456)	
Advances Paid for Purchases	16,926		32,655		(15,729)	
Short-Term Loans	8,170		6,773		1,396	
Equity Investments in Properties for Sale	97,151		121,670		(24,518)	
Deferred Income Taxes	60,059		65,678		(5,618)	
Other Current Assets	73,718		68,420		5,297	
Allowance for Doubtful Accounts	(568)		(547)		(21)	
II. Fixed Assets:	2,618,361	72.0	2,337,292	71.0	281,068	12.0
1. Tangible Fixed Assets:	1,931,592	53.2	1,691,086	51.4	240,506	14.2
Buildings and Structures	519,671		494,274		25,396	
Machinery, Equipment and Materials Handling Equipment	7,649		6,110		1,538	
Land	1,363,479		1,155,208		208,270	
Construction in Progress	13,839		9,408		4,430	
Other Tangible Fixed Assets	26,953		26,083		870	
2. Intangible Fixed Assets:	30,218	0.8	25,745	0.8	4,472	17.4
Leasehold Rights	17,455		17,465		(9)	
Other Intangible Fixed Assets	12,762		8,280		4,482	
3. Investments and Other Assets:	656,550	18.0	620,460	18.8	36,089	5.8
Investment Securities	390,418		357,281		33,137	
Long-Term Loans	4,670		5,394		(723)	
Lease Deposits	196,788		186,952		9,836	
Deferred Income Taxes	15,022		15,996		(974)	
Deferred Tax Assets on Land Revaluation	8,308		13,064		(4,756)	
Other Investments and Assets	49,074		50,228		(1,154)	
Allowance for Doubtful Accounts	(7,732)		(8,457)		724	
Total Assets	¥3,634,489	100.0	¥3,294,190	100.0	¥340,299	10.3

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	Year Ended March 31				Change	
	2008	% of Total Assets	2007	% of Total Assets	Amount	%
I . Current Liabilities:	¥717,004	19.7	¥685,907	20.8	¥31,097	4.5
Accounts Payable—Trade	110,942		131,947		(21,004)	
Short-Term Debt	180,173		226,767		(46,593)	
Commercial Paper	53,000		16,000		37,000	
Bond Redeemable Within One Year	30,000		-		30,000	
Income Taxes Payable	35,632		20,596		15,035	
Advances from Contracts in Progress	13,731		17,428		(3,696)	
Deferred Income Taxes	921		1,183		(262)	
Allowance for Completed Project Indemnities	1,688		1,547		141	
Allowance for Possible Guarantee Losses	198		146		52	
Other Current Liabilities	290,715		270,290		20,425	
II . Long-Term Liabilities:	1,925,481	53.0	1,645,068	50.0	280,412	17.0
Corporate Bonds	235,000		215,000		20,000	
Long-Term Debt	1,052,247		800,658		251,588	
Deposits from Tenants	356,612		322,785		33,826	
Deferred Income Taxes	30,310		52,891		(22,581)	
Deferred Tax Liabilities on Land Revaluation	186,189		185,104		1,084	
Allowance for Employees' Retirement Benefits	28,034		27,478		556	
Allowance for Directors' and Corporate Auditors' Retirement Benefits	1,468		2,075		(607)	
Other Long-Term Liabilities	35,620		39,074		(3,454)	
Total Liabilities	2,642,486	72.7	2,330,976	70.8	311,509	13.4
NET ASSETS:						
I . Total Shareholders' Equity:	697,039	19.2	638,161	19.3	58,878	9.2
Common Stock	174,296	4.8	174,296	5.3	-	-
Additional Paid-in Capital	248,328	6.8	248,308	7.5	20	0.0
Retained Earnings	278,748	7.7	218,682	6.6	60,066	27.5
Treasury Stock	(4,333)	(0.1)	(3,125)	(0.1)	(1,208)	38.7
II . Total Valuation Translation Adjustments and Others:	274,269	7.5	306,034	9.3	(31,764)	(10.4)
Net Unrealized Holding Gains on Securities	32,575	0.9	72,159	2.2	(39,583)	(54.9)
Deferred Gains or Losses on Hedges	(106)	0.0	53	0.0	(159)	(298.5)
Reserve on Land Revaluation	257,728	7.1	247,263	7.5	10,464	4.2
Foreign Currency Translation Adjustment	(15,927)	(0.5)	(13,442)	(0.4)	(2,484)	18.5
III . New Share Subscription Rights:	86	0.0	-	-	86	-
IV . Minority Interests in Consolidated Subsidiaries	20,607	0.6	19,018	0.6	1,589	8.4
Total Net Assets	992,003	27.3	963,213	29.2	28,789	3.0
Total Liabilities and Net Assets	¥3,634,489	100.0	¥3,294,190	100.0	¥340,299	10.3

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Year Ended March 31				Change	
	2008	% of Total Revenue	2007	% of Total Revenue	Amount	%
I. Revenue from Operations	¥1,360,023	100.0	¥1,229,193	100.0	¥130,829	10.6
II. Cost of Revenue from Operations	1,039,342	76.4	942,928	76.7	96,414	10.2
Gross Operating Profit	320,680	23.6	286,265	23.3	34,415	12.0
III. Selling, General and Administrative Expenses	141,398	10.4	124,423	10.1	16,974	13.6
Operating Income	179,282	13.2	161,842	13.2	17,440	10.8
IV. Non-Operating Income:	12,372	0.9	10,751	0.9	1,620	15.1
Interest Income	659		782		(122)	
Dividend Income	2,163		1,408		755	
Equity in Net Income of Affiliated Companies	7,063		4,410		2,653	
Other Non-Operating Income	2,485		4,150		(1,665)	
V. Non-Operating Expenses:	28,818	2.1	30,269	2.5	(1,450)	(4.8)
Interest Expenses	26,030		21,421		4,609	
Other Non-Operating Expenses	2,787		8,848		(6,060)	
Ordinary Income	162,835	12.0	142,324	11.6	20,511	14.4
VI. Extraordinary Gains:	22,200	1.6	17,604	1.4	4,595	26.1
Gain on Sales of Fixed Assets	18,871		17,320		1,551	
Gain on Sales of Investment Securities	2,869		223		2,645	
Other Extraordinary Gains	459		60		399	
VII. Extraordinary Losses:	29,969	2.2	43,909	3.6	(13,939)	(31.7)
Loss on Devaluation of Real Property for Sale	-		28,735		(28,735)	
Loss on Sales of Fixed Assets	1,544		9,643		(8,098)	
Loss on Disposal of Fixed Assets	-		4,574		(4,574)	
Lump Amortization of Equity-Method Goodwill Equivalent	12,961		-		12,961	
Loss on Disposal of Fixed Assets	7,479		-		7,479	
Loss on Valuation of Investment Securities	5,416		-		5,416	
Other Extraordinary Losses	2,567		955		1,612	
Income before Income Taxes	155,066	11.4	116,020	9.4	39,046	33.7
Income Taxes	48,638	3.6	26,044	2.1	22,593	
Deferred Income Taxes	17,610	1.3	12,953	1.1	4,657	
Minority Interests	1,439	0.1	1,807	0.1	(368)	
Net Income	¥87,378	6.4	¥75,213	6.1	¥12,164	16.2

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

Year Ended March 31, 2008

(¥ millions)

	Shareholders' Equity						Other Total	Total Net Assets
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Shareholders' Equity			
Balance At March 31, 2007	174,296	248,308	218,682	(3,125)	638,161	325,052	963,213	
Cash Dividends Paid			(15,824)		(15,824)		(15,824)	
Net Income			87,378		87,378		87,378	
Revaluation of Reserve on Land Revaluation, Net of Tax			(9,780)		(9,780)		(9,780)	
Revaluation of Fixed Assets			(1,777)		(1,777)		(1,777)	
Increase Due to Exclusion from Equity-Method Application			70		70		70	
Purchase of Treasury Stock				(1,239)	(1,239)		(1,239)	
Sale of Treasury Stock		20		30	51		51	
Changes in Items Other than Shareholders' Equity During Term						(30,088)	(30,088)	
Changes in Twelve Months	-	20	60,066	(1,208)	58,878	(30,088)	28,789	
Balance At March 31, 2008	174,296	248,328	278,748	(4,333)	697,039	294,963	992,003	

OTHER ASSETS

(¥ millions)

	Valuation, Translation Adjustment and Others					New Share Subscripti on Rights	Minority Interests	Total Net Assets
	Net Unrealized Holding Gains on Securities	Deferred Gains or Losses on Hedge	Revaluation of Reserve on Land Revaluation	Foreign Currency Translation Adjustment	Total			
Balance as of March 31,2007	72,159	53	247,263	(13,442)	306,034	-	19,018	963,213
Changes in Twelve Months	(39,583)	(159)	10,464	(2,484)	(31,764)	86	1,589	28,789
Balance as of March 31, 2008	32,575	(106)	257,728	(15,927)	274,269	86	20,607	992,003

Year Ended March 31, 2007

(¥ millions)

	Shareholders' Equity						Other Total	Total Net Assets
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Shareholders' Equity			
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)		(995)	
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	Deferred Gains or Losses on Hedge	Revaluation of Reserve on Land Revaluation	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	53	56,166	2,865	67,820	571	86,403
Balance as of March 31, 2007	72,159	53	247,263	(13,442)	306,034	19,018	963,213

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(¥ millions)

	Year Ended March 31		Change (amount)
	2008	2007	
I. Cash Flows From Operating Activities:			
Income before Income Taxes	¥155,066	¥116,020	¥39,046
Depreciation and Amortization	44,312	40,122	4,189
Gain/Loss on Equity-Method Investments	(7,063)	(4,410)	(2,653)
Lump Amortization of Equity-Method Goodwill Equivalent	12,961	-	12,961
Gain/Loss on Valuation of Marketable Securities	5,416	-	5,416
Gain/Loss on Sales of Marketable Securities	(2,869)	-	(2,869)
Loss on Devaluation of Real Property for Sale	-	28,735	(28,735)
Gain/Loss on Sales of Tangible and Intangible Fixed Assets	(17,326)	(7,676)	(9,649)
Loss on Disposal of Tangible and Intangible Fixed Assets	-	4,574	(4,574)
Loss Related on Disposal of Tangible and Intangible Fixed Assets	3,407	-	3,407
Interest and Dividends Received	(2,823)	(2,190)	(632)
Interest Expense	26,030	21,421	4,609
Increase/Decrease in Accounts Receivable	3,474	(11,177)	14,651
Increase/Decrease in Accounts Payable	(7,481)	6,815	(14,297)
Purchase of Real Property for Sale*	(376,013)	(366,095)	(9,917)
Sales of Real Property for Sale*	275,594	251,719	23,874
Increase/Decrease in Operational Investment	23,478	(40,124)	63,603
Bonuses Paid to Directors	(24)	(177)	153
Other	15,234	59,937	(44,702)
Subtotal	151,375	97,493	53,882
Cash Receipts of Interest and Dividend Income	4,808	3,179	1,629
Cash Payments of Interest Expense	(25,363)	(20,554)	(4,808)
Income Taxes Paid	(33,059)	(22,148)	(10,910)
Net Cash Provided by Operating Activities	97,762	57,969	39,792
II. Cash Flows From Investing Activities:			
Purchase of Marketable and Investment Securities	(129,477)	(27,493)	(101,984)
Sales of Marketable and Investment Securities	4,531	5,262	(730)
Purchase of Tangible and Intangible Fixed Assets	(346,764)	(219,797)	(126,967)
Sales of Tangible and Intangible Fixed Assets	35,921	139,000	(103,078)
Increase in Loans	(4,682)	(4,050)	(632)
Decrease in Loans	6,074	7,699	(1,625)
Decrease in Deposits from Tenants	(47,225)	(38,544)	(8,681)
Increase in Deposits from Tenants	78,802	70,281	8,520
Increase in Lease Deposits	(28,546)	(23,962)	(4,583)
Decrease in Lease Deposits	20,702	22,435	(1,732)
Purchase of Securities with Change in Scope of Consolidation	(598)	(7,612)	7,013
Other	19,103	(224)	19,328
Net Cash Used in Investing Activities	(392,160)	(77,006)	(315,153)
III. Cash Flows From Financing Activities:			
Increase/Decrease in Short-Term Debt	28,919	(15,998)	44,917
Proceeds from Long-Term Debt	369,351	272,999	96,352
Repayment of Long-Term Debt	(154,717)	(237,629)	82,912
Proceeds from Issuance of Bonds	50,000	60,000	(10,000)
Redemption of Bonds	-	(30,000)	30,000
Proceeds from Issue of Shares to Minority Shareholders	611	-	609
Cash Dividends Paid	(15,812)	(8,793)	(7,018)
Cash Dividends Paid to Minority Interests	(1,027)	(1,511)	483
Increase/Decrease in Treasury Stock	(1,187)	(981)	(206)
Net Cash Used in Financing Activities	276,136	38,085	238,051
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(59)	180	(239)
V. Net Increase (Decrease) in Cash and Cash Equivalents	(18,320)	19,228	(37,548)
VI. Cash and Cash Equivalents at Beginning of Year	81,816	62,587	19,228
VII. Cash and Cash Equivalents at End of Year	¥63,495	¥81,816	¥ (18,320)

*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	
	2008	% of Total Assets	2007	% of Total Assets	Amount	%
I. Current Assets:	¥568,897	18.4	¥560,987	20.2	¥7,910	1.4
Cash and Time Deposits	20,512		52,842		(32,329)	
Accounts Receivable	7,785		10,688		(2,902)	
Marketable Securities	13,000		-		13,000	
Real Property for Sale	136,267		95,570		40,697	
Real Property in Progress	34,564		50,128		(15,564)	
Land for Development	56,525		44,390		12,135	
Advances Paid for Purchases	5,352		4,704		648	
Prepaid Expenses	3,654		3,347		307	
Short-Term Loans	130,014		100,959		29,054	
Other Receivables	10,595		7,293		3,301	
Operational Investment	98,191		123,451		(25,260)	
Deferred Income Taxes	41,141		50,108		(8,967)	
Other Current Assets	11,303		17,511		(6,207)	
Allowance for Doubtful Accounts	(12)		(9)		(3)	
II. Fixed Assets:	2,523,425	81.6	2,212,645	79.8	310,779	14.0
1. Tangible Fixed Assets:	1,631,697	52.8	1,285,874	46.4	345,822	26.9
Buildings	385,222		326,134		59,088	
Structures	8,435		7,370		1,064	
Machinery	2,783		2,479		303	
Transportation Equipment	16		17		(1)	
Tools, Furniture and Fixtures	7,988		6,595		1,393	
Land	1,213,741		934,462		279,278	
Construction in Progress	12,210		7,516		4,694	
Other Tangible Fixed Assets	1,299		1,299		-	
2. Intangible Fixed Assets:	16,407	0.5	16,451	0.6	(43)	(0.3)
Leasehold Rights	14,605		14,605		-	
Software	1,536		1,585		(48)	
Other Intangible Fixed Assets	265		260		5	
3. Investments and Other Assets:	875,320	28.3	910,319	32.8	(34,999)	(3.8)
Investment Securities	204,764		252,669		(47,904)	
Equities in Consolidated Subsidiaries and Affiliated Companies	275,333		245,490		29,843	
Investments in Consolidated Subsidiaries and Affiliated Companies	-		20		(20)	
Long-Term Loans	4,183		5,107		(923)	
Long-Term Loans to Affiliates	193,991		218,844		(24,853)	
Claims in Bankruptcy and Reorganization	329		299		30	
Long-term Prepaid Expenses	16,920		16,909		11	
Lease Deposits	194,313		185,592		8,721	
Other Investments and Assets	4,644		4,272		371	
Allowance for Doubtful Accounts	(19,160)		(18,884)		(275)	
Total Assets	¥3,092,323	100.0	¥2,773,633	100.0	¥318,690	11.5

NONCONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	Year Ended March 31				Change	
	2008	% of Total Assets	2007	% of Total Assets	Amount	%
I . Current Liabilities:	¥505,914	16.4	¥436,806	15.8	¥69,108	15.8
Accounts Payable	24,315		19,558		4,756	
Short-Term Debt	49,000		66,000		(17,000)	
Long-term Debt Due Within One Year	113,092		135,660		(22,567)	
Commercial Paper	53,000		16,000		37,000	
Bond Redeemable Within One Year	30,000		-		30,000	
Other Payables	20,714		18,832		1,881	
Income Taxes Payable	10,501		-		10,501	
Accrued Expenses	9,613		8,445		1,168	
Advances Received	22,863		28,254		(5,391)	
Deposits	163,652		133,626		30,025	
Other Current Liabilities	9,160		10,427		(1,266)	
II . Long-Term Liabilities:	1,772,741	57.3	1,495,063	53.9	277,678	18.6
Corporate Bonds	235,000		215,000		20,000	
Long-Term Debt	971,577		742,670		228,907	
Deposits from Tenants	345,190		304,824		40,365	
Deferred Income Taxes	6,377		16,779		(10,401)	
Deferred Income Taxes - Revaluation	180,224		179,669		554	
Allowance for Employees' Retirement Benefits	12,295		12,713		(418)	
Allowance for Directors' and Corporate Auditors' Retirement Benefits	595		1,508		(913)	
Long-Term Deposits	8,127		8,146		(19)	
Negative Goodwill	563		-		563	
Other Long-Term Liabilities	12,790		13,751		(960)	
Total Liabilities	2,278,655	73.7	1,931,869	69.7	346,786	18.0
NET ASSETS:						
I . Total Shareholders' Equity:	514,247	16.6	504,497	18.2	9,749	1.9
Common Stock	174,296	5.6	174,296	6.3	-	-
Additional Paid-in Capital	248,321	8.0	248,300	8.9	20	0.0
Retained Earnings	95,954	3.1	85,017	3.1	10,937	12.9
Treasury Stock	(4,324)	(0.1)	(3,116)	(0.1)	(1,208)	
II . Total Valuation Translation Adjustments and Others:	299,333	9.7	337,265	12.1	(37,932)	(11.2)
Net Unrealized Holding Gains on Securities	32,045	1.1	70,784	2.5	(38,739)	(54.7)
Deferred Gains or Losses on Hedges	11	0.0	13	0.0	(1)	(13.4)
Reserve on Land Revaluation	267,276	8.6	266,467	9.6	808	0.3
III . New Share Subscription Rights:	86	0.0	-	-	86	-
Total Net Assets	813,667	26.3	841,763	30.3	(28,096)	(3.3)
Total Liabilities and Net Assets	¥3,092,323	100.0	¥2,773,633	100.0	¥318,690	11.5

NONCONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	Year Ended March 31				Change	
	2008	% of Total Revenue	2007	% of Total Revenue	Amount	%
Revenue from Operations	¥460,618	100.0	¥453,227	100.0	¥7,391	1.6
Leasing	347,573	75.5	282,707	62.4	64,866	22.9
Sales of Housing, Office Buildings and Land	55,809	12.1	115,959	25.6	(60,149)	(51.9)
Other	57,235	12.4	54,560	12.0	2,675	4.9
Cost of Revenue from Operations	359,223	78.0	357,391	78.9	1,832	0.5
Leasing	287,940		228,162		59,777	
Sales of Housing, Office Buildings and Land	46,213		96,695		(50,481)	
Other	25,069		32,533		(7,463)	
Selling, General and Administrative Expenses	18,795	4.1	21,527	4.7	(2,731)	(12.7)
Operating Income	82,599	17.9	74,308	16.4	8,290	11.2
Non-Operating Income/Expense	10,706		(11,437)		22,144	
Non-Operating Income:	33,286	7.3	12,660	2.8	20,625	162.9
Interest Income	5,773		4,449		1,324	
Dividend Income	25,896		7,382		18,513	
Other Non-Operating Income	1,616		829		786	
Non-Operating Expenses:	22,579	4.9	24,098	5.3	(1,518)	(6.3)
Interest Expenses	15,672		12,614		3,058	
Bond Interest	4,796		3,656		1,139	
Commercial Interest	857		528		329	
Other Non-Operating Expenses	1,252		7,298		(6,045)	
Ordinary Income	93,305	20.3	62,871	13.9	30,434	48.4
Extraordinary Gains/Losses						
Extraordinary Gains:	30,096	6.5	32,391	7.2	(2,295)	(7.1)
Gain on Extinguishment of Cross-Held Shares	10,217		17,592		(7,375)	
Gain on Sales of Fixed Assets	17,018		14,799		2,219	
Gain on Sales of Investment Securities	2,860		-		2,860	
Extraordinary Losses:	58,090	12.6	38,832	8.6	19,258	49.6
Loss on Devaluation of Real Property for Sale	-		25,490		(25,490)	
Loss on Sales of Fixed Assets	1,193		9,516		(8,323)	
Loss on Disposal of Fixed Assets	-		3,825		(3,825)	
Loss on Liquidation of Affiliated Company	45,253		-		45,253	
Loss Related on Disposal of Fixed Assets	6,227		-		6,227	
Loss on Valuation of Investment Securities	5,416		-		5,416	
Income before Income Taxes	65,311	14.2	56,430	12.5	8,881	15.7
Income Taxes	15,940	3.4	1,150	0.3	14,790	1,286.1
Deferred Income Taxes	16,386	3.6	13,543	3.0	2,843	21.0
Net Income	¥32,985	7.2	¥41,737	9.2	¥(8,751)	(21.0)