

July 31, 2008

FACT BOOK

For the Three Months Ended June 30, 2008



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Corporate Data

Mitsui Fudosan Co., Ltd.

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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 Three Months Ended June 30, 2008

CONSOLIDATED RESULTS

(¥ millions)

	Three Months Ended June 30		Change		Year Ended March 31, 2008
	2008	2007	(amount)	(%)	
Revenue from Operations	¥283,170	¥292,111	¥(8,941)	(3.1)	¥1,360,023
Operating Income	27,033	29,576	(2,542)	(8.6)	179,282
Ordinary Income	22,310	26,220	(3,910)	(14.9)	162,835
Net Income	6,483	22,132	(15,648)	(70.7)	87,378

(¥ millions)

	Year to 3/09 (Forecast as of April 30, 2008)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥1,530,000	18.5
Operating Income	200,000	13.5
Ordinary Income	175,000	12.7
Net Income	95,000	6.8

- In the three-month ended June 30, 2008, revenue from operations totaled ¥283.1 billion, down 3.1% from the previous corresponding period. The decline stemmed mainly from the fact that, in the current fiscal year, revenue will be concentrated in the second half of the year, especially in the “Sales of housing, office buildings and land” segment. Operating income declined 8.6%, to ¥27.0 billion, general reflecting our forecast.
- The “Leasing” segment benefited from completion of several major projects in the previous fiscal year, namely Grand Tokyo North Tower (Chiyoda-ku, Tokyo) and Akasaka Biz Tower (Minato-ku, Tokyo). Also contributing were projects that came on-stream in the period under review, such as Mitsui Outlet Park Iruma (Iruma, Saitama), as well as rent fee adjustments for existing office buildings, which progressed steadily. As a result, segment revenue increased ¥18.1 billion, and segment operating income climbed ¥1.8 billion.
- On a nonconsolidated basis, the vacancy rate of office buildings in the Tokyo Metropolitan Area was 1.4% (compared with 1.3% at March 31, 2008 and 1.6% at March 31, 2007). The continued low vacancy rate was the result of a tight supply-demand situation for space in office buildings.
- In the “Sales of housing, office buildings and land” segment, there was a decline in revenue from sales of housing to individual customers, but an increase in operating income. This was because profitability was high despite a decline in the number of units booked. By contrast, income-producing properties to investors generated declines in both sales and income, as sales of several large-scale projects will not be recorded until the second half of the year. As a result, total segment revenue declined ¥18.4 billion, and segment operating income slipped ¥1.2 billion year-on-year.
- Despite customers becoming more selective when purchasing properties, the Group has already secured sales contracts for around 65% of condominium units expected to be booked and handed over in the current fiscal year. This is due to continued healthy sales of inner city projects and large-scale developments.
- In the “Brokerage, consignment sales and consulting” segment, revenue declined ¥1.6 billion, and operating income fell ¥2.7 billion. Although sales from brokerage services for individual clients remained on a par with the previous year, there was a decline in sales from brokerage services for corporate clients.
- Due to the decrease in operating income, ordinary income slipped ¥3.9 billion (14.9%). Net income fell ¥15.6 billion (70.7%) compared with the previous corresponding period, when the Company posted an extraordinary gain in the form of a gain on sales of fixed assets.

CONSOLIDATED FORECAST

Because the Company is performing generally according to plan, it has not modified its interim and full-year forecasts for revenue from operations, operating income, ordinary income, and net income. Those forecasts were made on April 30, 2008.

Consolidated Business Overview

RESULTS OF OPERATIONS

(¥ millions)

	Three Months Ended June 30		Change (amount)
	2008	2007	
Revenue from Operations	¥283,170	¥292,111	¥(8,941)
Leasing	128,860	110,698	18,162
Sales of Housing, Office Buildings and Land	61,350	79,801	(18,451)
Construction	18,408	23,558	(5,150)
Brokerage, Consignment Sales and Consulting	16,568	18,267	(1,698)
Property Management	24,699	27,835	(3,135)
Sales of Housing Materials and Merchandise	17,925	19,232	(1,306)
Facility Operations	12,733	10,232	2,501
Other	2,624	2,486	137
Operating Income	27,033	29,576	(2,542)
Leasing	24,543	22,718	1,824
Sales of Housing, Office Buildings and Land	6,461	7,738	(1,276)
Construction	(6,356)	(6,078)	(277)
Brokerage, Consignment Sales and Consulting	2,542	5,277	(2,734)
Property Management	4,062	4,217	(155)
Sales of Housing Materials and Merchandise	440	366	73
Facility Operations	(63)	(373)	309
Other	852	952	(99)
Elimination or Corporate	(5,449)	(5,241)	(207)
Non-Operating Income/Expenses	(4,723)	(3,356)	(1,367)
Equity in Net Income/Loss of Affiliated Companies	1,592	1,602	(10)
Interest Expense, in Net	(7,000)	(5,777)	(1,222)
Other, in Net	684	818	(133)
Ordinary Income	22,310	26,220	(3,910)
Extraordinary Gains/Losses	(4,066)	10,169	(14,236)
Extraordinary Gains	-	12,086	(12,086)
Extraordinary Losses	(4,066)	(1,916)	(2,149)
Income before Income Taxes	18,243	36,390	(18,146)
Income Taxes	(13,660)	(15,864)	2,203
Minority Interests	1,901	1,605	295
Net Income	¥6,483	¥22,132	(15,648)

SEGMENTS RESULTS

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

[1] LEASING

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥128,860	¥110,698	¥18,162	¥469,000
Operating Income	24,543	22,718	1,824	90,666

(¥ millions)

	Year to 3/09 (Forecast as of April 30, 2008)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥530,000	24.3
Operating Income	95,000	25.8

- This segment posted ¥18.1 billion increase in revenue and ¥1.8 billion rise in operating income. Contributing to earnings was a number of office buildings and retail facilities completed in the previous fiscal year. These included Grand Tokyo North Tower (Chiyoda-ku, Tokyo) and Akasaka Biz Tower (Minato-ku, Tokyo), as well as projects that came on-stream in the period under review, such as Mitsui Outlet Park Iruma (Iruma, Saitama). In addition, the residential leasing (centering on Mitsui Fudosan Housing Lease) and the car-park leasing (Mitsui Real Estate Sales) businesses both reported increases in units under management.
- On a nonconsolidated basis, the vacancy rate of office buildings in the Tokyo Metropolitan Area was 1.4%, compared with 1.3% at March 31, 2008. The continued low vacancy rate was the result of a tight supply-demand situation for space in office buildings. On a consolidated basis (including overseas), the total vacancy rate for all office buildings and retail facilities was 1.5% (compared with 1.3% at March 31, 2008).

(a) Leasing

(¥ millions)

	Three Months Ended June 30		Year Ended March 31, 2008
	2008	2007	
	Revenue	Revenue	Revenue
Office Buildings	73,275	61,959	265,516
Retail Facilities	26,091	22,292	92,295
Residentials	19,398	16,916	71,139
Other (Car Park, etc.)	10,095	9,528	40,048
Total	128,860	110,698	469,000

(b) Leased Floor Space

		Three Months Ended June 30		Year Ended March 31 2008
		2008	2007	
Office Buildings and Retail Facilities	Leased Floor space (m ²):			
	Owned	2,051,045	1,978,325	1,999,887
	Managed	2,098,942	1,953,351	2,065,210
	Total	4,149,987	3,931,676	4,065,098
	Vacancy Rate (%)	1.5	1.3	1.3
Residentials	Leased Units:			
	Owned	269	235	296
	Managed	69,673	63,621	69,288
	Total	69,942	63,856	69,584
Car Parks	Managed Units: Total	120,295	100,909	116,661

(c) Vacancy Rate at End of Term

(%)

	6/08	3/08	3/07	3/06	3/05	3/04	3/03
Consolidated							
Office Buildings and Retail Facilities (including overseas)	1.5	1.3	1.4	1.4	2.8	5.0	6.0
Nonconsolidated							
Tokyo Metropolitan Area Office Buildings	1.4	1.3	1.6	1.0	3.0	4.4	5.4
Regional Area Office Buildings	6.4	5.8	4.4	5.7	7.0	7.6	12.1

(d) Breakdown of Leasing Operations (Nonconsolidated)

		Total		Tokyo Metropolitan Area		Regional Areas	
		Three Months Ended June 30		Three Months Ended June 30		Three Months Ended June 30	
		2008	2007	2008	2007	2008	2007
Office Buildings	Number of Buildings	218	243	184	209	34	34
	Leased Floor Space (1,000m ²)	2,585	2,464	2,284	2,190	301	274
	Leasing Revenue (¥ millions)	68,733	57,027	63,448	52,297	5,285	4,730
	Vacancy Rate (%)	2.0	1.8	1.4	1.4	6.4	5.0
Retail Facilities	Number of Buildings	56	50	38	34	18	16
	Leased Floor Space (1,000m ²)	1,341	1,121	877	748	464	373
	Leasing Revenue (¥ millions)	25,210	20,585	19,564	15,298	5,646	5,286
	Vacancy Rate (%)	0.4	0.4	0.4	0.5	0.4	0.3

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

<Major Projects>

(NEWLY ON-STREAM)

Mitsui Outlet Park Iruma (Iruma, Saitama)	Retail facility opened in April 2008
Ginza Glasse (Chuo-ku, Tokyo)	Retail facility opened in April 2008

(FULL-TERM CONTRIBUTION)

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

[2] SALES OF HOUSING, OFFICE BUILDINGS AND LAND

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥61,350	¥79,801	¥(18,451)	¥382,266
Operating Income	6,461	7,738	(1,276)	57,809

(¥ millions)

	Year to 3/09 (Forecast as of April 30, 2008)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥478,000	12.8
Operating Income	76,000	8.5

- In the three-month period under review, the Group sold a total of 912 residential units (840 condominium units and 72 detached houses). This compares with 1,377 units (1,266 condominium units and 111 detached houses) in the previous corresponding period. Despite the decline in number of units booked, profitability improved. Accordingly, the “Housing” category saw a decline in revenue but an increase in operating income. By contrast, income-producing properties to investors (included in the “Other sales” category of this segment) generated declines in both sales and income, due partly to the fact that earnings from large-scale projects will be concentrated in the second half of the fiscal year.

As a result, total segment revenue declined ¥18.4 billion, and segment operating income slipped ¥1.2 billion year-on-year.

The Group estimates that 5,400 condominium units will be sold and handed over in the current fiscal year, thanks to continued healthy sales of inner city projects and large-scale developments, despite customers becoming more selective when purchasing properties. It has already secured sales contracts for around 65% of these units.

Completed housing inventories at June 30, 2008, totaled 597 units (521 condominium units and 76 detached houses), up from 568 units (453 condominium units and 115 detached houses) at March 31, 2008.

(a) Housing Sales and Other Sales

	Three Months Ended June 30						Year Ended March 31 2008		
	2008			2007			Units	Revenue (¥ millions)	Unit Price (¥ millions)
	Units	Revenue (¥ millions)	Unit Price (¥ millions)	Units	Revenue (¥ millions)	Unit Price (¥ millions)			
Condominiums									
Tokyo Metropolitan Area	735	48,244	66	1,159	53,529	46	4,133	199,318	48
Other	105	3,284	31	107	3,241	30	1,116	35,658	32
Total	840	51,529	61	1,266	56,771	45	5,249	234,977	45
Detached Housing									
Tokyo Metropolitan Area	65	3,262	50	105	5,445	52	630	32,379	51
Other	7	344	49	6	201	34	83	3,009	36
Total	72	3,606	50	111	5,647	51	713	35,389	50
Other Sales	-	6,213	-	-	17,382	-	-	111,899	-
Total Sales	-	61,350	-	-	79,801	-	-	382,266	-

(b) Completed Housing Inventories

(Units)

	6/08	3/08	3/07	3/06	3/05	3/04	3/03
Condominiums	521	453	267	235	490	455	485
Detached Housing	76	115	109	20	55	25	120
Total	597	568	376	255	545	480	605

Note: Until the year ended March 31, 2006, figures for completed housing inventories at the end of each period were disclosed as multiples of five. Effective from the year ended March 31, 2007, however, actual numbers are used.

(c) Housing Contracts for Sale

(Units)

	Contracts at Beginning of Term	Contracts during Term	Total	Reported No. of Units	Contracts at End of Term	Newly Launched during Term
Condominiums	3,929	806	4,735	840	3,895	979
Detached Housing	48	125	173	72	101	90
Total	3,977	931	4,908	912	3,996	1,069

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

[3] CONSTRUCTION

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥18,408	¥23,558	¥(5,150)	¥188,658
Operating Income	(6,356)	(6,078)	(277)	1,900

(¥ millions)

	Year to 3/09 (Forecast as of April 30, 2008)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥191,000	9.6
Operating Income	3,000	-

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

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

(¥ millions)

	Three Months Ended June 30		Year Ended March 31 2008
	2008	2007	
Orders:			
Order Backlogs at Beginning of Period	103,205	110,841	110,841
Order Received during Period	40,227	42,475	187,441
Sales Proceeds	19,824	24,677	194,219
Order Backlogs at End of Period	123,609	128,639	104,062

[4] BROKERAGE, CONSIGNMENT SALES AND CONSULTING

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥16,568	¥18,267	¥(1,698)	¥84,269
Operating Income	2,542	5,277	(2,734)	26,595

(¥ millions)

	Year to 3/09 (Forecast as of April 30, 2008)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥84,000	19.7
Operating Income	25,000	10.2

- Although sales from Mitsui Real Estate Sales' brokerage services for individual clients remained on a par with the previous year, there was a decline in sales from brokerage services for corporate clients, as well as a fall in units sold under consignment by Mitsui Fudosan Residential. Accordingly, total segment revenue declined ¥1.6 billion, and operating income fell ¥2.7 billion.

(¥ millions)

	Three Months Ended June 30				Year Ended March 31 2008	
	2008		2007		Revenue	Units
	Revenue	Units	Revenue	Units		
Brokerage	12,833	7,622	13,566	7,898	62,097	31,757
Consignment Sales	1,793	724	2,444	1,291	10,067	5,358
Consulting	1,941	-	2,256	-	12,104	-
Total	16,568	-	18,267	-	84,269	-

< Brokerage Business of Mitsui Real Estate Sales >

(¥ millions)

	Three Months Ended June 30				Change (amount)	
	2008		2007		Revenue	Units
	Revenue	Units	Revenue	Units		
Brokerage	282,108	7,695	311,149	7,868	(29,041)	(173)

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)

	Three Months Ended June 30				Change (amount)	
	2008		2007		Revenue	Units
	Revenue	Units	Revenue	Units		
Consignment Sales	41,842	673	69,552	1,238	(27,710)	(565)

[5] PROPERTY MANAGEMENT

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥24,699	¥27,835	¥(3,135)	¥102,463
Operating Income	4,062	4,217	(155)	15,496

(¥ millions)

	Year to 3/09 (Forecast as of April 30, 2008)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥107,000	23.1
Operating Income	16,000	25.4

- In this segment, the “Property management” category posted a solid increase in revenue thanks to a rise in the number of offices buildings, housing units, and other Group-managed properties newly completed or newly on-stream. However, the “Tenant improvement” category saw decline in revenue compared with the previous corresponding quarter, which benefited from a large-scale tenancy project, Tokyo Midtown (Minato-ku, Tokyo). As a result, total segment revenue decreased ¥3.1 billion, and operating income edged down ¥0.1 billion.

(¥ millions)

	Three Months Ended June 30		Year Ended March 31 2008
	2008	2007	
	Revenue	Revenue	Revenue
Property Management	18,932	17,694	73,141
Tenant Improvement	5,767	10,140	29,322
Total	24,699	27,835	102,463

[6] SALES OF HOUSING MATERIALS AND MERCHANDISE

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥17,925	¥19,232	¥(1,306)	¥72,975
Operating Income	440	366	73	1,170

	Year to 3/09 (Forecast as of April 30, 2008)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥73,000	24.6
Operating Income	1,000	44.0

(¥ millions)

	Three Months Ended June 30		Year Ended March 31 2008
	2008	2007	
	Revenue	Revenue	Revenue
Housing Materials	5,525	5,701	25,496
Merchandise	12,399	13,530	47,478
Total	17,925	19,232	72,975

[7] FACILITY OPERATIONS

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥12,733	¥10,232	¥2,501	¥49,745
Operating Income	(63)	(373)	309	269

(¥ millions)

	Year to 3/09 (Forecast as of April 30, 2008)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥57,000	22.3
Operating Income	1,000	-

- Revenue in this segment increased year-on-year, owing to the full-term operation of two hotels completed in the previous fiscal year—Mitsui Garden Hotel Shiodome Italia-gai (Minato-ku, Tokyo) and Mitsui Garden Hotel Prana Tokyo Bay (Urayasu, Chiba)—and four resort facilities acquired in the previous fiscal year, including Nemunosato (Shima, Mie).

(¥ millions)

	Three Months Ended June 30		Year Ended March 31 2008
	2008	2007	
	Revenue	Revenue	Revenue
Hotels	9,768	7,453	37,499
Other	2,964	2,779	12,245
Total	12,733	10,232	49,745

[8] OTHER

(¥ millions)

	Three Months Ended June 30		Change (amount)	Year Ended March 31, 2008
	2008	2007		
Revenue from Operations	¥2,624	¥2,486	¥137	¥10,643
Operating Income	852	952	(99)	3,903

(¥ millions)

	Year to 3/09 (Forecast as of April 30, 2008)	3-Month Results/ Full-Year Forecast (%)
Revenue from Operations	¥10,000	26.2
Operating Income	3,000	28.4

(¥ millions)

	Three Months Ended June 30		Year Ended March 31 2008
	2008	2007	
	Revenue	Revenue	Revenue
Finance and Lease	337	314	1,362
Other	2,286	2,171	9,281
Total	2,624	2,486	10,643

FINANCIAL POSITION

Total Assets, Liabilities and Net Assets

(¥ millions)

	Three Months Ended June 30, 2008	Year Ended March 31, 2008	Change (amount)
Total Assets	¥3,732,503	¥3,634,489	¥98,013
Total Liabilities	2,749,106	2,642,486	106,620
Interest-Bearing Debt	1,772,002	1,550,420	221,581
Net Assets	983,396	992,003	(8,606)
Shareholders' Equity	965,434	971,309	(5,874)
Debt-Equity Ratio (Times)	1.8	1.6	(0.2)

- Notes: 1. Interest-bearing debt: Short-term debt + Commercial paper + Bonds redeemable within one year + Corporate 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 June 30, 2008, the balance of real property for sale (including real property for sale in progress, land for development and advances paid for purchases) was ¥711.6 billion, up ¥51.1 billion from March 31, 2008. 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 ¥1,991.8 billion, up ¥30.0 billion from March 31, 2008. The increase stemmed from acquisitions made during the period, including a site for the planned Chiyoda Fujimi 2-chome redevelopment project.

[Interest-Bearing Debt]

At June 30, 2008, total consolidated interest-bearing debt stood at ¥1,772.0 billion, up ¥221.5 billion from March 31, 2008. 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 ¥384.8 billion.

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 Construction	478,000	382,266	95,734
Brokerage, Consignment Sales and Consulting	191,000	188,658	2,342
Property Management	84,000	84,269	(269)
Sales of Housing Materials and Merchandise	107,000	102,463	4,537
Facility Operations	73,000	72,975	25
Other	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 Construction	76,000	57,809	18,191
Brokerage, Consignment Sales and Consulting	3,000	1,900	1,100
Property Management	25,000	26,595	(1,595)
Sales of Housing Materials and Merchandise	16,000	15,496	504
Facility Operations	1,000	1,170	(170)
Other	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

<Tangible and Intangible Assets>

(¥ millions)

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

(Major Capital Expenditures) Yokohama Mitsui Building, Chiyoda Fujimi 2-chome redevelopment project

<Real Property for Sale>

(¥ millions)

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

Note: Real Property for Sale: real property for sale + real property for sale in progress + land for development + advances paid for purchases

<Interest-Bearing Debt>

(¥ millions)

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

Note: Interest-bearing debt: Short-term debt + Commercial paper + Bonds redeemable within one year + Corporate bonds + Long-term debt

<Housing Sales>

(¥ millions)

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

<Number of Housing Units (to be booked)>

(Units)

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

Segment Information

Three Months Ended June 30, 2008

(¥ millions)

	Revenue from Operations			Costs and Expenses	Operating Income (Loss)	Assets	Depreciation	Impairment Loss	Capital Expenditures
	(1) Outside Customers	(2) Inter-segment	Total						
(1) Leasing	128,860	2,193	131,054	106,511	24,543	2,300,040	8,322	-	57,050
(2) Sales of Housing, Office Buildings and Land	61,350	-	61,350	54,888	6,461	861,236	282	1,290	784
(3) Construction	18,408	1,432	19,840	26,196	(6,356)	53,572	606	-	499
(4) Brokerage, Consignment Sales and Consulting	16,568	787	17,356	14,813	2,542	51,523	220	-	290
(5) Property Management	24,699	8,345	33,045	28,983	4,062	73,396	294	-	324
(6) Sales of Housing Materials and Merchandise	17,925	7,070	24,995	24,555	440	39,135	223	-	39
(7) Facility Operations	12,733	108	12,841	12,905	(63)	92,628	776	-	911
(8) Other	2,624	2,437	5,061	4,208	852	19,832	545	-	713
Total	283,170	22,375	305,546	273,062	32,483	3,491,365	11,270	1,290	60,613
Elimination or Corporate	-	(22,375)	(22,375)	(16,925)	(5,449)	241,137	213	-	718
Consolidated	283,170	-	283,170	256,136	27,033	3,732,503	11,484	1,290	61,332

Three Months Ended June 30, 2007

(¥ millions)

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

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

Leasing

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

Sales of Housing, Office Buildings and Land

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

Construction

Construction of detached housing, flats, etc.

Brokerage, Consignment Sales and Consulting

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

Property Management

Property management services (including tenant improvement)

Sales of Housing Materials and Merchandise

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

Facility Operations

Operation of hotels and golf courses, etc.

Other

Financing operations for housing loans and leasing business, etc.

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

ASSETS:	June 30, 2008	March 31, 2008	Change	June 30, 2007
	Amount	Amount	Amount	Amount
I. Current Assets:	¥1,063,569	¥1,016,128	¥47,441	¥969,772
Cash and Time Deposits	61,749	50,722	11,026	62,475
Accounts Receivable—Trade	25,735	34,593	(8,857)	25,737
Marketable Securities	94	13,094	(12,999)	50
Real Property for Sale	280,598	241,066	39,532	535,254
Real Property for Sale in Progress	247,112	228,049	19,063	
Land for Development	177,729	174,445	3,284	
Expenditure on Contracts in Progress	18,826	8,492	10,334	20,675
Other Inventories	10,790	10,206	583	11,814
Advances Paid for Purchases	6,218	16,926	(10,708)	31,116
General Short-Term Loans	10,267	8,170	2,096	6,442
Equity Investments in Properties for Sale	96,209	97,151	(941)	138,488
Deferred Income Taxes	62,164	60,059	2,105	68,330
Other Current Assets	67,416	73,718	(6,302)	69,898
Allowance for Doubtful Accounts	(1,343)	(568)	(775)	(511)
II. Fixed Assets:	2,668,934	2,618,361	50,572	2,367,638
1. Tangible Fixed Assets:	1,961,910	1,931,592	30,317	1,703,938
Buildings and Structures	509,598	519,671	(10,073)	488,330
Machinery, Equipment and Materials Handling Equipment	8,564	7,649	915	6,313
Land	1,398,197	1,363,479	34,718	1,158,860
Construction in Progress	19,176	13,839	5,337	24,477
Other Tangible Fixed Assets	26,373	26,953	(580)	25,956
2. Intangible Fixed Assets:	29,924	30,218	(293)	25,738
Leasehold Rights	17,441	17,455	(14)	17,463
Other Intangible Fixed Assets	12,483	12,762	(279)	8,275
3. Investments and Other Assets:	677,099	656,550	20,548	637,960
Investment Securities	413,121	390,418	22,703	380,300
Long-Term Loans	4,635	4,670	(35)	3,445
Lease Deposits	195,424	196,788	(1,364)	185,942
Deferred Income Taxes	15,155	15,022	132	16,019
Deferred Tax Assets on Land Revaluation	8,308	8,308	-	13,064
Other Investments and Assets	48,163	49,074	(910)	47,547
Allowance for Doubtful Accounts	(7,709)	(7,732)	23	(8,359)
Total Assets	¥3,732,503	¥3,634,489	¥98,013	¥3,337,410

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(¥ millions)

LIABILITIES:	June 30, 2008	March 31, 2008	Change	June 30, 2007
	Amount	Amount	Amount	Amount
I . Current Liabilities:	¥842,151	¥717,004	¥125,146	¥748,053
Accounts Payable—Trade	69,102	110,942	(41,839)	58,499
Short-Term Debt	241,591	180,173	61,418	274,397
Commercial Paper	258,000	53,000	205,000	109,000
Bond Redeemable Within One Year	15,000	30,000	(15,000)	25,000
Income Taxes Payable	11,751	35,632	(23,881)	14,341
Advances from Contracts in Progress	19,260	13,731	5,529	23,685
Allowance for Completed Project Indemnities	1,508	1,688	(180)	1,507
Allowance for Possible Guarantee Losses	259	198	60	165
Deferred Income Taxes	921	921	-	985
Other Current Liabilities	224,755	290,715	(65,960)	240,471
II . Long-Term Liabilities:	1,906,954	1,925,481	(18,526)	1,609,082
Corporate Bonds	235,000	235,000	-	190,000
Long-Term Debt	1,022,410	1,052,247	(29,836)	788,801
Deposits from Tenants	359,823	356,612	3,211	320,361
Deferred Income Taxes	38,788	30,310	8,478	56,377
Deferred Tax Liabilities on Land Revaluation	186,189	186,189	-	185,104
Allowance for Employees' Retirement Benefits	29,379	28,034	1,345	28,050
Allowance for Directors' and Corporate Auditors' Retirement Benefits	1,441	1,468	(26)	1,108
Other Long-Term Liabilities	33,921	35,620	(1,698)	38,779
Total Liabilities	2,749,106	2,642,486	106,620	2,357,136
NET ASSETS:				
I . Total Shareholders' Equity:	688,418	697,039	(8,621)	650,456
Common Stock	174,296	174,296	174,296	174,296
Additional Paid-in Capital	248,329	248,328	1	248,311
Retained Earnings	270,211	278,748	(8,537)	231,259
Treasury Stock	(4,419)	(4,333)	(85)	(3,409)
II . Total Valuation Translation Adjustments and Others:	277,016	274,269	2,746	312,555
Net Unrealized Holding Gains on Securities	45,855	32,575	13,279	77,556
Deferred Gains or Losses on Hedges	(53)	(106)	53	121
Reserve on Land Revaluation	257,768	257,728	40	248,905
Foreign Currency Translation Adjustment	(26,554)	(15,927)	(10,626)	(14,027)
III . New Share Subscription Rights:	115	86	28	-
IV . Minority Interests in Consolidated Subsidiaries	17,846	20,607	(2,760)	17,261
Total Net Assets	983,396	992,003	(8,606)	980,273
Total Liabilities and Net Assets	¥3,732,503	¥3,634,489	¥98,013	¥3,337,410

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(¥ millions)

	June 30, 2008	June 30, 2007
	Amount	Amount
I. Revenue from Operations	¥283,170	¥292,111
II. Cost of Revenue from Operations	220,592	229,785
Gross Operating Profit	62,577	62,326
III. Selling, General and Administrative Expenses	35,543	32,749
Operating Income	27,033	29,576
IV. Non-Operating Income:	4,012	3,679
Interest Income	154	190
Dividend Income	1,358	1,234
Equity in Net Income of Affiliated Companies	1,592	1,602
Other Non-Operating Income	907	651
V. Non-Operating Expenses:	8,736	7,035
Interest Expenses	7,154	5,967
Other Non-Operating Expenses	1,581	1,068
Ordinary Income	22,310	26,220
VI. Extraordinary Gains	-	12,086
VII. Extraordinary Losses	4,066	1,916
Income before Income Taxes	18,243	36,390
Income Taxes	12,751	15,881
Deferred Income Taxes	909	(17)
Minority Interests	(1,901)	(1,605)
Net Income	¥6,483	¥22,132

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(¥ millions)

	June 30, 2008
	Amount
I. Cash Flows From Operating Activities:	
Income before Income Taxes	¥18,243
Depreciation and Amortization	11,486
Impairment Loss	1,290
Interest and Dividend Income Receivable	(1,513)
Interest Expense	7,154
Gain/Loss on Equity-Method Investments	(1,592)
Loss on Disposal of Fixed Assets	1,198
Increase/Decrease in Accounts Receivable	8,780
Increase/Decrease in Accounts Payable	(13,586)
Increase/Decrease in Real Property for Sale	(89,948)
Increase/Decrease in Operational Investment	941
Other	(62,575)
Subtotal	(120,119)
Cash Receipts of Interest and Dividend Income	2,520
Cash Payments of Interest Expense	(6,515)
Income Taxes Paid	(39,208)
Net Cash Provided by Operating Activities	(163,323)
II. Cash Flows From Investing Activities:	
Purchase of Marketable and Investment Securities	(105)
Purchase of Tangible and Intangible Fixed Assets	(61,808)
Sales of Tangible and Intangible Fixed Assets	353
Purchase of Investment Securities	(1,991)
Sales of Investment Securities	5
Proceeds from Receipt of Rental Deposits and Guarantees	(2,877)
Proceeds from Recovery of Rental Deposits and Guarantees	3,825
Decrease in Deposits from Tenants	(9,515)
Increase in Deposits from Tenants	11,679
Increase in Loans (Outlays for Loans)	(1,920)
Decrease in Loans (Proceeds from Recovery of Loans)	1,487
Other	(588)
Net Cash Used in Investing Activities	(61,457)
III. Cash Flows From Financing Activities:	
Proceeds from Short-Term Debt	649,349
Repayment of Short-Term Debt	(392,460)
Proceeds from Long-Term Debt	16,650
Repayment of Long-Term Debt	(25,202)
Proceeds from Issuance of Bonds	10,000
Redemption of Bonds	(25,000)
Payments from Minority Shareholders	13
Cash Dividends Paid	(10,448)
Increase/Decrease in Treasury Stock	(84)
Net Cash Used in Financing Activities	222,818
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(11)
V. Net Increase (Decrease) in Cash and Cash Equivalents	(1,973)
VI. Cash and Cash Equivalents at Beginning of Year	63,495
VII. Cash and Cash Equivalents at End of Quarter	¥61,522