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MITSUBISHI ESTATE

FACT BOOK 2009/3 - 2nd Q

Inquiries: Investor Relations Office

Mr. Yotsuzuka, Mr. Sobue, Mr. Ishii

TEL: +81-3-3287-4827/5206

FAX: +81-3-3212-3757

<http://www.mec.co.jp>

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I. Performance Comparisons (Consolidated)

1. Income Statement Results for 2008/3-2Q and 2009/3-2Q

Millions of yen (rounded)			
	2009/3 2Q Results	2008/3 2Q Results	Change
Building Business	189,950	166,165	23,784
Residential Business	124,336	70,410	53,925
Urban Development & Investment Management	61,074	17,532	43,542
International Business	21,971	23,953	(1,982)
Architectural Design & Engineering	6,919	7,433	(513)
Custom-Built Housing	11,291	12,131	(840)
Hotel Business	15,005	15,908	(902)
Real Estate Services	10,230	13,133	(2,903)
Other	2,184	2,364	(180)
Eliminations	(8,969)	(11,221)	2,252
Revenue from Operations	433,994	317,810	116,183
Building Business	56,445	42,976	13,468
Residential Business	2,298	4,806	(2,508)
Urban Development & Investment Management	19,782	9,633	10,149
International Business	5,726	6,593	(867)
Architectural Design & Engineering	254	354	(100)
Custom-Built Housing	(765)	(1,028)	263
Hotel Business	(88)	507	(595)
Real Estate Services	(1,485)	1,821	(3,307)
Other	348	464	(115)
Eliminations or Corporate	(7,011)	(7,851)	839
Operating Income	75,503	58,277	17,225
Non-operating revenue	5,995	6,002	(6)
Non-operating expense	22,158	13,942	8,215
Income Before Taxes and Special Items	59,341	50,338	9,003
Extraordinary income	6,355	2,362	3,993
Extraordinary loss	8,570	1,160	7,409
Interim Income Before Income Taxes and Minority Interests	57,126	51,539	5,586
Corporation tax, inhabitants' tax and enterprise tax	17,383	17,052	331
Income taxes-deferred	9,216	6,360	2,855
Minority interests	8,048	2,732	5,315
Interim Net Income	22,477	25,393	(2,916)

Millions of yen (rounded)			
■ Breakdown of extraordinary income	2009/3 2Q Results	2008/3 2Q Results	Change
Gain on sales of shares of affiliated companies	6,355	2,362	3,993
Total	6,355	2,362	3,993

Millions of yen (rounded)			
■ Breakdown of extraordinary loss	2009/3 2Q Results	2008/3 2Q Results	Change
Loss on valuation of inventories	7,375	1,160	6,215
Loss on valuation of investment securities	1,194	-	1,194
Total	8,570	1,160	7,409

2. Current Income Statement Estimates for 2009/3 and Results for 2008/3

Millions of yen (rounded)			
	2009/3 Current Estimates	2008/3 Results	Change
Building Business	409,500	380,562	28,938
Residential Business	377,500	213,903	163,597
Urban Development & Investment Management	89,000	29,430	59,570
International Business	47,500	71,920	(24,420)
Architectural Design & Engineering	20,000	19,086	914
Custom-Built Housing	30,500	31,216	(716)
Hotel Business	32,000	33,163	(1,163)
Real Estate Services	28,500	27,941	559
Other	4,000	4,982	(982)
Eliminations	(22,000)	(24,554)	2,554
Revenue from Operations	1,016,500	787,652	228,848
Building Business	123,500	114,490	9,010
Residential Business	25,500	24,326	1,174
Urban Development & Investment Management	30,500	16,863	13,637
International Business	12,000	27,544	(15,544)
Architectural Design & Engineering	1,500	2,324	(824)
Custom-Built Housing	0	(616)	616
Hotel Business	1,000	1,362	(362)
Real Estate Services	3,000	4,108	(1,108)
Other	500	995	(495)
Eliminations or Corporate	(15,000)	(13,415)	(1,585)
Operating Income	182,500	177,983	4,517
Non-operating revenue	11,000	14,316	(3,316)
Non-operating expense	41,500	30,238	11,262
Income Before Taxes and Special Items	152,000	162,061	(10,061)
Extraordinary income	6,500	5,690	810
Extraordinary loss	11,000	8,088	2,912
Income Before Income Taxes and Minority Interests	147,500	159,663	(12,163)
Corporation tax, inhabitants' tax and enterprise tax	41,000	52,390	(11,390)
Income taxes-deferred	20,000	9,472	10,528
Minority interests	16,500	10,836	5,664
Net Income	70,000	86,963	(16,963)

Millions of yen (rounded)			
■ Breakdown of extraordinary income	2009/3 Current Estimates	2008/3 Results	Change
Gain on sales of investment securities	-	1,697	(1,697)
Gain on sales of shares of affiliated companies	6,500	2,255	3,745
Gain on sales of beneficial interest in trust	-	1,737	(1,737)
Total	6,500	5,690	310

Millions of yen (rounded)			
■ Breakdown of extraordinary loss	2009/3 Current Estimates	2008/3 Results	Change
Loss on valuation of inventories	7,500	1,458	6,042
Loss on valuation of investment securities	2,500	1,194	1,306
Loss related to retirement of fixed assets	1,000	2,769	(1,769)
Impairment loss	-	1,498	(1,498)
Loss on early repayment of loans	-	1,168	(1,168)
Total	11,000	8,088	2,912

3. Current and Previous Income Statement Estimates for 2009/3

Millions of yen (rounded)			
	2009/3 Current Estimates	2009/3 Previous Estimates	Change
Building Business	409,500	407,000	2,500
Residential Business	377,500	422,500	(45,000)
Urban Development & Investment Management	89,000	87,500	1,500
International Business	47,500	55,500	(8,000)
Architectural Design & Engineering	20,000	20,000	0
Custom-Built Housing	30,500	34,000	(3,500)
Hotel Business	32,000	33,000	(1,000)
Real Estate Services	28,500	31,000	(2,500)
Other	4,000	3,500	500
Eliminations	(22,000)	(22,000)	0
Revenue from Operations	1,016,500	1,072,000	(55,500)
Building Business	123,500	123,000	500
Residential Business	25,500	32,000	(6,500)
Urban Development & Investment Management	30,500	30,500	0
International Business	12,000	15,500	(3,500)
Architectural Design & Engineering	1,500	1,500	0
Custom-Built Housing	0	0	0
Hotel Business	1,000	1,500	(500)
Real Estate Services	3,000	5,000	(2,000)
Other	500	500	0
Eliminations or Corporate	(15,000)	(13,000)	(2,000)
Operating Income	182,500	196,500	(14,000)
Non-operating revenue	11,000	8,500	2,500
Non-operating expense	41,500	42,500	(1,000)
Income Before Taxes and Special Items	152,000	162,500	(10,500)
Extraordinary income	6,500	6,000	500
Extraordinary loss	11,000	8,000	3,000
Income Before Income Taxes and Minority Interests	147,500	160,500	(13,000)
Corporation tax, inhabitants' tax and enterprise tax	41,000	45,500	(4,500)
Income taxes-deferred	20,000	18,500	1,500
Minority interests	16,500	16,000	500
Net Income	70,000	80,500	(10,500)

Millions of yen (rounded)			
■ Breakdown of extraordinary income	2009/3 Current Estimates	2009/3 Previous Estimates	Change
Gain on sales of shares of affiliated companies	6,500	6,000	500
Total	6,500	6,000	500

Millions of yen (rounded)			
■ Breakdown of extraordinary loss	2009/3 Current Estimates	2009/3 Previous Estimates	Change
Loss on valuation of inventories	7,500	5,500	2,000
Loss related to retirement of fixed assets	2,500	2,500	-
Loss on valuation of investment securities	1,000	-	1,000
Total	11,000	8,000	3,000

4. Balance Sheet Results at Periods Ended 2008/9 and 2008/3

	Millions of yen (rounded)		
	At Sep 31, 2008	At Mar 31, 2008	Change
Assets			
I. Current assets			
1. Cash	103,475	186,321	(82,845)
2. Notes and accounts receivable-trade	22,445	37,063	(14,617)
3. Marketable securities	8,203	31,739	(23,535)
4. Property for sale	153,247	153,085	162
5. Property for sale in progress	441,422	429,181	12,240
6. Property for development	9,009	9,139	(130)
7. Appropriated construction in progress	11,016	10,315	701
8. Other inventories	1,161	1,102	58
9. Equity investments	248,516	185,640	62,876
10. Deferred income taxes	44,649	47,053	(2,403)
11. Other current assets	51,948	51,179	768
12. Allowance for doubtful accounts	(371)	(436)	65
Total current assets	1,094,725	1,141,385	(46,659)
II. Fixed assets			
1. Property and equipment			
(1) Buildings and structures	753,217	753,179	37
(2) Machinery and equipment	23,955	25,516	(1,560)
(3) Land	1,595,105	1,564,953	30,151
(4) Land in trust	277,422	280,547	(3,124)
(5) Construction in progress	106,168	83,271	22,897
(6) Other property and equipment	7,482	7,267	215
Total property and equipment	2,763,352	2,714,735	48,616
2. Intangible assets			
(1) Leaseholds	65,889	61,684	4,205
(2) Other intangible assets	4,574	4,498	75
Total intangible assets	70,463	66,183	4,280
3. Investments and other assets			
(1) Investment securities	230,067	251,805	(21,738)
(2) Long-term loans	3,148	3,387	(239)
(3) Lease deposits	86,304	86,595	(290)
(4) Deferred income taxes	9,176	8,156	1,019
(5) Other investments	54,805	56,520	(1,714)
(6) Allowance for doubtful accounts	(1,674)	(1,631)	(42)
Total investments and other assets	381,828	404,834	(23,006)
Total fixed assets	3,215,643	3,185,752	29,890
Total assets	4,310,369	4,327,137	(16,768)

	Millions of yen (rounded)		
	At Sep 31, 2008	At Mar 31, 2008	Change
Liabilities			
I. Current liabilities			
1. Notes and accounts payable-trade	71,073	114,780	(43,707)
2. Short-term borrowings	105,647	56,131	49,516
3. Current portion of long-term debt	166,415	161,418	4,996
4. Commercial Paper	20,500	10,000	10,500
5. Bonds due within one year	63,906	43,587	20,318
6. Accrued income taxes	17,000	38,372	(21,372)
7. Deferred tax liability	29	-	29
8. Other current liabilities	128,060	159,622	(31,561)
Total current liabilities	572,632	583,913	(11,280)
II. Long-term liabilities			
1. Bonds	565,000	540,000	25,000
2. Long-term borrowings	835,596	834,269	1,327
3. Lease deposits received	359,844	359,561	283
4. Deferred tax liability	221,304	226,241	(4,936)
5. Deferred tax liabilities on land revaluation	324,022	323,953	69
6. Accrued employees' retirement benefits	15,345	18,083	(2,737)
7. Accrued directors' retirement benefits	661	691	(29)
8. Negative goodwill	71,967	67,172	4,794
9. Other long-term liabilities	26,852	25,955	896
Total long-term liabilities	2,420,596	2,395,928	24,667
Total liabilities	2,993,229	2,979,841	13,387
Net Assets			
I. Shareholders' Equity			
1. Capital	136,534	136,534	-
2. Capital surplus	165,216	165,216	-
3. Retained earnings	394,738	387,214	7,524
4. Less treasury stock, at cost	(3,624)	(3,440)	(184)
Total shareholders' equity	692,864	685,524	7,339
II. Valuation, translation adjustments and others			
1. Unrealized holding gain on securities	71,187	89,621	(18,434)
2. Deferred gains or losses on hedging instruments	(163)	(357)	193
3. Land revaluation reserve	472,679	472,578	101
4. Foreign currency translation adjustments	(19,717)	(8,478)	(11,239)
Total valuation, translation adjustments and others	523,986	553,364	(29,377)
III. Stock acquisition rights	218	142	75
IV. Minority interests	100,070	108,264	(8,193)
Total net assets	1,317,139	1,347,295	(30,155)
Total liabilities and net assets	4,310,369	4,327,137	(16,768)

II. Highlights

1. Major Performance Items (Consolidated)

(Millions of yen)

	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Revenue from operations	844,217	947,641	317,810	787,652	433,994	1,016,500
Operating income	137,614	166,165	58,277	177,983	75,503	182,500
Income before taxes and special items	121,236	151,674	50,338	162,061	59,341	152,000
Net income	55,825	97,662	25,393	86,963	22,477	70,000
Total assets	3,280,209	3,447,272	3,497,372	4,327,137	4,310,369	4,552,000
Shareholders' equity*1	1,133,623	1,225,644	1,238,111	1,238,889	1,216,851	1,287,000
Interest-bearing debt	1,007,761	1,012,588	1,126,051	1,645,407	1,757,213	1,839,000
Cash flow from operating activities	169,744	150,710	(21,676)	(16,248)	(64,648)	51,000
Cash flow from investing activities	29,883	(85,389)	(155,280)	(212,207)	(132,517)	(212,500)
Cash flow from financing activities	(132,463)	(34,093)	97,494	238,942	91,688	144,500
EBITDA*2	200,928	233,406	89,437	245,911	110,300	252,000
Return on assets (ROA)*3	4.6 %	5.3 %	-	4.9 %	-	4.3 %
Interest coverage ratio (ICR)*4	7.4 times	9.5 times	-	8.5 times	-	5.6 times
Return on equity (ROE)*5	5.4 %	8.3 %	-	7.1 %	-	5.5 %
Earnings per share (EPS) (Yen)	42.60	70.95	-	62.99	-	50.71

*1 Shareholders' equity = (Net assets - Stock acquisition rights - Minority interest)

*2 EBITDA = (Operating income + Interest income + Dividend income + Equity in earnings of unconsolidated subsidiaries and affiliates + Depreciation + Amortization of goodwill)

*3 ROA = (Operating income + Interest income + Dividend income + Equity in earnings of unconsolidated subsidiaries and affiliates) / Total assets (average)

*4 ICR = (Operating income + Interest income + Dividend income + Equity in earnings of unconsolidated subsidiaries and affiliates) / Interest expense

*5 ROE = Net income / Shareholders' equity (average)

2. Segment Information (Consolidated)

(Millions of yen; as percentage of total)

(1) Revenue from Operations	2006/3		2007/3		2008/3-2Q		2008/3		2009/3-2Q		2009/3 (Estimates)	
Building Business	312,099	35.9%	353,956	36.5%	166,165	50.5%	380,562	46.9%	189,950	42.9%	409,500	39.4%
Residential Business	204,213	23.5%	231,514	23.9%	70,410	21.4%	213,903	26.3%	124,336	28.1%	377,500	36.4%
Urban Development & Investment Management	34,274	3.9%	38,216	3.9%	17,532	5.3%	29,430	3.6%	61,074	13.8%	89,000	8.6%
International Business	193,223	22.2%	226,444	23.4%	23,953	7.3%	71,920	8.9%	21,971	5.0%	47,500	4.6%
Architectural Design & Engineering	17,103	2.0%	17,790	1.8%	7,433	2.3%	19,086	2.3%	6,919	1.6%	20,000	1.9%
Custom-Built Housing	41,477	4.8%	34,550	3.6%	12,131	3.7%	31,216	3.8%	11,291	2.5%	30,500	2.9%
Hotel Business	32,399	3.7%	33,493	3.5%	15,908	4.8%	33,163	4.1%	15,005	3.4%	32,000	3.1%
Real Estate Services	30,775	3.5%	28,851	3.0%	13,133	4.0%	27,941	3.4%	10,230	2.3%	28,500	2.7%
Other	4,717	0.5%	4,260	0.4%	2,364	0.7%	4,982	0.6%	2,184	0.5%	4,000	0.4%
Eliminations or corporate	(26,065)		(21,437)		(11,221)		(24,554)		(8,969)		(22,000)	
	844,217		947,641		317,810		787,652		433,994		1,016,500	

(Millions of yen)

(2) Operating income	2006/3		2007/3		2008/3-2Q		2008/3		2009/3-2Q		2009/3 (Estimates)	
Building Business	89,492		100,214		42,976		114,490		56,445		123,500	
Residential Business	17,736		23,979		4,806		24,326		2,298		25,500	
Urban Development & Investment Management	14,169		23,520		9,633		16,863		19,782		30,500	
International Business	23,199		22,005		6,593		27,544		5,726		12,000	
Architectural Design & Engineering	227		1,181		354		2,324		254		1,500	
Custom-Built Housing	(404)		(169)		(1,028)		(616)		(765)		0	
Hotel Business	1,247		1,616		507		1,362		(88)		1,000	
Real Estate Services	7,753		6,082		1,821		4,108		(1,485)		3,000	
Other	747		798		464		995		348		500	
Eliminations or corporate	(16,554)		(13,064)		(7,851)		(13,415)		(7,011)		(15,000)	
Operating income	137,614		166,165		58,277		177,983		75,503		182,500	

(3) Rate of return	2006/3		2007/3		2008/3-2Q		2008/3		2009/3-2Q		2009/3 (Estimates)	
Building Business	28.7%		28.3%		25.9%		30.1%		29.7%		30.2%	
Residential Business	8.7%		10.4%		6.8%		11.4%		1.8%		6.8%	
Urban Development & Investment Management	41.3%		61.5%		54.9%		57.3%		32.4%		34.3%	
International Business	12.0%		9.7%		27.5%		38.3%		26.1%		25.3%	
Architectural Design & Engineering	1.3%		6.6%		4.8%		12.2%		3.7%		7.5%	
Custom-Built Housing	-1.0%		-0.5%		-8.5%		-2.0%		-6.8%		0.0%	
Hotel Business	3.8%		4.8%		3.2%		4.1%		-0.6%		3.1%	
Real Estate Services	25.2%		21.1%		13.9%		14.7%		-14.5%		10.5%	
Other	15.8%		18.7%		19.6%		20.0%		15.9%		12.5%	
Eliminations or corporate												
	16.3%		17.5%		18.3%		22.6%		17.4%		18.0%	

(Millions of yen)

(4) Depreciation	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Building Business	41,766	38,531	21,962	45,893	24,084	-
Residential Business	833	780	364	795	604	-
Urban Development & Investment Management	249	2,931	1,132	2,316	670	-
International Business	8,578	9,774	2,699	5,539	2,801	-
Architectural Design & Engineering	103	51	18	40	21	-
Custom-Built Housing	157	119	69	144	68	-
Hotel Business	1,366	1,444	724	1,510	671	-
Real Estate Services	217	279	189	388	205	-
Other	167	114	63	139	71	-
Eliminations or corporate	214	227	6	99	(46)	-
	53,655	54,257	27,230	56,867	29,154	59,000

(Millions of yen)

(5) Operating income before depreciation	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Building Business	131,258	138,745	64,938	160,384	80,530	-
Residential Business	18,570	24,759	5,170	25,121	2,902	-
Urban Development & Investment Management	14,419	26,452	10,765	19,179	20,453	-
International Business	31,777	31,780	9,292	33,083	8,527	-
Architectural Design & Engineering	331	1,233	372	2,364	275	-
Custom-Built Housing	(247)	(49)	(959)	(471)	(696)	-
Hotel Business	2,614	3,061	1,231	2,872	583	-
Real Estate Services	7,971	6,361	2,010	4,496	(1,279)	-
Other	914	913	527	1,134	420	-
Eliminations or corporate	(16,339)	(12,836)	(7,845)	(13,315)	(7,057)	-
	191,270	220,422	85,507	234,850	104,657	241,500

(Millions of yen)

(6) Capital expenditure	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Building Business	43,432	93,906	99,698	122,149	73,528	-
Residential Business	977	816	1,444	1,835	3,233	-
Urban Development & Investment Management	12,924	23,846	18,334	106,345	4,283	-
International Business	7,345	26,816	34,560	44,857	54,324	-
Architectural Design & Engineering	12	17	4	63	35	-
Custom-Built Housing	243	254	147	205	58	-
Hotel Business	1,358	1,353	854	1,216	446	-
Real Estate Services	320	665	453	729	242	-
Other	168	172	291	397	97	-
Eliminations or corporate	(2,030)	(890)	817	3,798	37	-
	64,753	146,958	156,605	281,597	136,288	-

(Millions of yen)

(7) Total assets	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Building Business	1,987,595	2,017,633	2,087,334	2,566,825	2,635,434	-
Residential Business	338,026	397,118	385,874	731,816	722,870	-
Urban Development & Investment Management	103,796	250,542	237,159	337,375	318,499	-
International Business	345,483	332,225	361,358	351,016	353,360	-
Architectural Design & Engineering	18,732	19,664	19,354	22,155	22,282	-
Custom-Built Housing	16,531	14,225	12,988	14,992	14,738	-
Hotel Business	30,986	30,127	29,373	28,626	27,907	-
Real Estate Services	70,845	104,559	30,932	31,909	36,303	-
Other	37,555	37,977	38,579	26,406	26,547	-
Eliminations or corporate	330,656	243,198	294,418	216,013	152,423	-
	3,280,209	3,447,272	3,497,372	4,327,137	4,310,369	4,552,000

Note: Urban Development & Investment Management and International Business became independent segments as of 2005/3.

3. Building Business Data (Unconsolidated)

(Thousands of square meters)

	2006/3	2007/3	2007/9	2007/3	2008/9	2009/3 (Estimates)
(1) Total operating floor space						
Owned by MEC	3,061	2,879	3,132	3,218	3,284	3,280
Subleases	846	890	888	956	1,094	1,101
Total	3,907	3,769	4,020	4,175	4,378	4,382
(2) Leasable area	2,567	2,499	2,643	2,736	2,846	2,849
(3) Vacancy rate (All uses in Japan)	3.59 % (*1)	1.68 %	1.92 %	2.06 % (*2)	1.97 % (*2)	1.70 %
(4) Average rent (All uses in Japan)	¥21,711	¥21,733	¥22,049	¥22,602	¥22,932	¥23,300

*1. The vacancy rate for 2006/3 is calculated with the inclusion of renovating space in Marunouchi-Nakadori Building & Akasaka Park Building.

(We have already agreed with certain prospective tenants for the space, so the actual vacancy rate, excluding renovating space is 1.85%.)

*2. The vacancy rate for 2008/3, 2008/9 are calculated with the inclusion of renovating space in Akasaka Park Building.

(We have already agreed with certain prospective tenants for the space, so the actual each vacancy rate, excluding renovating space will be 1.26% , 1.74%, respectively.)

4. Marunouchi Area Building Data

(Thousands of square meters; millions of yen)

	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q
Floor space	2,024	1,897	2,201	2,195	2,232
Leasable area	1,308	1,246	1,389	1,415	1,446
Office vacancy rate	2.77 % (*1)	0.55 %	1.51 %	0.19 %	0.15 %
Building lease revenue	¥145,005	¥146,399	¥79,332	¥165,928	¥88,913

*1. The vacancy rate for 2006/3 is calculated with the inclusion of renovating space in Marunouchi-Nakadori Building.

(We have already agreed with certain prospective tenants for the space, so the actual vacancy rate, excluding renovating space is 0.63%.)

5. Residential Business Data (Unconsolidated)

	2006/3		2007/3		2008/3-2Q		2008/3		2009/3-2Q		2009/3 (Estimates)	
	Millions of yen	Units	Millions of yen	Units	Millions of yen	Units	Millions of yen	Units	Millions of yen	Units	Millions of yen	Units
(1) Revenue												
Condominiums sold	144,843	2,870	167,692	3,445	41,323	733	148,678	2,780	44,889	868	143,688	2,480
Single-family homes sold	6,182	138	5,561	126	1,414	31	4,302	82	1,098	22	2,877	44
		Lots		Lots		Lots		Lots		Lots		Lots
Developed lots sold	3,220	198	6,606	258	2,211	96	7,690	179	2,921	72	5,155	171
Residential-use	2,710	196	4,885	251	1,406	95	6,769	176	2,528	70	4,362	168
Business-use	510	2	1,721	7	805	1	921	3	393	2	793	3
Other	11,788		13,462		5,987		13,140		17,142		27,780	
Total	166,033		193,321		50,937		173,814		66,050		179,500	
(2) Inventory	Millions of yen	Units	Millions of yen	Units	Millions of yen	Units	Millions of yen	Units	Millions of yen	Units	Millions of yen	Units
Condominiums	7,823	226	6,140	126	4,532	125	7,415	214	23,810	445	-	-
Single-family homes	1,655	43	1,280	31	1,081	26	1,444	34	2,295	44	-	-
Total	9,478		7,420		5,613		8,859		26,105		-	
(3) Gross margin of condominiums	20.0 %		22.4 %		22.5 %		24.6 %		21.5 %		21.3 %	
(4) New supply of condominiums	4,083	Units	2,474	Units	1,074	Units	2,323	Units	774	Units	3,000	Units

6. Special Purpose Vehicle

(Millions of yen)

	2007/3	2007/9	2008/3	2008/9
Building Business				
Equity investment by Mitsubishi Estate	32,000	39,000	44,200	80,500
Equity investment by other companies	27,700	29,700	28,000	33,700
Interest bearing debt borrowed by SPV (*1)	142,100	231,600	228,300	350,400
Residential business				
Equity investment by Mitsubishi Estate	900	900	30	2,400
Equity investment by other companies	3,200	3,200	70	70
Interest bearing debt borrowed by SPV(*1)	19,100	14,900	700	700
Urban development & investment management business				
Equity investment by Mitsubishi Estate	78,100	75,700	139,200	156,800
Equity investment by other companies	35,800	35,200	82,200	105,200
Interest bearing debt borrowed by SPV(*1)	263,700	240,300	429,600	461,400
Total				
Equity investment by Mitsubishi Estate	111,100	115,700	183,500	239,800
Equity investment by other companies	66,800	68,200	110,300	139,000
Interest bearing debt borrowed by SPV(*1)	425,000	486,900	658,700	812,600

The numbers include the following S.P.V

1. TMK vehicles under the real estate securitization law - Mitsubishi Estate's share : over 20%
2. YK-TK vehicle under the commercial law - Mitsubishi Estate's share : over 20%

(*1) All of the debts borrowed by SPV are "Non-Recourse Loan"

7. International Business (Rockefeller Group Inc.)

(Millions of yen)

	2004/12	2005/12	2006/12	2007/12-2Q	2007/12	2008/12-2Q	2008/12(Estimation)
<Revenue>							
Development, Leasing, Property Management	65,130	45,772	46,281	21,771	67614	20436	44170
Real Estate Service (Cushman & Wakefield)	109,656	135,709	176,044	-	-	-	-
Other	8,399	11,742	4,118	2,182	4307	1535	3195
total	183,185	193,223	226,444	23,953	71920	21971	47366
<Operating Income>							
Development, Leasing, Property Management	15,655	17,277	16,737	8,514	31452	7740	15631
Real Estate Service (Cushman & Wakefield)	3,291	4,999	9,194	-	-	-	-
Other	1,591	4,409	(191)	58	(16)	(157)	(399)
G&A expense	(2,312)	(2,647)	(2,902)	(1,569)	(3153)	(1419)	(2409)
total	18,226	24,038	22,837	7,003	28283	6163	12822

III. Summary of Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	At March 31, 2006	At March 31, 2007	At September 30, 2007	At March 31, 2008	At September 30, 2008
Assets					
Current assets					
Cash	139,605	201,107	76,922	186,321	103,475
Notes and accounts receivable-trade	63,763	33,912	25,044	37,063	22,445
Marketable securities	27,289	6,160	48,659	31,739	8,203
Property for sale *1	-	-	-	153,085*	153,247
Property for sale in progress *1	-	-	-	429,181*	441,422
Property for development *1	-	-	-	9,139*	9,009
Appropriated construction in progress *1	-	-	-	10,315*	11,016
Other inventories *1	-	-	-	1,102*	1,161
Inventories	305,800	300,180	334,171	-	-
Equity investments	108,978	127,099	123,284	185,640	248,516
Deferred income taxes	38,786	36,827	38,776	47,053	44,649
Other current assets	47,758	33,702	46,907	51,179	51,948
Allowance for doubtful accounts	(3,303)	(421)	(378)	(436)	△ 371
Total current assets	728,679	738,568	693,387	1,141,385	1,094,725
Fixed assets					
Property and equipment					
Buildings and structures	646,489	659,167	743,300	753,179	753,217
Machinery and equipment	18,517	16,400	20,859	25,516	23,955
Land	1,293,186	1,414,754	1,475,780	1,564,953	1,595,105
Land in trust	-	-	-	280,547	277,422
Construction in progress	28,353	88,170	44,369	83,271	106,168
Other property and equipment	9,825	5,746	5,754	7,267	7,482
Total property and equipment	1,996,372	2,184,239	2,290,065	2,714,735	2,763,352
Intangible assets					
Goodwill (consolidated adjustment account)	(31,824)	7,925	7,917	0	0
Leaseholds	17,279	17,739	18,327	61,684	65,889
Other intangible assets	5,842	3,565	3,347	4,498	4,574
Total intangible assets	54,947	29,231	29,593	66,183	70,463
Investments and other assets					
Investment securities	361,790	356,928	343,919	251,805	230,067
Long-term loans	2,515	2,426	2,909	3,387	3,148
Lease deposits	71,949	77,571	76,825	86,595	86,304
Deferred income taxes	4,548	5,116	5,077	8,156	9,176
Other investments	60,397	54,106	56,337	56,520	54,805
Allowance for doubtful accounts	(990)	(916)	(743)	(1,631)	△ 1,674
Total investments and other assets	500,210	495,233	484,326	404,834	381,828
Total fixed assets	2,551,530	2,708,704	2,803,984	3,185,752	3,215,643
Total assets	3,280,209	3,447,272	3,497,372	4,327,137	4,310,369

Note: *1 Effective the fiscal year ending March 31, 2009, Mitsubishi Estate has revised account codes and "Inventories" is reclassified into detail accounts.

*2 Balance sheet figures at March 31, 2008 have been revised to the accounts based on the above reclassification.

(Millions of yen)

	At March 31, 2006	At March 31, 2007	At September 30, 2007	At March 31, 2008	At September 30, 2008
Liabilities					
Current liabilities					
Notes and accounts payable-trade	85,502	72,301	44,425	114,780	71,073
Short-term borrowings	49,118	47,043	47,047	56,131	105,647
Current portion of long-term debt	71,981	42,944	99,474	161,418	166,415
Commercial paper	-	-	20,000	10,000	20,500
Bonds due within one year	45,645	50,980	31,023	43,587	63,906
Accrued income taxes	20,889	38,078	26,307	38,372	17,000
Deferred tax liability	23	-	-	0	29
Reserve for loss on possible business transfers	15	0	0	-	-
Other current liabilities	172,491	222,607	183,778	159,622	128,060
Total current liabilities	445,668	473,956	452,056	583,913	572,632
Long-term liabilities					
Bonds	446,686	415,000	455,000	540,000	565,000
Long-term borrowings	394,328	456,619	473,506	834,269	835,596
Lease deposits received	304,189	306,546	320,182	359,561	359,844
Deferred tax liability	140,134	159,210	162,069	226,241	221,304
Deferred tax liabilities on land revaluation	319,618	322,457	322,986	323,953	324,022
Accrued employees' retirement benefits	11,787	13,433	14,497	18,083	15,345
Accrued directors' retirement benefits	2,214	49	122	691	661
Negative goodwill	-	-	-	67,172	71,967
Other long-term liabilities	49,241	39,090	20,757	25,955	26,852
Total long-term liabilities	1,668,200	1,712,407	1,769,123	2,395,928	2,420,596
Total liabilities	2,113,868	2,186,364	2,221,179	2,979,841	2,993,229
Net assets					
Shareholders' equity					
Capital	129,736*	136,534	136,534	136,534	136,534
Capital surplus	158,421*	165,216	165,216	165,216	165,216
Retained earnings	246,246*	324,611	338,096	387,214	394,738
Less treasury stock, at cost	(2,024)*	(2,965)	(3,173)	(3,440)	(3,624)
Total shareholders' equity	532,381*	623,396	636,673	685,524	692,864
Valuation, translation adjustments and others					
Unrealized holding gain on securities	142,040*	133,843	126,122	89,621	71,187
Deferred gains or losses on hedging instruments	—*	161	283	(357)	(163)
Land revaluation reserve	466,259*	470,397	471,169	472,578	472,679
Foreign currency translation adjustments	(7,057)*	(2,154)	3,863	(8,478)	(19,717)
Total valuation, translation adjustments and others	601,242*	602,247	601,438	553,364	523,986
Stock acquisition rights	—*	79	142	142	218
Minority interests	32,717*	35,185	37,938	108,264	100,070
Total net assets	1,166,340*	1,260,908	1,276,192	1,347,295	1,317,139
Total liabilities and net assets	3,280,209*	3,447,272	3,497,372	4,327,137	4,310,369

Note: Changes in accounting standards for the presentation of net assets in the balance sheets became effective the fiscal year ended March 31, 2007. Balance sheet figures at March 31, 2006 have been revised to account for these changes and are marked with asterisks.

2. Consolidated Income Statements

(Millions of yen)

	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Revenue from operations	844,217	947,641	317,810	787,652	433,994	1,016,500
Operating income	137,614	166,165	58,277	177,983	75,503	182,500
Non-operating income						
Interest income	728	1,247	1,546	3,349	1,207	1,500
Dividend income	2,059	2,865	1,803	3,474	2,098	4,000
Amortization of negative goodwill	-	-	-	-	519	1,000
Equity in earnings of unconsolidated subsidiaries and affiliates	6,556	8,094	403	3,739	752	1,500
Gain on sales of investment securities	-	-	836	-	-	-
Other non-operating income	3,706	2,495	1,413	3,752	1,418	3,000
Total non-operating income	13,050	14,703	6,002	14,316	5,995	11,000
Non-operating expenses						
Interest expense	19,874	18,867	9,821	22,167	15,287	34,000
Loss on disposal of fixed assets	5,054	6,843	1,731	4,616	3,384	3,500
Other non-operating expenses	4,499	3,482	2,389	3,454	3,485	4,000
Total non-operating expenses	29,428	29,194	13,942	30,238	22,158	41,500
Income before taxes and special items	121,236	151,674	50,338	162,061	59,341	152,000
Extraordinary income						
Gain on sales of fixed assets	57,823	1,115	-	-	-	-
Gain on sales of investment securities	-	-	-	1,697	-	-
Gain on sales of shares of affiliated companies	-	40,060	2,362	2,255	6,355	6,500
Gain on sales of beneficial interest in trust	-	-	-	1,737	-	-
Gain on sales of investments	-	2,150	-	-	-	-
Gain on transfer of business	-	1,895	-	-	-	-
Total extraordinary income	57,823	45,222	2,362	5,690	6,355	6,500
Extraordinary loss						
Loss on valuation of inventories	27,639	-	1,160	1,458	7,375	7,500
Loss on sales of beneficial interest in trust of fixed assets	3,327	-	-	-	-	-
Loss related to retirement of fixed assets	-	13,423	-	1,194	-	2,500
Loss on valuation of investment securities	-	-	-	2,769	1,194	1,000
Impairment loss	35,321	5,503	-	1,498	-	-
Loss on early repayment of loans	-	-	-	1,168	-	-
Loss on soil solution related countermeasures	4,859	-	-	-	-	-
Total extraordinary loss	71,147	18,926	1,160	8,088	8,570	11,000
Income before income taxes and minority interests	107,913	177,969	51,539	159,663	57,126	147,500
Corporation tax, inhabitants' tax and enterprise tax	28,509	54,069	17,052	52,390	17,383	41,000
Income taxes-deferred	17,217	20,100	6,360	9,472	9,216	20,000
Minority interests	6,360	6,137	2,732	10,836	8,048	16,500
Net income	55,825	97,662	25,393	86,963	22,477	70,000

3. Consolidated Cash Flow Statements

(Millions of yen)

	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Income before income taxes and minority interests	107,913	177,969	51,539	159,663	57,126	147,500
Adjustment for extraordinary income or loss	3,933	(36,809)	(950)	(124)	1,819	11,000
Depreciation and amortization	53,655	54,257	27,230	56,867	29,154	59,000
Decrease (increase) in inventories	(18,425)	8,394	(30,974)	(79,102)	(8,651)	(21,500)
(Increase) decrease in equity investments	(514)	(20,388)	(482)	(85,042)	(68,590)	(98,000)
Other	23,182	(32,712)	(68,038)	(68,509)	(75,506)	(47,000)
Net cash provided by (used in) operating activities	169,744	150,710	(21,676)	(16,248)	(64,648)	51,000
Proceeds from sales of marketable securities and investment securities	3,841	60,317	6,344	11,448	8,876	9,000
Proceeds from sales of property and equipment and beneficial interests in trust of property and equipment	122,284	10,630	908	13,253	85	6,500
Purchases of property and equipment	(62,204)	(138,169)	(155,018)	(270,798)	(133,504)	(215,000)
Other	(34,038)	(18,167)	(7,514)	33,889	(7,975)	(13,000)
Net cash (used in) provided by investing activities	29,883	(85,389)	(155,280)	(212,207)	(132,517)	(212,500)
Newly acquired funds	92,543	141,896	137,232	389,537	176,849	443,000
Repayment	(145,666)	(156,601)	(48,982)	(130,408)	(118,656)	(231,000)
Cash dividends paid	(17,949)	(19,181)	(11,044)	(33,878)	(14,361)	(27,500)
Other	(61,391)	(206)	20,289	13,691	47,857	(40,000)
Net cash used in financing activities	(132,463)	(34,093)	97,494	238,942	91,688	144,500
Effect of exchange rate on cash and cash equivalents	2,602	3,344	2,475	(2,765)	(3,597)	
Net increase (decrease) in cash and cash equivalents	69,766	34,571	(76,987)	7,721	(109,075)	(17,000)
Increase in cash and cash equivalents arising from changes in the scope of consolidation	-	4,427	166	5,901	542	542
Decrease in cash and cash equivalents arising from changes in the scope of consolidation	-	-	-	-	(495)	(495)
Cash and cash equivalents at the beginning of year	97,324	167,090	206,089	206,089	219,712	219,712
Cash and cash equivalents at the end of year	167,090	206,089	129,268	219,712	110,683	202,759

4. Total Assets, Capital Investment and Depreciation (Consolidated)

(Millions of yen)

	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Total assets	3,280,209	3,447,272	3,497,372	4,327,137	4,310,369	4,552,000
Capital investment	62,204	138,169	155,018	270,798	133,504	215,000
Depreciation	53,655	54,257	27,230	56,867	29,154	59,000

(Millions of yen)

*2009/3-2Q Capital investment 133,500 million yen	Mitsubishi Estat 73,400	Building Business	Marunouchi redevelopment construction cost etc. = 53,300 Refurbishment cost etc. = 11,200
		Other	Urban Development and Investment Management (Investment in property) = 7,100
	Other 60,100	Rockefeller Group, Inc. etc	Rockefeller Group, Inc. = 52,500 Silent Partnerships = 1,900 Sunshine City = 2,700 Marunouchi Heat Supply = 2,000

*2009/3 Capital investment 215,000 million yen	Mitsubishi Estat 116,500	Building Business	Marunouchi redevelopment construction cost etc. = 79,000 Refurbishment cost etc. = 20,000
		Other	Urban Development and Investment Management (Investment in property) = 14,000
	Other 98,500	Rockefeller Group, Inc. etc	Rockefeller Group, Inc. = 77,000 Marunouchi Heat Supply = 5,500 Silent Partnerships = 3,000 Sunshine City = 6,000 Royal Park Hotels and Resorts Company = 4,000

5. Interest-Bearing Debt (Consolidated)

(Millions of yen)

	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Interest-bearing debt	1,007,761	1,012,588	1,126,051	1,645,407	1,757,213	1,839,000
Net interest-bearing debt *1	840,670	806,499	996,783	1,425,695	1,646,530	1,636,500
Interest expense	19,874	18,867	9,821	22,167	15,287	34,000
Financial income and expense (net) *2	△ 17,087	△ 14,755	△ 6,472	△ 15,344	△ 11,981	△ 28,500
Average interest rate *3	1.80 %	1.86 %	1.83 %	1.66 % (※ 5)	1.79 %	1.95 %
Debt equity ratio *4	0.88	0.82	0.90	1.32	1.44	1.43

*1 Net interest-bearing debt = Interest-bearing debt - Cash and cash equivalents

*2 Financial income and expense = Interest income + Dividend income - Interest expense

*3 Average interest rate = Interest expense / Interest-bearing debt (average)

*4 Debt equity ratio = Interest-bearing debt / Shareholders' equity

*5 As of end of fiscal 2008/3, 4 subsidiaries are newly consolidated on B/S. (P/L consolidation starts from the beginning of fiscal 2009/3)

The interest bearing debt of 4 subsidiaries is reflected in the calculation. Average interest rate excluding the above debt is 1.83%.

6. Major Consolidated Subsidiaries

(1) 2009/3-2Q

(Millions of yen)

	Share of MEC	Revenue from operations	Operating income	Income before taxes and special items	Net income	Total assets	Shareholders' equity	Interest-bearing debt	Depreciation
Mitsubishi Estate Co., Ltd.	-	234,114	55,459	49,254	27,065	3,193,269	1,128,094	1,145,606	20,221
Mitsubishi Real Estate Services Co., Ltd.	100.00%	10,230	△ 1,415	△ 1,195	△ 750	36,236	12,462	0	205
Mitsubishi Estate Home Co., Ltd.	100.00%	8,747	△ 643	△ 621	△ 626	7,740	1,193	0	43
Mitsubishi Jisho Sekkei, Inc.	100.00%	6,084	935	993	566	20,573	11,002	0	17
Royal Park Hotels & Resorts Co., Ltd.	100.00%	10,351	△ 265	△ 283	△ 167	5,496	1,629	867	215
Mitsubishi Estate Building Management Co., Ltd.	100.00%	13,442	1,237	1,301	762	31,484	4,724	-	16
Mitsubishi Jisyo Towa Community Co., Ltd.	86.24%	16,519	864	872	504	6,648	3,017	-	90
Marunouchi Heat Supply Co., Ltd.	64.16%	6,919	1,001	1,029	605	24,112	15,072	6,724	984
Sunshine City Corporation	59.59%	15,147	3,879	3,539	2,137	106,453	38,337	40,388	2,704
Towa Real Estate Development Co., Ltd.	54.13%	38,786	△ 2,887	△ 5,024	△ 8,838	270,820	24,627	215,012	228
Royal Park Hotel Co., Ltd.	51.00%	5,226	227	126	60	16,982	6,619	7,298	394
Rockefeller Group, Inc.	100.00%	21,971	6,163	5,228	6,349	295,185	155,562	119,308	2,515
	-	433,994	75,503	59,341	22,477	4,310,369	1,216,851	1,757,213	29,154

2009/3-2Q Exchange rate

¥/\$

PL 104.89

BS 106.42

(2) 2009/3 (Estimates)

(Millions of yen)

	Share of MEC	Revenue from operations	Operating income	Income before taxes and special items	Net income	Total assets	Shareholders' equity	Interest-bearing debt	Depreciation
Mitsubishi Estate Co., Ltd.	-	532,000	122,500	108,500	61,000	3,404,000	1,170,500	1,198,500	40,500
Mitsubishi Real Estate Services Co., Ltd.	100.00%	28,590	3,170	3,415	1,957	31,843	14,084	0	476
Mitsubishi Estate Home Co., Ltd.	100.00%	24,642	8	18	6	8,200	1,825	0	90
Mitsubishi Jisho Sekkei, Inc.	100.00%	16,400	2,550	2,550	1,472	21,479	11,908	0	40
Royal Park Hotels & Resorts Co., Ltd.	100.00%	22,460	152	114	74	5,782	1,870	615	504
Mitsubishi Estate Building Management Co., Ltd.	100.00%	26,363	2,274	2,382	1,404	32,889	6,128	0	35
Mitsubishi Jisyo Towa Community Co., Ltd.	86.24%	33,650	1,493	1,501	852	7,557	3,400	-	198
Marunouchi Heat Supply Co., Ltd.	64.16%	12,946	532	517	306	25,633	15,267	7,395	2,025
Sunshine City Corporation	59.59%	30,145	7,354	6,515	3,831	108,045	40,152	40,813	5,546
Towa Real Estate Development Co., Ltd.	54.13%	159,000	7,500	2,700	△ 3,800	291,000	29,600	217,000	500
Royal Park Hotel Co., Ltd.	51.00%	11,093	999	764	431	17,410	6,989	7,206	777
Rockefeller Group, Inc.	100.00%	47,366	12,822	9,035	6,951	329,477	157,923	145,292	5,097
	-	1,016,500	182,500	152,000	70,000	4,552,000	1,287,000	1,839,000	59,000

2008/3 Exchange rate

¥/\$

PL 105.00

BS 105.00

IV. Summary of Unconsolidated Financial Statements

1. Income Statement Results for 2008/3-2Q and 2009/3-2Q

Millions of yen (rounded)			
	2009/3 2Q Results	2008/3 2Q Results	Change
Building Business	146,984	140,833	6,150
Residential Business	66,050	50,937	15,112
Urban Development & Investment Management	20,122	13,516	6,605
Other	957	910	47
Revenue from Operations	234,114	206,197	27,916
Building Business	45,765	39,699	6,065
Residential Business	8,539	6,883	1,655
Urban Development & Investment Management	14,442	8,071	6,371
Other	(126)	(42)	(84)
Gross Income	68,620	54,612	14,008
Cost of sales	3,155	2,585	569
General and administrative expenses	10,006	9,832	173
Selling, General and Administrative Expenses	13,161	12,418	742
Operating Income	55,459	42,193	13,265
Non-operating revenue	8,492	8,377	114
Non-operating expense	14,696	10,456	4,240
Income Before Taxes and Special Items	49,254	40,115	9,139
Extraordinary income	-	-	-
Extraordinary loss	6,793	1,167	5,626
Interim Income Before Income Taxes and Minority Interests	42,461	38,947	3,513
Income taxes-deferred	15,395	14,542	852
Interim Net Income	27,065	24,405	2,660

Millions of yen (rounded)			
	2009/3 2Q Results	2008/3 2Q Results	Change
■ Breakdown of extraordinary loss			
Loss on valuation of inventories	5,629	1,167	4,461
Loss on valuation of investment securities	1,164	-	1,164
Total	6,793	1,167	5,626

2. Current Income Statement Estimates for 2009/3 and Results for 2008/3

Millions of yen (rounded)			
	2009/3 Current Estimates	2008/3 Results	Change
Building Business	323,500	328,406	(4,906)
Residential Business	179,500	173,814	5,686
Urban Development & Investment Management	27,000	20,583	6,417
Other	2,000	1,907	93
Revenue from Operations	532,000	524,711	7,289
Building Business	105,000	107,001	(2,001)
Residential Business	28,000	32,471	(4,471)
Urban Development & Investment Management	19,000	13,149	5,851
Other	0	(41)	41
Gross Income	152,000	152,581	(581)
Cost of sales	9,000	8,807	193
General and administrative expenses	20,500	19,130	1,370
Selling, General and Administrative Expenses	29,500	27,938	1,562
Operating Income	122,500	124,642	(2,142)
Non-operating revenue	11,500	11,001	499
Non-operating expense	25,500	22,384	3,116
Income Before Taxes and Special Items	108,500	113,259	(4,759)
Extraordinary income	0	1,681	(1,681)
Extraordinary loss	9,000	5,401	3,599
Income Before Income Taxes and Minority Interests	99,500	109,538	(10,038)
Income taxes-deferred	38,500	49,906	(11,406)
Net Income	61,000	59,631	1,369

Millions of yen (rounded)			
■ Breakdown of extraordinary loss	2009/3 Current Estimates	2008/3 Results	Change
Loss on valuation of inventories	5,500	1,438	4,062
Loss related to retirement of fixed assets	2,500	1,194	1,306
Loss on valuation of investment securities	1,000	2,769	(1,769)
Total	9,000	5,401	3,599

3. Current and Previous Income Statement Estimates for 2009/3

	Millions of yen (rounded)		
	2009/3 Current Estimates	2009/3 Previous Estimates	Change
Building Business	323,500	319,000	4,500
Residential Business	179,500	193,000	(13,500)
Urban Development & Investment Management	27,000	26,500	500
Other	2,000	2,000	0
Revenue from Operations	532,000	540,500	(8,500)
Building Business	105,000	106,000	(1,000)
Residential Business	28,000	30,500	(2,500)
Urban Development & Investment Management	19,000	19,000	0
Other	0	0	-
Gross Income	152,000	155,500	(3,500)
Cost of sales	9,000	10,000	(1,000)
General and administrative expenses	20,500	18,500	2,000
Selling, General and Administrative Expenses	29,500	28,500	1,000
Operating Income	122,500	127,000	(4,500)
Non-operating revenue	11,500	9,500	2,000
Non-operating expense	25,500	27,500	(2,000)
Income Before Taxes and Special Items	108,500	109,000	(500)
Extraordinary income	0	0	-
Extraordinary loss	9,000	6,500	2,500
Income Before Income Taxes and Minority Interests	99,500	102,500	(3,000)
Income taxes-deferred	38,500	39,500	(1,000)
Net Income	61,000	63,000	(2,000)

	Millions of yen (rounded)		
■ Breakdown of extraordinary loss	2009/3 Current Estimates	2009/3 Previous Estimates	Change
Loss on valuation of inventories	5,500	4,000	1,500
Loss related to retirement of fixed assets	2,500	2,500	0
Loss on valuation of investment securities	1,000	-	1,000
Total	9,000	6,500	2,500

4. Unconsolidated Balance Sheets

(Millions of yen)

	At March 31, 2006	At March 31, 2007	At September 30, 2007	At March 31, 2008	At September 30, 2008
Assets					
Current assets					
Cash	105,981	95,503	44,112	61,794	36,987
Accounts receivable	48,259	58,830	25,287	32,743	23,321
Marketable securities	3,898	-	-	-	-
Property for sale	110,957	84,140	90,161	102,610	111,557
Property for sale in progress	148,706	193,566	218,483	281,304	282,750
Property for development	8,918	8,997	8,907	8,767	8,668
Appropriated construction in progress	4,976	1,713	1,357	2,476	1,709
Equity investments	107,400	131,646	134,880	202,578	256,308
Advances	1,738	2,665	3,733	4,132	4,164
Prepaid expenses	7,996	10,023	11,744	13,552	12,893
Deferred income taxes	34,904	32,871	33,986	35,081	36,536
Other current assets	26,501	18,196	25,407	21,451	18,792
Allowance for doubtful accounts	(223)	(176)	(208)	(235)	(168)
Total current assets	610,018	637,979	597,852	766,257	793,522
Fixed assets					
Property and equipment					
Buildings	468,221	449,287	510,600	504,932	500,809
Structures	5,722	5,832	6,028	7,416	7,939
Machinery	2,376	2,216	4,953	4,946	4,034
Vehicles and equipment	30	38	32	1	0
Tools, furniture and fixtures	1,733	2,486	2,609	2,998	2,834
Land	1,221,846	1,239,021	1,259,000	1,265,030	1,273,160
Construction in progress	25,931	81,096	33,722	69,223	89,265
Other property and equipment	14	14	14	14	94
Total property and equipment	1,725,875	1,779,995	1,816,964	1,854,562	1,878,139
Intangible assets					
Goodwill	-	-	-	793	708
Leaseholds	7,090	6,256	6,256	6,423	6,423
Software	2,784	1,927	1,857	2,142	1,931
Other intangible assets	300	255	226	211	200
Total intangible assets	10,175	8,439	8,340	9,570	9,264
Investments and other assets					
Investment securities	310,175	295,652	285,921	229,610	209,593
Shares of affiliated companies	193,307	195,672	194,368	218,307	216,305
Long-term loans	1,176	1,262	1,284	1,284	1,284
Long-term loans of affiliated companies	2,318	2,153	2,610	2,303	2,115
Lease deposits	63,261	68,953	68,311	70,275	69,984
Bankruptcy and reclamation rights	0	184	44	180	180
Long-term prepaid expenses	6,997	9,215	9,177	11,153	10,798
Other investments	6,190	2,368	2,357	2,970	2,896
Allowance for doubtful accounts	(790)	(758)	(604)	(762)	(814)
Total investments and other assets	582,636	574,703	563,470	535,322	512,343
Total fixed assets	2,318,687	2,363,139	2,388,774	2,399,456	2,399,747
Total assets	2,928,705	3,001,119	2,986,627	3,165,713	3,193,269

	At March 31, 2006	At March 31, 2007	At September 30, 2007	At March 31, 2008	At September 30, 2008
Liabilities					
Current liabilities					
Accounts payable	44,552	58,129	36,171	62,148	47,969
Short-term borrowings	40,250	41,450	42,450	51,250	81,250
Current portion of long-term debt	60,623	35,535	65,503	64,107	38,307
Commercial paper	-	-	20,000	-	-
Bonds due within one year	30,000	50,000	30,000	20,000	40,000
Convertible bonds due within one year	13,595	-	-	-	-
Accrued liability	26,263	33,641	37,792	42,863	15,372
Accrued corporation taxes	5,558	5,745	5,670	6,543	6,793
Accrued expenses	11,533	14,733	13,268	30,604	10,509
Advances received	32,963	31,176	36,354	33,271	20,367
Deposits received	137,760	156,437	82,059	90,169	104,761
Reserve for loss on possible business transfers	15	0	0	-	-
Other current liabilities	7	6	9,192	6,768	1,322
Total current liabilities	403,123	426,856	378,463	407,726	366,652
Long-term liabilities					
Bonds	445,000	415,000	455,000	520,000	545,000
Long-term borrowings	272,137	296,298	289,277	387,191	440,970
Lease deposits received	261,020	260,341	274,703	286,889	289,226
Deferred tax liability	95,234	101,786	100,147	81,217	73,548
Deferred tax liabilities on land revaluation	319,618	322,457	322,986	323,953	324,022
Accrued employees' retirement benefits	2,056	870	1,170	1,170	1,288
Accrued directors' retirement benefits	2,155	-	-	-	-
Reserve for debt assumption	-	4,981	4,961	4,789	4,786
Other long-term liabilities	31,550	34,566	16,511	21,873	19,460
Total long-term liabilities	1,428,774	1,436,301	1,464,758	1,627,085	1,698,304
Total liabilities	1,831,898	1,863,157	1,843,221	2,034,811	2,064,956
Net assets					
Shareholders' equity					
(Capital)	129,736*	136,534	136,534	136,534	136,534
(Capital surplus)					
Capital reserves	158,418*	165,216	165,216	165,216	165,216
Other capital surplus	2*	-	-	-	-
Total capital surplus	158,421*	165,216	165,216	165,216	165,216
(Retained earnings)					
Earned surplus reserve	21,663*	21,663	21,663	21,663	21,663
Other retained earnings	181,315*	213,690	226,187	248,961	264,811
Reserve for special depreciation	698*	456	403	351	303
Reserve for compression of fixed assets	92,014*	83,465	86,958	90,735	90,323
Special account reserve for compression of fixed assets	-*	3,962	-	6,335	6,335
Special reserve	68,254*	68,254	88,254	88,254	108,254
Earned surplus carried forward	20,348*	57,551	50,570	63,285	59,594
Total retained earnings	202,979*	235,354	247,850	270,625	286,475
(Less treasury stock, at cost)	(1,986)*	(2,927)	(3,135)	(3,402)	(3,587)
Total shareholders' equity	489,151*	534,176	546,465	568,973	584,638
Valuation, translation adjustments and others					
Land revaluation reserve	465,877*	470,015	470,787	472,196	472,297
Unrealized holding gain on securities	141,778*	133,690	126,010	89,589	71,158
Total valuation, translation adjustments and others	607,656*	603,705	596,798	561,785	543,455
Stock acquisition rights	-*	79	142	142	218
Total net assets	1,096,807*	1,137,962	1,143,406	1,130,901	1,128,312
	2,928,705*	3,001,119	2,986,627	3,165,713	3,193,269

Note: Changes in accounting standards for the presentation of net assets in the balance sheets became effective the fiscal year ended March 31, 2007. Balance sheet figures at March 31, 2006 have been revised to account for these changes and are marked with asterisks.

5. Unconsolidated Income Statements

(Millions of yen)

	2005/3	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Revenue from operations	441,713	465,557	510,190	206,197	524,711	234,114	532,000
Operating income	77,029	94,611	121,193	42,193	124,642	55,459	122,500
Non-operating income							
Interest income	90	97	131	166	305	97	-
Dividend income	3,167	4,260	4,840	6,223	7,856	7,097	9,500
Gain on sales of investment securities	-	-	868	-	-	-	-
Other non-operating income	1,445	2,292	1,218	1,987	2,839	1,298	2,000
Total non-operating income	4,704	6,649	7,058	8,377	11,001	8,492	11,500
Non-operating expenses							
Interest expense	5,279	4,385	4,558	2,947	6,616	4,123	8,500
Interest paid on bonds	14,558	10,475	8,990	4,398	9,539	5,328	11,500
Loss on disposal of fixed assets	1,081	3,901	6,577	1,399	4,214	3,291	3,500
Other non-operating expenses	2,038	3,004	2,350	1,711	2,014	1,953	2,000
Total non-operating expenses	22,957	21,766	22,476	10,456	22,384	14,696	25,500
Income before taxes and special items	58,775	79,494	105,774	40,115	113,259	49,254	108,500
Extraordinary gain							
Gain on transfer of businesses	-	-	1,895	-	1,681	-	-
Gain on sales of fixed assets	1,149	57,793	1,197	-	-	-	-
Gain on sales of shares of investment securities	2,640	-	-	-	-	-	-
Total extraordinary income	3,790	57,793	3,092	-	1,681	-	-
Extraordinary loss							
Loss on valuation of inventories	5,110	27,639	-	1,167	1,438	5,629	5,500
Loss related to retirement of fixed assets	5,386	-	13,526	-	1,194	-	2,500
Reserve for debt assumption	-	-	4,981	-	-	-	-
Loss on valuation of investment securities	-	-	-	-	2,769	1,164	1,000
Loss on valuation of shares of affiliated companies	6,557	7,815	-	-	-	-	-
Loss on sales of beneficial interest in trust of fixed assets	-	3,347	-	-	-	-	-
Loss on transfer of businesses	6,390	-	-	-	-	-	-
Impairment loss	-	26,417	1,349	-	-	-	-
Loss on soil solution related countermeasures	-	4,859	-	-	-	-	-
Total extraordinary loss	23,444	70,079	19,857	1,167	5,401	6,793	9,000
Income before income taxes and minority interests	39,121	67,208	89,010	38,947	109,538	42,461	99,500
Corporation tax, inhabitants' tax and enterprise tax	14	11,876	20,114	11,498	38,482	12,909	31,000
Income taxes-deferred	15,931	15,024	17,237	3,043	11,424	2,485	7,500
Net income	23,175	40,307	51,658	24,405	59,631	27,065	61,000

6. Unconsolidated Cash Flow Statements

(Millions of yen)

	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Income before income taxes and minority interests	67,208	89,010	38,947	109,538	42,461	99,500
Adjustment for extraordinary income or loss	8,937	8,326	1,549	3,757	7,306	9,000
Depreciation and amortization	37,619	35,372	20,004	42,019	20,221	40,500
Decrease (increase) in inventories	(26,483)	(13,812)	(29,288)	(87,872)	(16,320)	(40,500)
Increase (decrease) in equity investments	5,358	(18,422)	(5,062)	(76,288)	(57,021)	(79,000)
Other	22,002	2,161	(50,763)	(23,542)	(37,224)	10,500
Net cash provided by (used in) operating activities	114,641	102,636	(24,613)	(32,388)	(40,577)	40,000
Proceeds from sales of marketable securities and investment securities	10,709	5,337	5,129	6,050	2,442	2,500
Proceeds from sales of property and equipment and beneficial interests in trust of property and equipment	121,767	10,070	740	992	4	5,500
Purchases of property and equipment	(54,429)	(103,271)	(74,443)	(131,916)	(73,403)	(116,500)
Other	(23,790)	(4,345)	(5,573)	(36,817)	(7,708)	(15,000)
Net cash (used in) provided by investing activities	54,257	(92,208)	(74,147)	(161,690)	(78,665)	(123,500)
Newly acquired capital	72,386	79,608	84,766	279,408	124,760	240,000
Repayment	(119,475)	(90,623)	(42,053)	(103,335)	(52,021)	(84,000)
Cash dividends paid	(11,676)	(15,132)	(11,044)	(22,089)	(11,044)	(22,000)
Other	(56,240)	242	20,699	9,234	29,741	0
Net cash used in financing activities	(115,005)	(25,905)	52,368	163,218	91,435	134,000
Net increase (decrease) in cash and cash equivalents	53,893	(15,477)	(46,391)	(30,860)	(27,807)	50,500
Increase in cash and cash equivalents arising from mergers and acquisitions	-	-	-	151	-	-
Cash and cash equivalents at the beginning of year	57,088	110,981	95,503	95,503	64,794	64,794
Cash and cash equivalents at the end of year	110,981	95,503	49,112	64,794	36,987	115,294

7. Total Assets, Capital Investment and Depreciation (Unconsolidated)

(Millions of yen)

	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Total assets	2,928,705	3,001,119	2,986,627	3,165,713	3,193,269	3,404,000
Capital investment	54,429	103,271	74,443	131,916	73,403	116,500
Depreciation	37,619	35,372	20,004	42,019	20,221	40,500

8. Interest-Bearing Debt (Unconsolidated)

(Millions of yen)

	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Interest-bearing debt	861,606	838,283	902,230	1,042,548	1,145,606	1,198,500
Net interest-bearing debt *1	750,624	742,779	853,118	977,754	1,108,619	1,083,000
Interest expense	14,860	13,548	7,345	16,155	9,452	20,000
Financial income and expense (net) *2	(10,503)	(8,577)	(956)	(7,994)	(2,258)	(10,500)
Average interest rate *3	1.55 %	1.59 %	1.68 %	1.71 %	1.72 %	1.78 %
Fixed interest ratio	80.10 %	82.80 %	82.50 %	79.60 %	73.60 %	- %
Long-term debt ratio	95.30 %	95.10 %	93.10 %	95.10 %	92.90 %	- %
Debt equity ratio *4	0.78	0.73	0.78	0.92	1.01	1.02

*1 Net interest-bearing debt = Interest-bearing debt - Cash and cash equivalents

*2 Financial income and expense = Interest income + Dividend income - Interest expense

*3 Average interest rate = Interest expense / Interest-bearing debt (average)

*4 Debt equity ratio = Interest-bearing debt / Shareholders' equity

9. Segment Information (Unconsolidated)

(Millions of yen; as percentage of total)

(1) Revenue from Operations	2006/3		2007/3		2008/3-2Q		2008/3		2009/3-2Q		2009/3 (Estimates)	
		%		%		%		%		%		%
Building Business	265,416	57	284,276	56	140,833	68	328,406	63	146,984	63	323,500	61
Residential Business	166,033	36	193,321	38	50,937	25	173,814	33	66,050	28	179,500	34
Urban Development & Investment	31,708	7	30,706	6	13,516	7	20,583	4	20,122	9	27,000	5
Other	2,398	1	1,886	0	910	0	1,907	0	957	0	2,000	0
total	465,557		510,190		206,197		524,711		234,114		532,000	

(Millions of yen)

(2) Operating income	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
Building Business	84,821	94,184	39,699	107,001	45,765	105,000
Residential Business	24,886	34,093	6,883	32,471	8,539	28,000
Urban Development & Investment	12,591	21,171	8,071	13,149	14,442	19,000
Other	(83)	(231)	(42)	(41)	(126)	0
Cost of sales	8,588	10,091	2,585	8,807	3,155	9,000
General and administrative expenses	19,016	17,934	9,832	19,130	10,006	20,500
total	94,611	121,193	42,193	124,642	55,459	122,500

(3) Rate of return	2006/3	2007/3	2008/3-2Q	2008/3	2009/3-2Q	2009/3 (Estimates)
	%	%	%	%	%	%
Building Business	32	33	28	33	31	32
Residential Business	15	18	14	19	13	16
Urban Development & Investment	40	69	60	64	72	70
Other	(3)	(12)	(5)	(2)	(13)	0
average	20	24	20	24	24	23