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MITSUBISHI ESTATE

***FACT BOOK 2008***

First Half of the Fiscal Year Ending March 31, 2008

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## ■ Contents

	Page/s
I. Performance Comparisons (Consolidated)	
1. Income Statement Results for 2007/3 H1 and 2008/3 H1	3
2. Current Income Statement Estimates for 2008/3 and Results for 2007/3	4
3. Current and Previous Income Statement Estimates for 2008/3	5
4. Balance Sheet Results at Periods Ended 2007/9 and 2007/3	6
II. Highlights	
1. Major Performance Items (Consolidated)	7
2. Segment Information (Consolidated)	8, 9
3. Building Business Data (Unconsolidated)	10
4. Marunouchi Area Building Data	10
5. Residential Business Data (Unconsolidated)	10
6. Special Purpose Vehicle	11
7. International Business (Rockefeller Group Inc.)	11
III. Summary of Consolidated Financial Statements	
1. Consolidated Balance Sheets	12, 13
2. Consolidated Income Statements	14
3. Consolidated Cash Flow Statements	15
4. Total Assets, Capital Investment and Depreciation (Consolidated)	16
5. Interest-Bearing Debt (Consolidated)	16
6. Major Consolidated Subsidiaries	17
IV. Summary of Unconsolidated Financial Statements	
1. Income Statement Results for 2007/3 H1 and 2008/3 H1	18
2. Current Income Statement Estimates for 2008/3 and Results for 2007/3	19
3. Current and Previous Income Statement Estimates for 2008/3	20
4. Unconsolidated Balance Sheets	21, 22
5. Unconsolidated Income Statements	23
6. Unconsolidated Cash Flow Statements	24
7. Total Assets, Capital Investment and Depreciation (Unconsolidated)	25
8. Interest-Bearing Debt (Unconsolidated)	25
9. Segment Information (Unconsolidated)	26

# I. Performance Comparisons (Consolidated)

## 1. Income Statement Results for 2007/3 H1 and 2008/3 H1

Millions of yen (rounded)

	2008/3 H1 Results	2007/3 H1 Results	Change
Building Business	166,165	162,533	3,632
Residential Business	70,410	69,455	955
Urban Development & Investment Management	17,532	22,391	(4,858)
International Business	23,953	87,829	(63,876)
Architectural Design & Engineering	7,433	6,243	1,189
Custom-Built Housing	12,131	12,944	(812)
Hotel Business	15,908	16,081	(173)
Real Estate Services	13,133	13,095	37
Other	2,364	1,864	499
Eliminations	(11,221)	(9,169)	(2,052)
<b>Revenue from Operations</b>	<b>317,810</b>	<b>383,269</b>	<b>(65,458)</b>
Building Business	42,976	46,900	(3,924)
Residential Business	4,806	3,106	1,700
Urban Development & Investment Management	9,633	19,818	(10,185)
International Business	6,593	5,771	822
Architectural Design & Engineering	354	(666)	1,021
Custom-Built Housing	(1,028)	(811)	(217)
Hotel Business	507	464	42
Real Estate Services	1,821	2,685	(864)
Other	464	287	177
Eliminations or Corporate	(7,851)	(7,103)	(748)
<b>Operating Income</b>	<b>58,277</b>	<b>70,454</b>	<b>(12,176)</b>
Non-operating revenue	6,002	4,357	1,645
Non-operating expense	13,942	14,645	(702)
<b>Income Before Taxes and Special Items</b>	<b>50,338</b>	<b>60,166</b>	<b>(9,828)</b>
Extraordinary income	2,362	1,668	693
Extraordinary loss	1,160	13,407	(12,246)
<b>Interim Income Before Income Taxes and Minority Interests</b>	<b>51,539</b>	<b>48,428</b>	<b>3,111</b>
Corporation tax, inhabitants' tax and enterprise tax	17,052	17,311	(259)
Income taxes-deferred	6,360	(643)	7,004
Minority interests	2,732	2,328	404
<b>Interim Net Income</b>	<b>25,393</b>	<b>29,431</b>	<b>(4,037)</b>

Millions of yen (rounded)

■ Breakdown of extraordinary income	2008/3 H1 Results	2007/3 H1 Results	Change
Gain on sales of shares of affiliated companies	2,362	1,668	693
<b>Total</b>	<b>2,362</b>	<b>1,668</b>	<b>693</b>

Millions of yen (rounded)

■ Breakdown of extraordinary loss	2008/3 H1 Results	2007/3 H1 Results	Change
Loss on valuation of inventories	1,160	-	1,160
Loss on disposal of fixed assets	-	13,407	(13,407)
<b>Total</b>	<b>1,160</b>	<b>13,407</b>	<b>(12,246)</b>

2. Current Income Statement Estimates for 2008/3 and Results for 2007/3

Millions of yen (rounded)			
	2008/3 Current Estimates	2007/3 Results	Change
Building Business	374,000	353,956	20,044
Residential Business	216,500	231,514	(15,014)
Urban Development & Investment Management	35,500	38,216	(2,716)
International Business	64,500	226,444	(161,944)
Architectural Design & Engineering	18,000	17,790	210
Custom-Built Housing	34,000	34,550	(550)
Hotel Business	32,500	33,493	(993)
Real Estate Services	30,000	28,851	1,149
Other	4,500	4,260	240
Eliminations	(20,500)	(21,437)	937
<b>Revenue from Operations</b>	<b>789,000</b>	<b>947,641</b>	<b>(158,641)</b>
Building Business	112,500	100,214	12,286
Residential Business	26,000	23,979	2,021
Urban Development & Investment Management	16,500	23,520	(7,020)
International Business	21,000	22,005	(1,005)
Architectural Design & Engineering	500	1,181	(681)
Custom-Built Housing	0	(169)	169
Hotel Business	1,500	1,616	(116)
Real Estate Services	5,500	6,082	(582)
Other	500	798	(298)
Eliminations or Corporate	(14,500)	(13,064)	(1,436)
<b>Operating Income</b>	<b>169,500</b>	<b>166,165</b>	<b>3,335</b>
Non-operating revenue	15,000	14,703	297
Non-operating expense	28,000	29,194	(1,194)
<b>Income Before Taxes and Special Items</b>	<b>156,500</b>	<b>151,674</b>	<b>4,826</b>
Extraordinary income	2,000	45,222	(43,222)
Extraordinary loss	4,000	18,926	(14,926)
<b>Income Before Income Taxes and Minority Interests</b>	<b>154,500</b>	<b>177,969</b>	<b>(23,469)</b>
Corporation tax, inhabitants' tax and enterprise tax	49,500	54,069	(4,569)
Income taxes-deferred	12,500	20,100	(7,600)
Minority interests	7,500	6,137	1,363
<b>Net Income</b>	<b>85,000</b>	<b>97,662</b>	<b>(12,662)</b>

Millions of yen (rounded)			
■ Breakdown of extraordinary income	2008/3 Current Estimates	2007/3 Results	Change
Gain on sales of fixed assets	-	1,115	(1,115)
Gain on sales of shares of affiliated companies	2,000	40,060	(38,060)
Gain on sales of investments	-	2,150	(2,150)
Gain on transfer of businesses	-	1,895	(1,895)
<b>Total</b>	<b>2,000</b>	<b>45,222</b>	<b>(43,222)</b>

Millions of yen (rounded)			
■ Breakdown of extraordinary loss	2007/3 Current Estimates	2006/3 Results	Change
Loss on disposal of fixed assets	1,500	13,423	(11,923)
Loss on cancelled sublease contracts	1,500	-	1,500
Impairment loss	-	5,503	(5,503)
Loss on valuation of inventories	1,000	-	1,000
<b>Total</b>	<b>4,000</b>	<b>18,926</b>	<b>(14,926)</b>

### 3. Current and Previous Income Statement Estimates for 2008/3

Millions of yen (rounded)			
	2008/3 Current Estimates	2008/3 Previous Estimates	Change
Building Business	374,000	367,500	6,500
Residential Business	216,500	225,000	(8,500)
Urban Development & Investment Management	35,500	35,500	0
International Business	64,500	67,500	(3,000)
Architectural Design & Engineering	18,000	17,500	500
Custom-Built Housing	34,000	34,500	(500)
Hotel Business	32,500	32,500	0
Real Estate Services	30,000	29,000	1,000
Other	4,500	4,500	0
Eliminations	(20,500)	(20,500)	0
<b>Revenue from Operations</b>	<b>789,000</b>	<b>793,000</b>	<b>(4,000)</b>
Building Business	112,500	110,000	2,500
Residential Business	26,000	25,500	500
Urban Development & Investment Management	16,500	16,500	0
International Business	21,000	21,000	0
Architectural Design & Engineering	500	500	0
Custom-Built Housing	0	0	0
Hotel Business	1,500	1,500	0
Real Estate Services	5,500	5,000	500
Other	500	500	0
Eliminations or Corporate	(14,500)	(13,000)	(1,500)
<b>Operating Income</b>	<b>169,500</b>	<b>167,500</b>	<b>2,000</b>
Non-operating revenue	15,000	13,500	1,500
Non-operating expense	28,000	25,000	3,000
<b>Income Before Taxes and Special Items</b>	<b>156,500</b>	<b>156,000</b>	<b>500</b>
Extraordinary income	2,000	0	2,000
Extraordinary loss	4,000	2,500	1,500
<b>Income Before Income Taxes and Minority Interests</b>	<b>154,500</b>	<b>153,500</b>	<b>1,000</b>
Corporation tax, inhabitants' tax and enterprise tax	49,500	52,000	(2,500)
Income taxes-deferred	12,500	10,000	2,500
Minority interests	7,500	7,000	500
<b>Net Income</b>	<b>85,000</b>	<b>84,500</b>	<b>500</b>

Millions of yen (rounded)			
	2008/3 Current Estimates	2008/3 Previous Estimates	Change
<b>■Breakdown of extraordinary income</b>			
Gain on sales of shares of affiliated companies	2,000	-	2,000
<b>Total</b>	<b>2,000</b>	<b>-</b>	<b>2,000</b>

Millions of yen (rounded)			
	2007/3 Current Estimates	2007/3 Estimates	Change
<b>■Breakdown of extraordinary loss</b>			
Loss on disposal of fixed assets	1,500	1,000	500
Loss on cancelled sublease contracts	1,500	1,500	-
Loss on valuation of inventories	1,000	-	1,000
<b>Total</b>	<b>4,000</b>	<b>2,500</b>	<b>1,500</b>

#### 4. Balance Sheet Results at Periods Ended 2007/9 and 2007/3

	Millions of yen (rounded)		
	At Sep 31, 2007	At Mar 31, 2007	Change
<b>Assets</b>			
<b>I. Current assets</b>			
1. Cash	76,922	201,107	(124,185)
2. Notes and accounts receivable-trade	25,044	33,912	(8,868)
3. Marketable securities	48,659	6,160	42,499
4. Inventories	334,171	300,180	33,990
5. Equity investments	123,284	127,099	(3,814)
6. Deferred income taxes	38,776	36,827	1,949
7. Other current assets	46,907	33,702	13,204
8. Allowance for doubtful accounts	(378)	(421)	43
Total current assets	693,387	738,568	(45,180)
<b>II. Fixed assets</b>			
<b>1. Property and equipment</b>			
(1) Buildings and structures	743,300	659,167	84,132
(2) Machinery and equipment	20,859	16,400	4,458
(3) Land	1,475,780	1,414,754	61,026
(4) Construction in progress	44,369	88,170	(43,800)
(5) Other property and equipment	5,754	5,746	8
Total property and equipment	2,290,065	2,184,239	105,825
<b>2. Intangible assets</b>			
(1) Leaseholds	18,327	17,739	587
(2) Goodwill	7,917	7,925	(7)
(3) Other intangible assets	3,347	3,565	(218)
Total intangible assets	29,593	29,231	361
<b>3. Investments and other assets</b>			
(1) Investment securities	343,919	356,928	(13,008)
(2) Long-term loans	2,909	2,426	483
(3) Lease deposits	76,825	77,571	(745)
(4) Deferred income taxes	5,077	5,116	(39)
(5) Other investments	56,337	54,106	2,230
(6) Allowance for doubtful accounts	(743)	(916)	172
Total investments and other assets	484,326	495,233	(10,907)
Total fixed assets	2,803,984	2,708,704	95,280
Total assets	3,497,372	3,447,272	50,100

	Millions of yen (rounded)		
	At Sep 31, 2007	At Mar 31, 2007	Change
<b>Liabilities</b>			
<b>I. Current liabilities</b>			
1. Notes and accounts payable-trade	44,425	72,301	(27,876)
2. Short-term borrowings	47,047	47,043	3
3. Current portion of long-term debt	99,474	42,944	56,529
4. Commercial Paper	20,000	-	20,000
5. Bonds due within one year	31,023	50,980	(19,957)
6. Accrued income taxes	26,307	38,078	(11,771)
7. Reserve for possible loss on business transfers	0	0	-
8. Other current liabilities	183,778	222,607	(38,828)
Total current liabilities	452,056	473,956	(21,900)
<b>II. Long-term liabilities</b>			
1. Bonds	455,000	415,000	40,000
2. Long-term borrowings	473,506	456,619	16,887
3. Lease deposits received	320,182	306,546	13,635
4. Deferred tax liability	162,069	159,210	2,858
5. Deferred tax liabilities on land revaluation	322,986	322,457	529
6. Accrued employees' retirement benefits	14,497	13,433	1,064
7. Accrued directors' retirement benefits	122	49	73
8. Other long-term liabilities	20,757	39,090	(18,332)
Total long-term liabilities	1,769,123	1,712,407	56,716
Total liabilities	2,221,179	2,186,364	34,815
<b>Net Assets</b>			
<b>I. Shareholders' Equity</b>			
1. Capital	136,534	136,534	-
2. Capital surplus	165,216	165,216	0
3. Retained earnings	338,096	324,611	13,485
4. Less treasury stock, at cost	(3,173)	(2,965)	(207)
Total shareholders' equity	636,673	623,396	13,277
<b>II. Valuation, translation adjustments and others</b>			
1. Unrealized holding gain on securities	126,122	133,843	(7,721)
2. Deferred gains or losses on hedging instruments	283	161	122
3. Land revaluation reserve	471,169	470,397	771
4. Foreign currency translation adjustments	3,863	(2,154)	6,018
Total valuation, translation adjustments and others	601,438	602,247	(809)
<b>III. Stock acquisition rights</b>			
	142	79	63
<b>IV. Minority interests</b>			
	37,938	35,185	2,753
Total net assets	1,276,192	1,260,908	15,284
Total liabilities and net assets	3,497,372	3,447,272	50,100

## II. Highlights

### 1. Major Performance Items (Consolidated)

(Millions of yen)

	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Revenue from operations	775,381	844,217	383,269	947,641	317,810	789,000
Operating income	118,233	137,614	70,454	166,165	58,277	169,500
Income before taxes and special items	93,675	121,236	60,166	151,674	50,338	156,500
Net income	36,245	55,825	29,431	97,662	25,393	85,000
Total assets	3,124,514	3,280,209	3,175,449	3,447,272	3,497,372	3,930,000
Shareholders' equity*1	920,930	1,133,623	1,146,970	1,225,644	1,238,111	1,291,000
Interest-bearing debt	1,198,371	1,007,761	973,560	1,012,588	1,126,051	1,383,000
Cash flow from operating activities	88,900	169,744	(17,048)	150,710	(21,676)	30,500
Cash flow from investing activities	(92,409)	29,883	(46,504)	(85,389)	(155,280)	(282,500)
Cash flow from financing activities	(33,485)	(132,463)	(29,538)	(34,093)	97,494	232,000
EBITDA*2	178,386	200,928	99,200	233,406	89,437	238,400
Return on assets (ROA)*3	4.0 %	4.6 %	-	5.3 %	-	4.9 %
Interest coverage ratio (ICR)*4	4.7 times	7.4 times	-	9.5 times	-	7.7 times
Return on equity (ROE)*5	4.0 %	5.4 %	-	8.3 %	-	6.8 %
Earnings per share (EPS) (Yen)	27.93	42.60	-	70.95	-	61.57

\*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 )

\*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	2005/3		2005/3		2006/3		2007/3 H1		2007/3		2008/3 H1		2008/3 (Estimates)		
			(New Segments)												
Building Business	286,959	36.2%	Building Business	286,959	36.0%	312,099	35.9%	162,533	41.4%	353,956	36.5%	166,165	50.5%	374,000	46.2%
Residential Development	211,088	26.7%	Residential Business	200,465	25.1%	204,213	23.5%	69,455	17.7%	231,514	23.9%	70,410	21.4%	216,500	26.7%
Architectural Design & Engineering	18,859	2.4%	Urban Development & Investment Management	8,609	1.1%	34,274	3.9%	22,391	5.7%	38,216	3.9%	17,532	5.3%	35,500	4.4%
Urban Development & Investment Management	8,609	1.1%	International Business	183,185	23.0%	193,223	22.2%	87,829	22.4%	226,444	23.4%	23,953	7.3%	64,500	8.0%
International Business	183,185	23.1%	Architectural Design & Engineering	18,859	2.4%	17,103	2.0%	6,243	1.6%	17,790	1.8%	7,433	2.3%	18,000	2.2%
Custom-Built Housing	37,456	4.7%	Custom-Built Housing	37,456	4.7%	41,477	4.8%	12,944	3.3%	34,550	3.6%	12,131	3.7%	34,000	4.2%
Hotel Business	32,111	4.1%	Hotel Business	32,111	4.0%	32,399	3.7%	16,081	4.1%	33,493	3.5%	15,908	4.8%	32,500	4.0%
Other	13,480	1.7%	Real Estate Services	23,895	3.0%	30,775	3.5%	13,095	3.3%	28,851	3.0%	13,133	4.0%	30,000	3.7%
			Other	5,627	0.7%	4,717	0.5%	1,864	0.5%	4,260	0.4%	2,364	0.7%	4,500	0.6%
Eliminations or corporate	(16,369)		Eliminations or corporate	(21,788)		(26,065)		(9,169)		(21,437)		(11,221)		(20,500)	
	775,381			775,381		844,217		383,269		947,641		317,810		789,000	

(Millions of yen)

(2) Operating income	2005/3		2005/3		2006/3		2007/3 H1		2007/3		2008/3 H1		2008/3 (Estimates)	
			(New Segments)											
Building Business	83,785		Building Business	83,785		89,492		46,900		100,214		42,976		112,500
Residential Development	17,651		Residential Business	13,248		17,736		3,106		23,979		4,806		26,000
Architectural Design & Engineering	(364)		Urban Development & Investment Management	3,946		14,169		19,818		9,633		16,500		16,500
Urban Development & Investment Management	3,946		International Business	26,445		23,199		5,771		22,005		6,593		21,000
International Business	26,445		Architectural Design & Engineering	(364)		227		(666)		1,181		354		500
Custom-Built Housing	(1,470)		Custom-Built Housing	(1,470)		(404)		(811)		(169)		(1,028)		0
Hotel Business	912		Hotel Business	912		1,247		464		1,616		507		1,500
Other	589		Real Estate Services	3,728		7,753		2,685		6,082		1,821		5,500
			Other	1,250		747		287		798		464		500
Eliminations or corporate	(13,261)		Eliminations or corporate	(13,247)		(16,554)		(7,103)		(13,064)		(7,851)		(14,500)
Operating income	118,233			118,233		137,614		70,454		166,165		58,277		169,500

(3) Rate of return	2005/3		2005/3		2006/3		2007/3 H1		2007/3		2008/3 H1		2008/3 (Estimates)	
			(New Segments)											
Building Business	29.2%		Building Business	29.2%		28.7%		28.9%		28.3%		25.9%		30.1%
Residential Development	8.4%		Residential Business	6.6%		8.7%		4.5%		10.4%		6.8%		12.0%
Architectural Design & Engineering	-1.9%		Urban Development & Investment Management	45.8%		41.3%		88.5%		61.5%		54.9%		46.5%
Urban Development & Investment Management	45.8%		International Business	14.4%		12.0%		6.6%		9.7%		27.5%		32.6%
International Business	14.4%		Architectural Design & Engineering	-1.9%		1.3%		-10.7%		6.6%		4.8%		2.8%
Custom-Built Housing	-3.9%		Custom-Built Housing	-3.9%		-1.0%		-6.3%		-0.5%		-8.5%		0.0%
Hotel Business	2.8%		Hotel Business	2.8%		3.8%		2.9%		4.8%		3.2%		4.6%
Other	4.4%		Real Estate Services	15.6%		25.2%		20.5%		21.1%		13.9%		18.3%
			Other	22.2%		15.8%		15.4%		18.7%		19.6%		11.1%
Eliminations or corporate			Eliminations or corporate											
	15.2%			15.2%		16.3%		18.4%		17.5%		18.3%		21.5%



(Millions of yen)

(4) Depreciation	2005/3	(New Segments)	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Building Business	43,702	Building Business	43,702	41,766	18,986	38,531	21,962	-
Residential Development	689	Residential Business	997	833	385	780	364	-
Architectural Design & Engineering	113	Urban Development & Investment Management	539	249	270	2,931	1,132	-
Urban Development & Investment Management	539	International Business	7,793	8,578	4,546	9,774	2,699	-
International Business	7,793	Architectural Design & Engineering	113	103	29	51	18	-
Custom-Built Housing	161	Custom-Built Housing	161	157	54	119	69	-
Hotel Business	1,312	Hotel Business	1,312	1,366	733	1,444	724	-
Other	730	Real Estate Services	157	217	123	279	189	-
		Other	264	167	63	114	63	-
Eliminations or corporate	502	Eliminations or corporate	502	214	116	227	6	-
	55,545		55,545	53,655	25,310	54,257	27,230	56,000

(Millions of yen)

(5) Operating income before depreciation	2005/3	(New Segments)	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Building Business	127,488	Building Business	127,487	131,258	65,887	138,745	64,938	-
Residential Development	18,340	Residential Business	14,245	18,570	3,492	24,780	5,170	-
Architectural Design & Engineering	(251)	Urban Development & Investment Management	4,485	14,419	20,089	26,452	10,765	-
Urban Development & Investment Management	4,486	International Business	34,238	31,777	10,317	31,780	9,292	-
International Business	34,238	Architectural Design & Engineering	(251)	331	(636)	1,233	372	-
Custom-Built Housing	(1,308)	Custom-Built Housing	(1,309)	(247)	(757)	(49)	(959)	-
Hotel Business	2,224	Hotel Business	2,224	2,614	1,198	3,061	1,231	-
Other	1,319	Real Estate Services	3,885	7,971	2,808	6,361	2,010	-
		Other	1,514	914	351	913	527	-
Eliminations or corporate	(12,758)	Eliminations or corporate	13,749	(16,339)	(6,987)	(12,836)	(7,845)	-
	173,779		173,779	191,270	95,765	220,422	85,507	225,500

(Millions of yen)

(6) Capital expenditure	2005/3	(New Segments)	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Building Business	67,398	Building Business	67,398	43,432	29,572	93,906	99,698	-
Residential Development	945	Residential Business	924	977	402	816	1,444	-
Architectural Design & Engineering	22	Urban Development & Investment Management	5,374	12,924	7,919	23,846	18,334	-
Urban Development & Investment Management	5,374	International Business	9,121	7,345	11,684	26,816	34,560	-
International Business	9,121	Architectural Design & Engineering	22	12	3	17	4	-
Custom-Built Housing	333	Custom-Built Housing	333	243	120	254	147	-
Hotel Business	1,634	Hotel Business	1,634	1,358	1,021	1,353	854	-
Other	911	Real Estate Services	440	320	280	665	453	-
		Other	492	168	72	172	291	-
Eliminations or corporate	(954)	Eliminations or corporate	(954)	(2,030)	(384)	(890)	817	-
	84,787		84,787	64,753	50,693	146,958	156,605	-

(Millions of yen)

(7) Total assets	2005/3	(New Segments)	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Building Business	2,063,603	Building Business	2,063,603	1,987,595	1,978,887	2,017,633	2,087,334	-
Residential Development	368,760	Residential Business	365,607	338,026	338,480	397,118	385,874	-
Architectural Design & Engineering	16,415	Urban Development & Investment Management	88,268	103,796	99,492	250,542	237,159	-
Urban Development & Investment Management	88,268	International Business	302,049	345,483	335,132	332,225	361,358	-
International Business	302,049	Architectural Design & Engineering	16,415	18,732	16,519	19,664	19,354	-
Custom-Built Housing	14,812	Custom-Built Housing	14,812	16,531	13,884	14,225	12,988	-
Hotel Business	33,069	Hotel Business	33,069	30,986	30,384	30,127	29,373	-
Other	73,277	Real Estate Services	83,690	70,845	31,209	104,559	30,932	-
		Other	41,852	37,555	38,589	37,977	38,579	-
Eliminations or corporate	164,256	Eliminations or corporate	115,144	330,656	292,868	243,198	294,418	-
	3,124,514		3,124,514	3,280,209	3,175,449	3,447,272	3,497,372	3,930,000

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

### 3. Building Business Data (Unconsolidated)

(Thousands of square meters)

	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
(1) Total operating floor space						
Owned by MEC	3,068	3,061	2,931	2,879	3,132	3,126
Subleases	757	846	834	890	888	957
Total	3,825	3,907	3,765	3,769	4,020	4,083
(2) Leasable area	2,544	2,567	2,484	2,499	2,643	2,700
(3) Vacancy rate (All uses in Japan)	2.77 %	3.59 % (*1)	2.49 % (*2)	1.68 %	1.92 %	2.20 % (*2)
(4) Average rent (All uses in Japan)	¥21,902	¥21,711	¥21,421	¥21,733	¥22,049	¥22,600

\*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 2007/3 H1, 2008/3 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 1.71% , 1.40%, respectively.)

### 4. Marunouchi Area Building Data

(Thousands of square meters; millions of yen)

	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1
Floor space	1,946	2,024	1,899	1,897	2,201
Leasable area	1,281	1,308	1,230	1,246	1,389
Office vacancy rate	1.74 %	2.77 % (*1)	0.62 %	0.55 %	1.51 %
Building lease revenue	¥135,454	¥145,005	¥73,329	¥146,399	¥79,332

\*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)

	2005/3		2006/3		2007/3 H1		2007/3		2008/3 H1		2008/3 (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												
<b>Condominiums sold</b>	167,064	3,451	144,843	2,870	36,929	837	167,692	3,445	41,323	733	151,942	2,840
<b>Single-family homes sold</b>	3,700	70	6,182	138	2,601	57	5,561	126	1,414	31	6,156	117
		Lots		Lots		Lots		Lots		Lots		Lots
<b>Developed lots sold</b>	4,711	256	3,220	198	3,296	129	6,606	258	2,211	96	6,437	170
Residential-use	4,366	254	2,710	196	1,739	124	4,885	251	1,406	95	5,481	168
Business-use	345	2	510	2	1,557	5	1,721	7	805	1	956	2
<b>Other</b>	9,942		11,788		8,493		13,462		5,987		12,465	
Total	185,417		166,033		51,319		193,321		50,937		177,000	
(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
<b>Condominiums</b>	11,114	285	7,823	226	3,265	80	6,140	126	4,532	125	-	-
<b>Single-family homes</b>	541	16	1,655	43	1,358	58	1,280	31	1,081	26	-	-
Total	11,655		9,478		4,623		7,420		5,613		-	
(3) Gross margin of condominiums	17.4 %		20.0 %		18.3 %		22.4 %		22.5 %		25.5 %	
(4) New supply of condominiums	3,048	Units	4,083	Units	1,150	Units	2,474	Units	1,074	Units	3,200	Units

6. Special Purpose Vehicle

(Millions of yen)

	2007/3	2008/3 H1
<b>Building Business</b>		
Equity investment by Mitsubishi Estate	32,000	39,000
Equity investment by other companies	27,700	29,700
Interest bearing debt borrowed by SPV (*1)	142,100	231,600
<b>Residential business</b>		
Equity investment by Mitsubishi Estate	900	900
Equity investment by other companies	3,200	3,200
Interest bearing debt borrowed by SPV(*1)	19,100	14,900
<b>Urban development &amp; investment management business</b>		
Equity investment by Mitsubishi Estate	78,100	75,700
Equity investment by other companies	35,800	35,200
Interest bearing debt borrowed by SPV(*1)	263,700	240,300
<b>Total</b>		
Equity investment by Mitsubishi Estate	111,100	115,700
Equity investment by other companies	66,800	68,200
Interest bearing debt borrowed by SPV(*1)	425,000	486,900

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)

	2003/12	2004/12	2005/12	2006/12 H1	2006/12	2007/12 H1	2007/12(Estimation)
<b>&lt;Revenue&gt;</b>							
Development, Leasing, Property Management	56,498	65,130	45,772	19,652	46,281	21,771	60,200
Real Estate Service (Cushman & Wakefield)	92,505	109,656	135,709	66,127	176,044	-	-
Other	4,823	8,399	11,742	2,051	4,118	2,182	4,504
total	153,826	183,185	193,223	87,829	226,444	23,953	64,704
<b>&lt;Operating Income&gt;</b>							
Development, Leasing, Property Management	14,766	15,655	17,277	8,123	16,737	8,514	24,753
Real Estate Service (Cushman & Wakefield)	2,178	3,291	4,999	(373)	9,194	-	-
Other	(190)	1,591	4,409	(197)	(191)	58	18
G&A expense	(1,977)	(2,312)	(2,647)	(1,364)	(2,902)	(1,569)	(2,889)
total	14,777	18,225	24,038	6,188	22,838	7,003	21,882

### III. Summary of Consolidated Financial Statements

#### 1. Consolidated Balance Sheets

(Millions of yen)

	At March 31, 2005	At March 31, 2006	At September 30, 2006	At March 31, 2007	At September 30, 2008
<b>Assets</b>					
Current assets					
Cash	83,226	139,605	62,991	201,107	76,922
Notes and accounts receivable-trade	75,063	63,763	58,438	33,912	25,044
Marketable securities	12,547	27,289	8,384	6,160	48,659
Inventories	263,566	305,800	322,244	300,180	334,171
Equity investments	103,761	108,978	104,189	127,099	123,284
Deferred income taxes	36,545	38,786	39,629	36,827	38,776
Other current assets	34,006	47,758	45,142	33,702	46,907
Allowance for doubtful accounts	(3,127)	(3,303)	(3,705)	(421)	(378)
<b>Total current assets</b>	<b>605,590</b>	<b>728,679</b>	<b>637,316</b>	<b>738,568</b>	<b>693,387</b>
Fixed assets					
Property and equipment					
Buildings and structures	685,489	646,489	630,606	659,167	743,300
Machinery and equipment	18,594	18,517	18,432	16,400	20,859
Land	1,365,534	1,293,186	1,302,345	1,414,754	1,475,780
Construction in progress	22,778	28,353	49,814	88,170	44,369
Other property and equipment	8,563	9,825	10,017	5,746	5,754
<b>Total property and equipment</b>	<b>2,100,961</b>	<b>1,996,372</b>	<b>2,011,217</b>	<b>2,184,239</b>	<b>2,290,065</b>
Intangible assets					
Leaseholds	28,294	17,279	17,523	17,739	18,327
Goodwill (consolidated adjustment account)	23,986*	31,824*	33,413	7,925	7,917
Other intangible assets	7,686	5,842	5,548	3,565	3,347
<b>Total intangible assets</b>	<b>59,967</b>	<b>54,947</b>	<b>56,485</b>	<b>29,231</b>	<b>29,593</b>
Investments and other assets					
Investment securities	222,190	361,790	328,219	356,928	343,919
Long-term loans	2,201	2,515	2,492	2,426	2,909
Lease deposits	72,625	71,949	73,925	77,571	76,825
Deferred income taxes	2,763	4,548	5,091	5,116	5,077
Other investments	59,421	60,397	61,592	54,106	56,337
Allowance for doubtful accounts	(1,208)	(990)	(890)	(916)	(743)
<b>Total investments and other assets</b>	<b>357,994</b>	<b>500,210</b>	<b>470,430</b>	<b>495,233</b>	<b>484,326</b>
<b>Total fixed assets</b>	<b>2,518,924</b>	<b>2,551,530</b>	<b>2,538,132</b>	<b>2,708,704</b>	<b>2,803,984</b>
<b>Total assets</b>	<b>3,124,514</b>	<b>3,280,209</b>	<b>3,175,449</b>	<b>3,447,272</b>	<b>3,497,372</b>

(Millions of yen)

	At March 31, 2005	At March 31, 2006	At September 30, 2006	At March 31, 2007	At September 30, 2008
<b>Liabilities</b>					
Current liabilities					
Notes and accounts payable-trade	82,192	85,502	57,968	72,301	44,425
Short-term borrowings	45,971	49,118	56,331	47,043	47,047
Current portion of long-term debt	41,625	71,981	48,540	42,944	99,474
Commercial paper	58,000	-	-	-	20,000
Bonds due within one year	73,005	45,645	41,867	50,980	31,023
Accrued income taxes	7,291	20,889	18,235	38,078	26,307
Deferred tax liability	-	23	-	-	-
Reserve for loss on possible business transfers	526	15	3	0	0
Other current liabilities	140,025	172,491	133,830	222,607	183,778
Total current liabilities	448,639	445,668	356,777	473,956	452,056
Long-term liabilities					
Bonds	542,233	446,686	416,646	415,000	455,000
Long-term borrowings	437,535	394,328	410,174	456,619	473,506
Lease deposits received	298,388	304,189	301,710	306,546	320,182
Deferred tax liability	97,352	140,134	126,889	159,210	162,069
Deferred tax liabilities on land revaluation	291,164	319,618	319,910	322,457	322,986
Accrued employees' retirement benefits	10,590	11,787	10,908	13,433	14,497
Accrued directors' retirement benefits	1,933	2,214	42	49	122
Other long-term liabilities	40,442	49,241	52,137	39,090	19,589
Total long-term liabilities	1,719,641	1,668,200	1,638,420	1,712,407	1,769,123
Total liabilities	2,168,280	2,113,868	1,995,198	2,186,364	2,221,179
<b>Net assets</b>					
Shareholders' equity					
Capital	86,534*	129,736*	136,534	136,534	136,534
Capital surplus	115,216*	158,421*	165,216	165,216	165,216
Retained earnings	243,577*	246,246*	268,382	324,611	338,096
Less treasury stock, at cost	(1,800)*	(2,024)*	(2,282)	(2,965)	(3,173)
Total shareholders' equity	443,547*	532,381*	567,850	623,396	636,673
Valuation, translation adjustments and others					
Unrealized holding gain on securities	68,865*	142,040*	120,362	133,843	126,122
Deferred gains or losses on hedging instruments	-*	-*	-	161	283
Land revaluation reserve	424,785*	466,259*	466,685	470,397	471,169
Foreign currency translation adjustments	(16,268)*	(7,057)*	(7,927)	(2,154)	3,863
Total valuation, translation adjustments and others	477,382*	601,242*	579,119	602,247	601,438
Stock acquisition rights	-*	-*	79	79	142
Minority interests	35,303*	32,717*	33,201	35,185	37,938
Total net assets	956,233*	1,166,340*	1,180,250	1,260,908	1,276,192
Total liabilities and net assets	3,124,514*	3,280,209*	3,175,449	3,447,272	3,497,372

Note: Changes in accounting standards for the presentation of shareholders' equity and goodwill under intangible assets in the balance sheets became effective the fiscal year ended March 31, 2007. Balance sheet figures at March 31, 2006 and 2005 have been revised to account for these changes and are marked with asterisks.

## 2. Consolidated Income Statements

(Millions of yen)

	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Revenue from operations	775,381	844,217	383,269	947,641	317,810	789,000
Operating income	118,233	137,614	70,454	166,165	58,277	169,500
Non-operating income						
Interest income	356	728	491	1,247	1,546	3,000
Dividend income	1,690	2,059	1,531	2,865	1,803	3,000
Amortization of consolidation goodwill	8	-	-	-	-	-
Equity in earnings of unconsolidated subsidiaries and affiliates	2,670	6,556	758	8,094	403	6,500
Income from investment in silent partnerships	-	-	-	-	-	-
Gain on sales of investment securities	-	-	762	-	836	-
Other non-operating income	2,173	3,706	812	2,495	1,413	2,500
Total non-operating income	6,899	13,050	4,357	14,703	6,002	15,000
Non-operating expenses						
Interest expense	26,102	19,874	9,096	18,867	9,821	23,500
Loss on disposal of fixed assets	1,374	5,054	3,240	6,843	1,731	2,500
Other non-operating expenses	3,980	4,499	2,308	3,482	2,389	2,000
Total non-operating expenses	31,458	29,428	14,645	29,194	13,942	28,000
Income before taxes and special items	93,675	121,236	60,166	151,674	50,338	156,500
Extraordinary income						
Gain on sales of fixed assets	1,196	57,823	-	1,115	-	-
Gain on sales of investment securities	2,644	-	-	-	-	-
Gain on sales of shares of affiliated companies	-	-	1,668	40,060	2,362	2,000
Gain on sales of investments	-	-	-	2,150	-	-
Gain on transfer of business	-	-	-	1,895	-	-
Total extraordinary income	3,841	57,823	1,668	45,222	2,362	2,000
Extraordinary loss						
Loss on valuation of inventories	5,102	27,639	-	-	1,160	1,000
Loss on sales of fixed assets	4,730	-	-	-	-	-
Loss on sales of beneficial interest in trust of fixed assets	-	3,327	-	-	-	-
Loss related to retirement of fixed assets	5,359	-	13,407	13,423	-	1,500
Loss on valuation of investment securities	-	-	-	-	-	-
Loss on cancelled sublease contracts	-	-	-	-	-	1,500
Loss on transfer of businesses	6,390	-	-	-	-	-
Impairment loss	-	35,321	-	5,503	-	-
Loss on soil solution related countermeasures	-	4,859	-	-	-	-
Total extraordinary loss	21,582	71,147	13,407	18,926	1,160	4,000
Income before income taxes and minority interests	75,933	107,913	48,428	177,969	51,539	154,500
Corporation tax, inhabitants' tax and enterprise tax	11,525	28,509	17,311	54,069	17,052	49,500
Income taxes-deferred	20,956	17,217	(643)	20,100	6,360	12,500
Minority interests	7,205	6,360	2,328	6,137	2,732	7,500
Net income	36,245	55,825	29,431	97,662	25,393	85,000

### 3. Consolidated Cash Flow Statements

(Millions of yen)

	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Income before income taxes and minority interest	75,933	107,913	48,428	177,969	51,539	154,500
Adjustment for extraordinary income or loss	11,568	3,933	7,375	(36,809)	(950)	(4,500)
Depreciation and amortization	55,545	53,655	25,310	54,257	27,230	56,000
Decrease (increase) in inventories	17,005	(18,425)	(17,381)	8,394	(30,974)	(73,000)
(Increase) decrease in equity investments	(70,960)	(514)	4,616	(20,388)	(482)	(21,500)
Other	(191)	23,182	(85,397)	(32,712)	(68,038)	(81,000)
Net cash provided by (used in) operating activities	88,900	169,744	(17,048)	150,710	(21,676)	30,500
Proceeds from sales of marketable securities and investment securities	7,524	3,841	5,579	60,317	6,344	6,500
Proceeds from sales of property and equipment and beneficial interests in trust of property and	7,363	122,284	1,030	10,630	908	6,500
Purchases of property and equipment	(79,793)	(62,204)	(49,614)	(138,169)	(155,018)	(279,500)
Other	(27,503)	(34,038)	(3,500)	(18,167)	(7,514)	(16,000)
Net cash (used in) provided by investing activities	(92,409)	29,883	(46,504)	(85,389)	(155,280)	(282,500)
Newly acquired funds	204,002	92,543	42,726	141,896	137,232	364,500
Repayment	(279,853)	(145,666)	(63,220)	(156,601)	(48,982)	(116,000)
Cash dividends paid	(13,847)	(17,949)	(8,889)	(19,181)	(11,044)	(25,500)
Other	56,212	(61,391)	(154)	(206)	20,289	9,000
Net cash used in financing activities	(33,485)	(132,463)	(29,538)	(34,093)	97,494	232,000
Effect of exchange rate on cash and cash equivalents	(1,977)	2,602	(183)	3,344	2,475	
Net increase (decrease) in cash and cash equivalents	(38,971)	69,766	(93,275)	34,571	(76,987)	(20,000)
Increase in cash and cash equivalents arising from changes in the scope of consolidation	275	-	-	4,427	166	5,900
Decrease in cash and cash equivalents arising from changes in the scope of consolidation	(42)	-	-	-	-	-
Cash and cash equivalents at the beginning of year	136,063	97,324	167,090	167,090	206,089	206,089
Cash and cash equivalents at the end of year	97,324	167,090	73,815	206,089	129,268	191,989

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

(Millions of yen)

	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Total assets	3,124,514	3,280,209	3,175,449	3,447,272	3,497,372	3,930,000
Capital investment	79,793	62,204	49,614	138,169	155,018	279,500
Depreciation	55,545	53,655	25,310	54,257	27,230	56,000

(Millions of yen)

*2007/3 Capital investment 138,169 million yen	Mitsubishi Estate 103,200	Building Business	Marunouchi redevelopment construction cost etc. = 62,700 Refurbishment cost etc. = 25,400
		Other	Urban Development and Investment Management (Investment in property) = 14,500
	Other 34,900	Rockefeller Group, Inc. etc	Rockefeller Group, Inc. = 22,400    Silent Partnerships = 9,200 Marunouchi Heat Supply = 2,000

*2008/3 Capital investment 279,500 million yen	Mitsubishi Estate 132,500	Building Business	Marunouchi redevelopment construction cost etc. = 78,000 Refurbishment cost etc. = 17,500
		Other	Urban Development and Investment Management (Investment in property) = 34,500
	Other 147,000	Rockefeller Group, Inc. etc	Rockefeller Group, Inc. = 58,000    Royal Park Hotels and Resorts Company = 3,000 Marunouchi Heat Supply = 2,500    Silent Partnerships = 80,000

#### 5. Interest-Bearing Debt (Consolidated)

(Millions of yen)

	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Interest-bearing debt	1,198,371	1,007,761	973,560	1,012,588	1,126,051	1,383,000
Net interest-bearing debt *1	1,101,047	840,670	899,745	806,499	996,783	1,191,000
Interest expense	26,102	19,874	9,096	18,867	9,821	23,500
Financial income and expense (net) *2	(24,055)	(17,087)	(7,074)	(14,755)	(6,472)	(17,500)
Average interest rate *3	2.16 %	1.80 %	- %	1.86 %	- %	1.96 %
Debt equity ratio *4	1.30	0.88	0.84	0.82	0.90	1.07

\*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



## 6. Major Consolidated Subsidiaries

(1) 2008/3 H1 Results

(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.	-	206,197	42,193	40,115	24,405	2,986,627	1,143,263	902,230	20,004
Mitsubishi Real Estate Services Co., Ltd.	100.00%	13,133	1,876	2,103	1,213	30,835	12,700	0	189
Mitsubishi Estate Home Co., Ltd.	100.00%	9,093	△ 838	△ 808	△ 813	8,010	1,283	0	46
Mitsubishi Jisho Sekkei, Inc.	100.00%	5,426	1,010	1,078	603	17,575	9,730	0	15
Yokohama Royal Park Hotel Co., Ltd.	100.00%	6,424	△ 1	10	△ 1	4,458	727	0	130
Mitsubishi Estate Building Management Co., Ltd.	100.00%	10,800	702	738	412	19,441	3,555	0	11
Mitsubishi Jisyo Towa Community Co., Ltd.	70.00%	15,094	719	730	412	6,241	2,160	730	82
Marunouchi Heat Supply Co., Ltd.	64.16%	6,652	892	690	405	22,575	14,524	6,735	1,201
Yokohama Sky Building Co., Ltd.	54.32%	4,092	1,269	880	520	56,207	7,063	29,870	1,139
Royal Park Hotel Co., Ltd.	51.00%	5,532	327	193	80	18,107	6,276	8,283	473
Rockefeller Group, Inc.	100.00%	23,953	7,003	6,572	4,125	305,336	160,371	102,332	2,414
		317,810	58,277	50,338	25,393	3,497,372	1,238,111	1,126,051	27,230

2008/3 H1 Exchange rate

¥/\$

PL 120.15  
BS 123.26

(2) 2008/3 (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	127,500	116,000	69,000	3,134,000	1,185,000	984,000	41,000
Mitsubishi Real Estate Services Co., Ltd.	100.00%	29,739	5,322	5,540	3,176	77,775	14,629	0	360
Mitsubishi Estate Home Co., Ltd.	100.00%	27,447	97	97	85	9,000	2,183	0	100
Mitsubishi Jisho Sekkei, Inc.	100.00%	14,110	1,751	1,751	997	17,969	10,124	0	50
Yokohama Royal Park Hotel Co., Ltd.	100.00%	13,315	336	344	183	5,120	913	0	275
Mitsubishi Estate Building Management Co., Ltd.	100.00%	20,222	1,605	1,705	999	17,766	4,142	0	23
Mitsubishi Jisyo Towa Community Co., Ltd.	70.00%	30,858	1,029	1,005	538	6,200	2,285	230	169
Marunouchi Heat Supply Co., Ltd.	64.16%	12,504	750	561	332	21,766	14,452	6,415	2,455
Yokohama Sky Building Co., Ltd.	54.32%	8,037	2,355	1,572	933	56,318	7,476	28,770	2,277
Royal Park Hotel Co., Ltd.	51.00%	11,327	929	713	377	18,000	6,574	7,790	969
Rockefeller Group, Inc.	100.00%	64,704	21,882	20,657	9,365	324,268	154,672	122,028	5,300
	-	789,000	169,500	156,500	85,000	3,930,000	1,291,000	1,383,000	56,000

2008/3 Exchange rate

¥/\$

PL 115.00  
BS 115.00

## IV. Summary of Unconsolidated Financial Statements

### 1. Income Statement Results for 2007/3 H1 and 2008/3 H1

	Millions of yen (rounded)		
	2008/3 H1 Results	2007/3 H1 Results	Change
Building Business	140,833	136,418	4,414
Residential Business	50,937	51,319	(381)
Urban Development & Investment Management	13,516	21,457	(7,940)
Other	910	941	(31)
<b>Revenue from Operations</b>	<b>206,197</b>	<b>210,137</b>	<b>(3,939)</b>
Building Business	39,699	43,654	(3,954)
Residential Business	6,883	5,770	1,113
Urban Development & Investment Management	8,071	19,383	(11,311)
Other	(42)	(97)	55
<b>Gross Income</b>	<b>54,612</b>	<b>68,710</b>	<b>(14,097)</b>
Cost of sales	2,585	2,410	175
General and administrative expenses	9,832	9,477	354
<b>Selling, General and Administrative Expenses</b>	<b>12,418</b>	<b>11,888</b>	<b>530</b>
<b>Operating Income</b>	<b>42,193</b>	<b>56,821</b>	<b>(14,628)</b>
Non-operating revenue	8,377	4,949	3,428
Non-operating expense	10,456	11,414	(957)
<b>Income Before Taxes and Special Items</b>	<b>40,115</b>	<b>50,357</b>	<b>(10,242)</b>
Extraordinary income	-	-	-
Extraordinary loss	1,167	13,510	(12,342)
<b>Interim Income Before Income Taxes and Minority Interests</b>	<b>38,947</b>	<b>36,847</b>	<b>2,100</b>
Income taxes-deferred	14,542	13,526	(1,015)
<b>Interim Net Income</b>	<b>24,405</b>	<b>23,320</b>	<b>1,084</b>

	Millions of yen (rounded)		
	2008/3 H1 Results	2007/3 H1 Results	Change
■ Breakdown of extraordinary loss			
Loss on valuation of inventories	1,167	-	1,167
Loss on disposal of fixed assets		13,510	(13,510)
<b>Total</b>	<b>1,167</b>	<b>13,510</b>	<b>(12,342)</b>

## 2. Current Income Statement Estimates for 2008/3 and Results for 2007/3

Millions of yen (rounded)			
	2008/3 Current Estimates	2007/3 Results	Change
Building Business	326,500	284,276	42,224
Residential Business	177,000	193,321	(16,321)
Urban Development & Investment Management	26,500	30,706	(4,206)
Other	2,000	1,886	114
<b>Revenue from Operations</b>	<b>532,000</b>	<b>510,190</b>	<b>21,810</b>
Building Business	107,000	94,184	12,816
Residential Business	35,000	34,093	907
Urban Development & Investment Management	13,500	21,171	(7,671)
Other	0	(231)	231
<b>Gross Income</b>	<b>155,500</b>	<b>149,218</b>	<b>6,282</b>
Cost of sales	9,000	10,091	(1,091)
General and administrative expenses	19,000	17,934	1,066
<b>Selling, General and Administrative Expenses</b>	<b>28,000</b>	<b>28,025</b>	<b>(25)</b>
<b>Operating Income</b>	<b>127,500</b>	<b>121,193</b>	<b>6,307</b>
Non-operating revenue	9,500	7,058	2,442
Non-operating expense	21,000	22,476	(1,476)
<b>Income Before Taxes and Special Items</b>	<b>116,000</b>	<b>105,774</b>	<b>10,226</b>
Extraordinary income	-	3,092	(3,092)
Extraordinary loss	4,000	19,857	(15,857)
<b>Income Before Income Taxes and Minority Interests</b>	<b>112,000</b>	<b>89,010</b>	<b>22,990</b>
Income taxes-deferred	43,000	37,351	5,649
<b>Net Income</b>	<b>69,000</b>	<b>51,658</b>	<b>17,342</b>

Millions of yen (rounded)			
■ Breakdown of extraordinary income	2008/3 Current Estimates	2007/3 Results	Change
Gain on transfer of businesses	-	1,895	(1,895)
Gain on sales of fixed assets	-	1,197	(1,197)
<b>Total</b>	<b>-</b>	<b>3,092</b>	<b>(3,092)</b>

Millions of yen (rounded)			
■ Breakdown of extraordinary loss	2008/3 Current Estimates	2007/3 Results	Change
Loss on disposal of fixed assets	1,500	13,526	(12,026)
Loss on cancelled sublease contracts	1,500	-	1,500
Loss on valuation of inventories	1,000	-	1,000
Impairment loss	-	1,349	(1,349)
Reserve for loss on debt assumption	-	4,981	(4,981)
<b>Total</b>	<b>4,000</b>	<b>19,857</b>	<b>(15,857)</b>

### 3. Current and Previous Income Statement Estimates for 2008/3

Millions of yen (rounded)			
	2008/3 Current Estimates	2008/3 Previous Estimates	Change
Building Business	326,500	318,000	8,500
Residential Business	177,000	185,000	(8,000)
Urban Development & Investment Management	26,500	26,500	0
Other	2,000	2,000	0
<b>Revenue from Operations</b>	<b>532,000</b>	<b>531,500</b>	<b>500</b>
Building Business	107,000	105,000	2,000
Residential Business	35,000	34,000	1,000
Urban Development & Investment Management	13,500	13,500	0
Other	-	-	-
<b>Gross Income</b>	<b>155,500</b>	<b>152,500</b>	<b>3,000</b>
Cost of sales	9,000	9,500	(500)
General and administrative expenses	19,000	18,500	500
<b>Selling, General and Administrative Expenses</b>	<b>28,000</b>	<b>28,000</b>	<b>0</b>
<b>Operating Income</b>	<b>127,500</b>	<b>124,500</b>	<b>3,000</b>
Non-operating revenue	9,500	8,500	1,000
Non-operating expense	21,000	20,000	1,000
<b>Income Before Taxes and Special Items</b>	<b>116,000</b>	<b>113,000</b>	<b>3,000</b>
Extraordinary income	-	-	-
Extraordinary loss	4,000	2,500	1,500
<b>Income Before Income Taxes and Minority Interests</b>	<b>112,000</b>	<b>110,500</b>	<b>1,500</b>
Income taxes-deferred	43,000	43,000	0
<b>Net Income</b>	<b>69,000</b>	<b>67,500</b>	<b>1,500</b>

Millions of yen (rounded)			
■ Breakdown of extraordinary loss	2008/3 Current Estimates	2008/3 Previous Estimates	Change
Loss on disposal of fixed assets	1,500	1,000	500
Loss on cancelled sublease contracts	1,500	1,500	-
Loss on valuation of inventories	1,000	-	1,000
<b>Total</b>	<b>4,000</b>	<b>2,500</b>	<b>1,500</b>

## 4. Unconsolidated Balance Sheets

(Millions of yen)

	At March 31, 2005	At March 31, 2006	At September 30, 2006	At March 31, 2007	At September 30, 2008
<b>Assets</b>					
Current assets					
Cash	52,088	105,981	33,853	95,503	44,112
Accounts receivable	75,919	48,259	21,788	58,830	25,287
Marketable securities	1,899	3,898	1,399	-	-
Property for sale	128,701	110,957	93,330	84,140	90,161
Property for sale in progress	110,878	148,706	183,644	193,566	218,483
Property for development	13,648	8,918	8,894	8,997	8,907
Appropriated construction in progress	3,920	4,976	2,548	1,713	1,357
Equity investments	111,285	107,400	101,701	131,646	134,880
Advances	1,045	1,738	349	2,665	3,733
Prepaid expenses	7,706	7,996	8,578	10,023	11,744
Deferred income taxes	32,620	34,904	35,950	32,871	33,986
Other current assets	13,742	26,501	24,383	18,196	25,407
Allowance for doubtful accounts	(541)	(223)	(162)	(176)	(208)
Total current assets	552,915	610,018	516,260	637,979	597,852
Fixed assets					
Property and equipment					
Buildings	488,054	468,221	454,339	449,287	510,600
Structures	6,576	5,722	5,427	5,832	6,028
Machinery	2,566	2,376	2,441	2,216	4,953
Vehicles and equipment	13	30	27	38	32
Tools, furniture and fixtures	1,665	1,733	1,731	2,486	2,609
Land	1,292,688	1,221,846	1,225,014	1,239,021	1,259,000
Construction in progress	19,306	25,931	44,675	81,096	33,722
Other property and equipment	14	14	14	14	14
Total property and equipment	1,810,886	1,725,875	1,733,672	1,779,995	1,816,964
Intangible assets					
Leaseholds	7,759	7,090	7,090	6,256	6,256
Software	3,380	2,784	2,242	1,927	1,857
Other intangible assets	355	300	278	255	226
Total intangible assets	11,496	10,175	9,611	8,439	8,340
Investments and other assets					
Investment securities	175,263	310,175	276,877	295,652	285,921
Shares of affiliated companies	205,992	193,307	193,260	195,672	194,368
Long-term loans	1,176	1,176	1,240	1,262	1,284
Long-term loans of affiliated companies	2,391	2,318	2,235	2,153	2,610
Lease deposits	63,249	63,261	65,266	68,953	68,311
Bankruptcy and reclamation rights	3	0	0	184	44
Long-term prepaid expenses	6,802	6,997	6,665	9,215	9,177
Other investments	6,910	6,190	6,050	2,368	2,357
Allowance for doubtful accounts	(1,003)	(790)	(731)	(758)	(604)
Total investments and other assets	460,784	582,636	550,865	574,703	563,470
Total fixed assets	2,283,167	2,318,687	2,294,149	2,363,139	2,388,774
Total assets	2,836,083	2,928,705	2,810,410	3,001,119	2,986,627

	At March 31, 2005	At March 31, 2006	At September 30, 2006	At March 31, 2007	At September 30, 2008
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	45,908	44,552	25,904	58,129	36,171
Short-term borrowings	38,250	40,250	46,450	41,450	42,450
Current portion of long-term debt	29,475	60,623	42,291	35,535	65,503
Commercial paper	58,000	-	-	-	20,000
Bonds due within one year	70,000	30,000	40,000	50,000	30,000
Convertible bonds due within one year	-	13,595	-	-	-
Accrued liability	23,704	26,263	22,151	33,641	37,792
Accrued corporation taxes	610	11,533	12,080	14,733	13,268
Accrued expenses	5,777	5,558	5,678	5,745	5,670
Advances received	30,246	32,963	37,267	31,176	36,354
Deposits received	131,712	137,760	78,586	156,437	82,059
Reserve for loss on possible business transfers	526	15	3	0	0
Other current liabilities	16	7	526	6	9,192
<b>Total current liabilities</b>	<b>434,230</b>	<b>403,123</b>	<b>310,940</b>	<b>426,856</b>	<b>378,463</b>
<b>Long-term liabilities</b>					
Bonds	440,000	445,000	415,000	415,000	455,000
Convertible bonds	100,000	-	-	-	-
Long-term borrowings	315,261	272,137	281,780	296,298	289,277
Lease deposits received	262,458	261,020	258,287	260,341	274,703
Deferred tax liability	56,331	95,234	82,845	101,786	100,147
Deferred tax liabilities on land revaluation	291,164	319,618	319,910	322,457	322,986
Accrued employees' retirement benefits	939	2,056	1,062	870	1,170
Accrued directors' retirement benefits	1,891	2,155	-	-	-
Reserve for debt assumption	-	-	-	4,981	4,961
Other long-term liabilities	24,744	31,550	35,463	34,566	16,511
<b>Total long-term liabilities</b>	<b>1,492,790</b>	<b>1,428,774</b>	<b>1,394,350</b>	<b>1,436,301</b>	<b>1,464,758</b>
<b>Total liabilities</b>	<b>1,927,021</b>	<b>1,831,898</b>	<b>1,705,290</b>	<b>1,863,157</b>	<b>1,843,221</b>
<b>Net assets</b>					
Shareholders' equity					
(Capital)	86,534*	129,736*	136,534	136,534	136,534
(Capital surplus)					
Capital reserves	115,216*	158,418*	165,216	165,216	165,216
Other capital surplus	20*	2*	-	-	-
Total capital surplus	115,236*	158,421*	165,216	165,216	165,216
(Retained earnings)					
Earned surplus reserve	21,663*	21,663*	21,663	21,663	21,663
Other retained earnings	194,159*	181,315*	197,354	213,690	226,187
Reserve for special depreciation	669*	698*	570	456	403
Reserve for compression of fixed assets	92,727*	92,014*	84,401	83,465	86,958
Special account reserve for compression of fixed assets	-*	-*	1,020	3,962	-
Special reserve	68,254*	68,254*	68,254	68,254	88,254
Earned surplus carried forward	32,508*	20,348*	43,108	57,551	50,570
Total retained earnings	215,822*	202,979*	219,018	235,354	247,850
(Less treasury stock, at cost)	(1,763)*	(1,986)*	(2,244)	(2,927)	(3,135)
Total shareholders' equity	307,632*	489,151	518,524	534,176	546,465
Valuation, translation adjustments and others					
Land revaluation reserve	424,403*	465,877	466,303	470,015	470,787
Unrealized holding gain on securities	68,828*	141,778	120,212	133,690	126,010
Total valuation, translation adjustments and others	493,232*	607,656	586,515	603,705	596,798
Stock acquisition rights	-*	-*	79	79	142
<b>Total net assets</b>	<b>909,062*</b>	<b>1,096,807*</b>	<b>1,105,119</b>	<b>1,137,962</b>	<b>1,143,406</b>
	<b>2,836,083*</b>	<b>2,928,705*</b>	<b>2,810,410</b>	<b>3,001,119</b>	<b>2,986,627</b>

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 and 2005 have been revised to account for these changes and are marked with asterisks.

## 5. Unconsolidated Income Statements

(Millions of yen)

	2004/3	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Revenue from operations	379,340	441,713	465,557	210,137	510,190	206,197	532,000
Operating income	74,568	77,029	94,611	56,821	121,193	42,193	127,500
Non-operating income							
Interest income	83	90	97	67	131	166	-
Dividend income	3,470	3,167	4,260	3,522	4,840	6,223	7,500
Income from investment in silent partnerships	2,294	-	-	-	-	-	-
Gain on sales of investment securities	-	-	-	-	868	-	-
Other non-operating income	2,524	1,445	2,292	1,359	1,218	1,987	2,000
Total non-operating income	8,374	4,704	6,649	4,949	7,058	8,377	9,500
Non-operating expenses							
Interest expense	5,197	5,279	4,385	2,057	4,558	2,947	6,000
Interest paid on bonds	17,201	14,558	10,475	4,556	8,990	4,398	11,000
Loss on disposal of fixed assets	3,429	1,081	3,901	3,031	6,577	1,399	3,000
Other non-operating expenses	2,996	2,038	3,004	1,768	2,350	1,711	1,000
Total non-operating expenses	28,824	22,957	21,766	11,414	22,476	10,456	21,000
Income before taxes and special items	54,118	58,775	79,494	50,357	105,774	40,115	116,000
Extraordinary gain							
Gain on transfer of businesses	-	-	-	-	1,895	-	-
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	-	-
Extraordinary loss							
Loss on valuation of inventories	3,961	5,110	27,639	-	-	1,167	1,000
Loss on sales of fixed assets	3,930	-	-	-	-	-	-
Loss related to retirement of fixed assets	14,283	5,386	-	13,510	13,526	-	1,500
Reserve for debt assumption	-	-	-	-	4,981	-	-
Loss on valuation of investment securities	1,059	-	-	-	-	-	-
Loss on cancelled sublease contracts	5,061	-	-	-	-	-	1,500
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	28,296	23,444	70,079	13,510	19,857	1,167	4,000
Income before income taxes and minority interests	25,821	39,121	67,208	36,847	89,010	38,947	112,000
Corporation tax, inhabitants' tax and enterprise tax	15	14	11,876	11,873	20,114	11,498	34,000
Income taxes-deferred	10,875	15,931	15,024	1,652	17,237	3,043	9,000
Net income	14,930	23,175	40,307	23,320	51,658	24,405	69,000

## 6. Unconsolidated Cash Flow Statements

(Millions of yen)

	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Income before income taxes and minority interests	39,121	67,208	36,847	89,010	38,947	112,000
Adjustment for extraordinary income or loss	15,512	8,937	9,163	8,326	1,549	4,000
Depreciation and amortization	40,000	37,619	17,473	35,372	20,004	41,000
Decrease (increase) in inventories	(3,371)	(26,483)	(15,119)	(13,812)	(29,288)	(80,000)
Increase (decrease) in equity investments	(78,484)	5,358	5,496	(18,422)	(5,062)	(15,500)
Other	49,991	22,002	(65,476)	2,161	(50,763)	(61,000)
Net cash provided by (used in) operating activities	62,770	114,641	(11,615)	102,636	(24,613)	500
Proceeds from sales of marketable securities and investment securities	5,356	10,709	3,350	5,337	5,129	5,500
Proceeds from sales of property and equipment and beneficial interests in trust of property and equipment	6,124	121,767	652	10,070	740	6,000
Purchases of property and equipment	(69,798)	(54,429)	(35,929)	(103,271)	(74,443)	(132,500)
Other	(26,278)	(23,790)	1,019	(4,345)	(5,573)	(19,500)
Net cash (used in) provided by investing activities	(84,596)	54,257	(30,906)	(92,208)	(74,147)	(140,500)
Newly acquired capital	126,986	72,386	27,803	79,608	84,766	250,000
Repayment	(191,769)	(119,475)	(50,293)	(90,623)	(42,053)	(104,500)
Cash dividends paid	(10,381)	(11,676)	(6,847)	(15,132)	(11,044)	(22,000)
Other	54,720	(56,240)	(269)	242	20,699	0
Net cash used in financing activities	(20,444)	(115,005)	(29,606)	(25,905)	52,368	123,500
Net increase (decrease) in cash and cash equivalents	(42,270)	53,893	(72,128)	(15,477)	(46,391)	(16,500)
Increase in cash and cash equivalents arising from mergers and acquisitions	3,614	-	-	-	-	-
Cash and cash equivalents at the beginning of year	95,744	57,088	110,981	110,981	95,503	95,503
Cash and cash equivalents at the end of year	57,088	110,981	38,853	95,503	49,112	79,003



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

(Millions of yen)

	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Total assets	2,836,083	2,928,705	2,810,410	3,001,119	2,986,627	3,134,000
Capital investment	69,798	54,429	35,929	103,271	74,443	132,500
Depreciation	40,000	37,619	17,473	35,372	20,004	41,000

### 8. Interest-Bearing Debt (Unconsolidated)

(Millions of yen)

	2005/3	2006/3	2007/3 H1	2007/3	2008/3 H1	2008/3 (Estimates)
Interest-bearing debt	1,050,986	861,606	825,521	838,283	902,230	984,000
Net interest-bearing debt *1	993,898	750,624	-	742,779	-	905,000
Interest expense	19,838	14,860	6,613	13,548	7,345	17,000
Financial income and expense (net) *2	(16,580)	(10,503)	(3,024)	(8,577)	(956)	(9,500)
Average interest rate *3	1.87 %	1.55 %	- %	1.59	- %	1.86
Fixed interest ratio	78.10 %	80.10 %	81.10 %	82.80	82.49 %	-
Long-term debt ratio	90.80 %	95.30 %	94.40 %	95.10	93.08 %	-
Debt equity ratio *4	1.15	0.78	0.74	0.73	0.78	0.83

\*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	2005/3		(New Segments)	2005/3		2006/3		2007/3 H1		2007/3		2008/3 H1		2008/3 (Estimates)	
		%			%		%		%		%		%		%
Building Business	244,963	55	Building Business	244,963	55	265,416	57	136,418	65	284,276	56	140,833	68	326,500	61
Residential Development	185,417	42	Residential Business	186,681	42	166,033	36	51,319	24	193,321	38	50,937	25	177,000	33
			Urban Development & Investment Management	6,494	1	31,708	7	21,457	10	30,706	6	13,516	7	26,500	5
Other	11,332	3	Other	3,574	1	2,398	1	941	0	1,886	0	910	0	2,000	0
total	441,713		total	441,713		465,557		210,137		510,190		206,197		532,000	

(Millions of yen)

(2) Operating income	2005/3		(2) Operating income	2005/3		2006/3		2007/3 H1		2007/3		2008/3 H1		2008/3 (Estimates)	
			(New Segments)												
Building Business	79,260		Building Business	79,260		84,821		43,654		94,184		39,699		107,000	
Residential Development	23,911		Residential Business	23,283		24,886		5,770		34,093		6,883		35,000	
			Urban Development & Investment Management	2,757		12,591		19,383		21,171		8,071		13,500	
Other	2,252		Other	122		(83)		(97)		(231)		(42)		0	
Cost of sales	10,380		Cost of sales	10,380		8,588		2,410		10,091		2,585		9,000	
General and administrative expenses	18,014		General and administrative expenses	18,014		19,016		9,477		17,934		9,832		19,000	
total	77,029		total	77,029		94,611		56,821		121,193		42,193		127,500	

(3) Rate of return	2005/3		(3) Rate of return	2005/3		2006/3		2007/3 H1		2007/3		2008/3 H1		2008/3 (Estimates)	
		%	(New Segments)		%		%		%		%		%		%
Building Business	32		Building Business	32		32		32		33		28		33	
Residential Development	13		Residential Business	12		15		11		18		14		20	
			Urban Development & Investment Management	42		40		90		69		60		51	
Other	20		Other	3		(3)		(10)		(12)		(5)		0	
average	17		average	17		20		27		24		20		24	