



Summary of Financial Statements ***~For the 6 months ended September 30, 2006~***



Haseko Corporation
November, 2006

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Estimates and forecasts of the business results described in this document were prepared by us based on the latest available data, and potentially include risks and uncertainties. Accordingly, please note that actual business results may be at variance with the described future prospects due to changes in various factors.

Summary of Income Statements (For the 6 months ended 9/30/2006)



<Consolidated>	Billions of Yen						
	05/9	06/9	06/9	Difference	06/3	07/3	Difference
	Performance	Forecasted	Performance	between 05/9	Performance	Forecast	
Net Sales	257.8	320.0	311.3	53.4	622.4	700.0	77.6
Construction contracts	191.0	210.0	202.5	*2 11.5	430.8	465.0	34.2
Design and supervision	5.0	5.0	4.8	(0.2)	10.1	10.0	(0.1)
Leasing and management	25.9	26.0	26.2	0.3	54.3	55.0	0.7
Real estate sale	34.1	77.0	75.9	*3 41.8	123.5	166.0	42.5
Other	1.8	2.0	1.8	0.1	3.7	4.0	0.3
Gross Profit	33.0	37.7	38.9	5.9	81.2	87.6	6.4
Construction contracts	22.2	25.3	24.9	*2 2.8	56.3	57.6	1.3
[Profit ratio of construction contracts]	[11.6%]	[12.0%]	[12.3%]	(+0.7P)	[13.1%]	[12.4%]	(-0.7P)
Design and supervision	3.3	3.0	2.9	(0.4)	6.4	6.3	(0.1)
Leasing and management	3.0	3.4	3.3	0.4	6.6	7.4	0.8
Real estate sale	4.3	5.8	7.5	*3 3.2	11.2	15.8	4.6
Other	0.4	0.2	0.3	(0.1)	0.7	0.5	(0.2)
SG&A	10.0	11.2	11.6	1.6	20.5	23.6	3.1
Operating Income	23.0	26.5	27.3	4.3	60.7	64.0	3.3
[Operating income ratio]	[8.9%]	[8.3%]	[8.8%]	(-0.1P)	[9.7%]	[9.1%]	(-0.6P)
Interest income (expense), net	(2.1)	(0.7)	(0.6)	1.5	(4.5)	(2.0)	2.5
Other income(expense), net	0.1	(0.3)	0.1	0.0	(3.1)	0.0	3.1
Ordinary Income	21.0	25.5	26.8	5.8	53.1	62.0	8.9
[Ordinary income ratio]	[8.1%]	[8.0%]	[8.6%]	(+0.5P)	[8.5%]	[8.9%]	(+0.4P)
Net Income	18.7	14.5	*1 16.3	(2.5)	47.7	45.0	(2.7)
Depreciation	1.5		1.4	(0.0)	3.1		
Number of employees	3,533		3,696	163	3,516		

*1. The Special Income (Losses) entry consists of a ¥1 billion special income from the transfer of the goodwill of building management business and a special loss totaling ¥11.1 billion and consisting of an allowance for ¥7.7 billion in legal losses from the Hotel Sherena construction fee invoicing lawsuit, ¥3 billion in impairment losses, etc.

*2. Construction sales and profit increased as a result of Haseko Corporation's non-consolidated increase in construction volume. The ratio of construction contracts also improved.

*3. The real estate sales and gross profit increased for Haseko Corporation on a non-consolidated basis as a result of an increase in real-estate transactions targeting the obtaining of construction orders.

Summary of Income Statements (For the 6 months ended 9/30/2006)



<Non-Consolidated>					Billions of Yen		
	05/9 Performance	06/9 Forecasted	06/9 Performance	Difference between 05/9	06/3 Performance	07/3 Forecast	Difference
Net Sales	200.6	257.0	252.5	51.9	489.7	570.0	80.3
Construction contracts	164.7	180.0	178.5	13.8	366.4	410.0	43.6
Commissioned work	6.8	8.0	8.2	1.4	17.2	17.0	(0.2)
Design and supervision	5.0	5.0	4.8	(0.2)	10.1	10.0	(0.1)
Lease rentals of buildings	1.3	1.2	1.3	(0.0)	2.6	2.5	(0.1)
Real estate sale	22.8	62.8	59.7	36.9	93.4	130.5	37.1
Gross Profit	25.7	28.7	29.1	3.4	64.3	66.5	2.2
Construction contracts	15.9	18.0	16.8	0.9	40.5	41.0	0.5
Commissioned work	4.6	5.0	6.1	1.5	12.0	12.0	(0.0)
[Profit ratio of construction works]	[12.0%]	[12.2%]	[12.3%]	(+0.3P)	[13.7%]	[12.4%]	(-1.3P)
Design and supervision	3.2	3.0	2.8	(0.3)	6.3	6.3	0.0
Lease rentals of buildings	0.2	0.2	0.3	0.1	0.5	0.4	(0.1)
Real estate sale	1.7	2.5	3.0	1.3	5.0	6.8	1.8
SG&A	6.5	7.2	7.2	0.8	13.2	15.0	1.8
Operating Income	19.2	21.5	21.8	2.6	51.1	51.5	0.4
[Operating income ratio]	[9.6%]	[8.4%]	[8.7%]	(-0.9P)	[10.4%]	[9.0%]	(-1.4P)
Interest income(expense),net	(1.3)	1.5	1.6	2.9	(3.5)	0.5	4.0
Other income(expense),net	0.1	0.0	0.1	0.0	(3.3)	0.0	3.3
Ordinary Income	17.9	23.0	23.5	5.6	44.3	52.0	7.7
[Ordinary income ratio]	[8.9%]	[8.9%]	[9.3%]	(+0.4P)	[9.0%]	[9.1%]	(+0.1P)
Net Income	16.5	12.5	14.8	(1.7)	40.1	39.5	(0.6)
Depreciation	0.3		0.3	(0.0)	0.7		
Number of employees	1,838		1,907	69	1,832		

Summary of Consolidated Balance Sheets (As of 9/30/2006)



Assets

	3/31/2006	9/30/2006	Difference
Current assets:			
Cash and bank deposits	77.6	54.8	(22.8)
Notes and accounts receivable, trade	83.2	79.3	(3.9)
Costs incurred on uncompleted contracts	23.5	21.5	(2.0)
Real estate for sale *1	144.6	155.0	10.4
Short-term loans	14.8	12.8	(2.1)
Deferred tax assets	10.6	7.4	(3.1)
Other current assets *4	9.3	23.3	14.0
Allowance for doubtful accounts	(11.0)	(11.2)	(0.1)
Total current assets	352.5	343.0	(9.5)
Fixed assets:			
Property and Equipment, Leasehold rights *1	88.3	87.8	(0.5)
Investments in securities	6.4	7.2	0.7
Long-term loans	4.4	4.3	(0.1)
Long-term deferred tax assets	40.6	44.0	3.3
Other assets	12.5	12.8	0.3
Allowance for doubtful accounts	(4.8)	(4.8)	0.0
Total fixed assets	147.4	151.2	3.8
Total Assets	499.9	494.3	(5.7)

Liabilities and Net Assets

	Billions of Yen		
	3/31/2006	9/30/2006	Difference
Current Liabilities:			
Notes and accounts payable	155.4	152.6	(2.8)
Short-term debt *2	11.5	21.1	9.5
Current portion of long-term debt	27.8	28.3	0.5
Advances received on uncompleted contracts	37.1	30.7	(6.4)
Other current liabilities	36.6	38.6	1.9
Total current liabilities	268.4	271.2	2.7
Long-term Liabilities:			
Long-term debt *2	111.7	111.2	(0.5)
Other long-term liabilities *4	10.6	17.8	7.2
Total long-term liabilities	122.3	129.0	6.7
Total liabilities	390.7	400.2	9.5
Net Assets:			
			*3
Shareholders' Equity:			
Capital stock	50.0	50.0	-
Additional paid-in capital	12.8	-	(12.8)
Retained earnings	48.2	47.0	(1.2)
Treasury stock	(0.1)	(0.1)	(0.0)
Total shareholders' equity	110.9	96.9	(14.0)
Valuation Translation Adjustments and Others:			
Net unrealized gain on other securities	0.2	0.1	(0.1)
Cumulative translation adjustments	(2.0)	(3.0)	(1.0)
Total Valuation Adjustments and Others	(1.7)	(2.9)	(1.2)
Minority Interests:			
	0.0	0.0	0.0
Total Net Assets	109.2	94.1	(15.1)
Total Liabilities and Net Assets	499.9	494.3	(5.7)

Summary of Consolidated Balance(As of 9/30/2006)



*1.Real Estate Balance

	3/31/2006	9/30/2006	Difference
Land and building held for sale	17.7	18.5	0.9
Costs and advances for real estate operations	68.3	77.3	9.0
Real estate for development projects	58.6	59.2	0.6
Real estate for sale	144.6	155.0	10.4
Property and equipment, Lease hold rights	88.3	87.8	(0.5)
	232.9	242.9	10.0

* The balance of real estate for sale increased as a result of an increase in the transaction volume of real estate targeting orders and an increase in the participation of various projects.

*2.Interest-bearing Debt Balance

	3/31/2006	9/30/2006	Difference
Interest-bearing debt	151.0	160.6	9.5

* Short-term debt also increased as a result of the increase in real-estate investment targeted at receiving construction orders.

*3.Change in Net Assets

	3/31/2006	Reversal of paid in capital	Cancellation of preferred stocks	Net Income	Other	9/30/2006
Capital	50.0					50.0
Additional paid-in capital	12.8	17.4	(30.3)		0.0	-
Retained earnings	48.2	(17.4)		16.3		47.0
Cumulative translation adjustment	(2.0)				(1.0)	(3.0)
Other	0.1				(0.1)	0.0
Net Assets	109.2	-	(30.3)	16.3	(1.1)	94.1

*Haseko applied Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standards Board of Japan, Statement No. 5, December 9, 2005) and Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet(Accounting Standards Board of Japan, Guidance No.8, December 9, 2005) Figures as of March 31, 2006 are re-accounted according to new Accounting Standard.

*4. As a result of the May 31, 2006 verdict by the Osaka High Court in the Hotel Sherena construction fee invoicing lawsuit, Haseko has appropriated an allowance for lawsuit related losses. Haseko has also paid monetary fees based on the verdict to Fujita Corporation, the plaintiff, and recorded such as a temporary payment in the current assets category. Moreover, note that Haseko disagrees with the verdict of the Osaka High Court, has appealed the verdict to the Supreme Court and will continue this lawsuit.

Cash Flows

	05/9	06/9	Difference	06/3
Cash Flows from operating activities	(11.3)	1.3	12.6	65.2
Cash Flows from investing activities	(1.2)	(2.9)	(1.7)	(8.4)
Cash Flows from financing activities	(33.2)	(20.8)	12.4	(74.2)
Cash and cash equivalents as of 9/30 or 3/31	48.6	54.5	5.9	77.1

Summary of Non-Consolidated Balance Sheets(As of 9/30/2006)



Assets

	3/31/2006	9/30/2006	Difference
Current assets:			
Cash and bank deposits	54.0	37.8	(16.2)
Notes and A.R., construction contracts	68.0	70.3	2.3
AR;Real estate and Lease rental of building	3.8	1.6	(2.2)
Costs incurred on uncompleted contracts *1	20.7	17.5	(3.2)
Real estate for sale	88.1	98.0	9.9
Deferred tax assets	7.4	4.8	(2.6)
Other current assets	13.4	24.9	11.5
Total current assets	<u>255.4</u>	<u>255.0</u>	<u>(0.4)</u>
Fixed assets:			
Property and Equipment, Leasehold rights	23.6	23.1	(0.5)
Investments in securities	1.9	2.7	0.8
Investments in subsidiaries and affiliates	52.6	52.7	0.1
Long-term loans	1.3	1.4	0.1
Long-term loans to subsidiaries and affiliates	144.7	143.1	(1.6)
Long-term deferred tax assets	35.9	38.7	2.8
Other fixed assets	9.9	10.2	0.3
Allowance for doubtful accounts	(70.9)	(71.2)	(0.3)
Total fixed assets	<u>199.1</u>	<u>200.8</u>	<u>1.7</u>
Total assets	<u>454.5</u>	<u>455.8</u>	<u>1.4</u>

Liabilities and Net Assets

	Billions of Yen		
	3/31/2006	9/30/2006	Difference
Current Liabilities:			
Notes and accounts payable	138.0	139.9	1.8
Short-term debt	11.0	20.0	9.0
Current portion of long-term debt	27.8	27.8	-
Advances received on uncompleted contracts *1	35.4	28.7	(6.7)
Other current liabilities	25.7	30.8	5.1
Total current liabilities	<u>237.9</u>	<u>247.2</u>	<u>9.2</u>
Long-term Liabilities:			
Long-term debt	111.2	111.2	-
Other	2.4	10.1	7.7
Total long-term liabilities	<u>113.6</u>	<u>121.3</u>	<u>7.7</u>
Total liabilities	<u>351.6</u>	<u>368.5</u>	<u>16.9</u>
Net Assets:			
Shareholders' Equity:			
Capital stock	50.0	50.0	-
Additional paid-in capital	12.8	-	(12.8)
Retained earnings	40.1	37.5	(2.6)
Treasury stock	(0.1)	(0.1)	(0.0)
Total shareholders' equity	<u>102.8</u>	<u>87.3</u>	<u>(15.5)</u>
Valuation Translation Adjustments and Others:			
Net unrealized gain on other securities	0.1	0.0	(0.0)
Total Net Assets	<u>102.9</u>	<u>87.4</u>	<u>(15.5)</u>
Total Liabilities and Net Assets	<u>454.5</u>	<u>455.8</u>	<u>1.4</u>

*1.Excess of Work Taken On

	3/31/2006	9/30/2006	Difference
Advances received on uncompleted contracts	35.4	28.7	(6.7)
Costs incurred on uncompleted contracts	20.7	17.5	(3.2)
Difference	<u>14.7</u>	<u>11.1</u>	<u>(3.6)</u>

Non-consolidated Orders Received

Orders

(Billions of yen)

	06/3				07/3				
	~1Q	~2Q	~3Q	Annual	~1Q	~2Q	YOY	Annual Forecast	YOY
Orders	114.6	219.3	324.1	451.5	94.1	212.8	(6.5)	452.0	0.5
Construction business	112.2	214.0	316.4	441.3	91.3	206.5	(7.4)	441.0	(0.3)
Private-sector condominiums	104.0	199.0	294.9	402.5	77.6	178.1	(20.9)	400.0	(2.5)
General construction	4.2	7.1	7.2	16.1	6.7	16.6	9.5	20.0	3.9
Civil engineering	0.3	0.4	1.8	3.6	2.5	2.8	2.4	4.0	0.4
Consulting contracts	3.8	7.4	12.6	19.1	4.5	9.1	1.6	17.0	(2.1)
Design/supervision business	2.4	5.3	7.7	10.2	2.8	6.2	0.9	11.0	0.8

Order by Size Private-sector condominiums

(Billions of yen)

	06/3		07/3		YOY	06/3	
	~2Q	Share	~2Q	Share		Annual	Share
Under 200 units	84.3	43.5%	65.8	37.5%	(18.5)	156.8	40.1%
200-399 units	31.2	16.1%	46.0	26.2%	14.8	120.2	30.8%
400 units or more	78.3	40.4%	63.9	36.3%	(14.4)	113.6	29.1%
Total	193.9	100%	175.7	100%	(18.2)	390.6	100%

* Excluding additional construction orders

Haseko Designated Orders and Construction with Design orders

	05/9	06/9	06/3
Ratio of Haseko Designated Orders	99.2%	99.7%	98.3%
Ratio of Construction with Design Orders	92.7%	86.5%	94.9%

*Excluding commissioned works

Order by Region

(Billions of yen)

	06/3		07/3		YOY	06/3	
	~2Q	Share	~2Q	Share		Annual	Share
Tokyo Metropolitan Area	153.6	70.1%	161.7	76.0%	8.1	324.8	71.9%
Kinki Area	65.7	29.9%	51.1	24.0%	(14.6)	126.7	28.1%
Total	219.3	100%	212.8	100%	(6.5)	451.5	100%

*Tokai area is included in the Osaka figures

Projects ordered



Columbus City (Mihama-ku Chiba)

896units, 14F/RC Completion : January,2008



Tokyo Frontier City (Arakawa-ku Tokyo)

635Units B1/20F, SRC Completion : December,2007



Reicia Court Hirano Nagahara (Hirano-ku Osaka)

244units ,11F/RC, 15F/RC Completion : March, 2008



Marksgate Kyoto South Nishioji (Minami-ku Kyoto)

210units 7F/RC Completion : September, 2007

Tokyo Metropolitan Area

	FY2004(4/1/2004~ 3/31/2005)					FY2005(4/1/2005~ 3/31/2006)					FY2006(4/1/2005~ 9/30/2006)				
	Supply			Initial Month Sales Rate		Supply			Initial Month Sales Rate		Supply			Initial Month Sales Rate	
	Total	Haseko Constructed	HC's Share	Total	Haseko Constructed	Total	Haseko Constructed	HC's Share	Total	Haseko Constructed	Total	Haseko Constructed	HC's Share	Total	Haseko Constructed
Under 30 units	3,687	27	0.7%	59.8%	74.1%	4,449	0	-	67.4%	-	1,422	28	2.0%	66.7%	78.6%
30 ~ 49 units	11,465	238	2.1%	67.3%	76.1%	11,370	195	1.7%	70.7%	67.2%	5,531	4	0.1%	68.5%	75.0%
50 ~ 99 units	19,735	963	4.9%	70.9%	63.8%	20,181	2,371	11.7%	74.6%	70.9%	7,232	544	7.5%	70.5%	77.4%
100 ~ 199 units	15,670	1,949	12.4%	78.4%	78.5%	13,380	2,164	16.2%	83.4%	88.4%	5,209	790	15.2%	73.4%	85.4%
200 ~ 399 units	15,873	4,399	27.7%	85.6%	86.1%	12,329	1,990	16.1%	89.5%	90.2%	5,218	1,957	37.5%	87.9%	87.5%
400 units or more	16,131	6,929	43.0%	94.0%	96.8%	21,988	7,752	35.3%	96.9%	96.7%	9,652	3,105	32.2%	92.0%	93.4%
Total	82,561	14,505	17.6%	78.7%	88.5%	83,697	14,472	17.3%	83.2%	89.9%	34,264	6,428	18.8%	79.2%	89.2%

2004(Jan-Dec): **18.5%**

2005(Jan-Dec): **16.9%**

2006(Jan-Sep): **19.2%**

Osaka Metropolitan Area

	FY2004(4/1/2004~ 3/31/2005)					FY2005(4/1/2005~ 3/31/2006)					FY2006(4/1/2005~ 9/30/2006)				
	Supply			Initial Month Sales Rate		Supply			Initial Month Sales Rate		Supply			Initial Month Sales Rate	
	Total	Haseko Constructed	HC's Share	Total	Haseko Constructed	Total	Haseko Constructed	HC's Share	Total	Haseko Constructed	Total	Haseko Constructed	HC's Share	Total	Haseko Constructed
Under 30 units	1,309	0	-	65.8%	-	1,198	0	-	60.1%	-	621	0	-	51.2%	-
30 ~ 49 units	4,581	61	1.3%	66.4%	75.4%	4,530	0	-	66.1%	-	1,830	0	-	65.4%	-
50 ~ 99 units	9,950	819	8.2%	70.8%	70.8%	8,806	642	7.3%	71.0%	72.0%	3,911	159	4.1%	67.2%	81.8%
100 ~ 199 units	7,211	2,309	32.0%	80.2%	81.2%	7,555	2,507	33.2%	77.5%	79.9%	3,432	739	21.5%	82.8%	80.1%
200 ~ 399 units	5,856	1,506	25.7%	85.4%	92.4%	9,095	1,189	13.1%	82.6%	86.1%	2,797	566	20.2%	84.7%	92.8%
400 units or more	2,060	880	42.7%	91.3%	92.2%	1,993	1,410	70.7%	94.1%	94.9%	1,744	506	29.0%	90.9%	95.7%
Total	30,967	5,575	18.0%	76.2%	84.4%	33,177	5,748	17.3%	76.0%	84.0%	14,335	1,970	13.7%	76.3%	87.9%

2004(Jan-Dec): **16.5%**

2005(Jan-Dec): **18.0%**

2006(Jan-Sep): **14.6%**

Business performance of subsidiaries (Consolidated subsidiaries)



Billions of Yen

Name		06/9	07/3	9/30/2006	
		Actual	Forecast		
HASEKO Anesis Corporation	Net Sales	3.2	8.8	Total assets	10.3
	Ordinary Income	2.9	3.2	Net assets	8.8
	Net Income	2.9	3.1	No. of employees	114
HASEKO Community Inc.	Net Sales	16.9	33.5	Total assets	11.2
	Ordinary Income	0.9	1.9	Net assets	3.7
	Net Income	0.9	1.4	No. of employees	513
HASEKO Livenet Inc.	Net Sales	10.0	20.1	Total assets	7.9
	Ordinary Income	1.1	2.2	Net assets	2.5
	Net Income	0.7	1.3	No. of employees	224
Century Life Co.,Ltd.	Net Sales	0.6	1.2	Total assets	5.1
	Ordinary Income	(0.1)	(0.2)	Net assets	0.4
	Net Income	(0.1)	(0.2)	No. of employees	6
HASEKO Systems Inc.	Net Sales	1.4	2.9	Total assets	1.2
	Ordinary Income	0.3	0.6	Net assets	0.6
	Net Income	0.2	0.4	No. of employees	56
Brigton Corporation	Net Sales	5.5	11.4	Total assets	42.1
	Ordinary Income	(0.1)	0.1	Net assets	5.0
	Net Income	(1.4)	(1.2)	No. of employees	23
Haseko Urbest Inc.	Net Sales	5.3	12.1	Total assets	7.5
	Ordinary Income	0.8	2.5	Net assets	3.9
	Net Income	0.4	1.6	No. of employees	506
Hasec Inc.	Net Sales	32.8	85.3	Total assets	23.6
	Ordinary Income	0.2	0.1	Net assets	0.2
	Net Income	0.0	(0.0)	No. of employees	29
Foris Corporation	Net Sales	3.3	11.9	Total assets	6.3
	Ordinary Income	0.0	0.3	Net assets	0.7
	Net Income	0.0	0.2	No. of employees	127

Billions of Yen

Name		06/9	07/3	9/30/2006	
		Actual	Forecast		
FUJI Kensetsu Co., Ltd.	Net Sales	9.6	23.9	Total assets	8.3
	Ordinary Income	0.2	1.0	Net assets	0.4
	Net Income	0.2	0.6	No. of employees	158
HASEKO America Inc. and 15 subsidiaries	Net Sales	10.3	22.3	Total assets	39.5
	Ordinary Income	2.4	3.7	Net assets	35.8
	Net Income	2.6	3.8	No. of employees	31
Noda Kaihatsu Co., Ltd.	Net Sales	0.0	0.0	Total assets	13.9
	Ordinary Income	(0.0)	(0.0)	Net assets	(11.3)
	Net Income	(0.0)	(0.0)	No. of employees	0
HASEKO Finance Inc.	Net Sales	0.5	1.0	Total assets	22.4
	Ordinary Income	0.0	0.0	Net assets	(22.7)
	Net Income	(0.2)	(0.1)	No. of employees	2
HASEKO Real Estate Inc.	Net Sales	0.1	0.2	Total assets	7.1
	Ordinary Income	(0.0)	(0.0)	Net assets	(12.9)
	Net Income	(0.0)	0.0	No. of employees	0
HASEKO Development Inc.	Net Sales	0.0	1.4	Total assets	9.9
	Ordinary Income	0.0	0.0	Net assets	(12.4)
	Net Income	0.0	0.0	No. of employees	0
HASEKO Create Inc.	Net Sales	0.2	0.3	Total assets	3.2
	Ordinary Income	0.0	0.1	Net assets	(4.5)
	Net Income	0.0	0.1	No. of employees	0
HASEKO Urban Inc.	Net Sales	0.0	0.0	Total assets	0.1
	Ordinary Income	(0.0)	(0.0)	Net assets	0.0
	Net Income	(0.0)	(0.0)	No. of employees	0
(Affiliated) Takarazuka Kaihatsu Co.,Ltd.	Net Sales	0.1	-	Total assets	1.5
	Ordinary Income	(0.1)	-	Net assets	(28.1)
	Net Income	(0.1)	-	No. of employees	-

* Only the performance figures for 06/9 have been entered for the equity method of affiliate, Takarazuka Kaihatsu.

Business performance of Subsidiaries

(Haseko Urbest, Haseko Community and Haseko Livnet)



HASEKO URBEST

Units

		06/3		07/3	
		Interim	Annual	Interim	Annual (Forecast)
Consignment sales	Number of transactions	4,413	9,524	4,881	10,150
	Value of transactions	¥157.1B	¥335.5B	¥164.7B	¥332.0B
Brokerage	Number of transactions	649	1,423	752	1,750
	Value of transactions	¥14.3B	¥31.3B	¥18.3B	¥41.0B
Total	Number of transactions	5,062	10,947	5,633	11,900
	Value of transactions	¥171.4B	¥366.7B	¥183.0B	¥373.0B

Billions of Yen

	06/3		07/3	
	Interim	Annual	Interim	Annual (Forecast)
Net sales	4.9	11.5	5.3	12.1
Gross profit	1.1	3.8	1.4	3.8
SG&A	0.6	1.2	0.7	1.4
Operating income	0.5	2.6	0.7	2.5
Ordinary income	0.5	2.6	0.8	2.5
Net income	0.3	1.5	0.4	1.6

HASEKO COMMUNITY

Units

		06/3		07/3	
		9/30	3/31	9/30	3/31 (Forecast)
Managing condominium units		163,409	169,551	173,946	179,000

Billions of Yen

	06/3		07/3	
	Interim	Annual	Interim	Annual (Forecast)
Net sales	16.2	35.2	16.9	33.5
Gross profit	1.4	3.1	1.5	3.1
SG&A	0.6	1.2	0.6	1.2
Operating income	0.8	1.9	0.9	1.9
Ordinary income	0.9	2.0	0.9	1.9
Net income	0.5	1.1	0.9	1.4

HASEKO LIVENET

Units

		06/3		07/3	
		9/30	3/31	9/30	3/31 (Forecast)
Sublease		8,452	8,312	8,208	9,400
Commissioned rental management		12,265	12,196	11,788	12,000
Commissioned property management		8,444	11,451	13,583	17,800
Company housing management agency		19,203	17,738	17,924	17,400
Total number of dwellings managed		48,364	49,697	51,503	56,600

Billions of Yen

	06/3		07/3	
	Interim	Annual	Interim	Annual (Forecast)
Net sales	9.3	19.4	10.0	20.1
Gross profit	2.1	4.4	2.5	5.3
SG&A	1.1	2.4	1.5	3.1
Operating income	0.9	2.0	1.1	2.2
Ordinary income	0.9	2.0	1.1	2.2
Net income	0.5	1.1	0.7	1.3

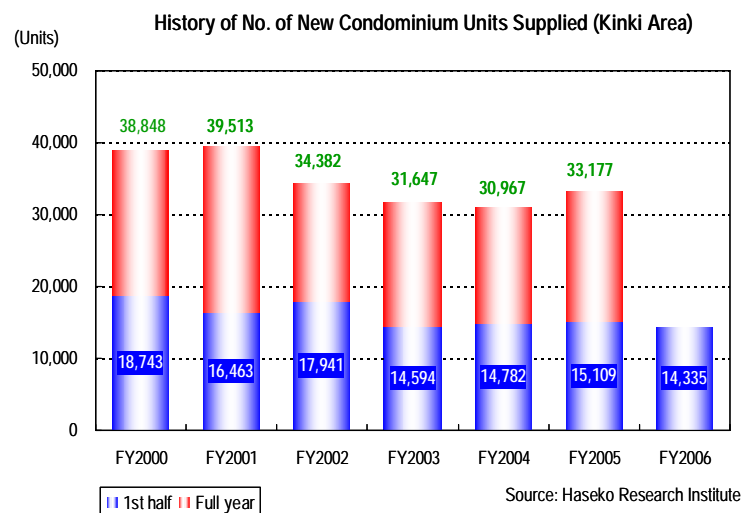
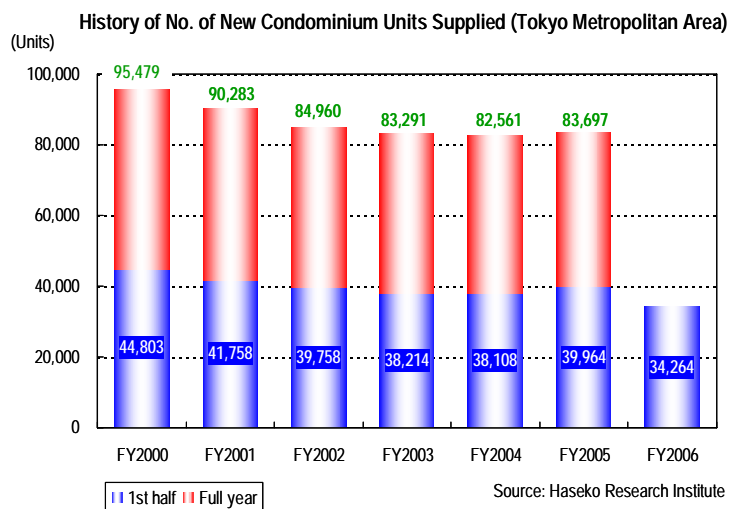
1. Supply of new units during the first half of fiscal 2006 reached 1,107 projects for 34,264 units, or a year-on-year decrease of 14.3%, in the Tokyo metropolitan area and 414 projects for 14,335 units in the Kinki area, a year-on-year decrease of 5.1%.

Haseko's Construction Performance in First Half of Fiscal 2006:

Tokyo metropolitan area: 140 projects, 6,428 units (year-on-year increase of 9.8%); share 18.8% (year-on-year increase of 4.1 points)

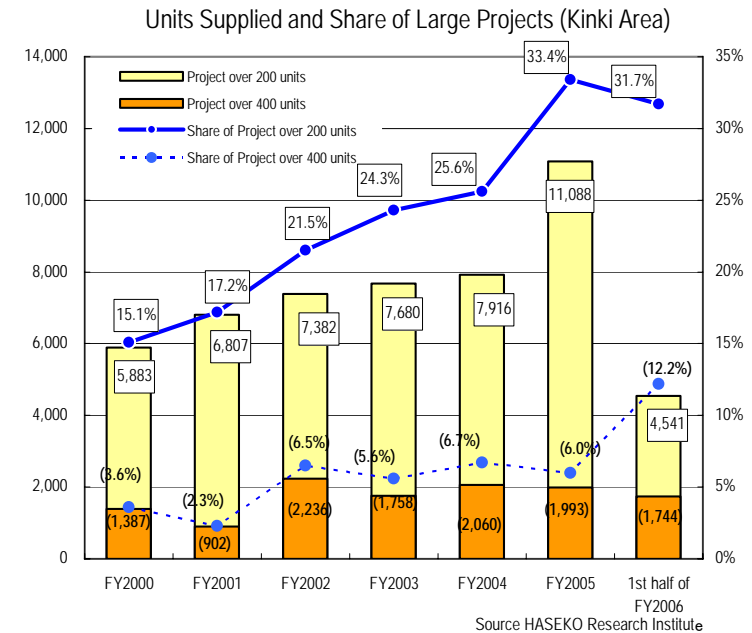
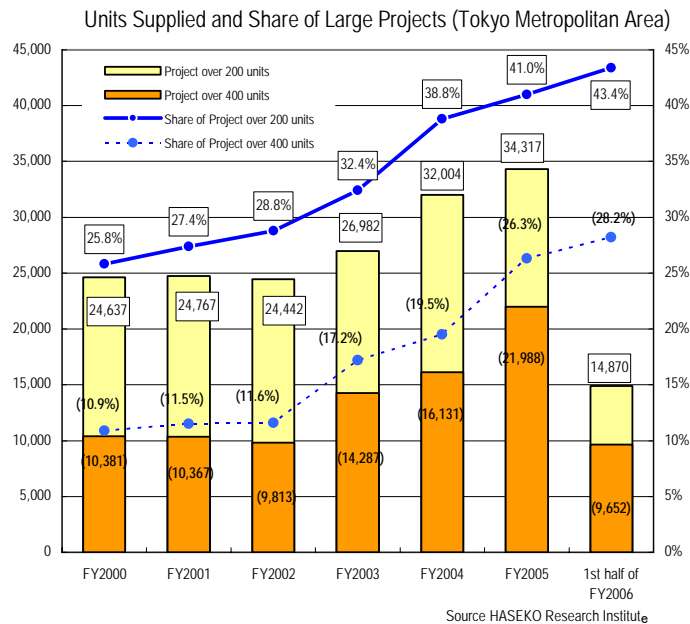
Kinki area: 61 projects, 1,970 units (year-on-year decrease of 27.7%), share 13.7% (year-on-year decrease of 4.3 points)

- New supply during the first half of the fiscal year was slow in both the Tokyo metropolitan and Kinki areas. In particular, supply in the Tokyo metropolitan area dropped 14.3% year-on-year to 34,264 units.
- The low level of new units supplied to the market was due to participants delaying the supply of units because of a desire to discern trends in for-sale condominium unit prices and market prices because of the forecast that these will increase.
- The construction starts for for-sale condominiums remain high. Construction starts for for-sale condominiums between January and September 2006 continue to remain at a high level with starts in the Tokyo metropolitan area reaching 93,340 units for a year-on-year decrease of 1.6% and starts in the Kinki area reaching 33,032 units for a 5.0% increase. As a result, the supply capacity is kept high with over 80,000 units in the Tokyo metropolitan area and more than 30,000 units in the Kinki area.



2. Large Projects and Ultra-Skyscraper Projects Continue to be Supplied Big Projects Accounted for More than 40% of All Projects in the Tokyo Metropolitan Area

- Although new supply was weak in both the Tokyo metropolitan and Kinki areas, the supply of units in large projects with at least 200 units and of units in the ultra-skyscraper projects with at least 20 floors continues to post high levels.
- The supply of new units in large projects in the Tokyo metropolitan area totaled 14,870 units and comprised 43.4% of the total for the area. The supply of new units in ultra-skyscraper projects with 20 or more floors reached 7,055 units in the first half of fiscal 2006. This amounted to 20.6% of the units supplied for all of the Tokyo metropolitan area (fiscal 2005 performance: 17,001 units; 20.3% share).
- The number of units in large projects with at least 200 units supplied in the Kinki area also totaled 4,541 units. The ratio these units comprised of all units supplied in the Kinki area surpassed 30% to reach 31.7%. In particular, the number of units supplied through projects with 400 units or more increased to 1,744 units and a share of 12.2%. In addition, the supply of new units in the ultra-skyscraper projects with 20 floors or more reached 2,151 units and climbed to a share of 15.0% (fiscal 2005 performance: 4,599 units; 13.7% share).



3. Supply in Central Downtown and Central Areas Falls while Supply in Suburbs Grows

- An analysis of the supply of units by area in the first half of fiscal 2006 reveals that the supply decreased in the 23 wards of Tokyo within the Tokyo metropolitan area and in Osaka City within the Kinki area.
- Despite this decrease in supply among the central downtown and central areas, the supply increased greatly over the preceding year in the suburban areas such as Saitama and Chiba prefectures in the Tokyo metropolitan area and Shiga and Nara prefectures in the Kinki area.
- The number of new units supplied in the 23 wards of Tokyo was 11,695 units, a 26.2% decrease year-on-year. In particular, the decrease was pronounced in the Yamanote area, which is primarily in central Tokyo, where the supply decreased 45.9% year-on-year to 5,057 units (9,347 units 1-year earlier). On the other hand, the supply in Saitama prefecture increased 2.9% year-on-year to 5,049 units (4,906 units a year ago) and increased in Chiba prefecture by 37.4% year-on-year to 6,308 units (4,592 units a year ago).

Overview of Supply by Region (Tokyo Metropolitan Area)

	6 months ended September 2005 (Units)	Year ended March 2006 (Units)	6 months ended September 2006 (Units)	Year-on- Year Variation
23 wards in Tokyo	15,855	31,020	11,695	▲26.2%
Yamanote	9,347	16,809	5,057	▲45.9%
Old downtown	6,508	14,211	6,638	2.0%
Tokyo non-ward	3,840	7,906	3,289	▲14.3%
Kanagawa prefecture	10,771	23,905	7,923	▲26.4%
Yokohama	5,197	10,466	3,468	▲33.3%
Kawasaki	2,972	7,646	3,009	1.2%
Other Kanagawa	2,602	5,793	1,446	▲44.4%
Saitama prefecture	4,906	10,107	5,049	2.9%
Saitama	1,016	1,644	1,831	80.2%
Other Saitama	3,890	8,463	3,218	▲17.3%
Chiba prefecture	4,592	10,759	6,308	37.4%
Chiba	669	2,077	1,296	93.7%
Other Chiba	3,923	8,682	5,012	27.8%
Metropolitan	39,964	83,697	34,264	▲14.3%

Source: Haseko Research Institute ▲ represents a decrease

Overview of Supply by Region (Kinki Area)

	6 months ended September 2005 (Units)	Year ended March 2006 (Units)	6 months ended September 2006 (Units)	Year-on- Year Variation
Osaka	4,492	9,948	3,530	▲21.4%
Hanshin	1,837	3,964	2,082	13.3%
Kobe	1,873	3,881	1,073	▲42.7%
Hokusetsu	1,997	4,731	1,886	▲5.6%
Higashi-osaka	1,195	2,826	1,244	4.1%
Minami-osaka	1,005	2,173	1,065	6.0%
Kyoto	1,112	2,257	847	▲23.8%
Periphery	1,598	3,397	2,608	63.2%
Other Hyogo prefecture	479	720	377	▲21.3%
Other Kyoto prefecture	176	456	291	65.3%
Shiga prefecture	321	1,134	1,035	222.4%
Nara prefecture	489	841	820	67.7%
Wakayama prefecture	133	246	85	▲36.1%
Kinki	15,109	33,177	14,335	▲5.1%

Source: Haseko Research Institute ▲ represents a decrease

4. Sales Performed Buoyantly

Initial Month Sales Rates in First Half of Fiscal 2006 are 79.2% for Tokyo Metropolitan Area and 76.3% for Kansai Area
For-sale Units and Finished Inventory Continued at Low Levels

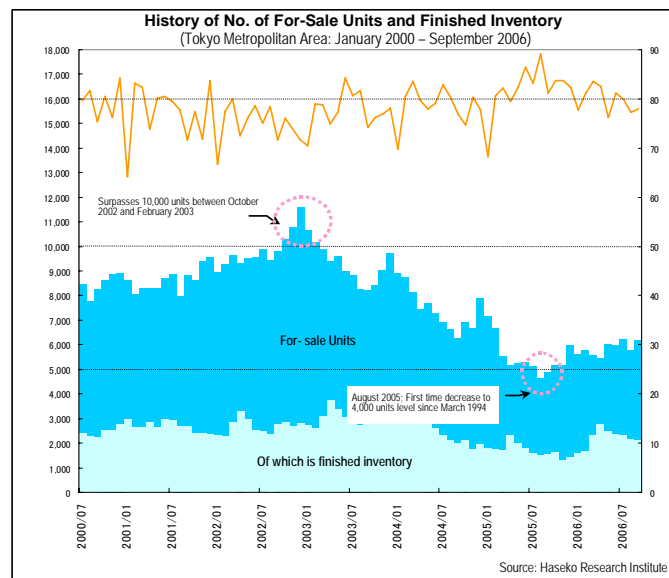
- Sales are performing steadily in both the Tokyo metropolitan and Kinki areas. The initial month sales rate for new condominiums in the Tokyo metropolitan area during the first half of fiscal 2006 was 79.2%. Although this is below the performance of last fiscal year, the figure is still strong. This same rate was also strong and continues to be steady in the Kinki area at 76.3%, the third consecutive fiscal year above 75% following on fiscals 2004 and 2005.
- Both the number of for-sale units and finished inventory remained at a low level in part because of strong sales of newly supplied properties. The number of for-sale units was around 6,000 units in the Tokyo metropolitan area and was 6,171 units as of September 30, 2006. The number of finished inventory after March 2006 was around 2,000 units and was 2,134 units as of September 30, 2006.
- The number of for-sale units was between 3,000 and 4,000 units in the Kinki area, also and totaled 3,688 units as of September 30, 2006. The finished inventory also was around 700 units and remained at a low level at September 30, 2006 (730 units).

History of Initial Month Sales Rate

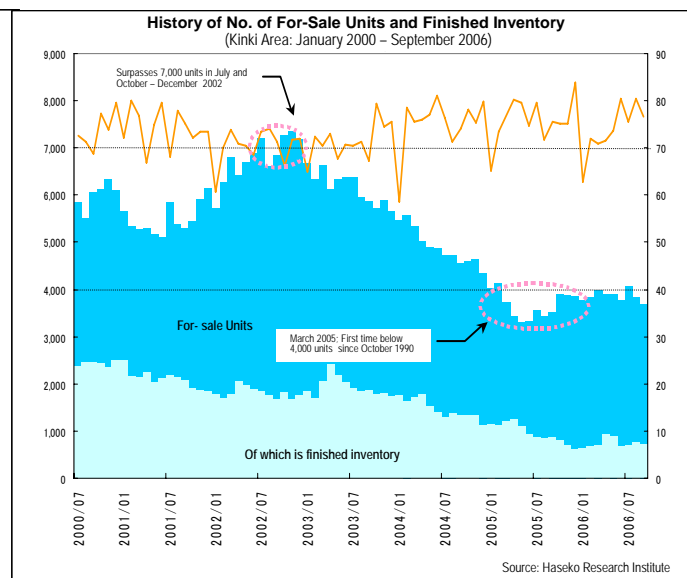
Year ended March	Tokyo Metropolitan Area		Kinki Area	
	Initial Month Sales Rate	YoY Variation	Initial Month Sales Rate	YoY Variation
2001	79.5	0.4	75.1	▲3.2
2002	77.5	▲2.0	72.5	▲2.6
2003	75.5	▲2.0	70.7	▲1.8
2004	78.6	3.1	72.9	2.2
2005	78.7	0.1	76.2	3.3
2006	83.2	4.5	76.0	▲0.2
6 months ended September 2006	79.2	▲4.0	76.3	0.3

Source: Haseko Research Institute

YoY variation is represented in points; ▲ represents a decrease



Source: Haseko Research Institute



Source: Haseko Research Institute

5. Sales of Units in Large Projects Continue to be Strong in both the Tokyo Metropolitan and Kinki Areas

- Sales of units in large projects continue to be steady in both the Tokyo metropolitan and Kinki areas. Sales of units in projects with over 400 units continue to do well with initial month sales rates during the first half of fiscal 2006 climbing above 90% in both areas. The initial month sales rate in the Tokyo metropolitan area was 92.0% and in the Kinki area was 90.9%. These figures are more than 10 percentage points above the national average.

Supply and Initial Month Sales Conditions by Condominium Project Size (Tokyo Metropolitan Area)

	Year ended March 2005		Year ended March 2006		6 months ended September 2006	
	No. of New Condominium Units Supplied	Initial Month Sales Rate	No. of New Condominium Units Supplied	Initial Month Sales Rate	No. of New Condominium Units Supplied	Initial Month Sales Rate
Under 30 units	3,687	59.8%	4,478	67.3%	1,422	66.7%
30-49 units	11,465	67.3%	11,341	70.7%	5,531	68.5%
50-99 units	19,735	70.9%	20,181	74.6%	7,232	70.5%
100-199 units	15,670	78.4%	13,380	83.4%	5,209	73.4%
200-399 units	15,873	85.6%	12,329	89.5%	5,218	87.9%
400 units or more	16,131	94.0%	21,988	96.9%	9,652	92.0%
Grand total	82,561	78.7%	83,697	83.2%	34,264	79.2%

Source: Haseko Research Institute

Supply and Initial Month Sales Conditions by Condominium Project Size (Kinki Area)

	Year ended March 2005		Year ended March 2006		6 months ended September 2006	
	No. of New Condominium Units Supplied	Initial Month Sales Rate	No. of New Condominium Units Supplied	Initial Month Sales Rate	No. of New Condominium Units Supplied	Initial Month Sales Rate
Under 30 units	1,309	65.8%	1,198	60.1%	621	51.2%
30-49 units	4,581	66.4%	4,530	66.1%	1,830	65.4%
50-99 units	9,950	70.8%	8,806	71.0%	3,911	67.2%
100-199 units	7,211	80.2%	7,555	77.5%	3,432	82.8%
200-399 units	5,856	85.4%	9,095	82.6%	2,797	84.7%
400 units or more	2,060	91.3%	1,993	94.1%	1,744	90.9%
Grand total	30,967	76.2%	33,177	76.0%	14,335	76.3%

Source: Haseko Research Institute

6. Trend of Rising Unit Prices for For-sale Units Emerges

- The unit price of for-sale condominiums was expected to rise as a result of the intensified competition to acquire property for construction of for-sale condominiums and because of the rise in land acquisition and construction costs. In fact, the unit price in the first half of fiscal 2006 rose 3.9% year-on-year in the Tokyo metropolitan area to 568,000 yen/m² and rose 2.7% year-on-year in the Kinki area to 442,000 yen/m². Thus the trend of rising unit prices of for-sale condominiums per square meter became conspicuous during this period.
- An analysis of unit prices per meter squared of for-sale condominiums between January and September 2006 in the 23 wards of Tokyo and outside the 23 wards in the Tokyo metropolitan area showed that the trend of rising prices was conspicuous in the 23 wards of Tokyo. In the 23 wards as a whole, the increase was 5.4% year-on-year to 722,000 yen/m². This increase was 10.7% to 869,000 yen/m² in the Yamanote area and a 7.2% increase to 598,000 yen/m² in the Eastern Tokyo “shitamachi” area.

History of Supplied Product Content (Tokyo Metropolitan Area)

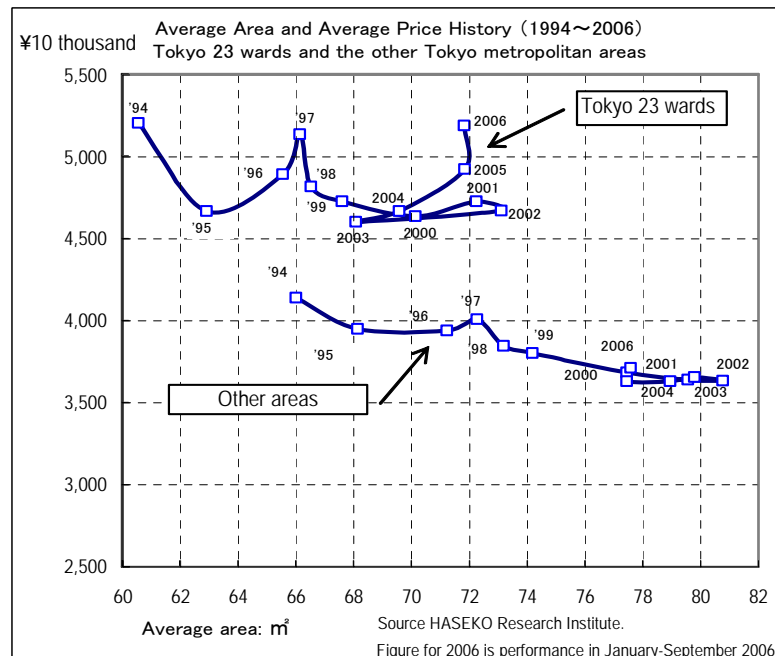
Year ended March	Average Price		Average Area		m ² Unit Price		Tsubo Unit Price	
	(¥10,000)	YOY	(m ²)	YOY	(¥1,000)	YOY	(¥1,000)	YOY
2003	4,023	▲0.3%	77.32	▲0.6%	520	0.4%	1,720	0.4%
2004	4,063	1.0%	74.09	▲4.2%	548	5.4%	1,813	5.4%
2005	4,074	0.3%	74.88	1.1%	544	▲0.8%	1,799	▲0.8%
2006	4,119	1.1%	75.38	0.7%	546	0.4%	1,806	0.4%
6 months ended September 2006	4,321	4.9%	76.06	0.9%	568	3.9%	1,877	3.9%

Source: Haseko Research Institute; ▲ represents a decrease

History of Supplied Product Content (Kinki Area)

Year ended March	Average Price		Average Area		m ² Unit Price		Tsubo Unit Price	
	(¥10,000)	YOY	(m ²)	YOY	(¥1,000)	YOY	(¥1,000)	YOY
2003	3,212	▲0.1%	77.74	0.6%	413	▲0.7%	1,366	▲0.7%
2004	3,181	▲1.0%	75.78	▲2.5%	420	1.6%	1,388	1.6%
2005	3,156	▲0.8%	75.25	▲0.7%	419	▲0.1%	1,387	▲0.1%
2006	3,204	1.5%	74.35	▲1.2%	431	2.7%	1,425	2.7%
6 months ended September 2006	3,370	5.2%	76.18	2.5%	442	2.7%	1,463	2.7%

Source: Haseko Research Institute; ▲ represents a decrease



- A trend of rising unit prices for for-sale condominiums has also emerged in the Kinki area.

The per square meter unit prices of for-sale condominiums by area for January – September 2006 rose 16.0% year-on-year in Kyoto City to 528,000 yen/m², rose 9.3% in Hokusetsu to 471,000 yen/m² and rose 8.9% in the Hanshin area (between Osaka and Kobe) to 478,000 yen/m².

Note:

Yamanote area: Minato, Chuo, Chiyoda, Shibuya, Shinjuku, Bunkyo, Meguro, Toshima, Setagaya, Sugiyama, Nakano, Nerima

Shitamachi area: Taito, Sumida, Koto, Adachi, Katsushika, Edogawa, Shinagawa, Ohta, Kita, Arakawa, Itabashi

Overview of preferred stock

Outstanding as of October 31, 2006

	Issue price	Initial Conversion Price	Ceiling and Floor of Conversion Price	Present Potential dilution	Conversion requesting period	Remarks
Class A I	6.7 ¥Billion	72yen	Ceiling:108yen Floor:43yen	93 million shares (@ 72yen)	October 1,2006~ September 30,2011	
Class A II	17.3 ¥Billion	72yen	Ceiling:144yen Floor:36yen	240 million shares (@ 72yen)	October 1,2007~ September 30,2014	
Sub-total	24.0 ¥Billion			333 million shares		

< Schedule to redeem >

Class A IV	26.0 ¥Billion	72yen	Ceiling:216yen Floor:36yen		October 1,2012~ September 30,2028	Schedule redeem in YE3/31/2008 and YE3/31/2009
Class B I	45.0 ¥Billion	Market price 1 year before conversion start date (however, not below @72 yen)	Ceiling: 300% of initial conversion price Floor: 50% of initial conversion price		October 1,2015~ September 30,2032	Schedule redeem in YE3/31/2010- YE3/31/2012
Sub-total	71.0 ¥Billion					

Cancelled

	Issue price	Acquired Price	Executed
Class A II	2.7 ¥Billion	12.0 ¥Billion (440% of the issued price)	July 31,2006: Acquired August 24,2006: Cancelled
Class A III	20.0 ¥Billion	38.0 ¥Billion (190% of the issued price)	September 29,2005: Acquired and Cancelled
Class A IV	13.0 ¥Billion	18.3 ¥Billion (140% of the issued price)	July 31,2006: Acquired August 24,2006: Cancelled
Sub-total	35.7 ¥Billion		

Converted to Common Stock

	Issue price	Increased due to conversion
Class A I	12.1 ¥Billion	168million shares

Outstanding common stock as of October 31,2006 : 961.8million shares
 Potential dilution for A I and A II : 333.1million shares

➔ 1,294.9 million shares

