

Summary of Financial Statements

~For the 6 months ended September 30, 2007~



Grande Maison Suginami Season(Suginami-ku Tokyo、 Completed: October 2007、 684units)

November, 2007

Haseko Corporation

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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 forecasts due to changes in various factors.

The aim by New Medium-Term plan (Announced in February 2005) and Capital Reorganization Plan (Announced in August 2005) was

Reinforcement and stabilization of profit earning

Secure a healthy financial soundness

Handling of outstanding Preferred stock

Special loss for 26.4 billion yen for early application of Accounting Standard on Valuation of Inventory Assets in 07/9

Completion the securement of healthy financial soundness

Resume year-end dividend

¥3 per share

Summary of Income Statements (For the 6 months ended 9/30/2007)



<Consolidated>	Billions of Yen						
	06/9 Performance	07/9 Forecasted	07/9 Performance	Difference between 06/9	07/3 Performance	08/3 Forecast	Difference
Net Sales	311.3	375.0	366.4	55.2	723.1	735.0	11.9
Construction contracts	202.5	225.5	*1 222.7	20.2	437.5	480.0	42.5
Design and supervision	4.8	5.0	4.3	(0.5)	10.8	10.0	(0.8)
Leasing and management	26.2	28.5	29.1	2.8	55.2	57.0	1.8
Real estate sale	75.9	114.0	*2 108.3	32.4	215.9	184.0	(31.9)
Other	1.8	2.0	2.0	0.1	3.8	4.0	0.2
Gross Profit	38.9	41.1	43.0	4.1	88.6	88.5	(0.1)
Construction contracts	24.9	23.5	*1 23.2	(1.8)	57.2	51.6	(5.6)
[Profit ratio of construction contracts]	[12.3%]	[10.4%]	[10.4%]	(-1.9pnt.)	[13.1%]	[10.8%]	(-2.3pnt.)
Design and supervision	2.9	3.0	2.4	(0.4)	6.5	6.0	(0.5)
Leasing and management	3.3	4.8	4.4	1.0	7.6	8.2	0.6
Real estate sale	7.5	9.4	*2 12.8	5.3	16.8	22.0	5.2
Other	0.3	0.4	0.3	0.0	0.5	0.7	0.2
SG&A	11.6	13.2	12.6	1.1	24.1	26.0	1.9
Operating Income	27.3	27.9	30.4	3.1	64.5	62.5	(2.0)
[Operating income ratio]	[8.8%]	[7.4%]	[8.3%]	(-0.5pnt.)	[8.9%]	[8.5%]	(-0.4pnt.)
Interest income (expense), net	(0.6)	(1.3)	0.9	(0.3)	(1.6)	(2.3)	(0.7)
Other income(expense), net	0.1	(0.1)	0.3	(0.4)	0.2	(0.2)	(0.4)
Ordinary Income	26.8	26.5	29.2	2.4	63.0	60.0	(3.0)
[Ordinary income ratio]	[8.6%]	[7.1%]	[8.0%]	(-0.6pnt.)	[8.7%]	[8.2%]	(-0.5pnt.)
Special income(loss), net	(10.0)	(3.5)	*3 (27.5)	(17.5)	(26.4)	(28.0)	(1.6)
Net Income before income taxes	16.7	23.0	1.7	(15.1)	36.7	32.0	(4.7)
Income taxes	0.5	3.0	(4.8)	(5.3)	3.0	0.0	(3.0)
Net Income	16.3	20.0	6.5	(9.8)	33.7	32.0	(1.7)
Depreciation	1.4		1.7	0.3	3.3		
Number of employees	3,696		3,916	220	3,677		

*1. Although, Construction sales was increased for Haseko Corporation on a non-consolidated basis as a result of increase in construction volume, construction profit was decreased.

*2. 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.

*3. Special income (loss) enty primarily impairment loss on current assets

Summary of Income Statements (For the 6 months ended 9/30/2007)



<Non-Consolidated>					Billions of Yen		
	06/9 Performance	07/9 Forecasted	07/9 Performance	Difference between 06/9	07/3 Performance	08/3 Forecast	Difference
Net Sales	252.5	310.0	300.2	47.7	599.1	600.0	0.9
Construction contracts	178.5	195.0	194.8	16.3	380.3	420.0	39.7
Commissioned work	8.2	8.0	5.3	(2.9)	17.2	13.5	(3.7)
Design and supervision	4.8	5.0	4.4	(0.4)	10.8	10.0	(0.8)
Lease rentals of buildings	1.3	1.5	1.7	0.5	2.7	3.5	0.8
Real estate sale	59.7	100.5	94.0	34.3	188.1	153.0	(35.1)
Gross Profit	29.1	30.8	31.9	2.8	70.5	66.2	(4.3)
Construction contracts	16.8	16.5	16.6	(0.2)	40.3	37.0	(3.3)
Commissioned work	6.1	5.5	3.9	(2.2)	12.3	9.0	(3.3)
[Profit ratio of construction works]	[12.3%]	[10.8%]	[10.2%]	(-2.1pnt.)	[13.2%]	[10.6%]	(-2.6pnt.)
Design and supervision	2.8	3.0	2.4	(0.4)	6.4	6.0	(0.4)
Lease rentals of buildings	0.3	0.6	0.3	0.0	0.7	0.6	(0.1)
Real estate sale	3.0	5.2	8.7	5.7	10.8	13.6	2.8
SG&A	7.2	8.3	8.0	0.7	15.1	16.2	1.1
Operating Income	21.8	22.5	24.0	2.1	55.4	50.0	(5.4)
[Operating income ratio]	[8.7%]	[7.3%]	[8.0%]	(-0.7pnt.)	[9.2%]	[8.3%]	(-0.9pnt.)
Interest income(expense), net	1.6	3.0	3.5	1.9	0.7	2.0	1.3
Other income(expense), net	0.1	0.0	0.0	(0.1)	0.2	0.0	(0.2)
Ordinary Income	23.5	25.5	27.5	4.0	56.2	52.0	(4.2)
[Ordinary income ratio]	[9.3%]	[8.2%]	[9.1%]	(-0.2pnt.)	[9.4%]	[8.7%]	(-0.7pnt.)
Special income(loss), net	(8.8)	(3.5)	(23.1)	(14.2)	(30.7)	(26.5)	(4.2)
Net income before income taxes	14.7	22.0	4.4	(10.3)	25.5	25.5	0.0
Income taxes	(0.1)	2.0	(1.1)	(1.0)	1.9	(2.0)	(3.9)
Net Income	14.8	20.0	5.5	(9.3)	23.6	27.5	3.9
Depreciation	0.3		0.5	0.1	0.8		
Number of employees	1,907		2,027	120	1,896		

Summary of Consolidated Balance Sheets (As of 9/30/2007)



Assets

	3/31/2007	9/30/2007	Difference
Current assets:			
Cash and bank deposits	66.5	81.8	15.3
Notes and accounts receivable, trade	81.3	93.2	11.9
Costs incurred on uncompleted contrac	18.5	28.2	9.7
Real estate for sale *1	184.3	145.8	(38.6)
Short-term loans	0.9	0.7	(0.1)
Deferred tax assets	6.8	20.6	13.7
Other current assets *4	19.1	8.1	(11.0)
Allowance for doubtful accounts	(0.2)	(0.1)	0.0
Total current assets	377.3	378.4	1.1
Fixed assets:			
Property and Equipment, Leasehold rights *1	107.7	107.7	0.1
Investments in securities	6.1	5.7	(0.4)
Long-term loans *5	12.8	3.5	(9.3)
Long-term deferred tax assets	43.0	34.9	(8.2)
Other assets	12.3	11.8	(0.5)
Allowance for doubtful accounts *6	(12.5)	(3.0)	9.5
Total fixed assets	169.4	160.7	(8.7)
Total Assets	546.7	539.1	(7.6)

Liabilities and Net Assets

	Billions of Yen		
	3/31/2007	9/30/2007	Difference
Current Liabilities:			
Notes and accounts payable	153.9	149.0	(4.9)
Short-term debt *2	0.9	1.3	0.4
Current portion of long-term debt	31.8	31.8	-
Advances received on uncompleted contracts	28.3	44.2	15.9
Other current liabilities	46.5	44.2	(2.3)
Total current liabilities	261.4	270.5	9.1
Long-term Liabilities:			
Long-term debt *2	154.7	154.8	0.1
Other long-term liabilities *4	17.6	11.3	(6.3)
Total long-term liabilities	172.3	166.1	(6.2)
Total liabilities	433.7	436.6	2.9
Net Assets:			
Shareholders' Equity:			
Capital stock	50.0	50.0	-
Retained earnings	64.5	52.7	(11.8)
Treasury stock	(0.2)	(0.2)	(0.0)
Total shareholders' equity	114.3	102.5	(11.8)
Valuation Translation Adjustments and Others:			
Net unrealized gain on other securities	0.1	(0.1)	(0.2)
Cumulative translation adjustments	(1.7)	(0.2)	1.4
Total Valuation Adjustments and Others	(1.6)	(0.4)	1.2
Minority Interests:	0.3	0.3	0.0
Total Net Assets	113.0	102.4	(10.6)
Total Liabilities and Net Assets	546.7	539.1	(7.6)

Summary of Consolidated Balance(As of 9/30/2007)



*1.Real Estate Balance

	3/31/2007	9/30/2007	Difference	
Land and building held for sale	66.7	47.8	(18.9)	
Costs and advances for real estate operations	58.7	48.8	(9.9)	
Real estate for development projects	58.9	49.1	(9.7)	
Real estate for sale	184.3	145.8	(38.6)	*Decrease due to entry impairment loss on current assets.
Property and equipment, Lease hold rights	107.7	107.7	0.1	
	292.0	253.5	(38.5)	

*2.Interest-bearing Debt Balance

	3/31/2007	9/30/2007	Difference	
Interest-bearing debt	187.4	187.9	0.5	*Increase in short-term debt in consolidated subsidiary.

*3.Change in Net Assets

	3/31/2007	Reversal of paid in capital of	Cancellation of preferred stocks	Net Income	Other	9/30/2007
Capital	50.0					50.0
Additional paid-in capital	-	18.3	(18.3)			-
Retained earnings	64.5	(18.3)		6.5		52.7
Treasury Stock	(0.2)				(0.0)	(0.2)
Other	(1.3)				1.2	(0.1)
Net Assets	113.0	-	(18.3)	6.5	1.2	102.4

*4. Decrease each asset and liability for Hotel Sherena litigation due to the court judgement was deifined.

*5. Decrease in long-term loans to subsidiaries and affiliates.

*6. Decrease allowance for loans to subsidiaries and affiliates.

Cash Flows

	06/9	07/9	Difference	07/3
Cash Flows from operating activities	1.3	35.0	33.8	22.2
Cash Flows from investing activities	(2.9)	(1.7)	1.2	(3.6)
Cash Flows from financing activities	(20.8)	(17.9)	2.9	(29.7)
Cash and cash equivalents as of 9/30 or 3/31	54.5	81.7	27.2	66.0

Summary of Non-Consolidated Balance Sheets(As of 9/30/2007)



Assets

	3/31/2007	9/30/2007	Difference
Current assets:			
Cash and bank deposits	38.6	60.0	21.4
Notes and A.R., construction contracts	65.8	77.7	11.9
AR;Real estate and Lease rental of building	2.0	1.5	(0.5)
Costs incurred on uncompleted contracts *1	14.3	21.5	7.2
Real estate for sale	130.9	99.3	(31.6)
Deferred tax assets	5.4	15.7	10.3
Other current assets	23.6	8.7	(14.9)
Total current assets	280.6	284.4	3.8
Fixed assets:			
Property and Equipment, Leasehold rights	20.0	15.9	(4.2)
Investments in securities	1.0	1.3	0.3
Investments in subsidiaries and affiliates	46.2	52.4	6.2
Long-term loans to subsidiaries and affiliates	139.4	124.7	(14.7)
Long-term deferred tax assets	36.2	29.9	(6.4)
Other fixed assets	12.8	12.1	(0.7)
Allowance for doubtful accounts	(79.7)	(76.1)	3.6
Total fixed assets	175.9	160.1	(15.8)
Total assets	456.5	444.5	(12.0)

Liabilities and Net Assets

	Billions of Yen		
	3/31/2007	9/30/2007	Difference
Current Liabilities:			
Notes and accounts payable	137.9	131.9	(6.1)
Current portion of long-term debt	31.8	31.8	-
Advances received on uncompleted contracts *1	25.3	39.3	14.1
Other current liabilities	36.4	35.8	(0.6)
Total current liabilities	231.4	238.8	7.4
Long-term Liabilities:			
Long-term debt	119.4	119.4	-
Other	9.4	3.0	(6.4)
Total long-term liabilities	128.8	122.4	(6.4)
Total liabilities	360.2	361.2	0.9
Net Assets:			
Shareholders' Equity:			
Capital stock	50.0	50.0	-
Retained earnings	46.3	33.6	(12.8)
Treasury stock	(0.2)	(0.2)	(0.0)
Total shareholders' equity	96.2	83.4	(12.8)
Valuation Translation Adjustments and Others:			
Net unrealized gain on other securities	0.1	(0.1)	(0.1)
Total Net Assets	96.2	83.3	(12.9)
Total Liabilities and Net Assets	456.5	44.5	(12.0)

*1.Excess of Work Taken On

	3/31/2007	9/30/2007	Difference
Advances received on uncompleted contracts (A)	14.3	21.5	7.2
Costs incurred on uncompleted contracts (B)	25.3	39.3	14.1
Difference (B)-(A)	11.0	17.8	6.8

Non-consolidated Orders Received

Orders

(Billions of yen)

	07/3				08/3				
	~1Q	~2Q	~3Q	Annual	~1Q	~2Q	YOY	Annual Forecast	YOY
Orders	94.1	212.8	304.7	452.8	115.2	173.6	(39.1)	400.0	(52.8)
Construction business	91.3	206.5	295.8	440.4	113.1	168.0	(38.6)	389.5	(50.9)
Private-sector condominiums	77.6	178.1	255.8	386.7	106.2	136.9	(41.2)	343.0	(43.7)
General construction	6.7	16.6	21.8	30.1	3.1	22.6	6.0	25.0	(5.1)
Civil engineering	2.5	2.8	4.2	4.5	0.2	1.3	(1.5)	4.5	0.0
Consulting contracts	4.5	9.1	14.0	19.1	3.6	7.1	(1.9)	17.0	(2.1)
Design/supervision business	2.8	6.2	8.9	12.4	2.1	5.7	(0.5)	10.5	(1.9)

Order by Size Private-sector condominiums

(Billions of yen)

	07/3		08/3		YOY	07/3	
	~2Q	Share	~2Q	Share		Annual	Share
Under 200 units	65.8	37.5%	43.2	32.4%	(22.6)	147.8	39.2%
200-399 units	46.0	26.2%	46.5	34.7%	0.4	101.3	26.9%
400 units or more	63.9	36.3%	43.9	32.9%	(20.0)	127.9	33.9%
Total	175.7	100%	133.6	100%	(42.1)	376.9	100%

* Excluding additional construction orders

Haseko Designated Orders and Construction with Design orders

	06/9	07/9	06/3
Ratio of Haseko Designated Orders	99.7%	99.9%	99.7%
Ratio of Construction with Design Orders	86.5%	80.2%	91.7%

*Excluding commissioned works

Order by Region

(Billions of yen)

	07/3		08/3		YOY	07/3	
	~2Q	Share	~2Q	Share		Annual	Share
Tokyo Metropolitan Area	161.7	76.0%	101.6	58.5%	(60.0)	348.2	76.9%
Kinki Area	51.1	24.0%	72.0	41.5%	20.9	104.5	23.1%
Total	212.8	100%	173.6	100%	(39.1)	452.8	100%

*Tokai area is included in the Kinki figures

Business performance of subsidiaries (Consolidated subsidiaries)



Billions of Yen

Name		07/9	08/3	9/30/2007	
		Actual	Forecast		
HASEKO Anesis Corporation	Net Sales	0.6	1.2	Total assets	8.1
	Ordinary Income	1.6	1.4	Net assets	7.1
	Net Income	1.6	1.5	No. of employees	60
HASEKO Community Inc.	Net Sales	20.0	38.7	Total assets	12.2
	Ordinary Income	1.2	2.3	Net assets	3.7
	Net Income	0.7	1.4	No. of employees	547
HASEKO Livenet Inc.	Net Sales	10.6	23.1	Total assets	8.0
	Ordinary Income	0.9	2.5	Net assets	2.2
	Net Income	0.3	1.2	No. of employees	241
Century Life Co.,Ltd.	Net Sales	0.6	1.3	Total assets	5.4
	Ordinary Income	(0.0)	0.0	Net assets	0.4
	Net Income	(0.0)	0.0	No. of employees	6
HASEKO Systems Inc.	Net Sales	1.6	3.1	Total assets	1.3
	Ordinary Income	0.4	0.7	Net assets	0.7
	Net Income	0.2	0.4	No. of employees	57
HASEKO Intech Inc.	Net Sales	3.7	9.5	Total assets	2.5
	Ordinary Income	0.0	0.5	Net assets	0.6
	Net Income	0.0	0.3	No. of employees	56
Brigton Corporation	Net Sales	5.3	11.3	Total assets	31.2
	Ordinary Income	(0.1)	0.2	Net assets	4.7
	Net Income	(0.1)	(0.0)	No. of employees	23
Haseko Urbest Inc.	Net Sales	6.2	12.8	Total assets	11.5
	Ordinary Income	1.1	2.1	Net assets	5.7
	Net Income	0.8	1.3	No. of employees	539
Hasec Inc.	Net Sales	38.3	88.2	Total assets	19.9
	Ordinary Income	0.0	0.1	Net assets	0.3
	Net Income	0.2	0.3	No. of employees	32
Foris Corporation	Net Sales	3.8	13.1	Total assets	6.2
	Ordinary Income	0.0	0.3	Net assets	0.2
	Net Income	(0.4)	(0.3)	No. of employees	116
FUJI Kensetsu Co., Ltd.	Net Sales	12.9	36.1	Total assets	14.2
	Ordinary Income	0.4	1.5	Net assets	0.9
	Net Income	0.3	0.8	No. of employees	175

Billions of Yen

Name		07/9	08/3	9/30/2007	
		Actual	Forecast		
HASEKO America Inc. and 14 subsidiaries	Net Sales	8.2	14.6	Total assets	46.9
	Ordinary Income	1.8	2.5	Net assets	43.4
	Net Income	3.2	3.7	No. of employees	35
Noda Kaihatsu Co., Ltd. *1	Net Sales	0.1	0.4	Total assets	8.3
	Ordinary Income	(0.0)	(0.1)	Net assets	(17.0)
	Net Income	(6.1)	(6.9)	No. of employees	0
HASEKO Finance Inc. *1	Net Sales	0.5	0.9	Total assets	16.8
	Ordinary Income	(0.0)	0.0	Net assets	(26.4)
	Net Income	(6.0)	1.1	No. of employees	2
HASEKO Real Estate Inc. *1	Net Sales	0.1	0.2	Total assets	5.2
	Ordinary Income	(0.0)	(0.1)	Net assets	(13.6)
	Net Income	0.3	1.6	No. of employees	0
HASEKO Development Inc. *1	Net Sales	0.0	1.5	Total assets	3.8
	Ordinary Income	(0.0)	0.6	Net assets	(16.1)
	Net Income	(1.7)	2.0	No. of employees	0
HASEKO Create Inc. *2	Net Sales	0.1	0.1	Total assets	0.5
	Ordinary Income	0.0	0.1	Net assets	(5.9)
	Net Income	0.1	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
Ecology Reit Corporation	Net Sales	0.6	1.7	Total assets	38.3
	Ordinary Income	0.2	0.6	Net assets	2.2
	Net Income	0.1	0.3	No. of employees	0
(Affiliated) Mori-gumi Co.,Ltd.	Net Sales	15.5	39.8	Total assets	21.4
	Ordinary Income	(0.2)	0.0	Net assets	2.1
	Net Income	(0.4)	0.0	No. of employees	-
(Affiliated) Takarazuka Kaihatsu Co.,Ltd.	Net Sales	-	0.1	Total assets	1.0
	Ordinary Income	(0.1)	(0.3)	Net assets	(28.5)
	Net Income	(0.1)	(0.2)	No. of employees	-

*1. Noda Kaihatsu and other 3 companies will be merged with Haseko Corporation.

*2. Haseko Create will complete of dissolution on March 2008.

Business performance of subsidiaries

(Haseko Urbest, Haseko Community and Haseko Livnet)



HASEKO URBEST

Units

		07/3		08/3	
		Interim	Annual	Interim	Annual (Forecast)
Consignment sales	Number of transactions	4,881	9,594	4,471	9,650
	Value of transactions	¥164.7B	¥332.5B	¥161.9B	¥338.7B
Brokerage	Number of transactions	752	1,609	891	1,980
	Value of transactions	¥18.3B	¥39.4B	¥24.9B	¥53.6B
Total	Number of transactions	5,633	11,203	5,362	11,630
	Value of transactions	¥183.0B	¥371.9B	¥186.8B	¥392.3B

HASEKO COMMUNITY

Units

		07/3		08/3	
		9/30	3/31	9/30	3/31 (Forecast)
Managing condominium units		173,946	181,276	184,765	192,000

HASEKO LIVENET

Units

		07/3		08/3	
		9/30	3/31	9/30	3/31 (Forecast)
Commissioned rental management		8,208	9,127	9,070	9,700
Commissioned property management		25,371	28,359	29,553	32,700
Company housing management agency		17,924	17,100	17,806	18,400
Total number of dwellings managed		51,503	54,586	56,429	60,800

Billions of Yen

	07/3		08/3	
	Interim	Annual	Interim	Annual (Forecast)
Net sales	5.3	11.9	6.2	12.8
Gross profit	1.4	3.9	1.8	3.7
SG&A	0.7	1.4	0.7	1.6
Operating income	0.7	2.4	1.1	2.1
Ordinary income	0.8	2.5	1.1	2.1
Net income	0.4	2.5	0.8	1.3

Billions of Yen

	07/3		08/3	
	Interim	Annual	Interim	Annual (Forecast)
Net sales	16.9	35.1	20.0	38.7
Gross profit	1.5	3.3	1.9	3.5
SG&A	0.6	1.4	0.7	1.2
Operating income	0.9	1.9	1.2	2.3
Ordinary income	0.9	1.9	1.2	2.3
Net income	0.9	1.1	0.7	1.4

Billions of Yen

	07/3		08/3	
	Interim	Annual	Interim	Annual (Forecast)
Net sales	10.0	20.6	10.6	23.1
Gross profit	2.5	5.3	2.5	5.8
SG&A	1.5	3.0	1.6	3.4
Operating income	1.1	2.3	0.9	2.4
Ordinary income	1.1	2.3	0.9	2.5
Net income	0.7	0.6	0.3	1.2

Tokyo Metropolitan Area

	2005					2006					2007(Jan. - Sep.)				
	Supply			Initial Month Sales Rate		Supply			Initial Month Sales Rate		Supply			Initial Month Sales Rate	
	Total	Haseko Constructed	Haseko's Share	Total	Haseko Constructed	Total	Haseko Constructed	Haseko's Share	Total	Haseko Constructed	Total	Haseko Constructed	Haseko's Share	Total	Haseko Constructed
Under 30 units	4,444	27	0.6%	65.6%	74.1%	3,418	28	0.8%	66.9%	78.6%	2,344	-	-	54.1%	-
30 ~ 49 units	11,532	156	1.4%	70.9%	67.3%	11,223	205	1.8%	68.3%	78.5%	5,885	92	1.6%	61.9%	79.3%
50 ~ 99 units	20,448	2,375	11.6%	74.1%	68.3%	17,156	1,081	6.3%	71.0%	67.2%	9,631	1,036	10.8%	66.5%	66.5%
100 ~ 199 units	14,008	2,290	16.3%	83.1%	86.6%	11,287	1,714	15.2%	76.5%	83.4%	7,061	1,652	23.4%	74.2%	69.9%
200 ~ 399 units	13,096	2,398	18.3%	88.3%	88.8%	11,454	3,322	29.0%	82.6%	83.1%	8,449	1,485	17.6%	75.5%	83.2%
400 units or more	20,620	6,974	33.8%	97.0%	97.7%	19,925	7,680	38.5%	90.7%	89.8%	9,862	4,057	41.1%	88.3%	91.7%
Total	84,148	14,220	16.9%	82.5%	89.1%	74,463	14,030	18.8%	78.3%	85.5%	43,232	8,322	19.2%	73.2%	82.6%

Kinki Area

	2005					2006					2007(Jan. - Sep.)				
	Supply			Initial Month Sales Rate		Supply			Initial Month Sales Rate		Supply			Initial Month Sales Rate	
	Total	Haseko Constructed	Haseko's Share	Total	Haseko Constructed	Total	Haseko Constructed	Haseko's Share	Total	Haseko Constructed	Total	Haseko Constructed	Haseko's Share	Total	Haseko Constructed
Under 30 units	1,326	-	-	63.3%	-	1,250	-	-	52.2%	-	733	-	-	62.8%	-
30 ~ 49 units	4,891	44	0.9%	68.0%	90.9%	3,342	-	-	60.6%	-	2,523	16	0.6%	62.0%	31.3%
50 ~ 99 units	8,627	582	6.7%	73.1%	75.8%	8,057	355	4.4%	63.8%	66.2%	6,044	600	9.9%	61.1%	69.7%
100 ~ 199 units	7,878	2,631	33.4%	78.5%	80.9%	7,397	1,873	25.3%	75.7%	73.5%	5,887	1,451	24.6%	65.6%	71.5%
200 ~ 399 units	8,219	1,195	14.5%	81.9%	87.2%	7,401	958	12.9%	82.6%	87.5%	5,831	2,009	34.5%	75.1%	78.0%
400 units or more	2,123	1,503	70.8%	95.0%	95.1%	2,699	940	34.8%	90.5%	94.8%	1,327	50	3.8%	83.0%	90.0%
Total	33,064	5,955	18.0%	76.9%	85.3%	30,146	4,126	13.7%	72.9%	81.0%	22,345	4,126	18.5%	67.4%	74.5%

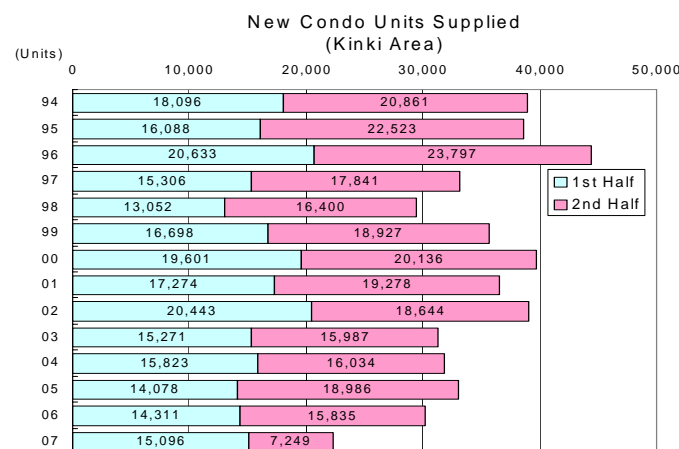
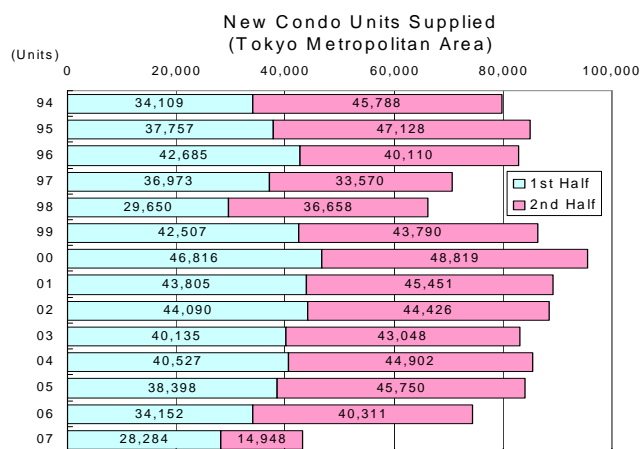
- Supply of new units for the January – September 2007 period reached 1,607 projects for 43,232 units, or a year-on-year decrease of 15.3%, in the Tokyo metropolitan area and 772 projects for 22,345 units in the Kinki area, a year-on-year increase of 4.3%.

Haseko's Construction Performance in the January – September 2007 period:

Tokyo metropolitan area: 218 projects, 8,322 units (year-on-year decrease of 15.2%); share 19.2% (year-on-year change 0.0 points)

Kinki area: 128 projects, 4,126 units (year-on-year increase of 32.1%), share 18.5% (year-on-year increase of 3.9 points)

- Supply of new units stayed stagnant even for the January – September 2007 period, showing 43,232 units, or a year-on-year decrease of 15.3%, in the Tokyo metropolitan area. Particularly; new supply during the first half (January – June) was 28,284 units, or a year-on-year decrease of 17.2%. This is the fewest number of units since 1994, when mass supply began, falling below the 29,650 units recorded in 1998.
- The reason for the significant decrease can be attributed to a variety of factors, including less aggressive sales in central downtown and passing up of launches in suburban areas in order to discern price trends.
- Steady supply was implemented for the January – September period with 22,345 units, a year-on-year increase of 4.3% in the Kinki area. However, a trend continued in which the industry cautiously consider the number and timing of supplying units while discerning sales situations, market prices and unit prices for for-sale condominiums.



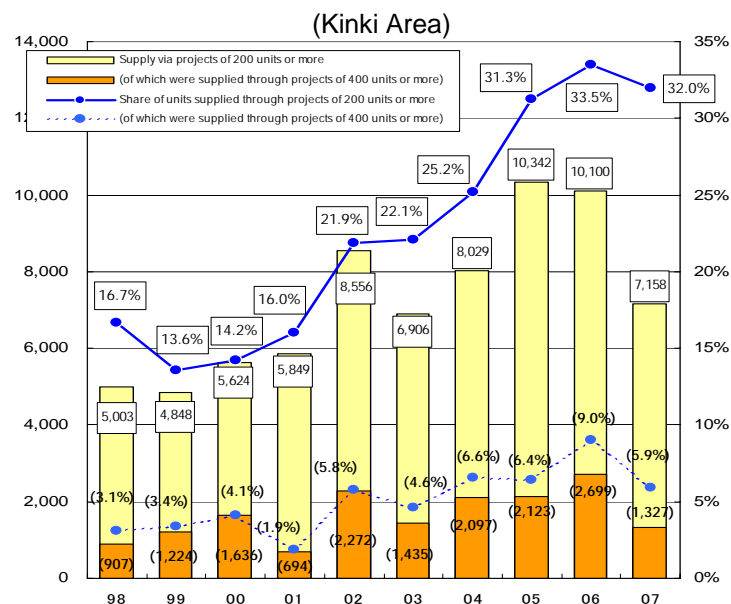
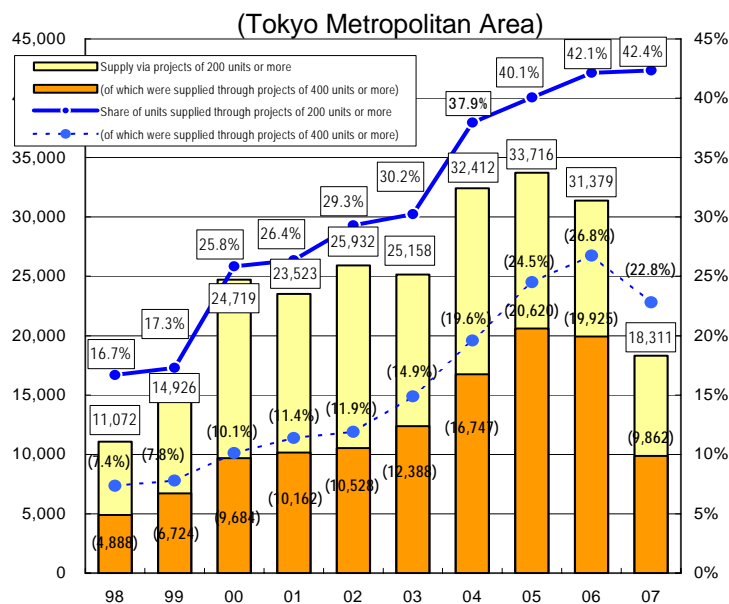
*Figure for 07 is performance in January - September 2007

Source: Haseko Research Institute

2. Large Projects supplied continues to post high levels. However, supply of large projects and ultra-skyscraper projects, both with at least 400 units in the Tokyo metropolitan area, decreased.

- The supply of units in large projects with at least 200 units for the January – September 2007 period totaled 18,311 units in the Tokyo metropolitan area. This comprised 42.4% of the total Tokyo metropolitan area, or almost the same as the previous year (42.1%), and large projects have continued to be the center of supply. However, the supply of units in condominiums with at least 400 units was 9,862 units, or 22.8% of the total in the area. These figures showed a year-on-year decrease from 14,728 units and 28.9%, respectively. The supply of units in ultra-skyscraper projects (with 20 floors or more) totaled 7,467 units, comprising 17.3% of all units supplied in the Tokyo metropolitan area. Both the number of supplied units and the composition ratio saw decreases from the previous year's 10,782 units and 21.1%, respectively.
- The supply of units in large projects with at least 200 units for the January – September 2007 period was 7,158 units, comprising 32.0% of the total in the Kinki area. Though slightly decreased from the previous year's results, it remained at a high level. (Supply of units in this category during the same period in 2006 was 7,292 units, comprising 34.0% of the total.) The supply of units in ultra-skyscraper projects (with 20 floors or more) also continued at a high level, at 3,117 units in the January – September 2007 period. The figure comprised 13.9% of the total in all of the Kinki area, staying at above 10% although below the previous year's 16.1%.

Units Supplied and Share of Large Projects



Source:Haseko Research Institute
 Figures for 07 is performance for January - September

3. Supply of units declined both in central downtown and suburban areas in the Tokyo metropolitan area. Decreasing trend of supply continued in Osaka-shi in the Kinki area.

- The supply of new units in the 23 wards of Tokyo was 11,990 units, a year-on-year decrease of 31.8% in the Tokyo metropolitan area. As a result, the supply of units in the 23 wards of Tokyo occupied 27.7% of the entire Tokyo metropolitan area, decreasing to below 30%. On the other hand, the number of supply also decreased significantly in the suburban areas, especially in Saitama and Chiba Prefectures, where an increase of supply had been expected. The supply in Saitama and Chiba Prefectures decreased to 6,249 units and 7,851 units, year-on-year decreases of 14.5 and 10.5%, respectively.
- Looking back, the supply by area during the January – September 2007 period, the supply in Osaka-shi continued to be low, although other major areas saw increases in supply in the Kinki area. In suburban areas, where the supply had increased significantly in the previous year, reverted to show a year-on-year decline.

Overview of Supply by Region (Tokyo Metropolitan Area)

	2005		2006		(%)
	1st Half (Units)	Annual (Units)	1st Half (Units)	Jan. - Sep. (Units)	
23 wards in Tokyo	11,830	23,650	8,182	11,990	▲31.8%
Yamanote	5,711	9,984	3,504	4,993	▲37.3%
Old downtown	6,119	13,666	4,678	6,997	▲27.2%
Tokyo non-ward	2,782	7,004	3,214	5,006	7.4%
Kanagawa prefecture	8,795	20,456	8,670	12,136	▲4.6%
Yokohama	3,846	8,430	3,172	4,997	▲6.6%
Kawasaki	2,938	7,206	3,914	4,576	▲2.8%
Other Kanagawa	2,011	4,820	1,584	2,563	▲3.7%
Saitama prefecture	5,030	10,532	3,579	6,249	▲14.5%
Saitama	1,198	3,132	1,023	1,782	▲9.9%
Other Saitama	3,832	7,400	2,556	4,467	▲16.2%
Chiba prefecture	5,715	12,821	4,639	7,851	▲10.5%
Chiba	801	2,828	855	1,890	5.6%
Other Chiba	4,914	9,993	3,784	5,961	▲14.7%
Metropolitan	34,152	74,463	28,284	43,232	▲15.3%

Source: Haseko Research Institute ▲ represents a decrease

Overview of Supply by Region (Kinki Area)

	2005		2006		(%)
	1st Half (Units)	Annual (Units)	1st Half (Units)	Jan. - Sep. (Units)	
Osaka	4,331	8,550	3,103	4,325	▲28.4%
Hanshin	1,804	3,763	1,715	2,311	▲23.2%
Kobe	1,309	2,667	1,925	2,696	50.2%
Hokusetsu	2,122	4,282	2,041	2,967	▲1.8%
Higashi-osaka	1,089	2,610	2,027	2,605	52.0%
Minami-osaka	774	1,910	1,436	2,126	41.9%
Kyoto	507	1,805	1,024	2,037	112.4%
Periphery	2,375	4,559	1,825	3,278	▲3.3%
Other Hyogo prefecture	334	614	359	515	8.4%
Other Kyoto prefecture	377	559	309	595	24.5%
Shiga prefecture	868	1,723	695	1,156	▲10.9%
Nara prefecture	685	1,291	433	896	▲12.2%
Wakayama prefecture	111	372	29	116	▲4.1%
Kinki Area	14,311	30,146	15,096	22,345	4.3%

Source: Haseko Research Institute ▲ represents a decrease

4. Initial month sales rates in the January – September 2007 period were 73.2% for Tokyo metropolitan area and 67.4% for Kansai Area. The initial month sales rate dropped, and inventory turned to an increase.

- The initial month sales rate in the Tokyo metropolitan area remained over 70%, it decreased by 5.1 percentage points from the 78.3% of the previous year. The initial month sales rate in the Kinki area went below 70%, therefore sales conditions became more severe.
- The number of for-sale units at the end of September 2007 totaled 7,894 units, a decrease of 279 units from the end of the previous year, when it was 8,173 units in the Tokyo metropolitan area. However, the figure bottomed out in August 2005 at 4,666 units, and since has been on an increasing trend. Finished inventory was 3,386 units at the end of April 2007, going above 3,000 for the first time since April 2004, when it was 3,404 units. Although finished inventory decreased to 2,872 units at the end of September 2007, it continues to indicate an increasing trend.
- The number of for-sale units was 5,220 units in March 2007, surpassing 5,000 units for the first time since April 2004, when the number was 5,034 units in the Kinki area. The figure at the end of September was also more than 5,000 at 5,432 units.

Finished inventory reached 1,111 units at the end of March. The figure went beyond 1,000 for the first time since May 2005, when it was 1,099 units. Finished inventory continues to be above 1,000 units, with 1,528 units at the end of September

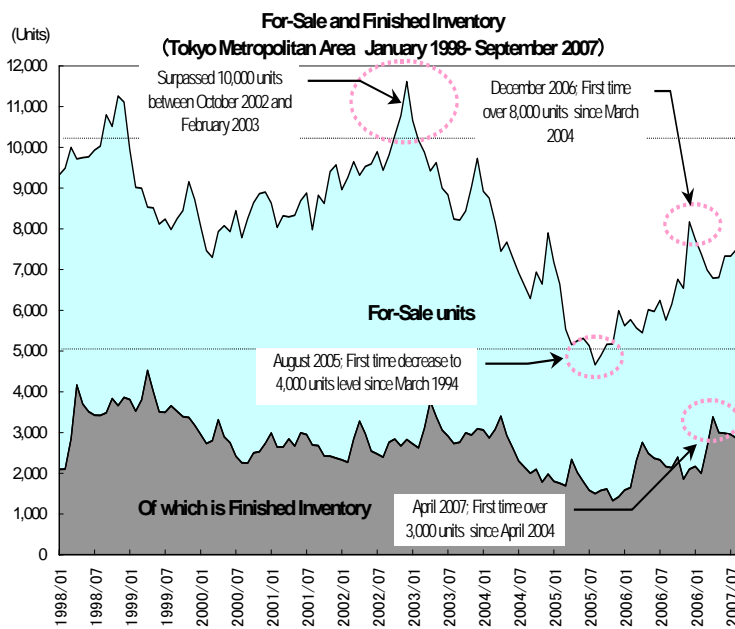
History of Initial Month Sales Rate

	Tokyo Metropolitan Area		Kinki Area	
	Initial Month Sales Rate (%)	YoY Variation	Initial Month Sales Rate (%)	YoY Variation
2000	79.6	0.6	75.7	▲2.8
2001	78.1	▲1.5	74.3	▲1.4
2002	75.4	▲2.7	70.8	▲3.5
2003	78.1	2.7	71.9	1.1
2004	79.0	0.9	76.4	4.5
2005	82.5	3.5	76.9	0.5
2006	78.3	▲4.2	72.9	▲4.0
2007	73.2	▲6.8	67.4	▲6.9

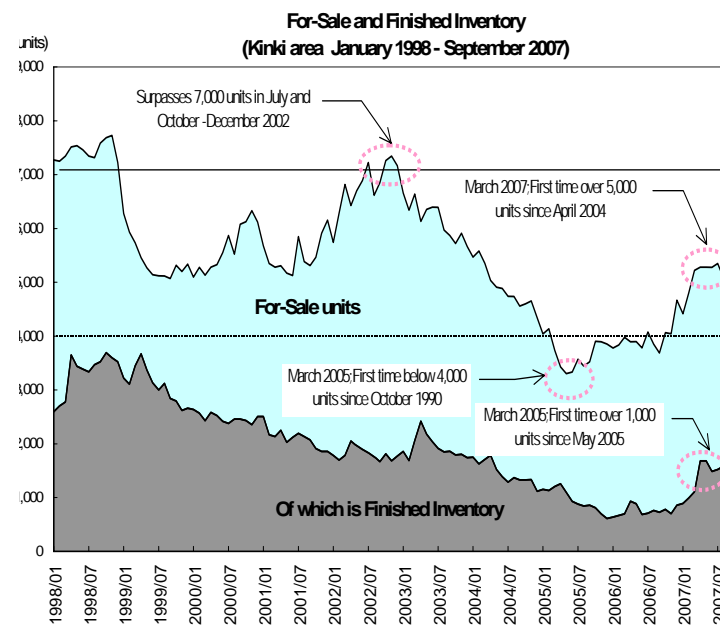
Source: Haseko Research Institute

*YoY variation is represented in points: ▲ represents a decrease

*Figure for 2007 is performance in January - September 2007



Source: Haseko research Institute



Source: Haseko Research Institute

5. Sale of units in large projects continued to be still in good condition in both the Tokyo metropolitan and Kinki areas.

• Sale of units in large projects continued to be strong in both the Tokyo metropolitan and Kinki areas. Sale of units in large projects with at least 400 units continued to be strong, with the initial month sales rates for the January – September 2007 period at 88.3% in the Tokyo metropolitan area and 83.0% in the Kinki area, both more than 10 percentage points higher than the total average. However, the initial month sales rates both in the Tokyo metropolitan area and the Kinki area fell below 90%, lower than the previous fiscal year and before, when sales performance was at its height. In the case of the Tokyo metropolitan area, the figure fell below 90% for the first time since 1996.

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

	2005		2006		2007(Jan. - Sep.)	
	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	4,444	65.6%	3,418	66.9%	2,344	54.1%
30-49 units	11,532	70.9%	11,223	68.3%	5,885	61.9%
50-99 units	20,448	74.1%	17,156	71.0%	9,631	66.5%
100-199 units	14,008	83.1%	11,287	76.5%	7,061	74.2%
200-399 units	13,096	88.3%	11,454	82.6%	8,449	75.5%
400 units or more	20,620	97.0%	19,925	90.7%	9,862	88.3%
Grand total	84,148	82.5%	74,463	78.3%	43,232	73.2%

Source: Haseko Research Institute

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

	2005		2006		2007(Jan. - Sep.)	
	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	1,326	63.3%	1,250	52.2%	733	62.8%
30-49 units	4,891	68.0%	3,342	60.6%	2,523	62.0%
50-99 units	8,627	73.1%	8,057	63.8%	6,044	61.1%
100-199 units	7,878	78.5%	7,397	75.7%	5,887	65.6%
200-399 units	8,219	81.9%	7,401	82.6%	5,831	75.1%
400 units or more	2,123	95.0%	2,699	90.5%	1,327	83.0%
Grand total	33,064	76.9%	30,146	72.9%	22,345	67.4%

Source: Haseko Research Institute

6. Unit price for for-sale condominiums and market price increased, primarily on central downtown areas.

- The average unit price for for-sale condominiums in the entire Tokyo metropolitan area was 618,000 yen per square meter, up 11.4% year-on-year. In particular, unit price for for-sale condominiums in the 23 wards in Tokyo was 860,000 yen per square meter, a year-on-year increase of 20.4%. The average price rose beyond 60 million yen to 61.44 million yen. Increases in unit prices for for-sale condominiums and market prices stood out in central downtown.
- The increasing trend also strengthened in areas other than the 23 wards of Tokyo (refer to graph at bottom right).
- The average unit price for for-sale condominiums as the 2006 period had increased 5.4% over the 2005 period in the Kinki area. So the 2007 period was originally expected to show a further increase. However, the average unit price for for-sale condominiums during the January – September 2007 period increased only 1.8% year-on-year to 457,000 yen per square meter.

History of Supplied Product Content (Tokyo Metropolitan Area)

	Average Price		Average Area		m ² Unit Price		Tsubo Unit Price	
	(¥10,000)	YOY	(m ²)	YOY	(¥1,000)	YOY	(¥1,000)	YOY
2002	4,003	▲0.6%	78.04	1.4%	513	▲2.0%	1,696	▲2.0%
2003	4,069	1.7%	74.68	▲4.3%	545	6.2%	1,801	6.2%
2004	4,104	0.9%	74.66	▲0.0%	550	0.9%	1,817	0.9%
2005	4,108	0.1%	75.38	1.0%	545	▲0.9%	1,802	▲0.9%
2006	4,200	2.2%	75.71	0.4%	555	1.8%	1,834	1.8%
2007	4,671	11.2%	75.53	▲0.2%	618	11.4%	2,044	11.4%

*Figure for 2007 is performance in January - September 2007

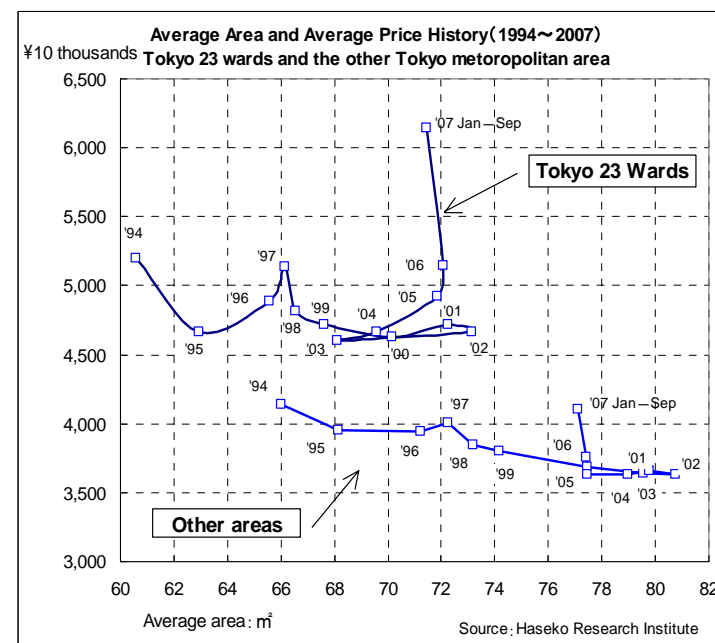
Source: Haseko Research Institute; ▲ represents a decrease

History of Supplied Product Content (Kinki Area)

	Average Price		Average Area		m ² Unit Price		Tsubo Unit Price	
	(¥10,000)	YOY	(m ²)	YOY	(¥1,000)	YOY	(¥1,000)	YOY
2002	3,237	1.5%	78.18	2.3%	414	▲0.7%	1,366	▲0.7%
2003	3,165	▲2.2%	75.99	▲2.8%	417	0.6%	1,377	0.6%
2004	3,177	0.4%	75.61	▲0.5%	420	0.9%	1,389	0.9%
2005	3,164	▲0.4%	74.33	▲1.7%	426	1.3%	1,407	1.3%
2006	3,380	6.8%	75.34	1.3%	449	5.4%	1,483	5.4%
2007	3,417	1.1%	74.84	▲0.7%	457	1.8%	1,509	1.8%

*Figure for 2007 is performance in January - September 2007

Source: Haseko Research Institute; ▲ represents a decrease



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, 2007

	Issue price	Initial Conversion Price	Ceiling and Floor of Conversion Price	Present Potential dilution	Conversion requesting period	Remarks
Class A II	1.6 ¥Billion	72yen	Ceiling:144yen Floor:36yen	20 million shares (@ 72yen)	October 1,2007~ September 30,2014	

< Schedule to redeem >

Class AIV	13.0 ¥Billion	72yen	Ceiling:216yen Floor:36yen		October 1,2012~ September 30,2028	Schedule redeem in 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	58.0 ¥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 AIII	20.0 ¥Billion	38.0 ¥Billion (190% of the issued price)	September 29,2005: Acquired and Cancelled
Class AIV	13.0 ¥Billion	18.3 ¥Billion (140% of the issued price)	July 31,2006: Acquired August 24,2006: Cancelled
Class AIV	13.0 ¥Billion	18.3 ¥Billion (140% of the issued price)	July 31,2007: Acquired August 9,2007: Cancelled
Sub-total	48.7 ¥Billion		

Converted to Common Stock

	Issue price	Increased due to conversion
Class A I	18.8 ¥Billion	261 million shares
Class A II	15.7 ¥Billion	217million shares

Common stock issued as of October 31,2007: 1,272.0million shares

Potential dilution for A I and A II : 22.4million shares

1,294.5 million shares

Common stocks acquisition

Upper limit: 17 million shares,
4 billion yen

Term : 11/16/2007 – 12/28/2007

