

Summary of Financial Statements

~For the year ended March 31, 2008~



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.

Summary of Consolidated Income Statements



	Billions of Yen				
	07/3 Performance	08/3 Performance	Difference between 07/3	09/3 Forecast	Difference
Net Sales	723.1	745.1	22.0	654.0	(91.1)
Construction contracts	437.5	*1 481.8	44.3	446.5	(35.3)
Design and supervision	10.8	9.5	(1.3)	9.5	0.0
Leasing and management	55.2	62.2	7.0	62.0	(0.2)
Real estate sale	215.9	*2 187.5	(28.4)	131.0	(56.5)
Others	3.8	4.1	0.3	5.0	0.9
Gross Profit	88.6	82.9	(5.7)	71.0	(11.9)
Construction contracts	57.2	*3 51.1	(6.1)	46.0	(5.1)
[Profit ratio of construction contracts]	[13.1%]	[10.6%]	(-2.5 ppt.)	[10.3%]	(-0.3ppt.)
Design and supervision	6.5	5.2	(1.3)	5.5	0.3
Leasing and management	7.6	10.5	2.9	10.0	(0.5)
Real estate sales	16.8	*4 15.6	(1.3)	8.5	(7.1)
Others	0.5	0.5	0.0	1.0	0.5
SG&A	24.1	27.2	3.1	28.0	0.8
Operating Income	64.5	55.7	(8.8)	43.0	(12.7)
[Operating income ratio]	[8.9%]	[7.5%]	(-1.4 ppt.)	[6.6%]	(-0.9ppt.)
Interest income (expense), net	(1.6)	(2.3)	(0.7)	(2.7)	(0.4)
Other income(expense), net	0.2	(0.3)	(0.5)	(0.3)	0.0
Ordinary Income	63.0	53.1	(9.9)	40.0	(13.1)
[Ordinary income ratio]	[8.7%]	[7.1%]	(-1.6ppt.)	[6.1%]	(-1.0ppt.)
Special Income(Loss), net	(26.4)	*5 (29.4)	(3.0)	-	29.4
Net Income before income taxes	36.7	23.7	(13.0)	40.0	16.3
Income taxes	3.0	1.3	(1.7)	12.0	10.7
Net Income	33.7	22.4	(11.3)	28.0	5.6
Depreciation	3.3	3.6	0.4		
Number of employees	3,677	3,916	239		

*1. Increase in construction contracts by Haseko Corporation.

*2. Decrease in real estate transactions that aim to secure construction orders by Haseko Corporation.

*3. Decrease in profit margin of construction contracts

*4. Decrease in real estate sales.

*5. Appropriation of loss on revaluation of inventory.

Summary of Consolidated Balance Sheets



Assets	Liabilities and Net Assets			Billions of Yen		
	3/31/2007	3/31/2008	Difference	3/31/2007	3/31/2008	Difference
Current assets:				Current Liabilities:		
Cash and bank deposits	66.5	62.6	(3.9)	Notes and accounts payable	153.9	(22.5)
Notes and accounts receivable, trade	81.3	94.8	13.5	Short-term borrowings *2	0.9	14.5
Costs incurred on uncompleted contracts	18.5	12.0	(6.5)	Current portion of long-term debt	31.8	-
Real estate for sale *1	184.3	162.1	(22.2)	Advances received on uncompleted contracts	28.3	2.5
Short-term loans	0.9	1.8	1.0	Other current liabilities	46.5	(7.7)
Deferred tax assets	6.8	17.0	10.2	Total current liabilities	261.4	(13.1)
Other current assets	19.1	9.4	(9.7)	Long-term Liabilities:		
Allowance for doubtful accounts	(0.2)	(0.2)	(0.0)	Long-term debt *2	154.7	(36.9)
Total current assets	377.3	359.6	(17.7)	Other long-term liabilities	17.6	(8.5)
				Total long-term liabilities	172.3	(45.4)
				Total liabilities	433.7	(58.5)
Fixed assets:				Net Assets:		
Property and Equipment, Leasehold rights *1	107.7	69.8	(37.9)	*3		
Investments in securities	6.1	8.4	2.3	Shareholders' Equity:		
Long-term loans	12.8	4.4	(8.4)	Capital stock	50.0	-
Long-term deferred tax assets	43.0	33.6	(9.5)	Retained earnings	64.5	4.1
Other assets	12.3	13.0	0.8	Treasury stock	(0.2)	(3.5)
Allowance for doubtful accounts	(12.5)	(2.6)	9.9	Total shareholders' equity	114.3	0.6
Total fixed assets	169.4	126.6	(42.8)	Valuation Translation Adjustments and Others:		
Total Assets	546.7	486.2	(60.5)	Net unrealized gain on other securities	0.1	(0.3)
				Cumulative translation adjustments	(1.7)	(2.4)
				Total Valuation Adjustments and Others	(1.6)	(2.7)
				Minority Interests:	0.3	0.1
				Total Net Assets	113.0	(2.0)
				Total Liabilities and Net Assets	546.7	(60.5)

Summary of Consolidated Balance Sheets

*1.Real Estate Balance

	Billions of Yen			
	3/31/2007	3/31/2008	Difference	
Land and building held for sale	66.7	71.3	4.6	} Decrease by appropriation of loss on revaluation of inventory.
Costs and advances for real estate operations	58.7	46.0	(12.7)	
Real estate for development projects	58.9	44.8	(14.0)	
Real estate for sale	184.3	162.1	(22.2)	} Decrease by sale of properties owed by Ecology REIT Corporation.
Property and equipment, Lease hold rights	107.7	69.8	(37.9)	
	292.0	231.9	(60.1)	

*2.Interest-bearing Debt Balance

	Billions of Yen			
	3/31/2007	3/31/2008	Difference	
Interest-bearing debt	187.4	165.1	(22.4)	Increase of 35.5 billion yen for repayment of loans to consolidated subsidiaries and 15 billion yen in the execution of commitment line.

*3.Change in Net Assets

	Billions of Yen						
	3/31/2007	Reversal of paid in capital	Cancellation of preferred stocks	Net Income	Other	3/31/2008	
Capital	50.0					50.0	
Additional paid-in capital	-	18.3	(18.3)			-	
Retained earnings	64.5	(18.3)		22.4		68.6	
Treasury stock	(0.2)				(3.5)	(3.6)	
Other	(1.3)				(2.6)	(3.9)	
Net Assets	113.0	-	(18.3)	22.4	(6.1)	111.0	

Cash Flows

	Billions of Yen		
	07/3	08/3	Difference
Cash Flows from operating activities	22.2	14.4	(7.8)
Cash Flows from investing activities	(3.6)	27.3	31.0
Cash Flows from financing activities	(29.7)	(44.8)	(15.2)
Cash and cash equivalents as of 3/31	66.0	62.4	(3.6)

*Operating activities...Primarily decreased in real estate investing activities on behalf of real estate developer in order to obtain of construction orders.

*Investing activities...Increase in income by sale of fixed assets;increase in short-term borrowings.

*Financing activities...Increase in expenditures by repaying long-term debt;increase in short-term borrowings.

Summary of Non-consolidated Income Statements



	Billions of Yen				
	07/3 Performance	08/3 Performance	Difference between 07/3	09/3 Forecast	Difference
Net Sales	599.1	600.7	1.6	510.0	(90.7)
Construction contracts	380.3	414.3	34.0	383.5	(30.8)
Commissioned work	17.2	14.0	(3.2)	13.0	(1.0)
Design and supervision	10.8	9.5	(1.2)	9.5	(0.0)
Lease rentals of buildings	2.7	3.8	1.1	4.0	0.2
Real estate sale	188.1	159.0	(29.1)	100.0	(59.0)
Gross Profit	70.5	59.3	(11.2)	51.0	(8.3)
Construction contracts	40.3	35.3	(5.0)	32.5	(2.8)
Commissioned work	12.3	10.2	(2.1)	9.0	(1.2)
[Profit ratio of construction works]	[13.2%]	[10.6%]	(-2.6pnt.)	[10.5%]	(-0.2pnt.)
Design and supervision	6.4	5.2	(1.3)	5.5	0.3
Lease rentals of buildings	0.7	0.8	0.1	1.0	0.2
Real estate sale	10.8	7.8	(3.0)	3.0	(4.8)
SG&A	15.1	17.2	2.0	17.8	0.6
Operating Income	55.4	42.1	(13.2)	33.2	(8.9)
[Operating income ratio]	[9.2%]	[7.0%]	(-2.2pnt.)	[6.5%]	(-0.5pnt.)
Interest income(expense),net	0.7	2.5	1.8	1.0	(1.5)
Other income(expense),net	0.2	(0.2)	(0.4)	(0.2)	0.0
Ordinary Income	56.2	44.4	(11.8)	34.0	(10.4)
[Ordinary income ratio]	[9.4%]	[7.4%]	(-2.0pnt.)	[6.7%]	(-0.7pnt.)
Special income(loss),net	(30.7)	(22.6)	8.1	-	22.6
Net income before income taxes	25.5	21.8	(3.7)	34.0	12.2
Income taxes	1.9	3.6	1.7	8.0	4.4
Net Income	23.6	18.3	(5.4)	26.0	7.7
Depreciation	0.8	0.9	0.1		
Number of employees	1,896	2,020	124		

Summary of Non-Consolidated Balance Sheets



Assets

	3/31/2007	3/31/2008	Difference
Current assets:			
Cash and bank deposits	38.6	34.1	(4.5)
Notes and A/R., construction contracts	65.8	81.7	15.9
A/R; Real estate and Lease rental of building	2.0	2.9	0.9
Costs incurred on uncompleted contracts *1	14.3	13.4	(0.8)
Real estate for sale	130.9	123.8	(7.1)
Deferred tax assets	5.4	15.7	10.3
Other current assets	23.6	9.8	(13.8)
Total current assets	<u>280.6</u>	<u>281.5</u>	<u>0.9</u>
Fixed assets:			
Property and Equipment, Leasehold rights	20.0	16.4	(3.6)
Investments in securities	1.0	1.9	0.9
Investments in subsidiaries and affiliates	46.2	52.5	6.3
Long-term loans	-	0.0	0.0
Long-term loans to subsidiaries and affiliates	139.4	52.3	(87.1)
Long-term deferred tax assets	36.2	30.1	(6.2)
Other fixed assets	12.8	14.7	1.9
Allowance for doubtful accounts	(79.7)	(16.8)	63.0
Total fixed assets	<u>175.9</u>	<u>151.2</u>	<u>(24.7)</u>
Total assets	<u>456.5</u>	<u>432.6</u>	<u>(23.9)</u>

Liabilities and Net Assets

	Billions of Yen		
	3/31/2007	3/31/2008	Difference
Current Liabilities:			
Notes and accounts payable	137.9	117.2	(20.8)
Short-term borrowings	-	19.6	19.6
Current portion of long-term debt	31.8	31.8	-
Advances received on uncompleted contracts *1	25.3	28.0	2.7
Other current liabilities	36.4	24.4	(12.0)
Total current liabilities	<u>231.4</u>	<u>221.1</u>	<u>(10.4)</u>
Long-term Liabilities:			
Long-term debt	119.4	117.6	(1.8)
Other	9.4	1.4	(8.0)
Total long-term liabilities	<u>128.8</u>	<u>119.0</u>	<u>(9.8)</u>
Total liabilities	<u>360.2</u>	<u>340.0</u>	<u>(20.2)</u>
Net Assets:			
Shareholders' Equity:			
Capital stock	50.0	50.0	-
Retained earnings	46.3	46.3	0.0
Treasury stock	(0.2)	(3.6)	(3.5)
Total shareholders' equity	<u>96.2</u>	<u>92.7</u>	<u>(3.5)</u>
Valuation Translation Adjustments and Others:			
Net unrealized gain on other securities	0.1	(0.1)	(0.2)
Total Net Assets	<u>96.2</u>	<u>92.6</u>	<u>(3.7)</u>
Total Liabilities and Net Assets	<u>456.5</u>	<u>432.6</u>	<u>(23.9)</u>

	3/31/2007	3/31/2008	Difference
*1.Excess of Work Taken On			
Advances received on uncompleted contracts	25.3	28.0	2.7
Costs incurred on uncompleted contracts	14.3	13.4	(0.8)
Difference	<u>11.0</u>	<u>14.6</u>	<u>3.6</u>

Non-consolidated Orders Received

Orders

(Billions of yen)

	07/3				08/3					09/3			
	~1Q	~2Q	~3Q	Annual	~1Q	~2Q	~3Q	Annual	YOY	Interim forecast	YOY	Annual forecast	YOY
Orders	94.1	212.8	304.7	452.8	115.2	173.6	248.0	367.6	(85.2)	180.0	6.4	400.0	32.4
Construction business	91.3	206.5	295.8	440.4	113.1	168.0	240.6	356.7	(83.7)	174.5	6.5	389.0	32.3
Private-sector condominiums	77.6	178.1	255.8	386.7	106.2	136.9	204.9	318.3	(68.4)	165.0	28.1	359.0	40.7
General construction	6.7	16.6	21.8	30.1	3.1	22.6	24.0	24.8	(5.3)	3.0	(19.6)	17.0	(7.8)
Civil engineering	2.5	2.8	4.2	4.5	0.2	1.3	2.0	2.1	(2.4)	1.0	(0.3)	2.0	(0.1)
Consulting contracts	4.5	9.1	14.0	19.1	3.6	7.1	9.7	11.5	(7.5)	5.5	(1.6)	11.0	(0.5)
Design/supervision business	2.8	6.2	8.9	12.4	2.1	5.7	7.4	10.9	(1.5)	5.5	(0.2)	11.0	0.1

Order by Size

Private-sector condominiums

(Billions of yen)

	07/3		08/3		YOY
	Amount	Share	Amount	Share	
Under 200 units	147.8	39.2%	120.5	39.0%	(27.3)
200-399 units	101.3	26.9%	120.5	39.0%	19.2
400 units or more	127.9	33.9%	67.8	22.0%	(60.0)
Total	376.9	100.0%	308.8	100.0%	(68.2)

* Excluding additional construction orders

Haseko Designated Orders

and Construction with Design orders

	07/3	08/3
Ratio of Haseko Designated Orders	99.7%	99.9%
Ratio of Construction with Design Orders	91.7%	90.1%

Order by Region

(Billions of yen)

	07/3		08/3		YOY
	Amount	Share	Amount	Share	
Tokyo Metropolitan Area	348.2	76.9%	242.6	66.0%	(105.6)
Kinki Area	104.5	23.1%	125.0	34.0%	20.4
Total	452.8	100.0%	367.6	100.0%	(85.2)

* Tokai area is included in Kinki area

Consolidated Subsidiaries

(Haseko Urbest, Haseko Community and Haseko Livnet)



HASEKO URBEST

		Units		
		07/3	08/3	09/3
		Performance	Performance	Forecast
Consignment sales	Number of transactions	9,594	7,874	9,000
	Value of transactions	¥332.5B	¥283.8B	¥322.6B
Brokerage	Number of transactions	1,609	1,799	2,250
	Value of transactions	¥39.4B	¥50.7B	¥60.3B
Total	Number of transactions	11,203	9,673	11,250
	Value of transactions	¥371.9B	¥334.5B	¥382.9B

HASEKO COMMUNITY

		Units		
		07/3	08/3	09/3
		As of 3/31	As of 3/31	As of 3/31 (Forecast)
Managing condominium units		181,276	192,861	200,800

HASEKO LIVENET

		Units		
		07/3	08/3	09/3
		As of 3/31	As of 3/31	As of 3/31 (Forecast)
Sublease		9,127	9,114	9,700
Commissioned property management		28,359	33,408	38,000
Company housing management agency		17,100	18,638	20,000
Total number of dwellings managed		54,586	61,160	67,700

Billions of Yen

	07/3	08/3	09/3
	Performance	Performance	Forecast
Net sales	11.9	12.5	12.9
Gross profit	3.9	3.7	3.0
SG&A	1.4	1.5	1.7
Operating income	2.4	2.2	1.3
Ordinary income	2.5	2.3	1.3
Net income	2.5	1.4	0.7

Billions of Yen

	07/3	08/3	09/3
	Performance	Performance	Forecast
Net sales	35.1	41.3	41.8
Gross profit	3.3	3.9	4.0
SG&A	1.4	1.4	1.4
Operating income	1.9	2.5	2.6
Ordinary income	1.9	2.6	2.6
Net income	1.1	1.4	1.5

Billions of Yen

	07/3	08/3	09/3
	Performance	Performance	Forecast
Net sales	20.6	21.7	29.5
Gross profit	5.3	5.5	6.2
SG&A	3.0	3.3	3.7
Operating income	2.3	2.2	2.5
Ordinary income	2.3	2.2	2.5
Net income	0.6	1.2	1.5

Major Consolidated Subsidiaries



Billions of Yen

Name		08/3 Actual	09/3 Forecast	3/31/2008	
HASEKO Anesis Corporation	Net Sales	1.2	1.1	Total assets	8.0
	Ordinary Income	1.5	3.0	Net assets	7.0
	Net Income	1.5	3.0	No. of employees	53
HASEKO Community Inc.	Net Sales	41.3	41.8	Total assets	14.6
	Ordinary Income	2.6	2.6	Net assets	4.4
	Net Income	1.4	1.5	No. of employees	549
HASEKO Livenet Inc.	Net Sales	21.7	29.5	Total assets	11.7
	Ordinary Income	2.2	2.5	Net assets	3.1
	Net Income	1.2	1.5	No. of employees	244
Century Life Co.,Ltd.	Net Sales	1.3	1.6	Total assets	6.5
	Ordinary Income	0.0	(0.2)	Net assets	0.4
	Net Income	0.0	(0.2)	No. of employees	6
HASEKO Systems Inc.	Net Sales	3.4	3.8	Total assets	2.5
	Ordinary Income	0.7	0.6	Net assets	0.9
	Net Income	0.4	0.3	No. of employees	60
HASEKO Intec Inc.	Net Sales	9.4	9.9	Total assets	4.2
	Ordinary Income	0.5	0.4	Net assets	0.9
	Net Income	0.3	0.2	No. of employees	74

Billions of Yen

Name		08/3 Actual	09/3 Forecast	3/31/2008	
Haseko Urbest Inc.	Net Sales	12.5	12.9	Total assets	13.9
	Ordinary Income	2.3	1.3	Net assets	6.2
	Net Income	1.4	0.7	No. of employees	530
Brigton Corporation	Net Sales	11.2	12.0	Total assets	31.2
	Ordinary Income	0.2	0.1	Net assets	4.7
	Net Income	(0.1)	0.0	No. of employees	23
Hasec Inc.	Net Sales	91.8	84.7	Total assets	19.5
	Ordinary Income	0.2	0.2	Net assets	0.4
	Net Income	0.3	0.1	No. of employees	33
Foris Corporation	Net Sales	13.1	11.8	Total assets	5.0
	Ordinary Income	0.4	0.2	Net assets	0.2
	Net Income	(0.3)	0.1	No. of employees	114
FUJI Kensetsu Co., Ltd.	Net Sales	30.2	27.0	Total assets	11.6
	Ordinary Income	1.0	0.8	Net assets	1.2
	Net Income	0.5	0.4	No. of employees	173
HASEKO America Inc. and 14 subsidiaries	Net Sales	14.5	10.7	Total assets	42.6
	Ordinary Income	2.6	0.8	Net assets	39.7
	Net Income	3.3	0.4	No. of employees	37

Market Share



Tokyo Metropolitan Area

	FY2005(4/1/2005～3/31/2006)					FY2006(4/1/2006～3/31/2007)					FY2007(4/1/2007～3/31/2008)				
	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	4,478	0	-	67.4%	-	3,414	28	0.8%	64.4%	78.6%	3,247	0	-	51.6%	-
30 ~ 49 units	11,341	195	1.7%	70.7%	67.2%	10,752	213	2.0%	68.9%	83.1%	8,039	149	1.9%	56.9%	38.9%
50 ~ 99 units	20,181	2,371	11.7%	74.6%	70.9%	16,054	1,090	6.8%	70.5%	66.5%	14,260	1,479	10.4%	61.7%	59.2%
100 ~ 199 units	13,380	2,164	16.2%	83.4%	88.4%	11,292	1,874	16.6%	75.4%	82.8%	9,131	2,379	26.1%	66.4%	57.3%
200 ~ 399 units	12,209	1,990	16.3%	89.5%	90.2%	11,241	3,387	30.1%	83.7%	81.6%	11,181	2,465	22.0%	67.4%	73.6%
400 units or more	21,988	7,752	35.3%	96.9%	96.7%	18,051	6,907	38.3%	88.7%	88.8%	12,298	4,753	38.6%	80.5%	80.3%
Total	83,577	14,472	17.3%	83.2%	89.9%	70,804	13,499	19.1%	77.5%	84.3%	58,156	11,225	19.3%	66.3%	70.7%

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

2006(Jan-Dec): **18.8%**

2007(Jan-Dec): **19.6%**

Kinki Area

	FY2005(4/1/2005～3/31/2006)					FY2006(4/1/2006～3/31/2007)					FY2007(4/1/2007～3/31/2008)				
	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	1,198	0	-	60.1%	-	1,299	0	-	57.0%	-	934	0	-	59.1%	-
30 ~ 49 units	4,530	0	-	66.1%	-	3,402	0	-	60.7%	-	3,176	48	1.5%	62.9%	54.2%
50 ~ 99 units	8,806	642	7.3%	71.0%	72.0%	7,915	429	5.4%	62.9%	66.0%	7,356	695	9.4%	61.6%	67.8%
100 ~ 199 units	7,555	2,507	33.2%	77.5%	79.9%	8,003	1,839	23.0%	75.1%	74.0%	7,015	1,361	19.4%	63.1%	66.6%
200 ~ 399 units	9,095	1,189	13.1%	82.6%	86.1%	7,650	1,909	25.0%	80.4%	85.2%	6,768	2,078	30.7%	72.2%	71.8%
400 units or more	1,993	1,410	70.7%	94.1%	94.9%	2,678	555	20.7%	90.3%	94.4%	3,343	966	28.9%	76.8%	87.7%
Total	33,177	5,748	17.3%	76.0%	84.0%	30,947	4,732	15.3%	72.3%	79.8%	28,592	5,148	18.0%	66.3%	72.2%

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

2006(Jan-Dec): **13.7%**

2007(Jan-Dec): **18.8%**

1. Supply of New Units During the Fiscal Year Ended March 2008 Reached 2,320 Projects for 58,156 Units, a Year-on-year Decrease of 17.9%, in the Tokyo Metropolitan Area and 1,068 Projects for 28,592 Units in the Kinki Area, a Year-on-year Decrease of 7.6%.

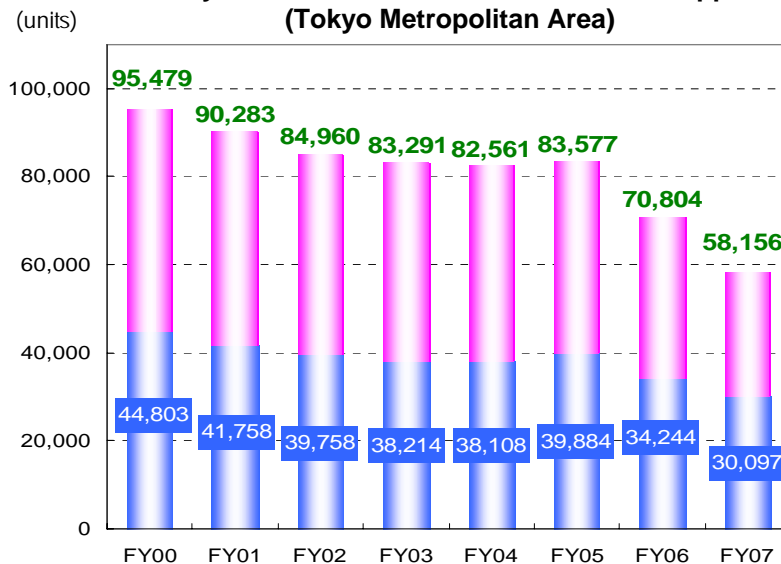
Haseko's Construction Performance in the fiscal year ended March 2008:

Tokyo metropolitan area: 302 projects, 11,225 units (year-on-year decrease of 16.8%); share 19.3% (year-on-year increase of 0.2 points)

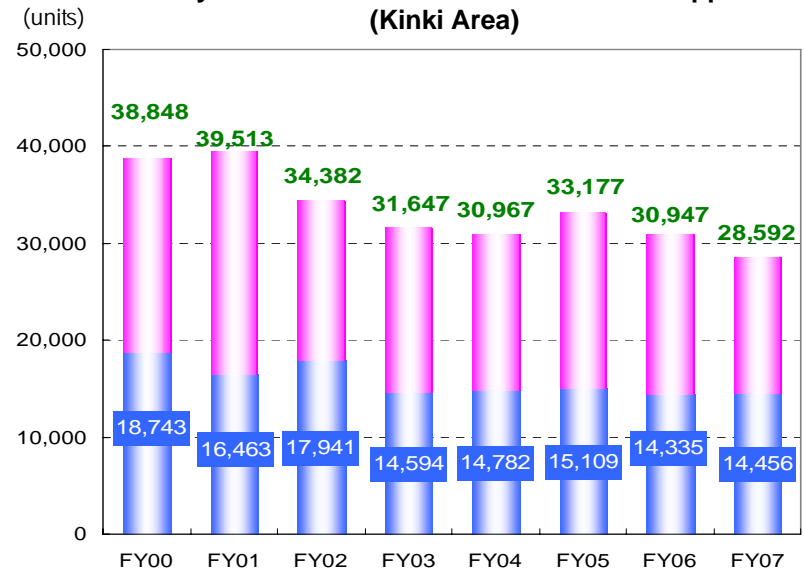
Kinki area: 201 projects, 5,148 units (year-on-year increase of 8.8%), share 18.0% (year-on-year increase of 2.7 points)

- New supply during the fiscal year ended March 2008 decreased year-on-year for two consecutive years in both the Tokyo metropolitan and Kinki areas. The total for the former fell to the 50,000 unit level for the first time since the fiscal year ended March 1994 when 50,231 units were supplied. The figure for the latter decreased to the 20,000 unit level, also for the first time since the fiscal year ended March 1994 when 24,509 new units were supplied.
- The supply of new units decreased year-on-year, primarily impacted by such facts as 1) passing up on sales and 2) providers limited the number of units supplied per project, both due to the increasingly harsher sales conditions since the fall of 2007.
- New supply for the January – March 2008 period continued to be stagnant, with the total decreasing 21.8% year-on-year to 10,270 units in the Tokyo metropolitan area and falling 20.6% to 6,262 units in the Kinki area.

History of No. of New Condominium Units Supplied (Tokyo Metropolitan Area)



History of No. of New Condominium Units Supplied (Kinki Area)

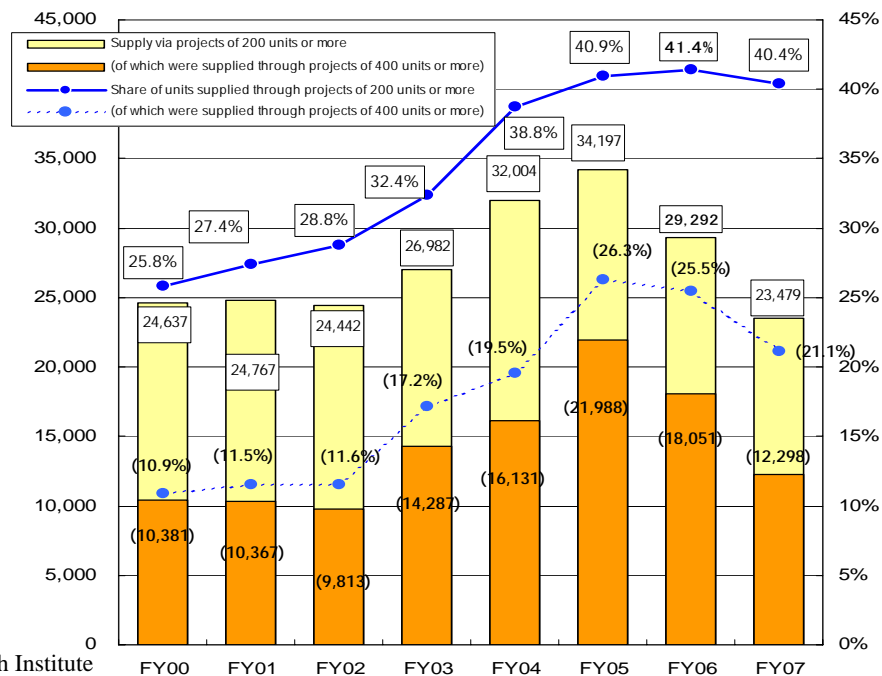


Source: Haseko Research Institute

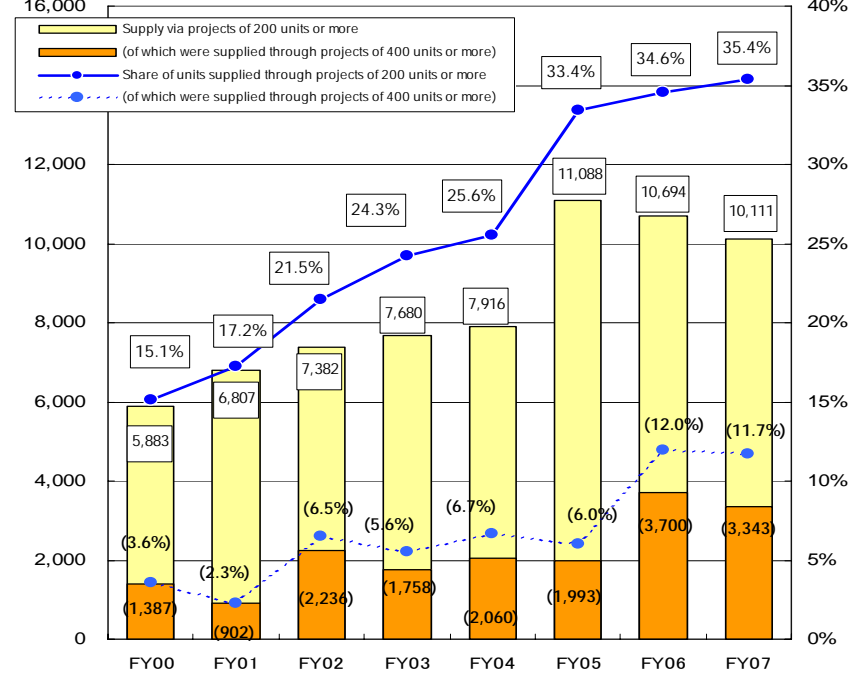
2. The Supply of Large Projects and Ultra-Skyscraper Projects Remained Stable. Share of Large Projects in the Tokyo Metropolitan Area Remained Above 40% for the Third Consecutive Year

- Large projects with at least 200 units have continued to be the center of supply both in the Tokyo metropolitan area and the Kinki area.
- The supply of units in large projects totaled 23,479 units in the Tokyo metropolitan area, accounting for 40.4% of the total Tokyo metropolitan area. The supply of units in ultra-skyscraper projects (with 20 floors or more) totaled 8,991 units, accounting for 15.5% of all units supplied in the area. (The figures for previous fiscal year were 12,608 units and 17.8%, respectively.)
- However, the supply of units in condominiums with at least 400 units decreased to 12,298 units from 18,051 units for the previous fiscal year. The decrease can be attributed to such factors as passing up of launches and selling in smaller quantities at a time.
- The supply of units in large projects in the Kinki area was 10,111 units, accounting for 35.4%, surpassing the total in the Kinki area. The supply of units in ultra-skyscraper projects (with 20 floors or more) totaled 4,362 units, accounting for 15.3% of all units supplied in the area. (The figures for previous fiscal year were 4,983 units and 16.1%, respectively.)

Units Supplied and Share of Large Projects (Tokyo Metropolitan Area)



Units Supplied and Share of Large Projects (Kinki Area)



Source: Haseko Research Institute

3. Supply of Units Declined in Central Downtown. Trend of Unit Supply Locations Retuning to Central Downtown has Halted.

• By area, the Tokyo metropolitan area saw a decrease in supply in all areas excluding Tokyo Prefecture (excluding the 23 wards), and the Kinki area posted a significant decline of supply in Osaka City, between Osaka and Kobe, Higashi Osaka and other areas.

• The supply of new units in the 23 wards of Tokyo was 16,899 units, a year-on-year decrease of 20.0% in the Tokyo metropolitan area. This was the first drop to the 10,000 unit level since the fiscal year ended March 1995, when mass supply began. The trend of unit supply locations returning to central downtown areas, which had been seen in the past, has also halted.

In addition to central downtown, the number of supply decreased in suburban areas, as there was also a drop in supply in Saitama and Chiba Prefectures, where an increase of supply had been expected.

• In the Kinki area, the supply in Osaka City was 6,788, the first drop to the 6,000 unit level since the fiscal year ended March 1998, when the supply totaled 6,483 units. This seems to indicate that, similar to the Tokyo metropolitan area, the trend of unit supply locations returning to central downtown areas has also come to a turning point in the Kinki area.

Overview of Supply by Region (Tokyo Metropolitan Area)

	FY2006		FY2007		(%)
	1st Half (Units)	Annual (Units)	1st Half (Units)	Annual (Units)	
23 wards in Tokyo	11,675	21,116	8,624	16,899	▲20.0%
Yamanote	5,037	8,717	3,331	6,435	▲26.2%
Old downtown	6,638	12,399	5,293	10,464	▲15.6%
Tokyo non-ward	3,289	7,030	3,608	7,636	8.6%
Kanagawa prefecture	7,923	19,787	8,009	15,183	▲23.3%
Yokohama	3,468	7,947	3,596	6,511	▲18.1%
Kawasaki	3,009	7,581	2,504	4,505	▲40.6%
Other Kanagawa	1,446	4,259	1,909	4,167	▲2.2%
Saitama prefecture	5,049	9,874	4,649	8,299	▲16.0%
Saitama	1,831	3,452	1,315	2,431	▲29.6%
Other Saitama	3,218	6,422	3,334	5,868	▲8.6%
Chiba prefecture	6,308	12,997	5,207	10,139	▲22.0%
Chiba	1,296	2,947	1,277	2,387	▲19.0%
Other Chiba	5,012	10,050	3,930	7,752	▲22.9%
Metropolitan	34,244	70,804	30,097	58,156	▲17.9%

Source: Haseko Research Institute ▲ represents a decrease

Overview of Supply by Region (Kinki Area)

	FY2006		FY2007		(%)
	1st Half (Units)	Annual (Units)	1st Half (Units)	Annual (Units)	
Osaka	3,530	7,693	2,675	6,788	▲11.8%
Hanshin	2,082	3,859	1,289	2,445	▲36.6%
Kobe	1,073	3,041	1,600	3,176	4.4%
Hokusetsu	1,886	4,006	2,108	3,816	▲4.7%
Higashi-osaka	1,244	3,566	1,179	2,191	▲38.6%
Minami-osaka	1,065	2,143	1,460	2,725	27.2%
Kyoto	847	2,153	1,577	2,600	20.8%
Periphery	2,608	4,486	2,568	4,851	8.1%
Other Hyogo prefecture	377	686	345	808	17.8%
Other Kyoto prefecture	291	419	548	856	104.3%
Shiga prefecture	1,035	1,652	965	1,585	▲4.1%
Nara prefecture	820	1,364	623	1,472	7.9%
Wakayama prefecture	85	365	87	130	▲64.4%
Kinki Area	14,335	30,947	14,456	28,592	▲7.6%

Source: Haseko Research Institute ▲ represents a decrease

4. Initial Month Sales Rates for the Fiscal Year Ended March 2008 Were 66.3% in the Tokyo Metropolitan Area and 66.3% in the Kinki Area, Dropping to Below the 70% Level in Both of the Areas. Both For-sale Units and Finished Inventory Turned to an Increasing Trend. There was a strengthened tendency of potential buyers discerning pricing trends and taking a wait and see attitude.

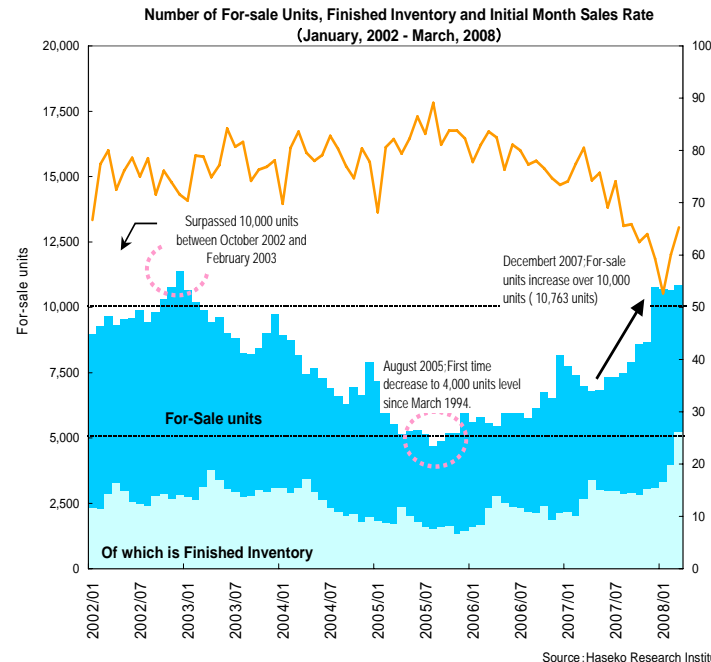
- Average initial month sales rates for the fiscal year ended March 2008 fell below 70% in both the Tokyo metropolitan and Kinki areas, indicating increased severity in sales conditions. Particularly since the fall of 2007, potential buyers have strengthened their wait and see attitude caused by the rising prices of daily necessities and other factors as well as increases in condominium prices. This has led to inventory turning to an increase.
- The number of for-sale units being marketed in the Tokyo metropolitan area as of the end of March 2008 totaled 10,837 units, marking the fourth consecutive month since December 2007 in which the figure surpassed 10,000 units. Finished inventory reached 5,220 units, surpassing the 5,000 unit level for the first time since June 1993, when the figure was 5,043 units. Inventory also increased in the Kinki area, where the number of for-sale units being marketed as of the end of March 2008 increased to 5,975 units while finished inventory reached 2,021 units, surpassing 2,000 units for the first time since June 2003, when the figure was 2,039 units.
- However, demand itself remains unreduced, as exemplified by good sales shown by some properties with high rarity and other values.

History of Initial Month Sales Rate

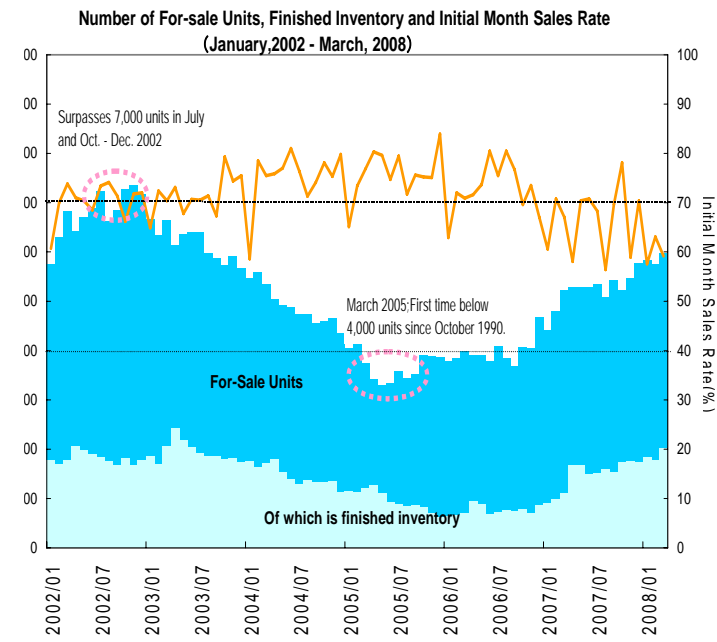
	Tokyo Metropolitan Area		Kinki Area	
	Initial Month Sales Rate (%)	YOY Variation	Initial Month Sales Rate (%)	YoY Variation
FY2000	79.5	0.4	75.1	▲3.2
FY2001	77.5	▲2.0	72.5	▲2.6
FY2002	75.5	▲2.0	70.7	▲1.8
FY2003	78.6	3.1	72.9	2.2
FY2004	78.7	0.1	76.2	3.3
FY2005	83.2	4.5	76.0	▲0.2
FY2006	77.5	▲5.7	72.3	▲3.7
FY2007	66.3	▲11.2	66.3	▲6.0

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 continued to be strong in both the Tokyo metropolitan and Kinki areas, despite the market conditions in which the overall sales situation was worsened. The initial month sales rates of large projects with at least 400 units for the fiscal year ended March 2008 were 80.5% in the Tokyo metropolitan area and 76.8% in the Kinki area, both more than 10 percentage points higher than the overall average.
- However, the initial sales rates have fallen compared to the fiscal year ended March 2005 and 2006 when performance was robust. This is due to potential buyers taking a wait and see attitude, which has caused severe selections even among large projects, leading to clearer distinctions of properties that show good or bad performance in sales.

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

	FY2005		FY2006		FY2007	
	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	4,478	67.3%	3,414	64.4%	3,247	51.6%
30-49 units	11,341	70.7%	10,752	68.9%	8,039	56.9%
50-99 units	20,181	74.6%	16,054	70.5%	14,260	61.7%
100-199 units	13,380	83.4%	11,292	75.4%	9,131	66.4%
200-399 units	12,209	89.6%	11,241	83.7%	11,181	67.4%
400 units or more	21,988	96.9%	18,051	88.7%	12,298	80.5%
Grand total	83,577	83.2%	70,804	77.5%	58,156	66.3%

Source: Haseko Research Institute

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

	FY2005		FY2006		FY2007	
	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	1,198	60.1%	1,299	57.0%	934	59.1%
30-49 units	4,530	66.1%	3,402	60.7%	3,176	62.9%
50-99 units	8,806	71.0%	7,915	62.9%	7,356	61.6%
100-199 units	7,555	77.5%	8,003	75.1%	7,015	63.1%
200-399 units	9,095	82.6%	7,650	80.4%	6,768	72.2%
400 units or more	1,993	94.1%	2,678	90.3%	3,343	76.8%
Grand total	33,177	76.0%	30,947	72.3%	28,592	66.3%

Source: Haseko Research Institute

6. Full Scale Rise in Unit Prices for For-Sale Condominiums, but Signs of Price Adjustments Have Become Apparent in 2008.

• The unit price for for-sale condominiums rose 10.2% year-on-year to 624,000 yen/m² in the entire Tokyo metropolitan area and 5.8% to 477,000 yen/m² in the entire Kinki area, partly due to the intensification of the competition to acquire land for construction of for-sale condominiums and because of the rise in costs associated with acquiring land and construction materials.

• As a result, the average unit price for for-sale condominiums also increased, rising 9.3% year-on-year to 46.96 million yen in the Tokyo metropolitan area and 4.1% to 35.19 million yen in the Kinki area.

• However, partly due to stagnant sales due to the rising prices, changes have come to the surface in setting unit prices for for-sale condominiums and market prices. In particular, supply of properties with “marketable prices” started in 2008 in the Tokyo metropolitan area, as the rise in unit prices for for-sale condominiums and market prices soared. Due to this, and partly due to restrictions in new supply, a drop in prices was seen in the January – Mar

History of Supplied Product Content (Tokyo Metropolitan Area)

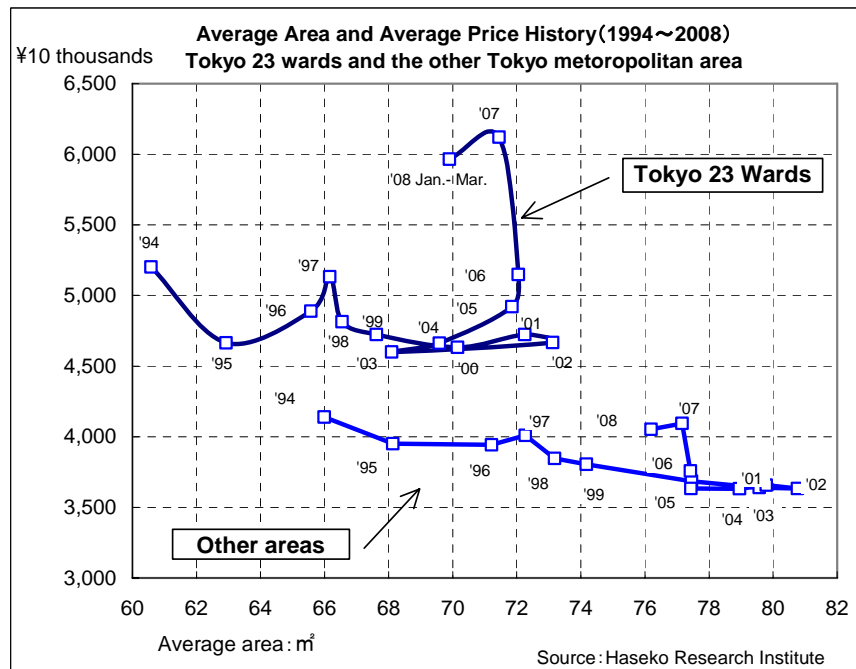
	Average Price		Average Area		m ² Unit Price		Tsubo Unit Price	
	(¥10,000)	YOY	(m ²)	YOY	(¥1,000)	YOY	(¥1,000)	YOY
FY2000	4,027	▲2.3%	75.20	3.7%	536	▲5.8%	1,770	▲5.8%
FY2001	4,033	0.1%	77.81	3.5%	518	▲3.2%	1,713	▲3.2%
FY2002	4,023	▲0.3%	77.32	▲0.6%	520	0.4%	1,720	0.4%
FY2003	4,063	1.0%	74.09	▲4.2%	548	5.4%	1,813	5.4%
FY2004	4,074	0.3%	74.88	1.1%	544	▲0.8%	1,799	▲0.8%
FY2005	4,121	1.4%	75.37	1.7%	547	0.4%	1,807	▲0.3%
FY2006	4,297	4.3%	75.96	0.8%	566	3.5%	1,870	3.5%
FY2007	4,696	9.3%	75.31	▲0.9%	624	10.2%	2,061	10.2%

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
FY2000	3,207	▲6.0%	74.30	2.4%	432	▲8.1%	1,427	▲8.1%
FY2001	3,215	0.2%	77.28	4.0%	416	▲3.6%	1,375	▲3.6%
FY2002	3,212	▲0.1%	77.74	0.6%	413	▲0.7%	1,366	▲0.7%
FY2003	3,181	▲1.0%	75.78	▲2.5%	420	1.6%	1,388	1.6%
FY2004	3,156	▲1.7%	75.25	▲3.2%	419	1.5%	1,387	1.5%
FY2005	3,204	1.5%	74.35	▲1.2%	431	2.7%	1,425	2.7%
FY2006	3,382	5.6%	74.97	0.8%	451	4.6%	1,491	4.6%
FY2007	3,519	4.1%	73.76	▲1.6%	477	5.8%	1,577	5.8%

Source: Haseko Research Institute; ▲ represents a decrease



Note:

- Yamanote area: Minato, Chuo, Chiyoda, Shibuya, Shinjuku, Bunkyo, Meguro, Toshima, Setagaya, Suginami, Nakano, Nerima
- Shitamachi area: Taito, Sumida, Koto, Adachi, Katsushika, Edogawa, Shinagawa, Ohta, Kita, Arakawa, Itabashi

Overview of preferred stock

Outstanding as of March 31, 2008

	Amount	Initial Conversion Price	Ceiling and Floor of Conversion Price	Conversion requesting period	Remarks
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< Schedule to redeem >

Class AIV	13.0 ¥Billion	72yen	Ceiling:216yen Floor:36yen	October 1,2012~ September 30,2028	Schedule redeem on 5/30/2008
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

	Amount	Acquired Price	Executed
Class A II	2.7 ¥Billion	12.0 ¥Billion (440% of the issued amount)	July 31,2006: Acquired August 24,2006: Cancelled
Class A III	20.0 ¥Billion	38.0 ¥Billion (190% of the issued amount)	September 29,2005: Acquired and Cancelled
Class AIV	13.0 ¥Billion	18.3 ¥Billion (140% of the issued amount)	July 31,2006: Acquired August 24,2006: Cancelled
Class AIV	13.0 ¥Billion	18.3 ¥Billion (140% of the issued amount)	July 31,2007: Acquired August 9,2007: Cancelled
Sub-total	48.7 ¥Billion		

Converted to Common Stock

	Amount	Increased due to conversion
Class A I	18.8 ¥Billion	261million shares
Class A II	17.3 ¥Billion	240million shares
Sub-total	36.1 ¥Billion	501million shares

As of 3/31/2008

Common Stock Issued	1,294,479,623 shares
Treasury Stock	17,552,974 shares

