

Summary of Financial Statements

~ For the year ended March 31, 2009 ~



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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				
	08/3	09/3	Difference	10/3	Difference
	Performance	Performance	between 08/3	Forecast	
Net Sales	745.1	505.5	(239.6)	470.0	(35.5)
Construction contracts	481.8	*1 356.6	(125.2)	302.0	(54.6)
Design and supervision	9.5	7.1	(2.3)	5.0	(2.1)
Leasing and management	62.2	*2 63.4	1.2	66.0	2.6
Real estate sale	187.5	*3 74.2	(113.3)	92.0	17.8
Other	4.1	4.2	0.1	5.0	0.8
Gross Profit	82.9	44.6	(38.4)	48.0	3.4
Construction contracts	51.1	*4 37.4	(13.7)	29.5	(7.9)
[Profit ratio of construction contracts]	[10.6%]	[10.5%]	[-0.1pnt.]	[9.8%]	[-0.7pnt.]
Design and supervision	5.2	3.5	(1.7)	2.5	(1.0)
Leasing and management	10.5	*5 8.8	(1.8)	10.5	1.7
Real estate sales	15.6	*6 (5.6)	(21.1)	4.5	10.1
Other	0.5	0.5	(0.0)	1.0	0.5
SG&A	27.2	*7 29.0	1.8	29.0	0.0
Operating Income	55.7	15.6	(40.1)	19.0	3.4
[Operating income ratio]	[7.5%]	[3.1%]	[-4.4pnt.]	[4.0%]	[+0.9pnt.]
Interest income (expense), net	(2.3)	(2.8)	(0.5)	(4.4)	(1.6)
Other income(expense), net	(0.3)	(0.3)	(0.0)	(1.1)	(0.8)
Ordinary Income	53.1	12.4	(40.7)	13.5	1.1
[Ordinary income ratio]	[7.1%]	[2.5%]	[-4.6pnt.]	[2.9%]	[+0.4pnt.]
Special Income(Losses), net	(29.4)	*8 (13.4)	16.0	-	13.4
Net Income before income taxes	23.7	(1.0)	(24.6)	13.5	14.5
Income taxes	1.3	6.6	5.4	6.5	(0.1)
Net Income	22.4	(7.6)	(30.0)	7.0	14.6
Depreciation	3.6	4.0	0.4		
Number of employees	3,916	*9 4,326	410		

*1. Decrease in construction contracts by parent company

*2. Increase in revenue from building management of condominium.

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

*4. Decrease in sales of construction contracts by parent company.

*5. Decrease due to liquidation of REIT Corporation and decrease in profit on leasing and management businesses.

*6. Decrease in real estate sales and accounted for valuation loss on inventory assets .

*7. Increase doubtful debt account over bankrupt customers.

*9. Increase due to inclusion in consolidation of 3 building management companies.

*8. Special Losses;	09/3
Provision for doubtful account	8.0
Write down of investment securities	2.0
Write down of investment in affiliates	1.4
Impairment loss on fixed assets	1.4
Other	0.7
	13.5

Summary of Consolidated Balance Sheets

Assets

	3/31/2008	3/31/2009	Difference
Current assets:			
Cash and bank deposits	62.6	55.5	(7.1)
Notes and accounts receivable, trade	94.8	70.2	(24.7)
Costs incurred on uncompleted contracts	12.0	14.9	2.9
Real estate for sale *1	162.1	152.7	(9.4)
Short-term loans	1.8	0.1	(1.7)
Deferred tax assets	17.0	11.7	(5.3)
Other current assets	9.4	9.4	0.0
Allowance for doubtful accounts	(0.2)	(1.2)	(1.1)
Total current assets	359.6	313.3	(46.4)
Fixed assets:			
Property and Equipment, Leasehold rights *1	69.8	106.2	36.4
Investment securities	8.4	7.0	(1.4)
Long-term loans	4.4	2.8	(1.7)
Long-term deferred tax assets	33.6	32.5	(1.1)
Other assets	13.0	34.6	21.5
Allowance for doubtful accounts	(2.6)	(10.5)	(7.9)
Total fixed assets	126.6	172.5	46.0
Total Assets	486.2	485.8	(0.4)

Liabilities and Net Assets

	Billions of Yen		
	3/31/2008	3/31/2009	Difference
Current Liabilities:			
Notes and accounts payable	131.4	100.8	(30.6)
Short-term borrowings *2	15.4	84.9	69.5
Current portion of long-term debt	31.8	57.7	25.9
Advances received on uncompleted contracts	30.8	20.9	(9.9)
Other current liabilities	38.8	46.4	7.6
Total current liabilities	248.3	310.8	62.6
Long-term Liabilities:			
Long-term debt *2	117.8	93.3	(24.5)
Other long-term liabilities	9.1	10.5	1.3
Total long-term liabilities	127.0	103.8	(23.2)
Total liabilities	375.2	414.6	39.4
Net Assets: *3			
Shareholders' Equity:			
Capital stock	50.0	50.0	-
Retained earnings	68.6	32.6	(35.9)
Treasury stock	(3.6)	(0.1)	3.5
Total shareholders' equity	114.9	82.5	(32.4)
Valuation Translation Adjustments and Others:			
Net unrealized gain on other securities	(0.2)	0.0	0.3
Cumulative translation adjustments	(4.1)	(11.5)	(7.4)
Total Valuation Adjustments and Others	(4.3)	(11.5)	(7.2)
Minority Interests:			
	0.3	0.1	(0.2)
Total Net Assets	111.0	71.2	(39.8)
Total Liabilities and Net Assets	486.2	485.8	(0.4)

Summary of Consolidated Balance Sheets

*1.Real Estate Balance

	Billions of Yen			
	3/31/2008	3/31/2009	Difference	
Land and building held for sale	71.3	47.3	(24.0)	Decrease due to transfer rental condominiums to fixed assets
Costs and advances for real estate operati	46.0	58.0	12.0	Increase in projects in which Haseko participated
Real estate for development projects	44.8	43.5	(1.3)	
PFI projects	-	3.8	3.8	Ayasegawa project and Koganei project; Re-building project of government workers' residence
Real estate for sale	162.1	152.7	(9.4)	
Property and equipment, Lease hold rights	69.8	106.2	36.4	Increase due to transfer rental condominiums from current assets
	231.9	258.9	27.0	

*2.Interest-bearing Debt Balance

	Billions of Yen			
	3/31/2008	3/31/2009	Difference	
Interest-bearing debt	165.1	232.4	67.4	Increase in committed line of credit utilized(+45 billion) and term loan(+15 billion)
PFI project finance loan	-	3.5	3.5	
	165.1	235.9	70.9	

*3.Change in Net Assets

	Billions of Yen							3/31/2009	
	3/31/2008	Reversal of paid in capital	Retirement of preferred stock	Retirement of common stock	Purchase of treasury stocks	Dividend	Net Income		Other
Capital	50.0								50.0
Additional paid-in capital	-	23.5	(18.2)	(5.2)					-
Retained earnings	68.6	(23.5)				(4.9)	(7.6)		32.6
Treasury stock	(3.6)		18.2	5.2	(19.9)			0.0	(0.1)
Other	(4.0)							(7.4)	(11.4)
Net Assets	111.0	-	-	-	(19.9)	(4.9)	(7.6)	(7.4)	71.2

Cash Flows

	Billions of Yen		
	08/3	09/3	Difference
Cash Flows from operating activities	14.4	(47.3)	(61.7)
Cash Flows from investing activities	27.3	(4.0)	(31.3)
Cash Flows from financing activities	(44.8)	44.8	89.6
Cash and cash equivalents as of 3/31	62.4	55.1	(7.3)

*Operating activities · · · Increase in real estate inventories, Decrease in notes, accounts payable and amounts received for uncompleted contracts.

*Investing activities · · · Purchase of subsidiaries' stock, investment securities, and collection of loans receivable.

*Financing activities · · · Increase in short-term borrowings, redemption of preferred stock and payment of dividend.

Summary of Non-Consolidated Income Statements

	Billions of Yen				
	08/3	09/3	Difference	10/3	Difference
	Performance	Performance	between 08/3	Forecast	Difference
Net Sales	600.7	374.4	(226.3)	340.0	(34.4)
Construction contracts	414.3	301.1	(113.2)	260.0	(41.1)
Commissioned work	14.0	6.0	(8.0)	6.0	0.0
Design and supervision	9.5	7.6	(2.0)	5.0	(2.6)
Lease rentals of buildings	3.8	4.8	1.0	5.0	0.2
Real estate sale	159.0	54.9	(104.1)	64.0	9.1
Gross Profit	59.3	28.9	(30.4)	28.6	(0.3)
Construction contracts	35.3	28.5	(6.8)	22.0	(6.5)
Commissioned work	10.2	3.7	(6.6)	2.5	(1.2)
[Profit ratio of construction works]	[10.6%]	[10.5%]	(-0.1pnt.)	[9.2%]	(-1.3pnt.)
Design and supervision	5.2	3.7	(1.5)	2.5	(1.2)
Lease rentals of buildings	0.8	1.1	0.3	1.0	(0.1)
Real estate sale	7.8	(8.0)	(15.8)	0.6	8.6
SG&A	17.2	18.3	1.1	16.6	(1.7)
Operating Income	42.1	10.6	(31.5)	12.0	1.4
[Operating income ratio]	[7.0%]	[2.8%]	(-4.2pnt.)	[3.5%]	(+0.7pnt.)
Interest income(expense),net	2.5	0.8	(1.8)	(0.4)	(1.2)
Other income(expense),net	(0.2)	(0.4)	(0.1)	(0.6)	(0.2)
Ordinary Income	44.4	11.1	(33.4)	11.0	(0.1)
[Ordinary income ratio]	[7.4%]	[3.0%]	(-4.4pnt.)	[3.2%]	(+0.2pnt.)
Special income(loss),net	(22.6)	(11.8)	10.8	-	11.8
Net income before income taxes	21.8	(0.7)	(22.6)	11.0	11.7
Income taxes	3.6	4.1	0.5	4.0	(0.1)
Net Income	18.3	(4.8)	(23.1)	7.0	11.8
Depreciation	0.9	1.0	0.1		
Number of employees	2,020	2,089	69		

Summary of Non-Consolidated Balance Sheets

Assets

	3/31/2008	3/31/2009	Difference
Current assets:			
Cash and bank deposits	34.1	27.8	(6.3)
Notes and A/R., construction contracts	81.7	51.1	(30.6)
A/R;Real estate and Lease rental of building	2.9	4.7	1.8
Costs incurred on uncompleted contracts *1	13.4	12.8	(0.7)
Real estate for sale	123.8	113.5	(10.3)
Deferred tax assets	15.7	11.1	(4.7)
Other current assets	9.8	8.4	(1.4)
Total current assets	281.5	229.2	(52.2)
Fixed assets:			
Property and Equipment, Leasehold rights	16.4	50.3	33.9
Investments in securities	1.9	2.0	0.1
Investments in subsidiaries and affiliates	52.5	52.4	(0.1)
Long-term loans	0.0	0.0	(0.0)
Long-term loans to subsidiaries and affiliates	52.3	36.9	(15.4)
Long-term deferred tax assets	30.1	29.5	(0.6)
Other fixed assets	14.7	27.1	12.4
Allowance for doubtful accounts	(16.8)	(10.1)	6.7
Total fixed assets	151.2	188.0	36.8
Total assets	432.6	417.2	(15.4)

Liabilities and Net Assets

	Billions of Yen		
	3/31/2008	3/31/2009	Difference
Current Liabilities:			
Notes and accounts payable	117.2	83.8	(33.4)
Short-term borrowings	19.6	82.7	63.1
Current portion of long-term debt	31.8	57.4	25.6
Advances received on uncompleted contracts *1	28.0	18.1	(9.9)
Other current liabilities	24.4	21.6	(2.9)
Total current liabilities	221.1	263.6	42.6
Long-term Liabilities:			
Long-term debt	117.6	88.3	(29.3)
Other	1.4	2.2	0.8
Total long-term liabilities	119.0	90.5	(28.5)
Total liabilities	340.0	354.1	14.1
Net Assets:			
Shareholders' Equity:			
Capital stock	50.0	50.0	-
Retained earnings	46.3	13.2	(33.1)
Treasury stock	(3.6)	(0.1)	3.5
Total shareholders' equity	92.6	63.1	(29.6)
Valuation Translation Adjustments and Others:			
Net unrealized gain on other securities	(0.1)	(0.0)	0.1
Total Net Assets	92.6	63.1	(29.5)
Total Liabilities and Net Assets	432.6	417.2	(15.4)

*1.Excess of Work Taken On

	3/31/2008	3/31/2009	Difference
Advances received on uncompleted contracts	28.0	18.1	(0.7)
Costs incurred on uncompleted contracts	13.4	12.8	(9.9)
Difference	14.6	5.4	(9.2)

Non-consolidated Orders Received

Orders

(Billions of yen)

	08/3				09/3					10/3			
	~1Q	~2Q	~3Q	Annual	~1Q	~2Q	~3Q	Annual	YOY	Interim forecast	YOY	Annual forecast	YOY
Orders	115.2	173.6	248.0	367.6	82.7	154.6	215.9	250.9	(116.7)	120.0	(34.6)	270.0	19.1
Construction business	113.1	168.0	240.6	356.7	81.5	150.5	211.2	245.0	(111.7)	117.0	(33.5)	264.0	19.0
Private-sector condominiums	106.2	136.9	204.9	318.3	73.5	125.2	155.1	178.8	(139.4)	103.0	(22.2)	207.5	28.7
General construction	3.1	22.6	24.0	24.8	2.6	18.0	50.0	58.9	34.1	10.0	(8.0)	48.0	(10.9)
Civil engineering	0.2	1.3	2.0	2.1	3.1	3.8	2.1	2.8	0.7	1.0	(2.8)	2.5	(0.3)
Consulting contracts	3.6	7.1	9.7	11.5	2.3	3.5	4.0	4.5	(7.0)	3.0	(0.5)	6.0	1.5
Design/supervision business	2.1	5.7	7.4	10.9	1.2	4.2	4.8	5.8	(5.0)	3.0	(1.2)	6.0	0.2

Order by Size Private-sector condominiums

(Billions of yen)

	08/3		09/3		YOY
	Annual	Share	Annual	Share	
Under 200 units	120.5	39.0%	57.9	31.6%	(62.6)
200-399 units	120.5	39.0%	89.1	48.7%	(31.3)
400 units or more	67.8	22.0%	36.0	19.7%	(31.8)
Total	308.8	100%	183.0	100%	(125.7)

* Excluding additional construction orders

Haseko Designated Orders and Construction with Design orders

	08/3	09/3
Ratio of Haseko Designated Orders	99.9%	91.9%
Ratio of Construction with Design Orders	90.1%	93.3%

Order by Region

(Billions of yen)

	08/3		09/3		YOY
	Annual	Share	Annual	Share	
Tokyo Metropolitan Area	242.6	66.0%	194.6	77.5%	(48.1)
Kinki Region	118.5	32.2%	45.1	18.0%	(73.4)
Tokai Area	6.5	1.8%	11.2	4.5%	4.7
Total	367.6	100%	250.9	100%	(116.7)

Major Consolidated Subsidiaries

(Haseko Urbest, Haseko Community and Haseko Livenet)

HASEKO URBEST

Units

		08/3	09/3	10/3
		Performance	Performance	Forecast
Consignment sales	Number of transactions	7,874	5,930	6,200
	Value of transactions	¥283.8B	¥201.6B	¥201.0B
Brokerage	Number of transactions	1,799	1,645	1,930
	Value of transactions	¥50.7B	¥48.1B	¥58.0B
Total	Number of transactions	9,673	7,575	8,130
	Value of transactions	¥334.5B	¥249.7B	¥259.0B

HASEKO COMMUNITY

Units

		08/3	09/3	10/3
		As of 3/31	As of 3/31	As of 3/31 (Forecast)
Managing condominium units		192,861	205,364	213,900

The total number that added up the number of managing condominium with Nikken Community, Nichimo Community and Haseko Community Kyushu is 253 thousand units as of the end of March 2009.

HASEKO LIVENET

Units

		08/3	09/3	10/3
		As of 3/31	As of 3/31	As of 3/31 (Forecast)
Sublease		9,114	8,951	8,400
Commissioned property management		33,408	44,468	51,200
Company housing management agency		18,638	22,571	25,600
Total number of dwellings managed		61,160	75,990	85,200

Billions of Yen

		08/3	09/3	10/3
		Performance	Performance	Forecast
Net sales		12.5	9.9	9.4
Gross profit		3.7	1.3	1.9
SG&A		1.5	1.5	1.5
Operating income		2.2	(0.2)	0.4
Ordinary income		2.3	(0.1)	0.4
Net income		1.4	(0.4)	0.2

Billions of Yen

		08/3	09/3	10/3
		Performance	Performance	Forecast
Net sales		41.3	44.4	46.8
Gross profit		3.9	4.1	4.1
SG&A		1.4	1.6	1.5
Operating income		2.5	2.6	2.7
Ordinary income		2.6	2.6	2.7
Net income		1.4	1.1	1.6

Billions of Yen

		08/3	09/3	10/3
		Performance	Performance	Forecast
Net sales		21.7	22.2	21.7
Gross profit		5.5	4.8	5.7
SG&A		3.3	3.5	3.7
Operating income		2.2	1.3	1.9
Ordinary income		2.2	1.3	2.0
Net income		1.2	0.6	1.2

Consolidated Subsidiaries

Billions of Yen

Name		09/3 Actual	10/3 Forecast	3/31/2009	
HASEKO Anesis Corporation	Net Sales	1.2	1.1	Total assets	14.6
	Ordinary Income	2.9	2.2	Net assets	8.5
	Net Income	2.9	2.3	No. of employees	53
HASEKO Community Inc.	Net Sales	44.4	46.8	Total assets	14.6
	Ordinary Income	2.6	2.7	Net assets	4.6
	Net Income	1.1	1.6	No. of employees	587
HASEKO Livenet Inc.	Net Sales	22.2	21.7	Total assets	11.3
	Ordinary Income	1.3	2.0	Net assets	2.4
	Net Income	0.6	1.2	No. of employees	258
Century Life Co.,Ltd.	Net Sales	1.6	1.9	Total assets	7.4
	Ordinary Income	(0.1)	(0.1)	Net assets	0.3
	Net Income	(0.1)	(0.1)	No. of employees	7
HASEKO Systems Inc.	Net Sales	4.0	3.6	Total assets	2.4
	Ordinary Income	0.7	0.6	Net assets	0.9
	Net Income	0.4	0.3	No. of employees	58
HASEKO Intec Inc.	Net Sales	9.0	8.5	Total assets	3.1
	Ordinary Income	0.2	0.2	Net assets	0.7
	Net Income	0.1	0.1	No. of employees	93

Billions of Yen

Name		09/3 Actual	10/3 Forecast	3/31/2009	
Haseko Urbest Inc.	Net Sales	9.9	9.4	Total assets	21.9
	Ordinary Income	(0.1)	0.4	Net assets	4.4
	Net Income	(0.4)	0.2	No. of employees	547
Brigton Corporation	Net Sales	11.2	11.8	Total assets	29.5
	Ordinary Income	(0.4)	0.2	Net assets	3.3
	Net Income	(1.4)	0.1	No. of employees	21
Hasec Inc.	Net Sales	71.5	52.3	Total assets	12.3
	Ordinary Income	0.2	0.1	Net assets	0.4
	Net Income	0.0	0.1	No. of employees	31
Foris Corporation	Net Sales	10.8	7.7	Total assets	3.2
	Ordinary Income	0.3	0.0	Net assets	0.4
	Net Income	0.1	0.0	No. of employees	110
FUJI Kensetsu Co., Ltd.	Net Sales	20.1	20.1	Total assets	8.4
	Ordinary Income	0.4	0.3	Net assets	1.2
	Net Income	0.2	0.2	No. of employees	179
HASEKO America Inc. and 14 subsidiaries	Net Sales	8.8	7.4	Total assets	37.3
	Ordinary Income	0.3	(0.9)	Net assets	32.3
	Net Income	0.0	(1.0)	No. of employees	40

Market Share

Tokyo Metropolitan Area

	FY2006(4/1/2006~3/31/2007)					FY2007(4/1/2007~3/31/2008)					FY2008(4/1/2008~3/31/2009)				
	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	3,414	28	0.8%	64.4%	78.6%	3,247	0	-	51.6%	-	2,116	0	-	53.5%	-
30 ~ 49 units	10,752	213	2.0%	68.9%	83.1%	8,039	149	1.9%	56.9%	38.9%	5,816	104	1.8%	58.8%	48.1%
50 ~ 99 units	16,054	1,090	6.8%	70.5%	66.5%	14,216	1,479	10.4%	61.6%	59.2%	9,812	861	8.8%	63.1%	71.3%
100 ~ 199 units	11,292	1,874	16.6%	75.4%	82.8%	9,131	2,379	26.1%	66.4%	57.3%	7,644	2,029	26.5%	64.2%	76.8%
200 ~ 399 units	11,241	3,387	30.1%	83.7%	81.6%	11,181	2,465	22.0%	67.4%	73.6%	6,041	2,289	37.9%	67.5%	64.7%
400 units or more	18,051	6,907	38.3%	88.7%	88.8%	12,298	4,753	38.6%	80.5%	80.3%	8,737	2,978	34.1%	69.1%	77.5%
Total	70,804	13,499	19.1%	77.5%	84.3%	58,112	11,225	19.3%	66.3%	70.7%	40,166	8,261	20.6%	64.1%	72.7%
	2006(Jan-Dec): 18.8%					2007(Jan-Dec): 19.6%					2008(Jan-Dec): 20.7%				

Kinki Area

	FY2006(4/1/2006~3/31/2007)					FY2007(4/1/2007~3/31/2008)					FY2008(4/1/2008~3/31/2009)				
	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	1,299	0	-	57.0%	-	934	0	-	59.1%	-	740	0	-	55.4%	-
30 ~ 49 units	3,402	0	-	60.7%	-	3,176	48	1.5%	62.9%	54.2%	2,878	0	-	55.4%	-
50 ~ 99 units	7,915	429	5.4%	62.9%	66.0%	7,356	695	9.4%	61.6%	67.8%	5,876	775	13.2%	54.5%	55.1%
100 ~ 199 units	8,003	1,839	23.0%	75.1%	74.0%	7,015	1,361	19.4%	63.1%	66.6%	5,041	807	16.0%	61.0%	74.1%
200 ~ 399 units	7,650	1,909	25.0%	80.4%	84.9%	6,768	2,078	30.7%	72.2%	71.8%	4,741	1,016	21.4%	65.0%	55.6%
400 units or more	2,678	555	20.7%	90.3%	94.4%	3,343	966	28.9%	76.8%	87.7%	2,524	761	30.2%	66.6%	68.7%
Total	30,947	4,732	15.3%	72.3%	80.1%	28,592	5,148	18.0%	66.3%	72.2%	21,800	3,359	15.4%	59.8%	62.9%
	2006(Jan-Dec): 13.7%					2006(Jan-Dec): 18.8%					2008(Jan-Dec): 18.8%				

Condominium Market

1. Supply of New Units During the Fiscal Year Ended March 2009 Totaled 1,967 Projects for 40,166 Units, or a Year-on-year Decrease of 30.9%, in the Tokyo Metropolitan Area and 995 Projects for 21,800 Units in the Kinki Area, a Year-on-year Decrease of 23.8%.

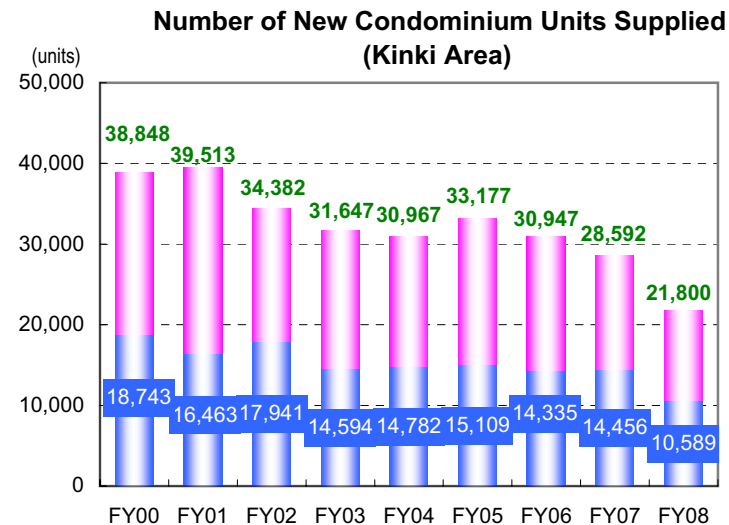
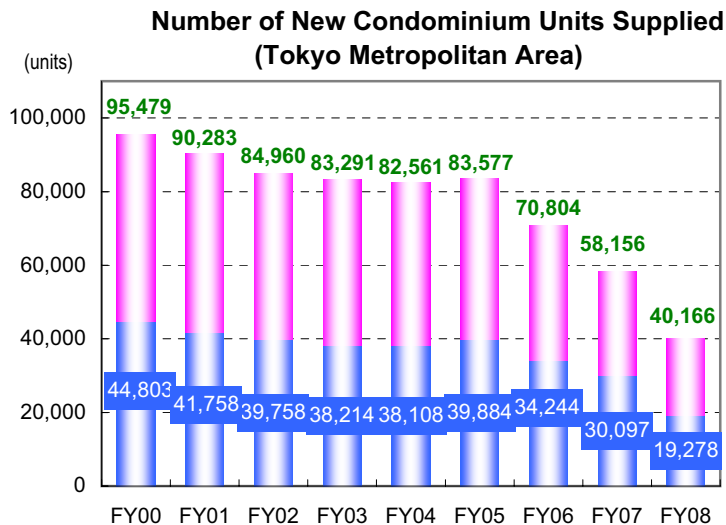
Haseko's Construction Performance in the fiscal year ended March 2009:

Tokyo metropolitan area: 244 projects, 8,261 units (year-on-year decrease of 26.4%);
share 20.6% (year-on-year increase of 1.3 points)
Kinki area: 163 projects, 3,359 units (year-on-year decrease of 34.8%),
share 15.4% (year-on-year decrease of 2.6 points)

*New supply during the fiscal year ended March 2009 dropped significantly, marking the third consecutive year with a year-on-year decrease in both the Tokyo metropolitan and Kinki areas. In particular, the figure for the former fell below 50,000 units for the first time since the fiscal year ended March 1993 when 28,460 units were supplied. The figure for the latter decreased to the 20,000 unit level for the second consecutive year.

*The supply of new units dropped significantly, primarily impacted by such factors as 1) passing up on sales and 2) providers limiting 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 2009 period continued at a low level, with the total decreasing 34.9% year-on-year to 6,659 units in the Tokyo metropolitan area and dropping 15.1% to 5,318 units in the Kinki area.

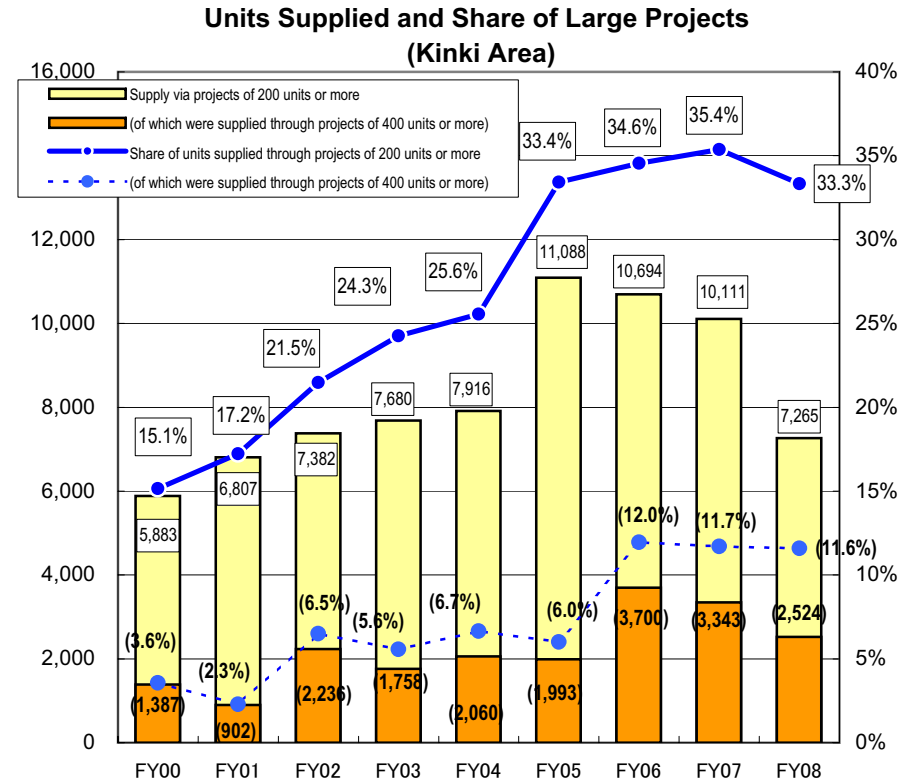
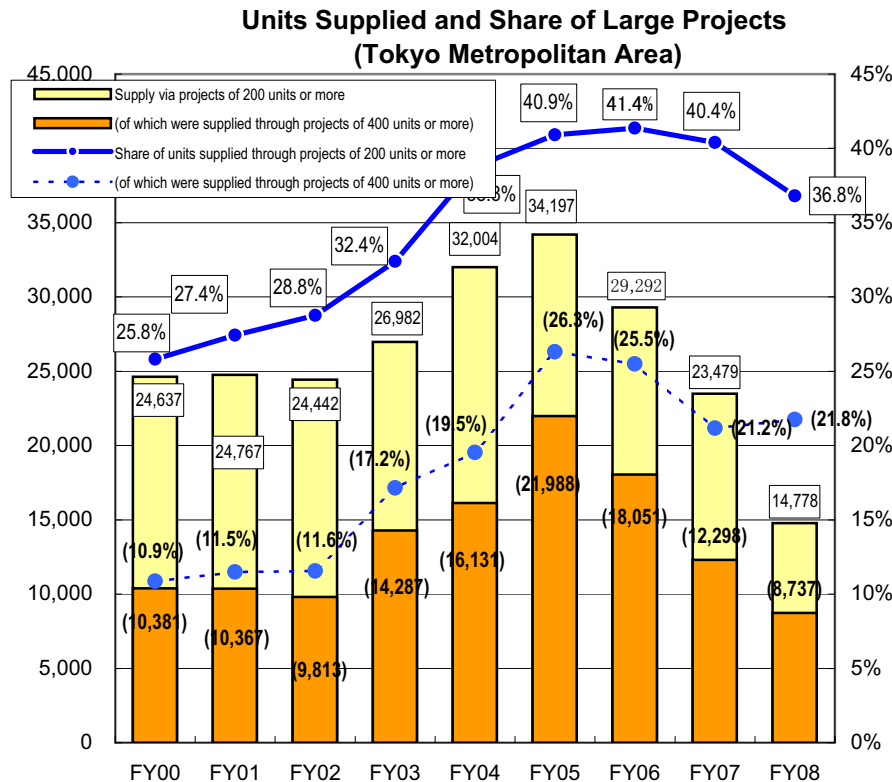


Source: Haseko Research Institute

Condominium Market

2. The Supply of Large Projects Also Remained Stagnant. Share of Large Projects in the Tokyo Metropolitan Area Fell Below 40%.

- *Large projects with at least 200 units have continued to be the center of supply both in the Tokyo metropolitan and Kinki areas, but new supply in both areas has fallen to a low level.
- *The supply of units in large projects dropped to 14,778 units in the Tokyo metropolitan area, accounting for 36.8% of the total Tokyo metropolitan area. The percentage figure also represented a year-on-year drop, as it fell below 40% in the fiscal year ended March 2009 after staying above 40% for three consecutive years since the fiscal year ended March 2006.
- *The supply of units in large projects in the Kinki area also decreased to 7,265 units. Although it accounted for more than 30% (at 33.3%) of the total Kinki area, the decrease was due to the significant drop in the total figure for the area, with new supply stagnant.



Source: Haseko Research Institute

Condominium Market

3. Supply of Units Declined Significantly in Central Downtown and Suburban Areas.

*By area, there were many areas both in the Tokyo metropolitan and Kinki areas that saw a significant decline in supply.

*The supply of units in the 23 wards of Tokyo was 14,856 units, a year-on-year decrease of 12.1%. The figure for the 23 wards of Tokyo reveals a decreasing trend since the fiscal year ended March 2004 when it peaked at 37,580 units. The supply of units in the fiscal year ended March 2008 was as low as about 40% of the peak figure.

The number of units supplied decreased in both central downtown and suburban areas of the Tokyo metropolitan area, as Saitama Prefecture and Chiba Prefecture saw declines of more than 30%, respectively.

*In the Kinki area, the supply in Osaka City continued on a decreasing trend, dropping to 5,128 units in the fiscal year ended March 2009 – the first drop to the 5,000-unit level since the fiscal year ended March 1996 when the figure was 5,851 units. In addition, year-on-year decreases of more than 40% were recorded in Kyoto City, Minami Osaka and Hokusetsu.

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

Condominium Market

4. Initial Month Sales Rates for the Fiscal Year Ended March 2009 Dropped to 64.1% in the Tokyo Metropolitan Area and 59.8% in the Kinki area. Inventory Continued to Show an Increasing Trend through December 2008. The number of for-sale units being marketed turned to a decreasing trend in January through March 2009, partly due to a recovery in consumers' willingness to purchase.

*Sales conditions continued to be severe throughout the fiscal year ended March 2009. In particular, the drastic changes in the economic environment since the fall of 2008 helped reinforce the increasing trend of inventory both in the Tokyo metropolitan and Kinki areas. For-sale units being marketed as of the end of December 2008 totaled 12,427 units in the Tokyo metropolitan area, surpassing 12,000 units for the first time since November 1984. The figure in the Kinki area also rose to surpass 6,000 units, reaching 6,344 units.

*Entering 2009, however, consumers' willingness to purchase showed a significant improvement due to such factors as full-on price adjustments centering on inventories and the government's decision to expand tax reductions on housing mortgages, and the number of for-sale units being marketed also turned to a declining trend. The number of for-sale units being marketed as of the end of March 2009 decreased to 8,846 units in the Tokyo metropolitan area (3,581 units less than the end of December 2008) and dropped to 5,971 units in the Kinki area (same, 373 units less), indicating that inventory reduction has been accelerated.

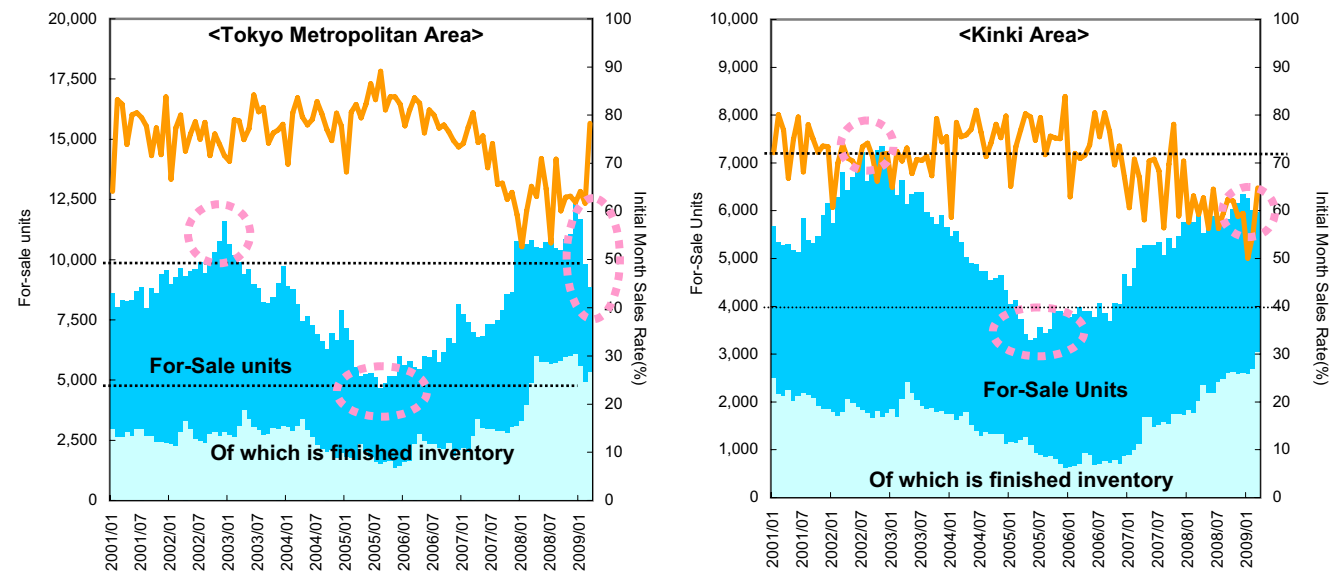
History of Initial Month Sales Rate

	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
FY2008	64.1	▲2.2	59.8	▲6.5

Source: Haseko Research Institute

YoY variation is represented in points; ▲ represents a decrease

Number of For-Sale units, Finished Inventory and Initial Month Sales Rate (January 2001 - March 2009)



Source: Haseko Research Institute

Condominium Market

5. Sale of Units in Large Projects Was Stagnant Due to Deterioration in Consumers' Willingness to Purchase

*Sales of units in large projects performed stagnantly in both the Tokyo metropolitan and Kinki areas as the overall sales situation became increasingly difficult. In particular, the initial month sales rates of large projects with at least 400 units for the fiscal year ended March 2009 were 69.1% in the Tokyo metropolitan area and 66.6% in the Kinki area, both dropping to the 60%-level, although the rates had been fairly high until recently

*The severe economic and market conditions have caused stringent selections even among large projects, leading to clearer distinctions of properties that show good or bad performance in sales. The drop in the initial month sales rates of large projects, which had been strong until recently, may endorse that the consumers' willingness to purchase has been weakened significantly.

Supply and Initial Month Sales Conditions by Condominium Project Size

(Tokyo Metropolitan Area)

	FY2006		FY2007		FY2008	
	No. of New Condominiums	Initial Month Sales Rate	No. of New Condominiums	Initial Month Sales Rate	No. of New Condominiums	Initial Month Sales Rate
	Units Supplied		Units Supplied		Units Supplied	
Under 30 units	3,414	64.4%	3,247	51.6%	2,116	53.5%
30-49 units	10,752	68.9%	8,039	56.9%	5,816	58.8%
50-99 units	16,054	70.5%	14,260	61.7%	9,812	63.1%
100-199 units	11,292	75.4%	9,131	66.4%	7,644	64.2%
200-399 units	11,241	83.7%	11,181	67.4%	6,041	67.5%
400 units or more	18,051	88.7%	12,298	80.5%	8,737	69.1%
Total	70,804	77.5%	58,156	66.3%	40,166	64.1%

Source: Haseko Research Institute

(Kinki Area)

	FY2006		FY2007		FY2008	
	No. of New Condominiums	Initial Month Sales Rate	No. of New Condominiums	Initial Month Sales Rate	No. of New Condominiums	Initial Month Sales Rate
	Units Supplied		Units Supplied		Units Supplied	
Under 30 units	1,299	57.0%	934	59.1%	740	55.4%
30-49 units	3,402	60.7%	3,176	62.9%	2,878	55.4%
50-99 units	7,915	62.9%	7,356	61.6%	5,876	54.5%
100-199 units	8,003	75.1%	7,015	63.1%	5,041	61.0%
200-399 units	7,650	80.4%	6,768	72.2%	4,741	65.0%
400 units or more	2,678	90.3%	3,343	76.8%	2,524	66.6%
Total	30,947	72.3%	28,592	66.3%	21,800	59.8%

Source: Haseko Research Institute

Condominium Market

6. Average Unit Price and Average Market Price for For-Sale Condominiums Rose in the Entire Tokyo Metropolitan Area, but Adjustments of Unit Prices and Market Prices Started to Take Place.

*The average unit price and average market price for for-sale condominiums in the entire Tokyo metropolitan area continued to show a rising trend, partly due to the significant drop in the number of new supply and the relatively higher proportion of units supplied in central downtown among the total supply in the area.

*The unit price for for-sale condominiums rose 4.2% year-on-year to 650 thousand yen/m² in the entire Tokyo metropolitan area, and the average market price also rose to 47.57 million yen (up 1.3% year-on-year). The unit price for for-sale condominiums in the Kinki area was 473 thousand yen/m² (down 0.8% year-on-year) and the average market price was 35.09 million yen (down 0.3% year-on-year).

*Full-on price adjustments have started for inventories, but adjustments of unit prices and market prices for newly supplied for-sale condominiums are not yet full-fledged. However, supply of properties reflecting "marketable prices" have started to take place. A drop in average market prices was observed in the January - March 2009 period, partly due to restrictions in new supply (refer to graph at bottom right).

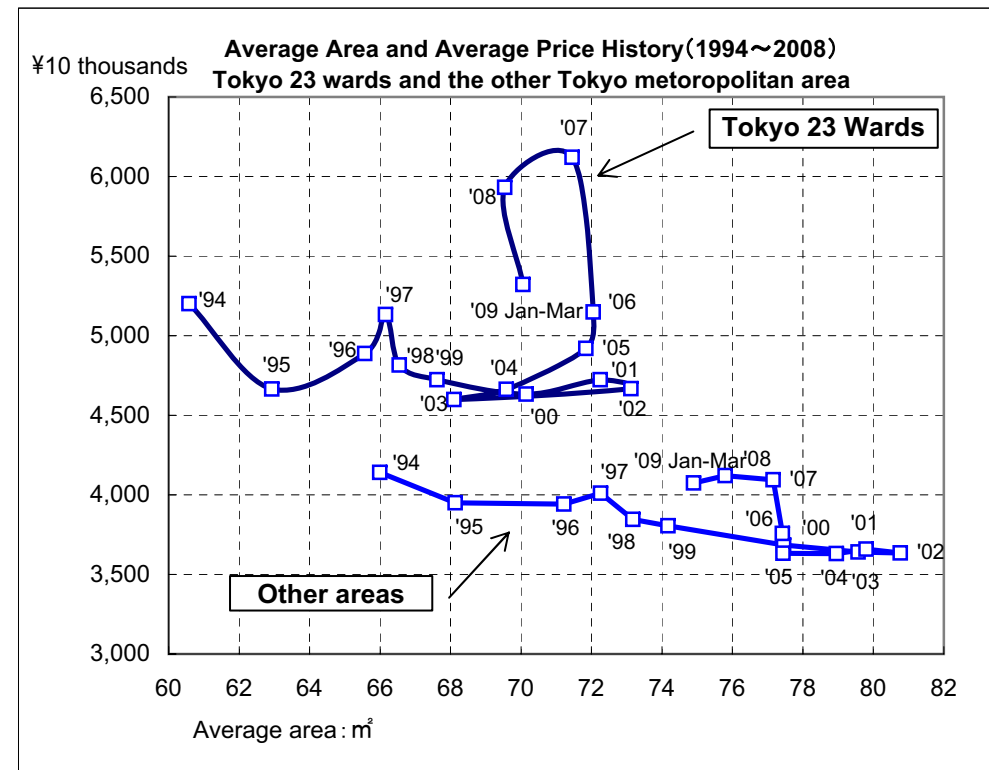
History of Supplied Product Content (Tokyo Metropolitan Area)

	Average Price		Average Area		m ² Unit Price		Tsubo Unit Price	
	(¥10,000)	YOY	(m ²)	YOY	(¥1,000)	YOY	(¥1,000)	YOY
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%
FY2008	4,757	1.3%	73.22	▲2.8%	650	4.2%	2,148	4.2%

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
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%
FY2008	3,509	▲0.3%	74.13	0.5%	473	▲0.8%	1,565	▲0.8%

Source: Haseko Research Institute; ▲ represents a decrease



Overview of Preferred Stock

Outstanding as of March 31, 2009

	Amount	Initial Conversion Price	Ceiling and Floor of Conversion Price	Conversion requesting period	Mandatory redemption period
< Schedule to redeem >					
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	April 1,2009 ~ September 30,2014

Retired

	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: Retired
Class A III	20.0 ¥Billion	38.0 ¥Billion (190% of the issued amount)	September 29,2005: Acquired and Retired
Class A IV	13.0 ¥Billion	18.3 ¥Billion (140% of the issued amount)	July 31,2006: Acquired August 24,2006: Retired
Class A IV	13.0 ¥Billion	18.3 ¥Billion (140% of the issued amount)	July 31,2007: Acquired August 9,2007: Retired
Class A IV	13.0 ¥Billion	18.2 ¥Billion (140% of the issued amount)	May 30,2008: Acquired June 27,2008: Retired
Sub-total	61.7 ¥Billion		

Converted to Common Stock

	Amount	Increased due to conversion
Class A I	48.7 ¥Billion	261million shares
Class A II	17.3 ¥Billion	240million shares
Sub-total	36.1 ¥Billion	501million shares

As of 3/31/2009

Common Stock Issued: 1,265,901,623 shares
 Treasury Stock: 593,316 shares

