

F A C T B O O K

(November 8, 2007)

Heiwa Real Estate Co., Ltd.

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Operating Results for the Respective Divisions for the First Half of Fiscal Year Ending March 31, 2008

1. Building Leasing Division

- ◆ Revenue-increasing factors
 - Full-year operation of properties acquired in the previous period: ¥75 million
 - Properties acquired in the current period: ¥92 million
 - Rent revision and rotation of tenants: ¥84 million

	2006/9	2007/9	Year-on-Year	Year-on-Year (%)
Operating revenue (Millions of yen)	8,376	8,628	251	3.0
Stock exchange market place leasing	2,587	2,586	(1)	(0.0)
General leasing	4,069	4,282	213	5.2
Commercial facilities leasing	1,653	1,689	35	2.2
Other	66	70	3	5.7
Operating income (Millions of yen)	4,007	3,893	(113)	(2.8)
Leased floor space(m ²)	353,440	384,792	31,352	8.9
Vacancy rates (%)	1.0	1.2	-	-

2. Housing Division

- ◆ Increase in condominiums sales
 - from 3 units to 22 units (increased by 19 units)
- ◆ Expanding housing leasing
 - from 248 units to 516 units (increased by 268 units)

	2006/9	2007/9	Year-on-Year	Year-on-Year (%)
Operating revenue (Millions of yen)	409	1,276	866	211.7
Income from sales of housing units	185	894	708	381.5
Housing leasing income	158	320	162	102.5
Other	65	61	(3)	(5.8)
Operating income (Millions of yen)	(64)	76	140	-
Number of units sold (units)	3	22	19	633.3
Number of units leased at period end	248	516	268	108.1

3. Asset Development and Securitization Division

- ◆ Increase in asset development income
 - Profit on sale of AZABU EAST Serviced Apartment: ¥1billion

	2006/9	2007/9	Year-on-Year	Year-on-Year (%)
Operating revenue (Millions of yen)	625	1,830	1,205	192.8
Management fee and income from real estate in trust, etc.	607	1,830	1,222	201.1
Capital gain	17	0	(17)	(100.0)
Operating income (Millions of yen)	399	1,477	1,078	270.2

Consolidated Balance Sheets

(Millions of yen)

	2003/3	2004/3	2005/3	2006/3	2007/3	2006/9	2007/9
Cash and deposits	8,265	9,806	1,296	2,559	3,157	1,805	3,253
Accounts receivable - trade	2,494	152	212	220	216	299	301
Marketable securities	7,919	6,072	841	768	1,037	1,258	4,068
Inventories	7,994	5,905	7,378	13,004	24,222	17,399	34,448
Beneficiary right of real estate in trust	-	-	-	-	-	4,322	13,214
Deferred tax assets	435	558	507	675	754	529	752
Other	1,233	868	2,626	904	605	841	1,096
Allowance for doubtful accounts	(3)	(2)	(4)	(7)	(12)	(20)	(13)
Total current assets	28,340	23,361	12,858	18,125	29,981	26,434	57,122
Buildings, building fixtures and structures	52,687	57,256	71,092	72,989	76,460	75,222	81,720
Machinery, equipment and vehicles	134	237	624	782	640	706	654
Furniture and fixtures	148	248	505	441	410	406	406
Land	70,610	70,858	70,467	76,949	87,617	85,718	109,298
Construction in progress	6,345	11,650	-	205	554	368	1,134
Total tangible fixed assets	129,926	140,250	142,691	151,369	165,684	162,422	193,213
Leasehold rights	3,604	3,678	3,678	3,715	3,715	3,715	4,558
Other	46	54	61	54	50	54	55
Total intangible fixed assets	3,651	3,732	3,739	3,770	3,766	3,770	4,614
Investment in securities	2,842	3,758	6,376	6,914	11,165	8,817	11,504
Long-term loans to employees	9	12	13	15	14	13	14
Deferred tax assets	70	50	65	60	73	60	142
Other	2,360	3,160	6,817	6,220	2,614	2,649	1,572
Allowance for doubtful accounts	(0)	(7)	(4)	(0)	(0)	(9)	(5)
Total investments and other assets	5,282	6,973	13,270	13,211	13,867	11,532	13,227
Total fixed assets	138,860	150,957	159,701	168,351	183,317	177,724	211,056
Deferred assets	-	-	-	-	-	-	149
Total assets	167,201	174,319	172,560	186,476	213,298	204,159	268,327
Notes and accounts payable - trade	819	3,735	967	1,798	1,382	611	1,189
Current portion of bonds	7,000	-	20,000	20,000	10,000	-	10,000
Current portion of convertible bonds (with stock acquisition rights)	-	-	-	-	-	-	1,237
Short-term loans payable	9,530	10,030	7,570	6,500	20,970	17,470	16,070
Current portion of long-term loans	4,124	13,314	20,764	3,964	10,100	11,282	6,340
Accrued corporation and other taxes	0	1,712	35	2,852	1,985	1,179	1,706
Accrued consumption taxes	8	4	8	461	138	76	108
Accrued bonuses for directors and statutory auditors	-	-	-	-	52	24	38
Accrued bonuses	164	188	193	220	214	221	235
Other	3,434	3,125	2,865	1,368	2,869	1,803	3,200
Total current liabilities	25,081	32,110	52,405	37,164	47,712	32,667	40,125
Bonds	40,000	50,000	30,000	30,000	40,000	50,000	60,000
Convertible bonds (with stock acquisition rights)	-	-	9,999	3,474	1,777	3,377	20,000
Long-term loans payable	40,842	30,028	13,264	27,785	30,085	28,485	49,475
Deposits received	12,253	10,325	9,722	4,409	4,419	4,488	4,385
Deposits of landlord	7,872	8,883	9,790	15,732	16,345	16,755	17,390
Deferred tax liabilities	659	672	716	742	917	507	499
Deferred tax liabilities concerning revaluation	1,497	1,578	3,650	4,338	4,338	4,338	4,343
Reserve for retirement allowances for directors and statutory auditors	284	375	441	334	409	367	352
Accrued severance indemnities for employees	544	444	439	344	276	298	317
Negative goodwill	-	-	-	6	2	3	2
Total long-term liabilities	103,954	102,307	78,023	87,166	98,571	108,621	156,766
Total liabilities	129,035	134,417	130,428	124,331	146,284	141,289	196,891
Common stock	5,814	5,814	5,814	14,086	14,935	14,135	15,205
Additional paid-in capital	4,061	4,061	4,061	12,314	13,162	12,362	13,432
Retained earnings	26,091	27,570	26,715	28,739	31,726	29,728	33,217
Treasury stock, at cost	(1)	(2)	(81)	(199)	(284)	(235)	(320)
Unrealized gain on securities	(19)	123	262	835	1,104	513	493
Revaluation surplus of land	2,183	2,300	5,321	6,323	6,323	6,323	6,331
Minority shareholders' equity	36	34	36	44	45	42	3,076
Total net assets	38,166	39,901	42,131	62,145	67,014	62,870	71,435
Total liabilities and net assets	167,201	174,319	172,560	186,476	213,298	204,159	268,327

Note: From fiscal year ended March 31, 2003, through 2006, respectively, the total net assets are reported in accordance with the standard adopted for fiscal year ended March 31, 2007.

Consolidated Statements of Profit and Loss

(Millions of yen)

	2003/3	2004/3	2005/3	2006/3	2007/3	2006/9	2007/9
Operating revenue	29,591	24,408	21,352	36,599	31,912	10,333	13,012
Cost of sales	18,249	15,082	12,332	24,254	19,081	5,072	6,378
Gross profit	11,342	9,326	9,019	12,344	12,830	5,261	6,633
Selling, general and administrative expenses	3,198	2,692	2,671	3,719	3,192	1,431	1,746
Operating income	8,143	6,634	6,348	8,625	9,637	3,830	4,887
Interest income	11	6	4	2	10	6	14
Dividends earned	26	9	76	203	123	82	91
Gain on investment in partnerships	-	-	76	105	1	23	9
Amortization of negative goodwill	2	-	-	1	1	0	0
Equity in net income of affiliates	-	-	-	-	28	5	68
Subsidy income	-	-	-	-	-	-	37
Miscellaneous non-operating income	41	27	46	71	43	14	13
Total non-operating income	80	43	204	383	209	132	236
Interest expense	1,454	1,563	1,597	1,308	1,571	739	982
Bond-issuing expenses	214	56	36	127	94	94	-
Amortization of bond-issuing expenses	-	-	-	-	-	-	4
Amortization of leasehold rights	515	-	-	-	-	-	-
Loss on investment in partnerships	-	93	-	-	-	-	-
Provision of allowance for doubtful accounts	0	7	4	0	0	9	5
Miscellaneous non-operating expenses	58	49	61	1	15	3	6
Total non-operating expenses	2,243	1,769	1,699	1,438	1,682	847	999
Ordinary income	5,981	4,908	4,853	7,570	8,164	3,115	4,124
Reversal of allowance for doubtful accounts	51	-	-	1	-	0	0
Reversal of accrued bonuses	-	-	-	-	1	1	-
Gain on sale of fixed assets	30	-	317	-	-	-	1
Gain on sale of investment securities	-	-	26	-	30	-	-
Gain on redemption of investment securities	-	-	-	115	-	-	-
Gain on prior period adjustment	5	-	-	-	-	-	-
Total special gains	87	-	343	117	31	1	1
Loss on revaluation of inventories	-	-	-	-	398	-	-
Loss on sale of fixed assets	260	-	-	60	-	-	-
Loss on disposal of fixed assets scrapped	244	21	87	86	29	-	0
Building and building fixture demolition expenses	482	536	-	-	-	-	-
Loss on sale of investment securities	-	0	-	-	-	-	-
Loss on revaluation of investment securities	175	-	-	-	-	-	58
Amortization of guarantee deposits	144	-	-	-	-	-	-
Reserve for retirement allowances for directors and statutory auditors for prior periods	-	5	-	-	-	-	-
Impairment loss	-	-	-	392	-	-	-
Total special losses	1,307	564	87	539	428	-	59
Income before income taxes	4,761	4,344	5,108	7,148	7,767	3,116	4,067
Corporation, inhabitants and enterprise taxes	518	1,948	44	2,793	3,334	1,155	1,657
Deferred income taxes	1,518	(107)	2,055	143	(105)	133	5
Minority interests	-	-	2	7	4	1	66
Minority interest losses	1	1	-	-	-	-	-
Net income	2,725	2,504	3,006	4,203	4,534	1,826	2,338

Consolidated Statements of Cash Flows

(Millions of yen)

	2003/3	2004/3	2005/3	2006/3	2007/3	2006/9	2007/9
Cash flows from operating activities							
Income before income taxes	4,761	4,344	5,108	7,148	7,767	3,116	4,067
Depreciation	3,742	3,424	3,676	4,287	4,436	2,186	2,410
Impairment loss	-	-	-	392	-	-	-
Loss on revaluation of inventories	-	-	-	-	398	-	-
Decrease (increase) in inventories	4,309	2,089	(1,473)	(5,625)	(11,617)	(4,395)	(10,225)
Interest income and dividends earned	(37)	(16)	(80)	(205)	(134)	(88)	(105)
Interest expense	1,454	1,563	1,597	1,308	1,571	739	982
Decrease (increase) in beneficiary right of real estate in trust	-	-	-	-	1,523	(2,799)	(808)
Other	(4,577)	1,506	(270)	1,835	1,655	(32)	248
Subtotal	9,653	12,911	8,557	9,140	5,601	(1,273)	(3,432)
Interest and dividends income received	32	19	81	216	134	88	105
Interest expenses paid	(1,288)	(1,509)	(1,589)	(1,338)	(1,543)	(719)	(931)
Corporation and other taxes paid	(1,398)	(163)	(2,691)	(70)	(4,184)	(2,791)	(1,926)
Net cash provided by (used in) operating activities	7,000	11,257	4,358	7,948	8	(4,695)	(6,184)
Cash flows from investing activities							
Purchase of (investment) securities	(2,634)	(988)	(1,505)	(1,690)	(3,727)	(1,980)	(2,636)
Proceeds from sales and redemption of (investment) securities	-	1,036	162	2,361	1,713	1,209	98
Decrease (increase) in investment in partnerships	(837)	(995)	(3,689)	541	82	40	1,172
Purchase of fixed assets	(14,565)	(11,188)	(11,895)	(12,968)	(15,095)	(9,580)	(30,273)
Other	(6,920)	1,361	7,441	(381)	(155)	(184)	(151)
Net cash used in investing activities	(24,958)	(10,774)	(9,485)	(12,136)	(17,181)	(10,495)	(31,790)
Cash flows from financing activities							
Increase (decrease) in short-term loans payable	(9,740)	500	(2,460)	(1,070)	14,470	10,970	(4,900)
Proceeds from long-term loans payable	13,300	2,500	4,000	19,880	10,200	7,200	15,700
Repayment of long-term loans payable	(2,324)	(4,124)	(13,314)	(22,159)	(5,114)	(2,532)	(8,820)
Proceeds from issuance of bonds	20,000	10,000	10,000	30,000	20,000	20,000	40,000
Redemption of bonds	-	(7,000)	-	(20,000)	(20,000)	(20,000)	-
Other	(996)	(828)	(866)	(1,233)	(1,683)	(923)	(1,220)
Net cash provided by financing activities	20,239	1,047	(2,640)	5,417	17,872	14,714	40,759
Increase (decrease) in cash and cash equivalents	2,280	1,531	(7,767)	1,229	699	(476)	2,785
Balance of cash and cash equivalents at beginning of period	5,943	8,223	9,754	1,987	3,217	3,217	4,118
Balance of cash and cash equivalents of newly consolidated subsidiaries at beginning of period	-	-	-	-	202	202	336
Balance of cash and cash equivalents at end of period	8,223	9,754	1,987	3,217	4,118	2,942	7,240

Note: "Depreciation" includes amortization of leasehold rights for fiscal year ended March 31, 2003.

Management Indicators

		2003/3	2004/3	2005/3	2006/3	2007/3	2007/9	2008/3 (forecast)	2009/3 (forecast)
Operating revenue	Millions of yen	29,591	24,408	21,352	36,599	31,912	13,012	* 40,900	32,000
Operating income	Millions of yen	8,143	6,634	6,348	8,625	9,637	4,887	9,800	10,000
Ordinary income	Millions of yen	5,981	4,908	4,853	7,570	8,164	4,124	8,200	9,000
Net income	Millions of yen	2,725	2,504	3,006	4,203	4,534	2,338	4,200	5,000
Depreciation	Millions of yen	3,227	3,424	3,676	4,287	4,436	2,410	5,000	
Shareholders' equity (Net assets) (*1)	Millions of yen	38,129	39,866	42,094	62,100	67,014	71,435		
Total assets	Millions of yen	167,201	174,319	172,560	186,476	213,298	268,327		
Interest-bearing liabilities	Millions of yen	101,496	103,372	101,597	91,723	112,932	163,122		
Number of shares issued and outstanding	Thousands of shares	111,968	111,760	111,762	142,097	145,770	146,939		
Cash flows from operating activities	Millions of yen	7,000	11,257	4,358	7,948	8	(6,184)		
Cash flows from investing activities	Millions of yen	(24,958)	(10,774)	(9,485)	(12,136)	(17,181)	(31,790)		
Cash flows from financing activities	Millions of yen	20,239	1,047	(2,640)	5,417	17,872	40,759		
Balance of cash and cash equivalents at end of period	Millions of yen	8,223	9,754	1,987	3,217	4,118	7,240		
Employees	Persons	126	143	145	153	175	206		
Stock price at end of period	Yen	236	446	454	848	794	794		
Dividends per share (*2)	Yen	8.00	7.00	9.00	10.00	10.00	7.00	12.00	
EPS (Earnings Per Share)	Yen	23.71	21.86	26.40	34.64	31.90	16.01	28.98	
Fully diluted EPS	Yen	—	—	22.73	29.28	30.39	14.41		
BPS (Book-value Per Share)	Yen	340.00	356.21	376.81	437.80	461.01	466.97		
Equity ratio (Net assets to total assets) (*1)	%	22.8	22.9	24.4	33.3	31.4	25.5		
PER (Price Earnings Ratio)	Times	9.95	20.39	17.19	24.47	24.88	24.78		
PBR (Price Book-value Ratio)	Times	0.69	1.25	1.20	1.94	1.72	1.70		
Payout ratio (*2)	%	33.7	31.9	34.5	29.3	31.3	-	41.4	
EBITDA (*3)	Millions of yen	11,408	10,075	10,182	13,223	14,210	7,413		14,000
D/E ratio	Times	2.66	2.59	2.41	1.48	1.69	2.28		1.50
ROA (Return On Assets)	%	4.9	3.8	3.7	4.6	4.5	1.8		5.0
ROE (Return on Equity)	%	7.3	6.4	7.3	8.1	7.0	3.5		7.0
Consolidated/Non-consolidated	Times	1.00	0.99	1.01	1.01	1.00	1.00		

*1: From fiscal year ended March 31, 2007, "Shareholders' equity" has been changed to "Net assets," and "Equity ratio" to "Net assets to total assets."

*2: Until fiscal year ended March 31, 2006, "Dividends per share" and "Payout ratio" are reported on a non-consolidated basis, Heiwa Real Estate Co., Ltd. only, and on a consolidated basis thereafter.

In addition, the status of the Company's commemorative dividends is as follows:

2003/3 ¥1.50: Commemorative dividends for our 55th anniversary
2005/3 ¥1.50: Commemorative dividends for the completion of the Osaka Securities Exchange Bldg.
2008/3 (First half) ¥2.00: Commemorative dividends for our 60th anniversary

*3: The amount is calculated as follows:

EBITDA: Operating income + Financial income + Depreciation
D/E ratio: Interest-bearing liabilities / Shareholder's equity
ROA: Operating income / Total assets x 100
ROE: Net income / Shareholder's equity x 100

* The reason of the difference between the projected net sales and the (forecasted) actual net sales is as follows:

- 1) Greater importance has been put on "Capital business (investment and sellout)" compared to the period in which the medium-term management plan was formulated.
- 2) Capital business income was supposed to be reported of its net income only in accordance with a "net reporting method" at the time the medium-term management plan was formulated, but is now reported both of its sales and its operating costs in accordance with a "gross reporting method."

Segment Information

(Millions of yen)

	2003/3	2004/3	2005/3	2006/3	2007/3	2007/9	2008/3 (forecast)	2009/3 (forecast)
Operating revenue from external customers	29,591	24,408	21,352	36,599	31,912	13,012	40,900	32,000
Building Leasing	13,082	13,843	14,580	16,425	16,698	8,628	17,500	17,600
Housing	15,600	9,374	4,613	16,729	5,436	1,276	12,800	9,400
Asset Development and Securitization	—	105	800	1,877	7,422	1,830	8,100	3,000
Other	907	1,085	1,357	1,565	2,354	1,277	2,400	2,000
Building Leasing	13,097	13,858	14,599	16,449	16,725	8,642	17,500	17,600
Housing	15,600	9,374	4,613	16,729	5,436	1,276	12,800	9,400
Asset Development and Securitization	—	105	800	1,877	7,553	1,960	8,200	3,000
Other	1,977	2,259	3,027	3,151	4,904	1,765	4,000	3,300
(Elimination or Corporate)	(1,083)	(1,189)	(1,688)	(1,608)	(2,707)	(632)	(1,800)	(1,300)
Operating income	8,143	6,634	6,348	8,625	9,637	4,887	9,800	10,000
Building Leasing	5,795	6,419	6,464	7,277	7,593	3,893	7,200	8,100
Housing	3,093	851	(86)	1,634	319	76	1,000	1,000
Asset Development and Securitization	—	(10)	674	671	2,514	1,477	2,400	1,900
Other	35	175	183	134	296	39	300	100
(Elimination or Corporate)	(780)	(800)	(887)	(1,092)	(1,086)	(600)	(1,100)	(1,100)

Status of the Company's Principal Buildings

Name of Buildings	Location	Type	Total Floor Area	Site Area	Number of Floors	Completion	Acquisition
[existing bldgs., sorted by location]			m ²	m ²	aboveground/underground		
The Tokyo Stock Exchange Bldg.	Tokyo	S	49,627.82	7,192.99	16 / 3	Apr. 88	Mar. 89
Nisshokan Bldg.	Tokyo	O	7,817.46	1,278.81	7 / 1	Sept. 28	Mar. 48
Kabutocho Heiwa Bldg.	Tokyo	O	1,829.98	305.12	7 / 0	May 72	Mar. 73
Kayabacho Heiwa Bldg.	Tokyo	O	5,079.18	811.59	9 / 1	Apr. 92	Mar. 93
Yokohama Heiwa Bldg.	Yokohama	O	10,836.30	1,256.21	9 / 1	Feb. 86	Mar. 86
Heiwa Real Estate Niigata Bldg.	Niigata	O	2,130.02	1,903.54	5 / 0	Jan. 88	Mar. 00
Osaka Heiwa Bldg.	Osaka	O	4,264.81	577.11	7 / 1	Apr. 87	Mar. 88
Kyoto Shoken Bldg.	Kyoto	O	10,463.73	869.01	8 / 2	Mar. 62	Mar. 62
DAIMARU Kyoto store (West) Kyodo Bldg.	Kyoto	C	3,591.81	888.68	8 / 2	Oct. 93	Mar. 94
DAIMARU Kyoto store (North) Kyodo Bldg.	Kyoto	C	2,823.27	378.57	8 / 1	Jun. 94	Mar. 95
Kobe kyukyoryuchi Heiwa Bldg.	Kobe	O	7,970.96	1,008.86	9 / 2	Feb. 98	Mar. 98
Heiwa Real Estate Hiroshima Bldg.	Hiroshima	O	2,631.71	1,041.20	5 / 0	Dec. 91	Mar. 00
The Nagoya Shoken Bldg.	Nagoya	S	4,527.90	1,122.26	4 / 1	Dec. 31	Mar. 48
Nagoya Shoken Kaikan Bldg.	Nagoya	O	4,311.03	798.37	7 / 1	Dec. 81	Mar. 82
Fukuoka Shoken Bldg.	Fukuoka	S, O	10,144.89	1,378.21	8 / 1	Jul. 58	Mar. 59
Fukuoka Heiwa Bldg.	Fukuoka	O	13,507.01	1,307.99	9 / 3	Apr. 65	Mar. 66
[bldgs. acquired after FY2000, sorted by acquisition date]							
Mita Heiwa Bldg.	Tokyo	O	25,223.85	4,443.75	21 / 3	May 81	Mar. 01
Daikanyama Address dixsept / promenade	Tokyo	C	7,430.97	756.83	3 / 3	Aug. 00	Mar. 01
Ito-Yokado Higashiosaka SC	Osaka	C	62,691.97	32,481.10	4 / 0	Nov. 00	Mar. 01
Uchisaiwaicho Heiwa Bldg.	Tokyo	O, C	17,868.35	1,981.09	20 / 2	May 89	Mar. 01
Dogin Bldg.	Sapporo	O	28,793.47	2,636.41	13 / 3	Aug. 64	Mar. 03
AEON Akishima SC	Tokyo	C	59,018.78	25,410.47	4 / 1	Jul. 03	Mar. 04
Nagoya Heiwa Bldg.	Nagoya	O, C	9,459.56	1,547.76	8 / 1	Mar. 04	Mar. 04
The Osaka Securities Exchange Bldg.	Osaka	S, O, C	53,932.10	4,720.98	24 / 2	Dec. 04	Mar. 05
Park East Sapporo	Sapporo	O	11,122.12	1,809.81	8 / 1	Nov. 85	Mar. 06
Isemachi Heiwa Bldg.	Nagoya	O	4,888.40	676.88	8 / 1	Jan. 94	Mar. 06
Sapporo Ekimae Godo Bldg.	Sapporo	O	5,489.09	1,038.48	9 / 3	Aug. 72	Mar. 06
Under Tree Umeda Dai-Ichi Bldg.	Osaka	O	2,957.34	489.56	8 / 0	Mar. 05	Mar. 07
Fukuoka Kensetsu Kaikan Bldg.	Fukuoka	O	4,924.78	952.88	8 / 0	Dec. 97	Mar. 07
Japan Information Processing Service Headquarters Bldg.	Tokyo	O	6,654.75	966.24	9 / 2	Nov. 72	Mar. 08
Sakae Minami Heiwa Bldg.	Nagoya	O, C	4,623.47	706.73	7 / 1	Jul. 02	Mar. 08
The Nagoya Stock Exchange Bldg.	Nagoya	O, C	4,828.90	803.71	7 / 0	Aug. 07	Mar. 08
AFT Bldg.	Sapporo	O	5,158.74	1,578.21	6 / 1	Nov. 93	Mar. 08
Tenjin 3 chome Heiwa Bldg.	Fukuoka	C	9,167.35	1,482.13	13 / 2	Apr. 99	Mar. 08
Ichibancho Heiwa Bldg.	Sendai	O, C	10,798.73	1,737.99	11 / 1	Jul. 73	Mar. 08
Tanaka Kogyo Bldg.	Tokyo	O	8,508.33	973.64	12 / 3	Apr. 63	Mar. 05

Notes: 1. The meaning of the alphabets used in the Type column is as follows:

S: Stock exchange building O: Office C: Commercial

In addition, "C" is omitted from the Type column if an office building has a small percentage of commercial area compared to office area.

2. The Company has the surface rights to the property of the Tokyo Stock Exchange, while utilizing rental property for Nisshokan Bldg. and Kabutocho Heiwa Bldg.
The Company utilizes rental property in some part of the property of Japan Information Processing Service Headquarters Bldg. and Tenjin 3-chome Bldg.
3. SPC, our wholly owned company, owns Tanaka Kogyo Bldg.

Status of Houses Built for Sale (1)

Fiscal year in which sales are recorded	Year Ending March 31, 2008		
Name	Sakuradutsumi Faithia	SHINKA CITY (C area) Residential Square	Other
Location	Sakuradutsumi 2-chome, Musashino-city	Kashimada, Saiwai-ku, Kawasaki-city	Motogo, Kawaguchi-city/Kamikizaki, Urawa-ku, Saitama-city
Access	10-minutes away by bus from Musashisakai Station on the JR Chuo line 1-minute walk from the bus stop	5-minutes walk from Shinkawasaki Station on the JR Yokosuka line	
Site area	18,899m ²	11,711m ²	
Scale	12 stories aboveground and 1 story underground	17 stories aboveground and 1 story underground	
Room plan	3 bedrooms or 4 bedrooms	2 bedrooms - 4 bedrooms	
Total units	292	411	35
Price range	53,500,000 yen - 108,800,000 yen	34,880,000 yen - 75,980,000 yen	(the Company's total sales amount: 1,349,050,000 yen)
	Most popular price range: around 57,000,000 yen	Most popular price range: around 49,000,000 yen	
the Company's share	40%	10%	
Business partner	YURAKU REAL ESTATE CO.,LTD.	Meitetsufudosan Co.,Ltd SANYO Homes CO.,LTD SHINNIHON CORPORATION KEIKYU REAL ESTATE CHUO CORPORATION Central General Development CO.,LTD HASEKO Corporation	

Fiscal year in which sales are recorded	Year Ending March 31, 2009 (1)		
Name	The Kitahama	SOUTH ALL CITY (1st stage)	WELLITH KOMAGOME RESIDENCE
Location	Koraibashi 1-chome, Chuo-ku, Osaka-city	Otoriminamimachi 3-cho, Nishi-ku, Sakai-city	Komagome 1-chome , Toshima-ku
Access	1-minute walk from Kitahama Station on the Subway Sakaisuji line	8-minutes walk from Otori Station on the JR Hanwa line	4-minutes walk from Komagome Station on the JR Yamanote line or Subway Nanboku line
Site area	4,700.02m ²	23,947.47m ²	1,430m ²
Scale	54 stories aboveground and 1 story underground	15 stories aboveground and 19 stories aboveground	11 stories aboveground and 1 story underground
Room plan	1 bedroom - 4 bedrooms	2 bedrooms - 4 bedrooms	1 bedroom - 3 bedrooms
Total units	465 (435 for sale and 30 not for sale) and stores	560	52
Price range	30,800,000 yen - 580,000,000 yen	25,000,000 yen - 53,000,000 yen	34,900,000 yen -199,800,000 yen
	Most popular price range: around 38,000,000 yen and 40,000,000 yen	Most popular price range: around 31,000,000 yen (scheduled)	Most popular price range: around 59,000,000 yen and 77,000,000 yen
the Company's share	10%	15%	45%
Business partner	SANYO Homes Co., LTD. ART PLANNING CO.INC. NTT Urban Development Corporation SHINKO REAL ESTATE CO.,LTD. Meitetsufudosan Co.,Ltd MITSUBISHI ELECTRIC LIFE SERVICE CORPORATION Kinki Ryoju Estate Co., Ltd. UNITICA ESTATE HASEKO Corporation	KONDO SANGYO Corporation. Meitetsufudosan Co.,Ltd. Nichimo Co Ltd., AZEL CORPORATION Urbanex Co.,Ltd. HASEKO Corporation	NTT Urban Development Corporation

Fiscal year in which sales are recorded	Year Ending March 31, 2009 (2)	
Name	Detached house in Yoga	Detached house in Fukasawa
Location	Yoga 1-chome, Setagaya-ku	Fukasawa 8-chome, Setagaya-ku
Access	12-minutes walk from Yoga Station on the Tokyu Denentoshi line	10-minutes walk from Sakurashinmachi Station on the Tokyu Denentoshi line
Site area	500.29m ²	609.73m ²
Scale	Single-detached house	Single-detached house
Room plan	3 bedrooms	3 bedrooms
Total units	3	3
Price range	Undecided	Undecided
the Company's share	100%	100%
Business partner	None: the Company's single business	None: the Company's single business

Status of Houses Built for Sale (2)

Fiscal year in which sales are recorded	Year Ending March 31, 2010 (1)		
Name	Takanawadai Project	SOUTH ALL CITY (2nd stage)	SHINKA CITY (B area)Premium Square
Location	Takanawa 3-chome, Minato-ku	Otoriminamimachi 3-cho, Nishi-ku, Sakai-city	Kashimada, Saiwai-ku, Kawasaki-city
Access	1-minute walk from Takanawadai Station on the Subway Toei Asakusa line	8-minutes walk from Otori Station on the JR Hanwa line	2-minutes walk from Shinkawasaki Station on the JR Yokosuka line
Site area	2,209m ²	9,247.26m ²	9,374m ²
Scale	28 stories aboveground	15 stories aboveground	20 stories aboveground
Room plan	1 bedroom - 4 bedrooms (scheduled)	3 bedrooms - 4 bedrooms	2 bedroom - 4 bedrooms
Total units	232 (scheduled)	231	356
Price range	Undecided	Undecided	Undecided
the Company's share	30%	15%	10%
Business partner	Sogo Jisho Co., Ltd. TOKYU LAND CORPORATION	KONDO SANGYO Corporation. Meitetsufudosan Co.,Ltd Nichimo Co Ltd. AZEL CORPORATION Urbanex Co.,Ltd. HASEKO Corporation	Meitetsufudosan Co.,Ltd SANYO Homes Co., LTD. SHINNIHON CORPORATION KEIKYU REAL ESTATE CHUO CORPORATION Central General Development CO.,LTD HASEKO Corporation

Fiscal year in which sales are recorded	Year Ending March 31, 2010 (2)	
Name	Sakuradutsumi (E area) Project	Todoroki Project
Location	Sakuradutsumi 2-chome, Musashino-city	Todoroki 6-chome, Setagaya-ku
Access	10-minutes away by bus from Musashisakai Station on the JR Chuo line 1-minute walk from the bus stop	12-minutes walk from Jiyugaoka Station on the Tokyu Toyoko line
Site area	15,716m ²	1,048.52m ²
Scale	9 stories aboveground (scheduled)	3 stories aboveground and 1 story underground
Room plan	3 bedrooms or 4 bedrooms (scheduled)	
Total units	230 (scheduled)	9 (scheduled)
Price range	Undecided	Undecided
the Company's share	40%	100%
Business partner	YURAKU REAL ESTATE CO.,LTD.	None: the Company's single business

Fiscal year in which sales are recorded	Year Ending March 31, 2011	
Name	Todakoen Project (1st stage)	Hatsudai Project
Location	Shimomae 1-chome, Toda-city	Hatsudai 1-chome, Shibuya-ku
Access	8-minutes walk from Todakoen Station on the JR Saikyo line	5-minutes walk from Hatsudai Station on the Keio New line
Site area	29,623m ²	1,475m ²
Scale	Undecided	Undecided
Room plan	Undecided	Undecided
Total units	Undecided	Undecided
Price range	Undecided	Undecided
the Company's share	25%	30%
Business partner	YURAKU REAL ESTATE CO.,LTD. NTT Urban Development Corporation Hulic Co., Ltd SHINKO REAL ESTATE CO.,LTD.	Sogo Jisho Co., Ltd.

Status of Houses Built for Sale (3)

Fiscal year in which sales are recorded	Year Ending March 31, 2012
Name	Todakoen Project (2nd stage)
Location	Shimomae 1-chome, Toda-city
Access	8-minutes walk from Todakoen Station on the JR Saikyo line
Site area	29,623m ²
Scale	Undecided
Room plan	Undecided
Total units	Undecided
Price range	Undecided
the Company's share	25%
Business partner	YURAKU REAL ESTATE CO.,LTD. NTT Urban Development Corporation Hulic Co., Ltd SHINKO REAL ESTATE CO.,LTD.

Status of Principal Leasing Housing (1) (Antenia Series)

	Antenia Mejiro	Antenia Mita Keidai-mae	Antenia Honkomagome	Antenia Shibakoen
Location	Shimoochiai 3-chome, Shinjuku-ku	Shiba 5-chome, Minato-ku	Honkomagome 1-chome, Bunkyo-ku	Shiba 3-chome, Minato-ku
Nearest station (time required to reach on foot)	Mejiro (9 minutes)	Mita (6 minutes)	Hakusan (3 minutes)	Tamachi (8 minutes) Mita (7 minutes)
Completion	March 2006	June 2006	August 2006	March 2007
Number of floors	11 stories aboveground and 1 story underground	11 stories aboveground	6 stories aboveground	7 stories aboveground
Total units	30	40	56	32
Room plan	Studio: 10 units 1 bedroom: 10 units 2 bedrooms: 10 units	Studio: 30 units Studio with a separated kitchen: 10 units	Studio: 42 units Studio with a separated kitchen and a dining room: 3 units 1 bedroom: 11 units	Studio: 30 units 1 bedroom: 2 units
Total floor area	1,624.09m ²	1,353.81m ²	1,971.68m ²	1,175.46m ²
Site area	393m ²	255m ²	524m ²	388m ²
Note	The Company owns the entire building.	The Company owns the entire building.	The Company owns the entire building.	The Company owns the entire building.

	Antenia Minamisuna	Antenia Monzennakacho	Antenia Ochanomizu
Location	Minamisuna 7-chome, Koto-ku	Botan 1-chome Koto-ku	Sarugakucho 2-chome Chiyoda-ku
Nearest station (time required to reach on foot)	Minamisunamachi (5 minutes)	Monzennakacho (3 minutes)	Jinbocho or Suidobashi (6 minutes)
Completion	September 2007	February 2008 (scheduled)	April 1988
Number of floors	8 stories aboveground	12 stories aboveground	5 stories aboveground and 1 story underground
Total units	48	44	20
Room plan	Studio with a separated kitchen: 48 units	Studio with a separated kitchen: 44 units	Studio: 8 units/ Studio with a separated kitchen: 12 units (The first floor is used as shops and the basement as stock rooms)
Total floor area	1,536.55m ²	1,512.26m ²	1,111.52m ²
Site area	397m ²	243m ²	219m ²
Note	The Company owns the entire building.	The Company owns the entire building.	The Company completed remodeling of the building in March 2005.

Status of Principal Leasing Housing (2) (Student Apartments: MioPorto Series)

	MioPorto Denenchofu	MioPorto Mejiro	MioPorto Setagaya-Chitose
Location	Unoki 3-chome, Ota-ku	Shimoochiai 2-chome, Shinjuku-ku	Funabashi 1-chome, Setagaya-ku
Nearest station (time required to reach on foot)	Unoki (5 minutes)	Mejiro (9 minutes)	Chitose-Funabashi (8 minutes)
Completion	February 1992	March 1994	March 1991
Number of floors	4 stories aboveground and 1 story underground	3 stories aboveground and 1 story underground	4 stories aboveground
Total units	53	49	41
Room plan	Studio: 53 units	Studio: 49 units	Studio: 41units
Total floor area	2,261.73m ²	1,130.56m ²	1,229.10m ²
Site area	909m ²	730m ²	620m ²
Note	Women-only Student Union Building acquired in May 2006	Women-only Student Union Building acquired in July 2007	Women-only Student Union Building acquired in September 2007

	Dormy Nishiogikubo
Location	Nishiogikita 4-chome, Suginami-ku
Nearest station (time required to reach on foot)	Nishiogikubo (9 minutes)
Completion	March 1992
Number of floors	5 stories aboveground and 1 story underground
Total units	71
Room plan	Studio: 71 units
Total floor area	1,616.52m ²
Site area	683m ²
Note	Women-only Student Union Building acquired in November 2006

Status of Principal Leasing Housing (3) Other Income-Producing Properties

	Flor Sugamo	COLLECTIVE HOUSE SUGAMO	Gakugeidaigaku Grandfort	Toyosu CIEL TOWER
Location	Sugamo 5-chome, Toshima-ku	Sugamo 5-chome, Toshima-ku	Nozawa 3-chome, Setagaya-ku	Toyosu 5-chome, Koto-ku
Nearest station (time required to reach on foot)	Nishisugamo (6 minutes)	Nishisugamo (6 minutes)	Gakugeidaigaku (13 minutes)	Toyosu (1 minute)
Completion	September 1993	September 1993	March 2003	September 2006
Number of floors	14 stories aboveground and 1 story underground	14 stories aboveground and 1 story underground	part of the 4th floor	40 stories aboveground and 1 story underground
Total units	26	11	4	16
Room plan	Studio: 19 units 1 bedroom: 6 units 3 bedrooms: 1 unit	Studio: 8 units 2 bedrooms: 3 units	2 bedrooms: 3 units 3 bedrooms: 1 unit	1 bedrooms: 1 unit 2 bedrooms: 15 units
Total floor area	953.20m ² (The figure is a sectional floor area that the Company owns in the building)	507.52m ² (The figure is a sectional floor area that the Company owns in the building)	400.41m ² (The figure is a sectional floor area that the Company owns in the building)	1,011.20m ² (The figure is a sectional floor area that the Company owns in the building)
Site area	205m ²	111m ²	278m ²	113m ²
Note	Available from March 1996.	The Company completed remodeling of the 2nd floor in January 2007.	Available from September 2004.	The Company acquired the 4th floor.

	Village Nakamachi
Location	Nakamachi 2-chome, Meguro-ku
Nearest station (time required to reach on foot)	Yutenji (7 minutes)
Completion	October 1988
Number of floors	3 stories aboveground and 1 story underground
Total units	16
Room plan	2 bedrooms: 16 units
Total floor area	1,631.73m ²
Site area	916m ²
Note	The Company acquired the building in April 2006.

Status of Shares (as of September 30, 2007)

1. Number of shareholders 24,950
2. Number of shares issued and outstanding 146,939,083 shares
3. Potential dilution

	Outstanding balance (number of shares)	Percentage (%) *
5th series of the convertible bonds with stock acquisition rights	2,677,489	1.8
7th series of the convertible bonds with stock acquisition rights	19,704,433	13.4
Total	22,381,922	15.2

* Percentage of rights not exercised to outstanding shares

4. Type of Shareholders

Classification	Number of shareholders	Percentage of total equity (%)	Number of shares (000's)	Percentage of total equity (%)
Government and municipalities	0	0.00	0	0.00
Financial institutions	57	0.22	37,384	25.45
Securities companies	106	0.42	9,451	6.43
Other corporations	281	1.13	10,674	7.26
Foreign corporations, etc.	168	0.67	43,392	29.53
Individuals and others	24,337	97.56	45,484	30.95
Treasury stock	1	0.00	551	0.38
Total	24,950	100.00	146,939	100.00

5. Major shareholders

Name	Number of shares (000's)	Percentage of total equity (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,547	6.5
Japan Trustee Services Bank, Ltd. (Trust Account)	8,702	5.9
Goldman Sachs and Company Regular Account	7,224	4.9
State Street Bank & Trust Company	6,555	4.5
Deutsche Bank AG, London 610	4,259	2.9
CLARIDEN LEU Ltd. (formerly CLARIDEN BANK)	3,130	2.1
Deutsche Securities Inc.	2,306	1.6
Resona Bank, Ltd	2,229	1.5
Yamato Life Insurance Co., Ltd.	2,139	1.5
Japan Trustee Services Bank, Ltd. (Trust Account 4)	2,097	1.4