



January 31, 2008

To Whom It May Concern

Heiwa Real Estate Co., Ltd.
Sakutaro Kimbara
President, Director
(Code No. 8803)

Revision of Financial Forecasts for Fiscal Year Ending March 31, 2008

In light of recent financial trends and other factors, Heiwa Real Estate Co., Ltd. has revised its financial forecasts for fiscal year ending March 31, 2008 (April 1, 2007 to March 31, 2008) from those announced in first-half results on October 31, 2007.

1. Revision of Consolidated Financial Forecasts for Fiscal Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts: A	40,900	9,800	8,200	4,200	28.98
Revised forecasts: B	35,100	9,100	7,000	3,700	25.27
Amount of change: B – A	(5,800)	(700)	(1,200)	(500)	(3.71)
Percent change (%)	(14.2)	(7.1)	(14.6)	(11.9)	(12.8)
(Reference) Year ended March 31, 2007	31,912	9,637	8,164	4,534	31.90

2. Revision of Non-consolidated Financial Forecasts for Fiscal Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts: A	38,500	10,000	8,600	4,600	31.94
Revised forecasts: B	32,300	8,600	6,800	3,700	25.27
Amount of change: B – A	(6,200)	(1,400)	(1,800)	(900)	(6.67)
Percent change (%)	(16.1)	(14.0)	(20.9)	(19.6)	(20.9)
(Reference) Year ended March 31, 2007	27,721	9,411	8,078	4,505	31.69

3. Reasons for revisions

In the Housing business, sales of condominium units are expected to decrease. As a result of reviewing our product planning for upscale detached houses, we have postponed the sale period until next fiscal year. Accordingly, operating revenue is expected to fall short of our initial forecasts. We have therefore revised our initial forecasts for the consolidated and non-consolidated performance, as stated above.

We have also revised our forecasts for the non-consolidated performance, in anticipation of a decrease in revenue from consolidated subsidiaries.

4. Other

Our forecasts include 870 million yen of special losses, including a loss on disposal of fixed assets by the dismantling of two existing buildings in a redevelopment project in the Sakae area in Nagoya-city.

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