

Financial Summary

(FY 2006, ended March 31, 2007)

Tokyu Land Corporation

This report provides information excerpts from Tokyu Land's "*Kessan Tanshin*".
Audit has not been completed.

Operating Result and Financial Position

1. Analysis of Operating Results

Current Operating Performance

We ended this year with ¥573.5 billion in sales (up 2.7% from the previous year), ¥65.9 billion in operating income (up 1.7%), ¥60.4 billion in ordinary income (up 6.4%), and ¥31.4 billion in net income (up 209.2%), achieving increases in both revenues and profit from the year-earlier levels as well as increases in net income from the performance forecast made in November 2006. Operating income was up ¥1.1 billion thanks to a gain on the sales of buildings to investors in the Real Estate Sales segment. Ordinary income showed a ¥3.6 billion increase due to a ¥0.7 billion decrease in interests paid and other factors, achieving record highs for six years in a row.

We recognized ¥12.5 billion in extraordinary gains including a gain on the sales of fixed assets. At the same time, we posted ¥15.8 in revaluation loss of inventory assets resulting from earlier application of cost-or market method and other losses, thus recording a total extraordinary loss of ¥31.0 billion. In addition, we recorded tax gain for the period. All in all, the Company recognized ¥31.4 billion in net income, reaching another record.

(Unit: ¥ billion)

	Previous year	Current year	Comparison	Forecast (Nov 2006)	Projected change
Sales	558.6	573.5	14.9	580.0	(6.5)
Operating income	64.9	65.9	1.1	57.0	8.9
Ordinary income	56.8	60.4	3.6	50.0	10.4
Net income	10.1	31.4	21.2	30.0	1.4
Interest-bearing debt	344.1	370.5	26.4	390.0	(19.5)

Segment Performance

Sales (Unit: ¥ billion)

	Previous year	Current year	Comparison
	558.6	573.5	14.9
Real Estate Sales	141.1	153.1	12.0
Contracted Construction	72.2	71.2	(1.0)
Retail Sales	90.0	85.8	(4.2)
Leasing of Real Estate	105.3	101.4	(3.9)
Property Management	71.7	72.6	0.9
Resorts	45.4	51.1	5.7
Real-Estate Agents and Other	49.3	55.5	6.2
Adjustment for Inter-Company Transactions	(16.3)	(17.0)	(0.7)

Operating income (Unit: ¥ billion)

	Previous year	Current year	Comparison
	64.9	65.9	1.1
Real Estate Sales	11.7	19.0	7.2
Contracted Construction	1.3	1.0	(0.3)
Retail Sales	1.9	(0.4)	(2.4)
Leasing of Real Estate	43.4	35.7	(7.7)
Property Management	2.4	4.0	1.7
Resorts	2.6	3.4	0.8
Real-Estate Agents and Other	6.5	8.6	2.0
Adjustment for Inter-Company Transactions	(5.0)	(5.3)	(0.3)

(1) Real Estate Sales

We recognized ¥153.1 billion in sales (up 8.5% from the previous year) and ¥19.0 billion in operating income (up 61.6%) by selling real estate including 3,248 condominiums (¥103.8 billion), 483 houses (¥13.3 billion), and country houses (¥6.6 billion). Effective Fiscal 2006, we recorded building sales to investors, and resulted in a material increase in profit.

In the period, we supplied 3,209 new condominiums. Sales of condominiums continued successfully. The ratio of condominium units sold to planned sales for next year reached 55% (up three percentage points from a year earlier) on a parent company basis.

(Unit: ¥ billion)

	Previous year	Current year	Comparison	Forecast (Nov 2006)	Projected change
Sales	141.1	153.1	12.0	158.8	(5.7)
Operating income	11.7	19.0	7.2	13.2	5.7

Sales breakdown

(Before adjustments in ¥ billion)

	Previous year		Current year		Comparison
Condominium	3,162 units	114.0	3,248 units	103.8	(10.2)
Detached housing	571 units	16.1	483 units	13.3	(2.9)
Country houses	164 units	3.0	300 units	6.6	3.7
Other sales	—	8.0	—	29.4	21.4

Number of units supplied and sold (Parent company)

(Units)

	Previous year		Current year		End of March 2006	End of March 2007
	New supply	Contracted units	New supply	Contracted units	Inventory of completed units	Inventory of completed units
Condominium	3,287	3,573	3,209	3,113	71	258
Detached housing	434	466	457	439	33	102
Country houses	218	216	450	315	—	—

(2) Contracted Construction

In contract-base construction, we posted ¥71.2 billion in sales (down 1.4% from the previous year) and ¥1.0 billion in operating income (down 23.3%). This decline in profit was mainly because of a drop of revenue from major condominium repairs and review of expenses recording in spite of an increase in gross margin in custom-built houses and renovation. Also, we received less orders than the year-earlier level, which was mainly a decrease in orders for houses for lease.

(Unit: ¥ billion)

	Previous year	Current year	Comparison	Forecast (Nov 2006)	Projected change
Sales	72.2	71.2	(1.0)	74.2	(3.0)
Operating income	1.3	1.0	(0.3)	1.7	(0.7)

Sales Breakdown

(¥ billion)

	Previous year	Current year	Comparison
Custom-built houses	25.6	25.4	(0.2)
Renovation	16.9	16.6	(0.3)
Landscape gardening etc.	29.7	29.1	(0.6)

Orders received (sales)

(Before adjustment, ¥ billion)

	Previous year	Current year	Comparison
Total sales	65.2	62.6	(2.6)
Custom-built houses	28.7	26.8	(1.9)
Renovation	16.9	16.6	(0.3)
Landscape gardening etc.	19.6	19.3	(0.4)

(3) Retail Sales

In our retail business, sales were ¥85.8 billion (down 4.7% from the previous year) and operating loss amounted to ¥0.4 billion. This decline is mainly attributable to a decrease in sales at existing outlets (down 4.2%) and expenses related to opening new outlets in Lalaport Toyosu (Koto-ku, Tokyo, opened in October 2006), Lalaport Yokohama (Yokohama, opened in March 2007), and one in Omiya (Saitama, opened in March 2007). We have plans to open two additional outlets one in Kashiwa (August 2007) and the other in Ginza of Chuo-ku, Tokyo (Autumn 2007).

(Unit: ¥ billion)

	Previous year	Current year	Comparison	Forecast (Nov 2006)	Projected change
Sales	90.0	85.8	(4.2)	87.3	(1.5)
Operating income	1.9	(0.4)	(2.4)	0.1	(0.6)

Sales breakdown *The figures in parentheses indicate the number of outlets at end of fiscal year. (Unit: ¥ billion)

(Current no. of outlets)	Previous year	Current year	Comparison
Tokyo metropolitan area	63.1 (9)	60.1 (10)	(3.1)
Kansai region	16.4 (3)	15.6 (3)	(0.9)
Local regions	6.8 (2)	6.5 (2)	(0.3)
Small-scale outlets	3.4 (6)	3.4 (6)	0

(4) Leasing of Real Estate

In our real estate leasing business, sales were ¥101.4 billion (down 3.7% from the previous year) and operating income was ¥35.7 billion (down 17.7%). Though we recorded lower revenues and profit because of the absence of the considerable dividends received that was recorded last year, which came from the sales of Kitanomaru Square (Tokyo) employing our SPC, we recorded more revenues and profit if comparing with the forecast since dividends received from sales exceeded the plan this year. Sales from owned and leased buildings also decreased because of the sale of Setagaya Business Square in 2005 and the termination of unprofitable building leases.

For the fiscal year under review, reflecting the picking up of the metropolitan area office building market, the tenant business continued successfully. We started additional tenant business at Uchisaiwaicho Tokyu Building, Kyoto Karasuma Parking Building, Nihonbashi Maruzen Tokyu Building, Otemachi Kita Tokyu Building, and Kanda Sudacho Place with no vacancy. The vacancy rate of office buildings (on a parent company basis) continued to improve to 0.9% as of the end of March 2007. Revenues from existing buildings also increased.

Furthermore, we launched office building funds, commercial facilities funds, and housing funds. Including these, we now have a total of eight private offering real estate funds. Preparations are well underway for a new fund organization. We will continue to grow our fund business.

As for new development projects, we are going to open the tentatively named Shiodome I-2 Project in Fiscal 2007 and another project, tentatively named Nihonbashi 3-chome Project in Fiscal 2008. We are confident that good quality our SPC- managed lease assets will steadily grow.

The business of house leasing deployed by our subsidiaries— in particular, the development of properties with management service— is well underway. At present, we run ten Tokyu Stays with a total of 1,195 rooms, a chain of hotels designed for long stays, in metropolitan areas. Their business is brisk with a continued high occupancy rate (85.1%).

(Unit:¥ billion)

	Previous year	Current year	Comparison
Sales	105.3	101.4	(3.9)
Operating income	43.4	35.7	(7.7)

Forecast (Nov 2006)	Projected change
97.2	4.2
32.7	3.0

Sales breakdown

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Owned	21.7	19.8	(1.9)
Leased	14.5	13.4	(1.2)
SPCs	34.9	25.4	(9.5)
Subsidiaries and others	34.2	42.8	8.6

Outstanding investments in SPCs (Parent company)

	End of March 2005	End of March 2006	End of March 2007
Number of SPC (case)	40	56	60
Outstanding amount (¥billion)	68.1	86.5	155.8

Office and commercial leasing floor space, and vacancy rate

	End of March 2005	End of March 2006	End of March 2007
Leasing floor space (m ²)	803,459	759,414	777,209
Office/Commercial	588,951	504,683	497,277
SPCs	214,508	254,731	279,932
Vacancy rate (consolidated basis)	3.7%	1.7%	1.1%
Vacancy rate (parent company basis)	3.2%	1.5%	0.9%

Major new opening and plans (investing through SPCs)(1,000m²)

	Use	Open	Floor space
Shinagawa Tokyu Building	Office	July 2007	21
(Temporal) Shiodome I-2 project	Office/Commercial	December 2007	119
Shinbashi Tokyu Building	Office	April 2008	15
(Temporal) Minami Aoyama 3-chome project	Office	May 2008	12
(Temporal) Nihonbashi 3-chome project	Office/Commercial	June 2008	29

Number of leased houses

(Units)

	End of March 2005	End of March 2006	End of March 2007
Houses for lease	9,486	12,411	11,467
Lease management service	34,538	37,518	44,493
Company house management service	27,659	33,098	42,614

(5) Property Management

Sales and operating income from our property management business were ¥72.6 billion (up 1.2% from the previous year) and ¥4.0 billion (up 70.6%), respectively. This fiscal year saw increases in both revenues and profit, though in the previous year, the operating income decreased resulted from a one-time depreciation (¥1.3 billion) of goodwill in association with the acquisition of additional shares of Tokyu Community. Despite the intensifying sales competition, we secured orders for condominium management for an additional 19,000 units although we had management contract cancellations as well. All in all, we provided management services for a total of 339,000 condominiums as of the end of the year (an additional 12,000 units from the previous year).

(Unit: ¥ billion)

	Previous year	Current year	Comparison	Forecast (Nov 2006)	Projected change
Sales	71.7	72.6	0.9	73.2	(0.6)
Operating income	2.4	4.0	1.7	3.9	0.2

Number of sites managed as of year end

	End of March 2005	End of March 2006	End of March 2007
Condominiums (units)	315,166	326,743	339,105
Buildings (no. of contracts)	1,229	1,139	1,118

(6) Resorts

Our resort business generated ¥51.1 billion in sales (up 12.6% from the previous year) and ¥3.4 billion in operating income (up 32.7%). Contributing to these higher revenues and profit was the successful operation of new facilities acquired in the previous year and the vibrant sales of membership of Tokyu Harvest Club, and golf courses acquired in the previous year.

As for Tokyu Harvest Club membership resort hotels, we opened one in Nasu in October 2006, and are planning to open additional one in Kyu-Karuizawa Annex in July 2007, and another in VIALA Hakone Hisui in April 2008. As such, the operation of Tokyu Harvest Club membership resort hotels showed continuing development. We opened three additional Oasis membership fitness clubs. In golf course business, we newly acquired Shibayama Golf Club and concluded a cooperative business agreement with Taiheiyo Club.

(Unit: ¥ billion)

	Previous year	Current year	Comparison	Forecast (Nov 2006)	Projected change
Sales	45.4	51.1	5.7	53.1	(2.1)
Operating income	2.6	3.4	0.8	3.2	0.2

Sales breakdown

*The figures inside parentheses indicate the number of facilities at end of fiscal year.

(Unit: ¥ billion)

(No. of current facilities)	Previous year	Current year	Comparison
Golf courses	5.9 (18)	8.8 (19)	2.9
Harvest	8.1 (20)	8.9 (21)	0.8
Oasis	9.1 (22)	10.4 (24)	1.3
Ski	10.1 (8)	10.3 (8)	0.3
Other	12.1	12.6	0.4

(7) Real Estate Agency and Other Businesses

In our real estate agency and other businesses, sales were ¥55.5 billion (up 12.6% from the previous year) and operating income was ¥8.6 billion (up 30.6%). Against a backdrop of active real estate business transactions, Tokyu Livable's brokerage business expanded (up 19.7% from the previous year) in terms of the number of contracts won for both retailing and wholesaling thanks to increased unit contract prices and numbers, resulting in increases in sales and income.

				(Unit: ¥ billion)	
	Previous year	Current year	Comparison	Forecast (Nov 2006)	Projected change
Sales	49.3	55.5	6.2	54.7	0.8
Operating income	6.5	8.6	2.0	7.7	0.9

Sales breakdown

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Real-estate sales agent	34.1	39.8	5.8
Consignment sales	7.0	6.6	(0.4)
Consignment welfare	1.7	2.1	0.5
Other	6.5	6.9	0.4

Forecast for Fiscal Year 2007 Ending March 2008

It is expected that, operation will be brisk and, as a whole, both revenues and profit (operating and ordinary incomes) will be up. In real estate sales business segment, however, higher revenues but lower profit is projected because, though sales of condominiums are expected to surpass the prior year's level, profitable sales of buildings to investors are projected to decrease. Extraordinary income is expected to considerably increase, but the net income for the fiscal year 2007 is estimated at ¥30 billion if taking into account the absence of the tax gain that was recorded this year.

Consolidated

(Unit: ¥ billion)

	Period ended March 2007	Period ending March 2008	Comparison
Sales	573.5	630.0	56.5
EBITDA	77.2	83.6	6.4
Operating income	65.9	72.0	6.1
Ordinary income	60.4	63.0	2.6
Net income	31.4	30.0	(1.4)

EBITDA: earning before interest, taxes, depreciation and amortization

Segment Performance Forecast (Consolidated)

Sales (Unit: ¥ billion)				Operating income (Unit: ¥ billion)			
	Period ended March 2007	Period ending March 2008	Comparison		Period ended March 2007	Period ending March 2008	Comparison
Real Estate Sales	153.1	176.9	23.8	Real Estate Sales	19.0	16.7	(2.3)
Contracted Construction	71.2	81.4	10.3	Contracted Construction	1.0	1.6	0.6
Retail Sales	85.8	94.4	8.5	Retail Sales	(0.4)	0.1	0.5
Leasing of Real Estate	101.4	106.2	4.8	Leasing of Real Estate	35.7	41.0	5.3
Property Management	72.6	74.3	1.7	Property Management	4.0	4.5	0.4
Resorts	51.1	58.7	7.6	Resorts	3.4	3.9	0.5
Real-Estate Agents and Other	55.5	61.1	5.7	Real-Estate Agents and Other	8.6	9.8	1.2
Adjustment for Inter-Company Transactions	(17.0)	(22.9)	(5.9)	Adjustment for Inter-Company Transactions	(5.3)	(5.5)	(0.2)

Parent Company

(Unit: ¥ billion)

	Period ended March 2007	Period ending March 2008	Comparison
Sales	223.5	260.0	36.5
EBITDA	50.8	55.8	5.0
Operating income	45.1	50.0	4.9
Ordinary income	41.0	45.0	4.0
Net income	13.8	23.5	9.7

The above forecast is based on information available as of the day of the announcement of this material as well as assumptions in association with uncertain factors that could affect our future business performance. Actual performance may vary widely depending on various factors.

2. Analysis of Financial Conditions

(1) Assets, Liabilities, and Net Assets

Consolidated

(Unit: ¥ billion)

	End of Mar. 2005	End of Mar. 2006	End of Mar. 2007
Total assets	874.9	885.7	954.1
Total liabilities	772.9	720.5	757.8
Net assets	84.0	145.5	196.3
Equity	84.0	145.5	173.7
Equity ratio	9.6%	16.4%	18.2%
Interest-bearing debt	418.1	344.1	370.5
EBITDA multiple	7.9×	4.5×	4.8×
ROA	4.7%	7.4%	7.3%

End of Mar. 2008
(Forecast)

420.0

5.0×

7.3%

Parent company

(Unit: ¥ billion)

	End of Mar. 2005	End of Mar. 2006	End of Mar. 2007
Total assets	682.3	670.0	745.3
Total liabilities	594.6	525.6	590.3
Shareholders' equity	87.6	144.4	155.0
Equity ratio	12.8%	21.6%	20.8%
Interest-bearing debt	349.5	289.8	334.8
EBITDA multiple	10.5×	5.3×	6.6×
ROA	3.8%	7.3%	6.7%

End of Mar. 2008
(Forecast)

350.0

6.3×

6.8%

EBITDA Multiple: Interest-Bearing Debt/EBITDA (Operating Income Before Depreciation)

ROA: (Operating Income + Non-Operating Income)/Total Assets

*Figures listed under "Shareholders' equity" until the fiscal year ended March 2006, are conventionally listed under "Net assets" and "Equity."

(2) Cash flow position

As of the end of fiscal 2006, cash and cash equivalents were ¥51.7 billion, representing a ¥68.2 billion decrease from the previous year end. The details of the cash flows are given below.

Cash flow from operations

Cash flows from operations increased by ¥13.8 billion, notwithstanding a ¥37.3 billion decrease in inventory assets, a ¥19.7 billion decrease in sales-on-consignment deposit, and a ¥10.4 billion income taxes payment, thanks to ¥41.9 billion in income before income taxes and minority interests, a ¥18.4 billion revaluation losses on land for sale, and a ¥11.3 billion increase in depreciation and amortization.

Cash flow from investment

Cash flows from investment decreased by ¥106.4 billion because we invested ¥84.4 billion in equity, ¥42.6 billion in fixed assets, and ¥17.6 billion in securities with a ¥27.6 billion return of equity investment and a ¥15.1 billion proceeds from sales of property and equipment.

Cash flow from financing

Cash flow from financing increased by ¥24.2 billion. This was because although we used ¥96.5 billion in repayment of long-term debt and ¥14.2 billion from decrease in guarantee and lease deposits received, we procured ¥104.8 billion from long-term debts and ¥20.0 billion by issuance of bonds, among others.

Trend of indices

	Period ended March 2005	Period ended March 2006	Period ended March 2007
Equity ratio	9.6%	16.4%	18.2%
Equity ratio on market value basis	24.2%	60.8%	75.0%
Ratio of interest-bearing debt to cash flows	12.1 years	6.3 years	26.7 years
Interest coverage ratio	3.9	7.4	2.0

Equity Ratio:

Equity Ratio on Market Value Basis:

Ratio of Interest-Bearing Debt to Cash Flows:

Interest Coverage Ratio:

Equity/Total Assets

Market Valuation/Total Assets

Interest-Bearing Debt/Operating Cash Flow

Operating Cash Flow/Interest Payments

Notes:

1. All figures are calculated based on the Consolidated Financial Statements.
2. Market Valuation: Monthly average stock price during the last month of the fiscal year X number of shares issued (after deducting treasury stock)
3. Operating Cash Flow: Cash Flow from Operations stated in the Consolidated Statements Cash Flows
4. Interest bearing-debt contains all liabilities to pay interest.

3. Basic Policies Regarding Distribution of Profits and Dividends of Fiscal 2006 and 2007

In the deep recession in the wake of the collapse of Japan's bubble economy, the Company was forced to suspend the payment of dividends for seven years in a row. However, in fiscal 2002 (the business year ended on March 31, 2003), the Company was able to resume a dividend payment of ¥2.5 per share, and paid ¥5.0 per share for fiscal 2005 (the business year ended on March 31, 2006). Amid the overall brisk operation, this fiscal year, this we have surpassed, the final-year profit target for the midterm (fiscal 2005-2007) management plan for the second consecutive year. Furthermore the Company achieved more net income than planned after implementing the earlier application of cost-or-market method to inventory assets. Under these operational circumstances, we plan to pay year-end dividends of ¥7.0 per share.

Regarding dividends for fiscal 2007, the Company plans to pay interim dividends of ¥3.5 per share and year-end dividends of ¥3.5 per share, the total of which will be at the same level as fiscal 2006. Looking forward, it is the Company's basic policy to determine the dividend payments to shareholders based on a comprehensive review of the results of corporate performance during the fiscal year, the future management environment, and the corporate business development plans and by balancing these factors with the Company's profit retention requirements.

Consolidated Balance Sheets

(Audit has not been completed.)

Financial year Account title	Previous year (as of March 31, 2006)		Current year (as of March 31, 2007)		Comparison	
	Amount	Component ratio	Amount	Component ratio	Amount	Percentage
	Million yen	%	Million yen	%	Million yen	%
<u>Assets</u>						
Current assets	342,734	38.7	310,026	32.5	(32,708)	(9.5)
Cash and deposits	111,016		42,297		(68,719)	
Notes receivable and accounts receivable	14,914		13,777		(1,137)	
Land for sale	130,440		141,921		11,481	
Buildings for sale	34,513		43,308		8,794	
Merchandise	8,103		7,959		(144)	
Materials and supplies	1,287		1,143		(143)	
Consignment sales accounts receivable	282		1,683		1,400	
Short-term loans	10,357		10,178		(178)	
Deferred tax - current	10,204		22,356		12,151	
Other current assets	21,957		25,744		3,787	
Allowance for doubtful accounts	(341)		(342)		(1)	
Fixed assets	543,006	61.3	644,048	67.5	101,042	18.6
Property and equipment	334,663	37.8	366,611	38.4	31,947	9.5
Buildings and structures	126,259		127,405		1,145	
Land	199,299		227,880		28,580	
Construction in progress	2,436		3,685		1,249	
Other property and equipment	6,667		7,640		972	
Intangible fixed assets	24,998	2.8	24,378	2.6	(620)	(2.5)
Land lease hold	8,992		9,061		69	
Consolidated adjustment accounts	1,831		-		(1,831)	
Goodwill	-		1,386		1,386	
Other intangible fixed assets	14,175		13,929		(245)	
Investments and other assets	183,343	20.7	253,058	26.5	69,714	38.0
Investment in securities	25,198		40,619		15,421	
Investments in Special Purpose Companies	86,294		138,791		52,497	
Long-term loans	676		656		(20)	
Guarantee and lease deposits	57,711		58,239		527	
Deferred tax - noncurrent	6,153		7,431		1,277	
Other investments	12,010		11,909		(101)	
Allowance for doubtful accounts	(4,701)		(4,589)		112	
Total assets	885,741	100.0	954,074	100.0	68,333	7.7

Note) Amounts are rounded to the nearest million yen.

(Audit has not been completed.)

Account title	Financial year		Previous year (as of March 31, 2006)		Current year (as of March 31, 2007)		Comparison	
	Amount	Component ratio	Amount	Component ratio	Amount	Percentage		
	Million yen	%	Million yen	%	Million yen	%		
Liabilities								
Current liabilities	330,331	37.3	305,538	32.0	(24,793)	(7.5)		
Trade payables	51,559		52,101		542			
Short-term borrowings	134,932		114,178		(20,754)			
Other payable	15,255		21,028		5,772			
Accrued income taxes	7,375		19,456		12,080			
Deferred tax liabilities	13		337		324			
Advances received	29,358		32,265		2,906			
Sales on consignment deposit	37,356		17,615		(19,740)			
Deposits	14,203		15,621		1,418			
Deposit received for special joint ventures	25,990		7,550		(18,440)			
Bonus payment reserve	7,499		8,312		813			
Directors' and corporate auditors' bonus payment reserve	-		218		218			
Directors' and corporate auditors' retirement benefit reserve	-		199		199			
Reserve for compensation for completed works	-		346		346			
Loss reserve due to land buyback	-		7,373		7,373			
Loss reserve on business restructuring	-		1,023		1,023			
Other current liabilities	6,787		7,911		1,124			
Fixed liabilities	390,205	44.1	452,253	47.4	62,047	15.9		
Bonds	-		20,000		20,000			
Long-term debt	209,149		236,309		27,159			
Guarantee and lease deposits received	142,286		144,879		2,593			
Deferred tax liabilities	4,901		2,676		(2,225)			
Deferred tax liabilities for revaluation	10,999		11,647		647			
Employees' retirement and severance benefits	15,645		15,983		338			
Provision of reserve for loss on loans guarantee	1,416		1,232		(183)			
Directors' and corporate auditors' retirement benefit reserve	-		1,115		1,115			
Deposits received for special joint ventures	500		14,950		14,450			
Other fixed liabilities	5,306		3,459		(1,847)			
Total liabilities	720,537	81.3	757,791	79.4	37,254	5.2		
Minority interests								
Minority interests	19,733	2.2	-	-	(19,733)	-		
Shareholder's equity								
Common stock—issued	57,499		-		(57,499)			
Additional paid-in capital	39,260		-		(39,260)			
Retained earnings	29,539		-		(29,539)			
Land revaluation balance	15,822		-		(15,822)			
Unrealized gain on securities	4,922		-		(4,922)			
Foreign currency translation adjustment	(1,066)		-		1,066			
Less treasury stock at cost	(506)		-		506			
Net shareholders' equity	145,470	16.4	-	-	(145,470)	-		
Total liabilities, minority interests and shareholder's equity	885,741	100.0	-	-	(885,741)	-		
Net assts								
Equity	-	-	153,359	16.1	153,359	-		
Common stock	-	-	57,551		57,551			
Capital-surplus	-	-	39,319		39,319			
Retained earnings	-	-	57,329		57,329			
Treasury stock	-	-	(842)		(842)			
Valuation and translation adjustments	-	-	20,316	2.1	20,316	-		
Unrealized holding gain on securities	-	-	4,741		4,741			
Deferred gain/loss on hedge activities	-	-	(48)		(48)			
Gain in revaluation of land	-	-	16,636		16,636			
Foreign currency translation adjustments	-	-	(1,012)		(1,012)			
Minority interests	-	-	22,607	2.4	22,607	-		
Total net asset	-	-	196,282	20.6	196,282	-		
Total liabilities & net assets	-	-	954,074	100.0	954,074	-		

Note) Amounts are rounded to the nearest million yen.

Consolidated Statements of Income

(Audit has not been completed.)

Financial year Account title	Previous year (from April 1, 2005 to March 31, 2006)		Current year (from April 1, 2006 to March 31, 2007)		Comparison	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
	Million yen	%	Million yen	%	Million yen	%
Revenue from operations	558,646	100.0	573,549	100.0	14,902	2.7
Cost of revenue from operations	426,589		437,188		10,599	
Gross profit	132,057		136,360		4,303	
Selling, general and administrative expenses	67,190		70,415		3,224	
Operating income	64,866	11.6	65,944	11.5	1,078	1.7
Other income	905		2,130		1,225	
Interest	165		92		(73)	
Dividends	265		1,169		904	
Foreign exchange gain	103		89		(13)	
Equity in earnings of affiliates	78		350		271	
Other	292		427		135	
Other expenses	8,961		7,651		(1,309)	
Interest	7,533		6,880		(652)	
Provision for bad debts	32		29		(2)	
Amortization of stock issue expenses	285		-		(285)	
Other	1,109		740		(368)	
Operating profit	56,810	10.2	60,424	10.5	3,613	6.4
Extraordinary gains	2,357		12,524		10,167	
Gains on sales of property and equipment	1,883		11,944		10,061	
Gains on sales of investments in securities	304		10		(293)	
Transfer from provision for bad debts	136		105		(31)	
Other	33		464		430	
Extraordinary losses	37,064		31,001		(6,063)	
Loss on sales of property and equipment	2,953		107		(2,846)	
Impairment loss on fixed assets	27,464		1,170		(26,293)	
Revaluation loss of investments in securities	10		1,241		1,231	
Revaluation loss of land and buildings for sale	6,287		15,834		9,546	
Provision for loss reserve due to land buyback	-		7,373		7,373	
Loss on business restructuring	-		4,407		4,407	
Other	349		868		519	
Income before income taxes and minority interests	22,103	4.0	41,947	7.3	19,843	89.8
Income taxes—current	7,445		21,763		14,317	
Income taxes—deferred	1,601		(14,869)		(16,470)	
Minority interests	2,914		3,689		775	
Net income	10,143	1.8	31,364	5.5	21,221	209.2

Notes) 1. Amounts are rounded to the nearest million yen.

2. Percentage figures indicate the sales ratio.

Consolidated Statements of Cash Flows

(Audit has not been completed.)

Account title	Financial year	Previous year	Current year
		(from April 1, 2005 to March 31, 2006)	(from April 1, 2006 to March 31, 2007)
		Million yen	Million yen
I Cash flows from operating activities			
Income before income taxes and minority interests		22,103	41,947
Depreciation and amortization		11,662	11,251
Amortization of adjustment for consolidated account		1,572	-
Amortization of goodwill		-	269
Equity in gains (losses) of affiliates		(78)	(350)
Revaluation losses of investments in securities		10	1,241
Provision for bad debts		(80)	(301)
Net change in directors' and corporate auditors' retirement benefit reserve		-	416
Net change in retirement allowance		1,278	336
Increase (decrease) in reserve for bonuses		810	807
Impairment loss on fixed assets		27,464	1,170
Net change in loss reserve due to land buyback		-	7,373
Revaluation losses on land for sale		6,287	18,354
Gains (losses) on sales of securities and investment in securities		(304)	(10)
Gains (losses) on sale of property and equipment		1,070	(11,837)
Loss on retirement of property and equipment		267	1,112
Interests and dividends received		(430)	(522)
Interests paid		7,533	6,880
Decrease (increase) of trade receivables		7,440	(146)
Decrease (increase) of inventories		(21,887)	(37,334)
Increase (decrease) of trade payables		1,514	542
Increase (decrease) in accounts payable		-	4,963
Increase (decrease) in advances received		-	2,905
Bonuses to directors and statutory auditors		(149)	(161)
Increase (decrease) in deposit (sale on consignment)		9,257	(19,740)
Deposits received for special joint ventures		(14,907)	(1,490)
Other		2,917	2,672
Subtotal		63,353	30,350
Interest and dividends received		534	658
Interests paid		(7,355)	(6,730)
Income tax paid		(2,300)	(10,433)
Net cash provided by operating activities		54,232	13,844
II Cash flows from investing activities			
Payments in time deposits over three months		(1,000)	(41)
Refund of time deposits over three months		5	646
Lending of loans		(14)	(35)
Proceeds from loans receivable		210	110
Proceeds from purchase of securities and investments in securities		(2,051)	(17,574)
Sales and clearing of securities and investments in securities		1,239	720
Payment for acquisition of subsidiaries		(2,274)	(112)
Payment for acquisition of subsidiaries resulting from changes in		(4,671)	(5,206)
Payment for guarantee deposits		(4,990)	(4,430)
Proceeds from guarantee deposits		7,031	3,925
Capital expenditures		(14,357)	(42,643)
Proceeds from sales of property and equipment		34,174	15,059
Payment for equity investment		(32,360)	(84,382)
Reversal from investments in special purpose companies		16,417	27,581
Payment for the establishment of new affiliates		(29)	(5)
Other		664	(35)
Net cash used in investing activities		(2,003)	(106,424)
III Net cash used in investing activities			
Decrease in short-term borrowings		(19,246)	(2,870)
Proceeds from long-term debt		81,340	104,782
Repayment of long-term debt		(139,768)	(96,543)
Payment of guarantee and lease deposits received		(16,103)	(14,214)
Guarantee and lease deposits received		16,079	16,737
Proceeds from issuance of bonds		-	20,000
Proceeds from issuance of common stocks		50,024	104
Cash dividends paid		(1,151)	(2,656)
Cash dividends paid to minority interests		(429)	(755)
Purchase of treasury stocks		(244)	(335)
Net cash used in investing activities		(29,498)	24,248
IV Translation difference in cash and cash equivalents		15	18
V Increase in cash and cash equivalents due to new consolidation		-	80
VI Net increase (decrease) in cash and cash equivalents		22,745	(68,312)
VII Cash and cash equivalents at beginning of year		97,188	119,933
VIII Cash and cash equivalents at end of year		119,933	51,701

Note) Amounts are rounded to the nearest million yen.