

Financial Summary

(FY 2007 Interim, ended September 30, 2007)

Tokyu Land Corporation

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

Operating Results and Financial Position

1. Analysis of Operating Results

Current Operating Performance

We ended the interim period under review with ¥268.3 billion in sales (up 7.4% year on year), ¥25.7 billion in operating income (up 12.0%), ¥22.7 billion in ordinary income (up 14.3%), and ¥6.3 billion in net income (down 22.5%). These increases of revenues by ¥18.6 billion, operating income by ¥2.7 billion, and ordinary income by ¥2.8 billion were generated by higher revenues and profit in our mainstay business segments, Real Estate Sales and Leasing of Real Estate. However, recording of extraordinary loss in the interim period under review offset these higher profits, and net income amounted to ¥6.3 billion, a decrease of ¥1.8 billion compared with the same period of the previous year.

				(Unit: ¥ billion)	
	FY2006 Interim	FY2007 Interim	Comparison	Initial forecast	Projected change
Sales	249.8	268.3	18.6	260.0	8.3
Operating income	22.9	25.7	2.7	17.0	8.7
Ordinary income	19.9	22.7	2.8	13.0	9.7
Net income	8.2	6.3	(1.8)	2.0	4.3
Interest-bearing debt	365.8	433.7	67.9	460.0	(26.3)

Segment Performance

Sales

(Unit: ¥ billion)

	FY2006 Interim	FY2007 Interim	Comparison
Total	249.8	268.3	18.6
Real Estate Sales	52.3	64.2	11.9
Contracted Construction	30.1	29.7	(0.4)
Retail Sales	42.8	44.5	1.7
Leasing of Real Estate	47.1	50.3	3.2
Property Management	36.0	36.2	0.2
Resorts	22.7	24.3	1.6
Real Estate Agents and Other	25.8	26.5	0.7
Adjustment for Inter- Company Transactions	(7.0)	(7.4)	(0.4)

Operating income

(Unit: ¥ billion)

	FY2006 Interim	FY2007 Interim	Comparison
Total	22.9	25.7	2.7
Real Estate Sales	3.5	5.4	1.9
Contracted Construction	(0.6)	(1.3)	(0.6)
Retail Sales	0.2	(0.1)	(0.4)
Leasing of Real Estate	15.7	18.3	2.6
Property Management	1.9	2.3	0.4
Resorts	0.9	(0.0)	(0.9)
Real Estate Agents and Other	3.4	3.3	(0.1)
Adjustment for Inter- Company Transactions	(2.0)	(2.2)	(0.2)

(1) Real Estate Sales

We recognized ¥64.2 billion in sales (up 22.7% year on year) and ¥5.4 billion in operating income (up 54.3%) by selling Real Estate of 1,106 condominium (¥39.4 billion), 234 houses (¥6.1 billion), country houses (¥3.5 billion), and others (¥15.2 billion). As real estate handover dates always concentrate in the second half of fiscal year, these sales accounts for 35% of the annual forecast of sales.

Although the sales periods of some condominiums were extended, overall condominium sales continued to be solid. The ratio of contracted amount for sale to the sales forecast for the current fiscal year increased to 78% (down 4 percentage points year on year) from 55% at the beginning of the fiscal year (parent company basis).

(Unit:¥ billion)

	FY2006 Interim	FY2007 Interim	Comparison	FY2006	FY2007 forecast
Sales	52.3	64.2	11.9	153.1	181.2
Operating income	3.5	5.4	1.9	19.0	19.4

Sales breakdown

(Unit: ¥ billion)

	FY2006 Interim		FY2007 Interim		Comparison
Condominium	1,144 units	38.7	1,106 units	39.4	0.7
Detached housing	216 units	5.5	234 units	6.1	0.6
Country houses	39 units	0.7	153 units	3.5	2.8
Other sales	—	7.4	—	15.2	7.8

Number of units supplied and sold (Parent company)

(Units)

	FY2006 Interim		FY2007 Interim		Inventory of completed units	
	New supply	Contracted units	New supply	Contracted units	End of March 2007	End of September 2007
Condominium	1,606	1,618	1,116	893	258	180
Detached housing	180	165	60	102	102	69
Country houses	247	164	201	174	—	—

(2) Contracted Construction

In our contracted construction business, we posted ¥29.7 billion in sales (down 1.4% year on year) and ¥1.3 billion in operating loss. This loss is mainly attributable to initial costs for the promoting campaign of *Kurashi-Up*, a new fixed-price total renovation plan. However, orders received exceeded those for the same period of the previous year centering on revenue from major condominium repairs.

(Unit: ¥ billion)

	FY2006 Interim	FY2007 Interim	Comparison	FY2006	FY2007 forecast
Sales	30.1	29.7	(0.4)	71.2	82.8
Operating income	(0.6)	(1.3)	(0.6)	1.0	1.2

Sales breakdown

(Unit: ¥ billion)

	FY2006 Interim	FY2007 Interim	FY2006
Custom-built houses	10.0	9.8	25.4
Renovation	8.3	6.9	16.6
Landscape gardening, etc.	11.9	13.0	29.1

Orders received (sales) (Before adjustment, unit: ¥ billion)

	FY2006 Interim	FY2007 Interim	FY2006
Total	31.1	32.2	62.6
Custom-built houses	12.9	13.0	26.8
Renovation	8.5	8.1	16.6
Landscape gardening etc.	9.7	11.1	19.3

(3) Retail Sales

In our retail sales business, sales amounted to ¥44.5 billion (up 4.0% year on year), and we recorded operating loss of ¥0.1 billion. Sales at existing Tokyu Hands outlets had continued to decrease, but in the interim period under review, the year-on-year decline rate substantially reduced to 0.5% compared with the 5.2% decline for the same period of the previous year.

In addition, we opened two additional outlets, Tokyu Hands Kashiwa (Kashiwa City, opened in August 2007) and Tokyu Hands Ginza (Chuo-ku, Tokyo, opened in September 2007).

(Unit: ¥ billion)

	FY2006 Interim	FY2007 Interim	Comparison	FY2006	FY2007 forecast
Sales	42.8	44.5	1.7	85.8	93.5
Operating income	0.2	(0.1)	(0.4)	(0.4)	0.5

Sales breakdown

*The figures in parentheses indicate the number of outlets at end of period.

(Unit: ¥ billion)

	FY2006 Interim	FY2007 Interim	Comparison	FY2006
Tokyo metropolitan area	30.0 (9)	32.1 (12)	2.2	60.1 (10)
Kansai region	7.9 (3)	7.5 (3)	(0.4)	15.6 (3)
Local regions	3.2 (2)	3.2 (2)	(0.1)	6.5 (2)
Small-scale outlets	1.7 (8)	1.7 (6)	0.0	3.4 (6)

(4) Leasing of Real Estate

In our leasing of Real Estate business, sales were ¥50.3 billion (up 6.9% year on year) and operating income amounted to ¥18.3 billion (up 16.7%). This higher revenues and profit is attributable to increased dividends received by SPC-managed building sales, a full interim period contribution of buildings opened during the previous fiscal year, and ongoing rental adjustment for existing buildings. A sales breakdown shows a sales decline in Leased, which is due to our cancellation of unprofitable buildings.

Office building market in Tokyo metropolitan area continues to be strong. The vacancy rate of office and commercial buildings at the end of September 2007 (on a parent company basis) was 1.2%, representing a low level movement.

As for new development projects, we opened Shinagawa Tokyu Building, and we are going to open Shiodome Building in December 2007. Also, well-located new investments in central Tokyo such as Ginza Toshiba Building are progressing well.

Concerning the fund business, we launched another commercial facilities-related fund. We now have a total of nine private offering Real Estate funds. Preparations are well underway for a new fund organization.

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 11 Tokyu Stays with a total of 1,351 rooms, a chain of hotels designed for long stays, after adding a newly opened Tokyu Stay Suidobashi. The Tokyu Stay business remains brisk with a rising trend of occupancy rate.

				(Unit: ¥ billion)	
	FY2006 Interim	FY2007 Interim	Comparison	FY2006	FY2007 forecast
Sales	47.1	50.3	3.2	101.4	113.6
Operating income	15.7	18.3	2.6	35.7	45.2

Sales breakdown

				(Unit: ¥ billion)	
	FY2006 Interim	FY2007 Interim	Comparison	FY2006	
Owned	9.7	10.2	0.5	19.8	
Leased	6.8	6.3	(0.5)	13.4	
SPCs	10.5	13.5	3.0	25.4	
Subsidiaries and others	20.1	20.3	0.2	42.8	

Outstanding investments in SPCs (parent company)

	End of September 2006	End of March 2007	End of September 2007
Number of SPC (case)	57	60	64
Outstanding amount (¥ billion)	109.5	155.8	151.9

Office and commercial leasing floor space, and vacancy rate

	End of September 2006	End of March 2007	End of September 2007
Leasing floor space (m ²)	785,168	777,209	780,936
Office/Commercial	498,940	497,277	490,043
SPCs	286,228	279,932	290,893
Vacancy rate (consolidated basis)	1.5%	1.1%	1.8%
Vacancy rate (parent company basis)	1.2%	0.9%	1.2%

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

	Use	Open	Floor space
Shiodome Building	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 September 2006	End of March 2007	End of September 2007
Houses for lease	10,793	11,467	11,751
Lease management service	41,020	44,493	44,153
Company house management service	36,402	42,614	47,257

(5) Property Management

Sales and operating income from our property management business were ¥36.2 billion (up 0.7% year on year) and ¥2.3 billion (up 19.1%), respectively. We secured orders for condominium management for an additional 8 thousand units, thus providing management services for a total of 342 thousand condominiums as of the end of September. Although the competition of unit price for condominium management continues, we secured higher revenues and profit thanks to the progress of cutting cost efforts.

				(Unit: ¥ billion)	
	FY2006 Interim	FY2007 Interim	Comparison	FY2006	FY2007 forecast
Sales	36.0	36.2	0.2	72.6	74.2
Operating income	1.9	2.3	0.4	4.0	4.5

Number of sites managed as of period end

	End of September 2006	End of March 2007	End of September 2007
Condominiums (units)	332,183	339,105	341,525
Buildings (no. of contracts)	1,114	1,118	1,106

(6) Resorts

Our resort business generated ¥24.3 billion in sales (up 6.9% year on year) and posted a small amount of operating loss. Main contributors are the full interim period contribution of Tokyu Harvest Club Nasu, a membership resort hotel, the contribution of new golf course facilities and the favorable operation of existing facilities.

Meanwhile, we posted an operating loss due to the decline of membership sales and the increase in repair expenses at ski resorts. In Golf courses segment, we acquired Kansai Country Club, and added it to our line-up.

	FY2006 Interim	FY2007 Interim	Comparison	(Unit: ¥ billion)	
				FY2006	FY2007 forecast
Sales	22.7	24.3	1.6	51.1	56.1
Operating income	0.9	(0.0)	(0.9)	3.4	3.7

Sales breakdown

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

	FY2006 Interim	FY2007 Interim	Comparison	(Unit: ¥ billion)	
				FY2006	
Golf courses	4.7 (19)	5.3 (20)	0.5	8.8 (19)	
Harvest Club	4.4 (20)	5.4 (22)	1.0	8.9 (21)	
Oasis	5.3 (24)	5.4 (27)	0.2	10.4 (24)	
Ski	2.4 (8)	2.4 (8)	(0.0)	11.2 (8)	
Other	5.9	5.9	(0.1)	11.7	

(7) Real Estate Agents and Other Businesses

In our Real Estate agents and other businesses, sales were ¥26.5 billion (up 2.9% year on year) and operating income was ¥3.3 billion (down 2.8%). Tokyu Livable's brokerage business remains largely solid, while Consignment sales posted lower sales due to a decline of major properties.

	FY2006 Interim	FY2007 Interim	Comparison	(Unit: ¥ billion)	
				FY2006	FY2007 forecast
Sales	25.8	26.5	0.7	55.5	59.9
Operating income	3.4	3.3	(0.1)	8.6	9.6

Sales breakdown

	FY2006 Interim	FY2007 Interim	Comparison	(Unit: ¥ billion)	
				FY2006	
Real Estate sales agent	19.0	20.2	1.2	39.8	
Consignment sales	2.7	2.1	(0.7)	6.6	
Consignment welfare	1.0	1.2	0.1	2.1	
Other	2.9	3.1	0.2	6.9	

Forecasts for Fiscal Year 2007 Ending March 2008

We project higher revenues and profits in all segments for the fiscal year 2007 ending March 2008. We have upwardly revised the former forecasts of sales, operating income, ordinary income, and net income announced on May 11, 2007, due to a brisk operation in the mainstay business segments, Leasing of Real Estate and Real Estate Sales.

Consolidated

(Unit: ¥ billion)

	Period ended March 2007	Period ending March 2008	Comparison
Sales	573.5	640.0	66.5
EBITDA	77.2	89.7	12.5
Operating income	65.9	78.0	12.1
Ordinary income	60.4	70.0	9.6
Net income	31.4	31.5	0.1

Initial forecast	Projected change
630.0	10.0
83.6	6.1
72.0	6.0
63.0	7.0
30.0	1.5

EBITDA: Operating Income Before Depreciation

Segment Performance Forecast (Consolidated)

Sales

(Unit: ¥ billion)

	Period ended March 2007	Period ending March 2008	Comparison
Total	573.5	640.0	66.5
Real Estate Sales	153.1	181.2	28.1
Contracted Construction	71.2	82.8	11.7
Retail Sales	85.8	93.5	7.6
Leasing of Real Estate	101.4	113.6	12.2
Property Management	72.6	74.2	1.6
Resorts	51.1	56.1	5.1
Real Estate Agents and Other	55.5	59.9	4.5
Adjustment for Inter-Company Transactions	(17.0)	(21.3)	(4.3)

Initial forecast	Projected change
630.0	10.0
176.9	4.3
81.4	1.4
94.4	(0.9)
106.2	7.4
74.3	(0.1)
58.7	(2.6)
61.1	(1.2)
(22.9)	1.6

Operating Income

(Unit: ¥ billion)

	Period ended March 2007	Period ending March 2008	Comparison
Total	65.9	78.0	12.1
Real Estate Sales	19.0	19.4	0.5
Contracted Construction	1.0	1.2	0.2
Retail Sales	(0.4)	0.5	0.9
Leasing of Real Estate	35.7	45.2	9.5
Property Management	4.0	4.5	0.4
Resorts	3.4	3.7	0.3
Real Estate Agents and Other	8.6	9.6	1.0
Adjustment for Inter-Company Transactions	(5.3)	(6.1)	(0.7)

Initial forecast	Projected change
72.0	6.0
16.7	2.8
1.6	(0.4)
0.1	0.4
41.0	4.2
4.5	0.0
3.9	(0.2)
9.8	(0.2)
(5.5)	(0.6)

Parent Company

(Unit: ¥ billion)

	Period ended March 2007	Period ending March 2008	Comparison	Initial forecast	Projected change
Sales	223.5	265.0	41.5	260.0	5.0
EBITDA	50.8	59.4	8.6	55.8	3.6
Operating income	45.1	53.5	8.4	50.0	3.5
Ordinary income	41.0	49.0	8.0	45.0	4.0
Net income	13.8	24.5	10.7	23.5	1.0

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 March 2006	End of March 2007	End of September 2007	End of March 2008 forecast
Total assets	885.7	954.1	966.3	
Total liabilities	720.5	757.8	768.1	
Net assets	145.5	196.3	198.2	
Equity	145.5	173.7	174.8	
Equity ratio	16.4%	18.2%	18.1%	
Interest-bearing debt	344.1	370.5	433.7	420.0
EBITDA multiple	4.5×	4.8×	—	4.7×
ROA	7.4%	7.3%	—	7.9%

Parent Company

(Unit: ¥ billion)

	End of March 2006	End of March 2007	End of September 2007	End of March 2008 forecast
Total assets	670.0	745.3	753.8	
Total liabilities	525.6	590.3	596.8	
Net assets	144.4	155.0	157.0	
Equity ratio	21.6%	20.8%	20.8%	
Interest-bearing debt	289.8	334.8	380.2	370.0
EBITDA multiple	5.3×	6.6×	—	6.2×
ROA	7.3%	6.7%	—	7.2%

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

ROA: (Operating Income + Interest Income + Dividends Income)/Total Assets

*Figures listed under “Net assets” and “Equity” until the fiscal year ended March 2006, represent figures of former “Shareholders’ equity.”

*Disclosure of “EBITDA multiple” and ROA is omitted for the interim period under review.

(2) Cash Flow Position

As of the end of the interim period under review, cash and cash equivalents were ¥34.7 billion, representing a ¥17.0 billion decrease from the previous year end. The details of the cash flows are given below.

Cash flows from operations

Net cash flows from operations decreased by ¥52.0 billion. This was because, cash inflows of ¥16.7 billion in income before income taxes and minority interests, ¥6.0 billion in depreciation and amortization, and ¥5.8 billion in impairment loss on fixed assets were offset by cash outflows of ¥20.9 billion in a decrease of trade payables, ¥12.1 billion in a decrease of sales on consignment deposit, ¥7.4 billion in a decrease of loss reserve due to land buyback, and ¥6.6 billion in acquiring inventory assets.

Cash flows from investment

Net cash flows from investment decreased by ¥23.9 billion because we invested ¥12.2 billion in fixed assets and ¥9.0 billion in equity, and acquired new subsidiaries for ¥10.2 billion, although ¥8.1 billion were provided from return of equity investment.

Cash flows from financing

Net cash flows from financing increased by ¥58.9 billion. This was because, although we used ¥40.8 billion in repayment of long-term debt, we procured ¥42.0 billion from commercial paper and ¥44.5 billion from long-term debts.

Trend of indices

	Period ended March 2005	Period ended March 2006	Period ended March 2007	Period ended September 2007
Equity ratio	9.6%	16.4%	18.2%	18.1%
Equity ratio on market value basis	24.2%	60.8%	75.0%	55.0%
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/Total Assets

Equity Ratio on Market Value Basis: Market Valuation/Total Assets

Ratio of Interest-Bearing Debt to Cash Flows: Interest-Bearing Debt/Operating Cash Flow

Interest Coverage Ratio: 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 interim period × number of shares issued (after deducting treasury stock)
3. Operating Cash Flow: Cash Flows from Operations stated in the Consolidated Statements Cash Flows
4. Interest bearing-debt contains all liabilities to pay interest.
5. Disclosure of “Ratio of interest-bearing debt to cash flows” and “Interest-coverage ratio” is omitted for the interim period under review.

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

In the previous fiscal year (year ended March 31, 2007), the Company has, amid the overall brisk operation, surpassed the final-year profit target for the midterm (fiscal 2005-2007) management plan for the second consecutive year. Furthermore, we achieved more consolidated net income than planned after implementing the earlier application of cost-or-market method to inventory assets. Under these operational circumstances, we revised the plan to pay year-end dividends of ¥5.0 per share, and paid ¥7.0 per share.

Regarding dividends for fiscal 2007 (year ending March 31, 2008), 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	FY2006 (as of March 31, 2007)		FY2007 Interim (as of September 30, 2007)		Comparison		FY2006 Interim (as of September 30, 2006)	
	Amount	Component ratio	Amount	Component ratio	Amount	Percentage	Amount	Component ratio
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Assets								
Current assets	310,026	32.5	302,045	31.3	(7,980)	(2.6)	296,804	34.1
Cash and deposits	42,297		27,754		(14,542)		47,078	
Notes receivable and accounts receivable	13,777		10,889		(2,887)		11,689	
Securities	—		5,200		5,200		—	
Land for sale	141,921		154,552		12,631		150,254	
Buildings for sale	43,308		37,613		(5,694)		41,153	
Merchandise	7,959		9,030		1,071		8,554	
Materials and supplies	1,143		844		(298)		1,144	
Consignment sales accounts receivable	1,683		5,321		3,638		3,249	
Short-term loans	10,178		2,526		(7,651)		214	
Deferred tax - current	22,356		21,412		(943)		10,322	
Other current assets	25,744		27,190		1,445		23,452	
Allowance for doubtful accounts	(342)		(290)		52		(311)	
Fixed assets	644,048	67.5	664,248	68.7	20,199	3.1	573,338	65.9
Property and equipment	366,611	38.4	381,633	39.5	15,021	4.1	345,977	39.8
Buildings and structures	127,405		129,071		1,666		127,949	
Land	227,880		238,788		10,908		207,810	
Construction in progress	3,685		5,766		2,080		3,252	
Other property and equipment	7,640		8,006		365		6,965	
Intangible fixed assets	24,378	2.6	28,481	2.9	4,103	16.8	24,526	2.8
Land lease hold	9,061		11,723		2,661		9,022	
Goodwill	1,386		3,219		1,832		1,562	
Other intangible fixed assets	13,929		13,539		(390)		13,941	
Investments and other assets	253,058	26.5	254,133	26.3	1,075	0.4	202,834	23.3
Investment in securities	40,619		37,661		(2,958)		36,858	
Investments in Special Purpose Companies	138,791		140,789		1,998		95,712	
Long-term loans	656		828		172		680	
Guarantee and lease deposits	58,239		59,580		1,340		56,078	
Deferred tax - noncurrent	7,431		7,947		516		6,290	
Other investments	11,909		11,928		19		11,963	
Allowance for doubtful accounts	(4,589)		(4,602)		(13)		(4,749)	
Total assets	954,074	100.0	966,293	100.0	12,218	1.3	870,142	100.0

Note) Amounts are in units of millions of yen with fractional units discarded.

(Audit has not been completed.)

Financial year Account title	FY2006 (as of March 31, 2007)		FY2007 Interim (as of September 30, 2007)		Comparison		FY2006 Interim (as of September 30, 2006)	
	Amount	Component ratio	Amount	Component ratio	Amount	Percentage	Amount	Component ratio
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Liabilities								
Current liabilities	305,538	32.0	296,054	30.6	(9,484)	(3.1)	302,986	34.8
Trade payables	52,101		31,228		(20,872)		35,877	
Short-term borrowings	114,178		116,205		2,027		145,943	
Commercial papers	—		42,000		42,000		5,000	
Other payable	21,028		13,339		(7,688)		10,908	
Accrued income taxes	19,456		7,927		(11,529)		8,077	
Deferred tax liabilities	337		341		3		430	
Advances received	32,265		30,323		(1,941)		35,202	
Sales on consignment deposit	17,615		5,488		(12,127)		15,472	
Deposits	15,621		15,472		(148)		13,676	
Deposit received for special joint ventures	7,550		18,750		11,200		16,437	
Bonus payment reserve	8,312		6,465		(1,847)		6,838	
Directors' and corporate auditors' bonus payment reserve	218		122		(95)		74	
Directors' and corporate auditors' retirement benefit reserve	199		11		(187)		—	
Reserve for compensation for completed works	346		325		(21)		—	
Loss reserve due to land buyback	7,373		—		(7,373)		—	
Loss reserve on business restructuring	1,023		763		(259)		—	
Other current liabilities	7,911		7,288		(622)		9,047	
Fixed liabilities	452,253	47.4	472,075	48.9	19,822	4.4	396,120	45.5
Bonds	20,000		30,000		10,000		10,000	
Long-term debt	236,309		245,450		9,141		204,832	
Guarantee and lease deposits received	144,879		153,852		8,973		143,398	
Deferred tax liabilities	2,676		4,414		1,738		4,630	
Deferred tax liabilities for revaluation	11,647		11,589		(58)		10,968	
Employees' retirement and severance benefits	15,983		16,725		742		15,894	
Provision of reserve for loss on loans guarantee	1,232		1,232		—		1,416	
Directors' and corporate auditors' retirement benefit reserve	1,115		912		(202)		—	
Deposits received for special joint ventures	14,950		4,550		(10,400)		—	
Other fixed liabilities	3,459		3,348		(111)		4,980	
Total liabilities	757,791	79.4	768,130	79.5	10,338	1.4	699,107	80.3
Net assets								
Shareholders' equity	153,359	16.1	155,883	16.1	2,524	1.6	131,242	15.1
Common stock	57,551		57,551		—		57,551	
Capital-surplus	39,319		39,326		6		39,317	
Retained earnings	57,329		60,016		2,686		34,988	
Treasury stock	(842)		(1,011)		(169)		(614)	
Valuation and translation adjustments	20,316	2.1	18,959	2.0	(1,357)	(6.7)	18,958	2.2
Unrealized holding gain on securities	4,741		3,375		(1,366)		4,339	
Deferred gain/loss on hedge activities	(48)		17		65		(110)	
Gain in revaluation of land	16,636		16,552		(84)		15,776	
Foreign currency translation adjustments	(1,012)		(985)		27		(1,047)	
Minority interests	22,607	2.4	23,320	2.4	713	3.2	20,835	2.4
Total net asset	196,282	20.6	198,163	20.5	1,880	1.0	171,035	19.7
Total liabilities & net assets	954,074	100.0	966,293	100.0	12,218	1.3	870,142	100.0

Note) Amounts are in units of millions of yen with fractional unit discarded.

Consolidated Statements of Income

(Audit has not been completed.)

Financial year Account title	FY2006 Interim (from April 1, 2006 to September 30, 2006)		FY2007 Interim (from April 1, 2007 to September 30, 2007)		Comparison		FY2006 (from April 1, 2006 to March 31, 2007)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Revenue from operations	249,751	100.0	268,321	100.0	18,569	7.4	573,549	100.0
Cost of revenue from operations	194,190		207,042		12,851		437,188	
Gross profit	55,560		61,278		5,717		136,360	
Selling, general and administrative expenses	32,631		35,608		2,977		70,415	
Operating income	22,929	9.2	25,670	9.6	2,740	12.0	65,944	11.5
Other income	643		784		141		2,130	
Interest	46		165		118		92	
Dividends	229		256		26		1,169	
Foreign exchange gain	35		35		0		89	
Equity in earnings of affiliates	87		102		15		350	
Other	244		224		(19)		427	
Other expenses	3,671		3,717		45		7,651	
Interest	3,343		3,537		193		6,880	
Provision for bad debts	29		51		21		29	
Other	297		128		(169)		740	
Operating profit	19,901	8.0	22,737	8.5	2,836	14.3	60,424	10.5
Extraordinary gains	181		346		165		12,524	
Gains on sales of property and equipment	101		263		162		11,944	
Gains on sales of investments in securities	—		—		—		10	
Transfer from provision for bad debts	75		78		3		105	
Other	4		4		(0)		464	
Extraordinary losses	2,121		6,344		4,223		31,001	
Loss on sales of property and equipment	50		33		(16)		107	
Impairment loss on fixed assets	460		5,769		5,308		1,170	
Revaluation loss of investments in securities	1,239		540		(699)		1,241	
Revaluation loss of land and buildings for sale for prior periods	—		—		—		15,834	
Provision for loss reserve due to land buyback	—		—		—		7,373	
Loss on business restructuring	—		—		—		4,407	
Other	371		1		(369)		868	
Income before income taxes and minority interests	17,960	7.2	16,738	6.2	(1,221)	(6.8)	41,947	7.3
Income taxes—current	7,884		8,354		469		21,763	
Income taxes—deferred	—		—		—		(14,869)	
Minority interests	1,915		2,061		146		3,689	
Net income	8,159	3.3	6,322	2.4	(1,836)	(22.5)	31,364	5.5

Notes) 1. Amounts are in units of millions of yen with fractional units discarded.

2. Percentage figures excluding those of Comparison indicate the sales ratio.

Consolidated Statements of Cash Flows

(Audit has not been completed.)

Account	Financial year	FY2006 Interim (from April 1, 2006 to September 30, 2006)	FY2007 Interim (from April 1, 2007 to September 30, 2007)	Comparison	FY2006 (from April 1, 2006 to March 31, 2007)
		Million yen	Million yen	Million yen	Million yen
I Cash flows from operating activities					
Income before income taxes and minority interests		17,960	16,738	(1,222)	41,947
Depreciation and amortization		5,339	5,994	655	11,251
Amortization of goodwill		93	681	588	269
Equity in gains (losses) of affiliates		(87)	(102)	(15)	(350)
Revaluation losses of investments in securities		1,239	540	(699)	1,241
Provision for bad debts		(172)	(52)	120	(301)
Net change in directors' and corporate auditors' retirement benefit		—	(390)	(390)	405
Net change in retirement allowance		246	677	431	336
Increase (decrease) in directors' and corporate auditors' bonus payment reserve		—	(95)	(95)	—
Increase (decrease) in reserve for bonuses		(634)	(1,780)	(1,146)	807
Impairment loss on fixed assets		460	5,769	5,309	1,170
Net change in loss reserve due to land buyback		—	(7,373)	(7,373)	7,373
Revaluation losses on land for sale		—	—	—	18,354
Gains (losses) on sales of securities and investment in securities		—	—	—	(10)
Gains (losses) on sale of property and equipment		(51)	(229)	(178)	(11,837)
Loss on retirement of property and equipment		230	437	207	1,112
Interests and dividends received		(276)	(338)	(62)	(1,262)
Interests paid		3,343	3,537	194	6,880
Decrease (increase) of trade receivables		371	(726)	(1,097)	(146)
Decrease (increase) of inventories		(25,626)	(6,576)	19,050	(37,334)
Increase (decrease) of trade payables		(15,681)	(20,872)	(5,191)	542
Increase (decrease) in accounts payable		—	(6,609)	(6,609)	4,963
Increase (decrease) in advances received		—	(1,981)	(1,981)	2,905
Bonuses to directors and statutory auditors		(161)	—	161	(161)
Increase (decrease) in deposit (sale on consignment)		(21,883)	(12,127)	9,756	(19,740)
Deposits received for special joint ventures		(10,052)	800	10,852	(1,490)
Other		1,719	(5,265)	(6,984)	2,683
Subtotal		(43,622)	(29,345)	14,277	29,610
Interest and dividends received		410	526	116	1,398
Interests paid		(3,009)	(3,513)	(504)	(6,730)
Income tax paid		(7,444)	(19,691)	(12,247)	(10,433)
Net cash provided by operating activities		(53,665)	(52,024)	1,641	13,844
II Cash flows from investing activities					
Payments in time deposits over three months		(33)	(72)	(39)	(41)
Refund of time deposits over three months		—	5	5	646
Lending of loans		(28)	(173)	(145)	(35)
Proceeds from loans receivable		60	73	13	110
Proceeds from purchase of securities and investments in securities		(14,056)	(624)	13,432	(17,574)
Sales and clearing of securities and investments in securities		25	462	437	720
Payment for acquisition of subsidiaries		(112)	(249)	(137)	(112)
Payment for guarantee deposits		(1,610)	(3,377)	(1,767)	(4,430)
Proceeds from guarantee deposits		3,024	2,017	(1,007)	3,925
Capital expenditures		(16,551)	(12,228)	4,323	(42,643)
Proceeds from sales of property and equipment		443	912	469	15,059
Payment for equity investment		(14,783)	(8,964)	5,819	(84,382)
Reversal from investments in special purpose companies		4,779	8,105	3,326	27,581
Payment for establishment and acquisition of subsidiaries resulting from changes in the scope of consolidation		(1,777)	(10,205)	(8,428)	(5,206)
Payment for establishment of new affiliates		—	—	—	(5)
Other		17	411	394	(35)
Net cash used in investing activities		(40,601)	(23,907)	16,694	(111,630)
III Cash flows from financing activities					
Decrease in short-term borrowings		19,881	7,368	(12,513)	(2,870)
Proceeds from long-term debt		32,427	44,478	12,051	104,782
Repayment of long-term debt		(45,557)	(40,849)	4,708	(96,543)
Payment of guarantee and lease deposits received		(8,041)	(10,874)	(2,833)	(14,214)
Guarantee and lease deposits received		9,697	11,686	1,989	16,737
Proceeds from issuance of bonds		10,000	10,000	0	20,000
Proceeds from issuance of commercial papers		5,000	42,000	37,000	—
Proceeds from issuance of common stocks		104	—	(104)	104
Cash dividends paid		(2,656)	(3,720)	(1,064)	(2,656)
Cash dividends paid to minority interests		(651)	(1,017)	(366)	(755)
Purchase of treasury stocks		(103)	(169)	(66)	(335)
Net cash used in financing activities		20,099	58,903	38,804	24,248
IV Translation difference in cash and cash equivalents		13	28	15	18
V Increase in cash and cash equivalents due to new consolidation		80	—	(80)	80
VI Net increase (decrease) in cash and cash equivalents		(74,154)	(16,998)	57,156	(68,312)
VII Cash and cash equivalents at beginning of period		119,933	51,701	(68,232)	119,933
VIII Cash and cash equivalents at end of period		45,859	34,702	(11,157)	51,701

Note) Amounts are in units of millions of yen with fractional units discarded.