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Forward-Looking Statements

This document contains certain statements based on Tokyo Tatemono's current plans, estimates, and strategies; all statements that are not of historical fact are forward-looking statements. These statements represent the judgments and hypotheses of the Company's management based on currently available information. It is possible that the Company's future performance will differ significantly from the contents of these forward-looking statements. Accordingly, there is no assurance that the forward-looking statements in this document will prove to be accurate.

October 30, 2007

Outline of Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending December 2007

Name of Company Listed: Tokyo Tatemono Co., Ltd.

Stock Exchange Listing: Tokyo (First Section)

Code Number: 8804

URL: <http://www.tatemono.com>

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1. Consolidated Results of Operations for the Third Quarter of Fiscal 2007 (January 1, 2007 to September 30, 2007)

(1) Consolidated Business Results

Quarter ended September 30 (Amounts indicated are displayed with amounts less than one million yen rounded off.)

	Revenue from operations		Operating income		Recurring income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
2007 3Q	139,627	(26.2)	33,500	16.8	29,107	13.3
2006 3Q	189,262	96.4	28,674	102.7	25,696	144.1
2006 full year	234,340	—	34,461	—	31,289	—

	Quarterly net income		Quarterly net income per share	Quarterly net income per share after adjusting for dilution
	Millions of yen	%	Yen	Yen
2007 3Q	15,319	(17.0)	48.51	—
2006 3Q	18,463	342.8	58.44	—
2006 full year	17,406	—	55.10	—

Note: The percentage figures indicate the percentage increase/decrease compared with the corresponding quarter of the previous fiscal year.

(2) Consolidated Financial Status

	Total assets	Total net assets	Equity ratio	Owners' equity per share
	Millions of yen	Millions of yen	%	Yen
2007 3Q	832,790	225,460	26.7	704.23
2006 3Q	645,658	215,296	32.9	672.41
2006 full year	675,267	214,879	31.4	671.17

(3) Consolidated Cash Flows
Quarter ended September 30

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2007 3Q	(23,815)	(99,931)	124,555	8,300
2006 3Q	118	(19,407)	21,357	11,257
2006 full year	(3,983)	(42,699)	44,994	7,507

2. Dividend Status

	Dividend per share		
	End of interim period	End of FY	Annual
(Base date)	Yen	Yen	Yen
FY 2006	6.00	6.00	12.00
FY 2007	7.00		14.00
FY 2007 (Projection)		7.00	

3. Projection of Consolidated Results of Operations for Fiscal 2007, Ending December 2007
(January 1, 2007 to December 31, 2007)

	Revenue from operations		Operating income		Recurring income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full fiscal year	215,000	(8.3)	44,000	27.7	38,500	23.0

	Net income		Net income per share
	Millions of yen	%	Yen
Full fiscal year	21,500	23.5	68.09

Note: The percentage figures indicate the percentage increase/decrease compared with the corresponding quarter of the previous fiscal year.

4. Other

- (1) Significant changes in subsidiaries during the period (transfer of specific subsidiaries following a change in the scope of consolidation): None
- (2) Use of Simplified Accounting Procedures: No
- (3) Changes in Accounting Principles in the Most Recent Fiscal Year: Yes

(Reference) Outline of Non-Consolidated Financial Statements**1. Non-Consolidated Results of Operations for the Third Quarter of Fiscal 2007 (January 1, 2007 to September 30, 2007)****(1) Non-Consolidated Business Results**

Quarter ended September 30 (Amounts indicated are displayed with amounts less than one million yen rounded off.)

	Revenue from operations		Operating income		Recurring income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
2007 3Q	107,338	(31.5)	29,337	19.3	25,434	15.7
2006 3Q	156,681	118.0	24,596	110.5	21,987	163.2
2006 full year	191,283	–	29,572	–	25,917	–

	Quarterly net income		Quarterly net income per share
	Millions of yen	%	Yen
2007 3Q	13,711	(13.2)	43.13
2006 3Q	15,787	285.2	49.65
2006 full year	15,310	–	48.15

Note: The percentage figures indicate the percentage increase/decrease compared with the corresponding quarter of the previous fiscal year.

(2) Non-Consolidated Financial Status

	Total assets	Total net assets	Equity ratio	Owners' equity per share
	Millions of yen	Millions of yen	%	Yen
2007 3Q	795,963	212,075	26.6	667.21
2006 3Q	613,966	203,305	33.1	639.43
2006 full year	647,553	203,584	31.4	640.35

* Explanation Regarding the Appropriate Use of Business Performance Projections, and Other Items Warranting Special Mention

The performance projections and other statements regarding the future presented in these materials are based on information presently obtained by the Company and on certain assumptions deemed to be rational, and the actual performance may greatly differ depending on various factors.

Third-Quarter Consolidated Balance Sheets

(Millions of yen)

Item	End of FY 2006 3Q As of September 30, 2006		End of FY 2007 3Q As of September 30, 2007		End of FY 2006 As of December 31, 2006		Increase/ Decrease
	Amount	Weight	Amount	Weight	Amount	Weight	Amount
(ASSETS)		%		%		%	
I Current assets	151,176	23.4	198,420	23.8	154,943	22.9	43,476
Cash	11,291		8,424		7,532		891
Notes and accounts receivable, trade	8,331		10,565		11,120		(554)
Marketable securities	1,782		3,820		1,782		2,037
Inventories	109,308		154,280		120,222		34,057
Deferred income taxes	1,548		2,322		1,499		822
Other current assets	18,936		19,020		12,798		6,221
Allowance for doubtful accounts	(21)		(11)		(11)		0
II Fixed assets	494,481	76.6	634,369	76.2	520,323	77.1	114,046
1. Property and equipment	328,148	50.8	363,994	43.7	338,528	50.1	25,466
Buildings and structures	73,959		80,557		78,156		2,401
Land	250,554		268,434		256,027		12,407
Construction in progress	348		10,153		899		9,253
Other fixed assets	3,284		4,849		3,444		1,405
2. Intangible and other assets	10,571	1.7	15,781	1.9	14,405	2.2	1,375
3. Investments	155,762	24.1	254,594	30.6	167,389	24.8	87,204
Investment securities	92,388		175,351		101,934		73,416
Investment in silent partnerships	48,117		61,664		49,571		12,092
Long-term loans	980		868		952		(83)
Deferred income taxes	903		950		884		65
Other investments	15,060		17,182		15,523		1,658
Allowance for doubtful accounts	(804)		(784)		(803)		19
Investment loss reserve	(883)		(638)		(673)		35
Total assets	645,658	100.0	832,790	100.0	675,267	100.0	157,523

Item	End of FY 2006 3Q As of September 30, 2006		End of FY 2007 3Q As of September 30, 2007		End of FY 2006 As of December 31, 2006		Increase/ Decrease
	Amount	Weight	Amount	Weight	Amount	Weight	Amount
(LIABILITIES)		%		%		%	
I Current liabilities	157,485	24.4	201,045	24.1	148,022	21.9	53,022
Short-term borrowings	100,781		134,700		90,589		44,110
Commercial paper	12,300		17,000		11,000		6,000
Accounts payable, trade	6,696		5,480		8,009		(2,528)
Accrued income taxes	5,008		4,461		7,258		(2,797)
Deferred income taxes	16		1		–		1
Reserve for compensation for completed work	3		4		5		(1)
Reserve for bonuses	1,114		1,287		252		1,034
Reserve for bonuses to directors and corporate auditors	141		194		259		(64)
Other current liabilities	31,423		37,916		30,647		7,268
II Long-term liabilities	272,877	42.3	406,284	48.8	312,365	46.3	93,919
Corporate bond	–		40,000		–		40,000
Long-term debt	182,214		260,147		217,632		42,514
Deferred income taxes	13,195		12,023		13,376		(1,353)
Deferred income taxes on land revaluation	13,778		16,791		13,765		3,025
Accrued severance indemnities	4,743		4,988		4,830		157
Allowance for retirement benefits for directors	548		623		572		50
Provision for loss on guarantees	63		56		56		–
Reserve for scrapping of buildings	224		295		240		54
Guarantee deposits received	40,163		44,077		41,616		2,460
Other long-term liabilities	17,944		27,281		20,272		7,008
Total liabilities	430,362	66.7	607,330	72.9	460,388	68.2	146,942
(NET ASSETS)							
I Owners' equity	181,821	28.2	187,411	22.5	180,750	26.8	6,660
1 Paid-in capital	77,181	12.0	77,181	9.3	77,181	11.4	–
2 Capital surplus	75,523	11.7	75,524	9.1	75,523	11.2	1
3 Retained earnings	29,524	4.6	35,263	4.2	28,484	4.2	6,779
4 Treasury stock	(407)	(0.1)	(558)	(0.1)	(439)	(0.0)	(119)
II Valuation and translation adjustments	30,573	4.7	34,966	4.2	31,235	4.6	3,731
1 Valuation difference on available-for-sale securities	16,014	2.5	16,058	1.9	16,677	2.5	(618)
2 Revaluation difference on land	14,582	2.2	18,972	2.3	14,564	2.1	4,408
3 Translation adjustments	(23)	(0.0)	(64)	(0.0)	(6)	(0.0)	(58)
III Minority interests	2,900	0.4	3,082	0.4	2,893	0.4	189
Total net assets	215,296	33.3	225,460	27.1	214,879	31.8	10,581
Total liabilities, minority interests and net assets	645,658	100.0	832,790	100.0	675,267	100.0	157,523

Third-Quarter Consolidated Statements of Income

(Millions of yen)

Item	End of FY 2006 3Q January 1, 2006 through September 30, 2006		End of FY 2007 3Q January 1, 2007 through September 30, 2007		Increase/ Decrease	End of FY 2006 January 1, 2006 through December 31, 2006	
	Amount	Percentage	Amount	Percentage		Amount	Percentage
			%		%		%
I Revenue from operations	189,262	100.0	139,627	100.0	(49,634)	234,340	100.0
II Cost of revenue	138,703	73.3	84,498	60.5	(54,204)	170,046	72.6
Gross profit	50,559	26.7	55,129	39.5	4,569	64,294	27.4
III Selling, general and administrative expenses	21,884	11.5	21,628	15.5	(255)	29,833	12.7
Operating income	28,674	15.2	33,500	24.0	4,825	34,461	14.7
IV Non-operating income							
Interest income	62		29		(33)	87	
Dividend income	449		461		11	547	
Equity in income of affiliated companies	158		57		(101)	229	
Investment partnership income	–		–		–	908	
Other	295		490		195	429	
Total non-operating income	965	0.5	1,038	0.7	72	2,201	1.0
V Non-operating expenses							
Interest expense	3,480		4,527		1,046	4,649	
Stock issuance expenses	36		–		(36)	36	
Bond issuance expenses	–		197		197	–	
Other	427		707		280	687	
Total non-operating expenses	3,943	2.1	5,431	3.9	1,487	5,374	2.3
Recurring income	25,696	13.6	29,107	20.8	3,410	31,289	13.4
VI Extraordinary income							
Gain on sale of property and equipment	260		1,277		1,017	262	
Gain on sale of investment securities	–		31		31	–	
Gain on sale of investments in subsidiaries	2,695		–		(2,695)	2,695	
Gain on change in shareholding in subsidiaries	1,966		–		(1,966)	1,966	
Income from business transfers	–		159		159	–	
Reversal of provision for losses on doubtful accounts	7		3		(4)	–	
Gain on reversal of provision for investment losses	38		35		(3)	248	
Total extraordinary income	4,968	2.6	1,506	1.1	(3,462)	5,173	2.2
VII Extraordinary loss							
Loss on revaluation of real estate for sale	–		–		–	3,661	
Loss on sale of fixed assets	0		96		96	1	
Loss on retirement of property and equipment	99		186		87	267	
Loss on reconstruction of buildings	–		35		35	441	
Loss on devaluation of investment securities	22		–		(22)	101	
Retirement and bonuses for special services for directors	16		–		(16)	16	
Impairment loss	–		10		10	324	
Total extraordinary loss	138	0.1	328	0.2	190	4,814	2.1
Income before income taxes and minority interests	30,527	16.1	30,285	21.7	(242)	31,648	13.5
Current income taxes	9,224	4.9	13,153	9.4	3,928	11,624	4.9
Deferred income taxes	2,957	1.5	1,511	1.1	(1,445)	2,739	1.2
Minority interest income (loss)	(118)	(0.1)	299	0.2	417	(122)	(0.0)
Net income	18,463	9.8	15,319	11.0	(3,143)	17,406	7.4

Third-Quarter Consolidated Statements of Changes in Consolidated Owners' Equity

Fiscal 2006 3Q (January 1, 2006 through September 30, 2006)

(Millions of yen)

	Owners' equity					Valuation and translation adjustments				Minority interests	Total net assets
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total owners' equity	Valuation difference on available-for-sale securities	Revaluation difference on land	Translation adjustments	Total valuation and translation adjustments		
Balance at the end of previous period	77,181	75,522	18,549	(290)	170,963	17,690	13,016	(32)	30,675	81	201,720
Changes of items during the 3Q period											
Dividends from surplus	–	–	(3,498)	–	(3,498)	–	–	–	–	–	(3,498)
Quarterly net income	–	–	18,463	–	18,463	–	–	–	–	–	18,463
Transfer to land revaluation excess	–	–	(3,800)	–	(3,800)	–	–	–	–	–	(3,800)
Bonuses to directors and corporate auditors	–	–	(189)	–	(189)	–	–	–	–	–	(189)
Disposal of treasury stock	–	0	–	4	5	–	–	–	–	–	5
Acquisition of treasury stock	–	–	–	(121)	(121)	–	–	–	–	–	(121)
Net changes of items other than owners' equity	–	–	–	–	–	(1,676)	1,565	9	(101)	2,818	(2,717)
Total changes of items during the 3Q period	–	0	10,975	(117)	10,858	(1,676)	1,565	9	(101)	2,818	13,575
Balance at the end of the current period (September 30, 2006)	77,181	75,523	29,524	(407)	181,821	16,014	14,582	(23)	30,573	2,900	215,296

Fiscal 2007 3Q (January 1, 2007 through September 30, 2007)

(Millions of yen)

	Owners' equity					Valuation and translation adjustments				Minority interests	Total net assets
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total owners' equity	Valuation difference on available-for-sale securities	Revaluation difference on land	Translation adjustments	Total valuation and translation adjustments		
Balance at the end of previous period	77,181	75,523	28,484	(439)	180,750	16,677	14,564	(6)	31,235	2,893	214,879
Changes of items during the 3Q period											
Dividends from surplus	-	-	(4,132)	-	(4,132)	-	-	-	-	-	(4,132)
Quarterly net income	-	-	15,319	-	15,319	-	-	-	-	-	15,319
Transfer to land revaluation excess	-	-	(4,408)	-	(4,408)	-	-	-	-	-	(4,408)
Disposal of treasury stock	-	1	-	4	5	-	-	-	-	-	5
Acquisition of treasury stock	-	-	-	(123)	(123)	-	-	-	-	-	(123)
Net changes of items other than owners' equity	-	-	-	-	-	(618)	4,408	(58)	3,731	189	3,920
Total changes of items during the 3Q period	-	1	6,779	(119)	6,660	(618)	4,408	(58)	3,731	189	10,581
Balance at the end of the current period (September 30, 2007)	77,181	75,524	35,263	(558)	187,411	16,058	18,972	(64)	34,966	3,082	225,460

Fiscal 2006 (January 1, 2006 through December 31, 2006)

(Millions of yen)

	Owners' equity					Valuation and translation adjustments				Minority interests	Total net assets
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total owners' equity	Valuation difference on available-for-sale securities	Revaluation difference on land	Translation adjustments	Total valuation and translation adjustments		
Balance at the end of previous period	77,181	75,522	18,549	(290)	170,963	17,690	13,016	(32)	30,675	81	201,720
Changes of items during the FY period											
Dividends from surplus	-	-	(3,498)	-	(3,498)	-	-	-	-	-	(3,498)
Net income	-	-	17,406	-	17,406	-	-	-	-	-	17,406
Transfer to land revaluation excess	-	-	(3,783)	-	(3,783)	-	-	-	-	-	(3,783)
Bonuses to directors and corporate auditors	-	-	(189)	-	(189)	-	-	-	-	-	(189)
Disposal of treasury stock	-	0	-	7	8	-	-	-	-	-	8
Acquisition of treasury stock	-	-	-	(157)	(157)	-	-	-	-	-	(157)
Net changes of items other than owners' equity	-	-	-	-	-	(1,013)	1,547	25	560	2,812	3,372
Total changes of items during the FY period	-	0	9,935	(149)	9,786	(1,013)	1,547	25	560	2,812	13,159
Balance at the end of the period (December 31, 2006)	77,181	75,523	28,484	(439)	180,750	16,677	14,564	(6)	31,235	2,893	214,879

Third-Quarter Consolidated Statements of Cash Flows

(Millions of yen)

Item	2006 3Q	2007 3Q	FY 2006
	Amount	Amount	Amount
I Cash flows from operating activities			
Income before income taxes and minority interests	30,527	30,285	31,648
Depreciation	3,059	3,569	4,188
Impairment loss	–	10	324
Amortization	23	–	31
Goodwill depreciation	–	31	–
Equity in income of affiliated companies	(158)	(57)	(229)
Increase (decrease) in allowance for doubtful accounts	(63)	(19)	(74)
Increase (decrease) in investment loss reserve	(38)	(35)	(248)
(Reversal of) reserve for severance indemnities, less payments	860	1,029	(1)
(Reversal of) reserve for bonuses to directors and corporate auditors	141	(64)	259
(Reversal of) reserve for bonuses to employees	0	89	87
Increase (decrease) in allowance for retirement benefits for directors	36	50	61
Increase (decrease) in provision for loss on guarantees	(6)	–	(13)
Interest and dividend income	(512)	(490)	(634)
Investment partnership income	–	–	(908)
Interest expense	3,480	4,527	4,649
Loss on revaluation of real estate for sale	–	–	3,661
Write-down of marketable securities	22	–	101
(Gain) loss on sale of marketable and investment securities	–	(31)	–
Gain on sale of investments in subsidiaries	(2,695)	–	(2,695)
Gain on change in shareholding in subsidiaries	(1,966)	–	(1,966)
Gain on sales of fixed assets	(260)	(1,277)	(262)
Loss on sales of fixed assets	99	283	269
Loss on reconstruction of buildings	–	35	441
(Increase) decrease in accounts receivable, trade	1,781	595	(1,006)
(Increase) decrease in inventories	(3,043)	(46,462)	(16,833)
Increase (decrease) in guarantee deposits received	1,567	2,461	2,892
Increase (decrease) in accounts payable, trade	(1,490)	(323)	(678)
(Increase) decrease in guarantee deposits paid	292	(1,732)	(134)
Increase (decrease) in deposits	(13,813)	3,202	(16,463)
Other	(3,895)	161	3,611
Subtotal	13,950	(4,162)	10,077
Interest and dividends received	554	532	1,425
Interest paid	(3,769)	(4,294)	(4,672)
Income taxes paid	(10,616)	(15,891)	(10,812)
Net cash provided by (used in) operating activities	118	(23,815)	(3,983)
II Cash flows from investing activities			
Proceeds from redemption of marketable securities	–	5,637	–
Proceeds from sale of marketable and investment securities	17,141	21,955	17,592
Payment for purchase of marketable securities	–	(7,675)	–
Payment for purchase of marketable and investment securities	(29,395)	(96,794)	(38,131)
Proceeds from sale of investments in subsidiaries	3,767	–	3,767
Acquisition of shares in subsidiaries following change in scope of consolidation	–	(3,966)	–
Proceeds from acquisition of shares in subsidiaries following change in scope of consolidation	182	–	182
Investments in silent partnerships	(4,669)	(15,893)	(6,302)
Proceeds from sale of investments in silent partnerships	750	3,336	929
Proceeds from sale of property and equipment	3,739	5,000	3,872
Payment for purchase of property and equipment	(18,084)	(19,375)	(34,175)
Decrease (increase) in loans	31	90	59
Increase (decrease) in receipt from investment in specific joint real estate ventures	6,694	7,754	9,094
Other	435	(0)	412
Net cash used in investing activities	(19,407)	(99,931)	(42,699)

(Millions of yen)

Item	2006 3Q	2007 3Q	FY 2006
	Amount	Amount	Amount
III Cash flows from financing activities			
Increase (decrease) in short-term borrowings	9,500	36,500	3,500
Increase (decrease) in commercial paper	11,200	6,000	9,900
Increase (decrease) in long-term debt	612	49,917	31,839
Repayment of long-term accounts payable	(198)	(3,379)	(265)
Proceeds from issuance of bonds	–	40,000	–
Proceeds from treasury stock	5	5	8
Acquisition of treasury stock	(104)	(123)	(139)
Dividends paid	(3,389)	(4,007)	(3,494)
Payments of dividends to minority shareholders	(0)	(112)	(0)
Proceeds from issue of shares to minority shareholders	3,835	–	3,835
Other	(102)	(244)	(187)
Net cash provided by financing activities	21,357	124,555	44,994
IV Effect of exchange rate changes on cash and cash equivalents	2	(14)	8
V Net increase (decrease) in cash and cash equivalents	2,070	793	(1,679)
VI Cash and cash equivalents at beginning of year	8,241	7,507	8,241
VII Increase in cash and cash equivalents accompanying newly consolidated subsidiary	945	–	945
VIII Cash and cash equivalents at end of year	11,257	8,300	7,507

(Segment Information)

1. Industry Segments

Fiscal 2006 3Q (January 1, 2006 through September 30, 2006)

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
I. Revenue from operations						
(1) Customers	31,648	131,694	25,919	189,262	–	189,262
(2) Intersegment	486	122	1,674	2,282	(2,282)	–
Total	32,134	131,816	27,593	191,545	(2,282)	189,262
Costs and operating expenses	18,349	114,708	24,637	157,696	2,891	160,587
Operating income	13,785	17,108	2,956	33,849	(5,174)	28,674

Fiscal 2007 3Q (January 1, 2007 through September 30, 2007)

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
I. Revenue from operations						
(1) Customers	38,184	59,841	41,601	139,627	–	139,627
(2) Intersegment	540	1,793	2,558	4,892	(4,892)	–
Total	38,724	61,635	44,159	144,520	(4,892)	139,627
Costs and operating expenses	19,272	56,328	29,070	104,671	1,456	106,127
Operating income	19,451	5,307	15,089	39,848	(6,348)	33,500

Fiscal 2006 (January 1, 2006 through December 31, 2006)

(Millions of yen)

	Leasing	Real estate sales	Other	Total	Portion not classified to segments, less elimination	Consolidated
I. Revenue from operations						
(1) Customers	43,505	155,494	35,341	234,340	–	234,340
(2) Intersegment	658	172	2,416	3,246	(3,246)	–
Total	44,163	155,666	37,757	237,587	(3,246)	234,340
Costs and operating expenses	24,970	137,315	33,811	196,097	3,781	199,879
Operating income	19,193	18,351	3,945	41,490	(7,028)	34,461

(Notes)

1. Method of determination of industry segments

Business segments have been determined in consideration of the business activities of the corporate group.

2. Principal content of each industry segment

Leasing: Leasing and management of land, buildings and housing

Real estate sales: Sales of residential land, houses and high-rise condominiums

Other: Real estate agency and evaluation, consulting, civil engineering and construction contracting, resort, leisure facilities and hotel business

3. Operating expenses for the third quarter of fiscal 2006 include ¥5,201 million in operating expenses that cannot be included in “portion not classified to segments, less elimination,” consisting primarily of expenses related to the general administration of the Company. Operating expenses for the third quarter of fiscal 2007 include ¥5,739 million in operating expenses that cannot be

included in “portion not classified to segments, less elimination,” consisting primarily of expenses related to the general administration of the Company. Operating expenses for fiscal 2006 include ¥7,007 million in operating expenses that cannot be included in “portion not classified to segments, less elimination,” consisting primarily of expenses related to the general administration of the Company.

2. Geographical Segments

Fiscal 2006 3Q (January 1, 2006 through September 30, 2006), Fiscal 2007 3Q (January 1, 2007 through September 30, 2007), and Fiscal 2006 (January 1, 2006 through December 31, 2006)

This information is not presented, as more than 90% of total operating revenues and assets originates in Japan.

3. Overseas Operating Revenues

Fiscal 2006 3Q (January 1, 2006 through September 30, 2006), Fiscal 2007 3Q (January 1, 2007 through September 30, 2007), and Fiscal 2006 (January 1, 2006 through December 31, 2006)

This information is not presented, as less than 10% of consolidated operating revenues is from overseas.

Third-Quarter Non-Consolidated Balance Sheets

(Millions of yen)

Item	End of FY 2006 3Q As of September 30, 2006		End of FY 2007 3Q As of September 30, 2007		End of FY 2006 As of December 31, 2006		Increase/ Decrease
	Amount	Weight	Amount	Weight	Amount	Weight	Amount
(ASSETS)		%		%		%	
I Current assets	151,738	24.7	193,544	24.3	160,816	24.8	32,727
Cash	2,696		4,130		4,429		(299)
Accounts receivable, trade	7,016		8,622		8,906		(283)
Marketable securities	1,782		3,820		1,782		2,037
Inventories	100,289		138,170		110,090		28,080
Advances	1,510		761		1,298		(537)
Advance expenses	1,792		1,657		1,814		(156)
Deferred income taxes	713		897		678		218
Short-term loans receivable	22,753		22,393		24,506		(2,113)
Other current assets	13,254		14,021		8,103		5,918
Allowance for doubtful accounts	(70)		(931)		(794)		(136)
II Fixed assets	462,228	75.3	602,418	75.7	486,736	75.2	115,682
1. Property and equipment	279,833	45.6	312,749	39.3	289,860	44.8	22,888
Buildings	58,138		63,669		61,521		2,148
Structures	700		1,400		758		642
Machinery and equipment	355		438		393		45
Vehicles	3		1		1		(0)
Tools and equipment	442		751		554		197
Land	220,192		236,356		225,737		10,619
Construction in progress	1		10,129		894		9,235
2. Intangible and other assets	9,936	1.6	14,472	1.8	13,804	2.1	668
Lease rights	9,836		14,425		13,718		707
Other intangible assets	99		47		85		(38)
3. Investments	172,458	28.1	275,196	34.6	183,071	28.3	92,124
Investment securities	83,219		163,344		92,409		70,935
Shares in affiliated companies	16,193		16,526		16,516		10
Investment in silent partnerships	46,169		58,899		47,628		11,270
Investment in affiliated companies	474		116		116		-
Long-term loans	164		173		171		1
Long-term loans to affiliated companies	21,038		28,379		20,407		7,972
Guarantee deposits paid	11,344		13,335		11,702		1,633
Other investments	2,970		3,148		3,004		143
Allowance for doubtful accounts	(8,009)		(7,988)		(8,008)		20
Investment loss reserve	(1,106)		(738)		(876)		138
Total assets	613,966	100.0	795,963	100.0	647,553	100.0	148,410

Item	End of FY 2006 3Q As of September 30, 2006		End of FY 2007 3Q As of September 30, 2007		End of FY 2006 As of December 31, 2006		Increase/ Decrease Amount
	Amount	Weight	Amount	Weight	Amount	Weight	
(LIABILITIES)							
I Current liabilities	144,209	23.5	188,677	23.7	134,700	20.8	53,977
Short-term borrowings	18,104		45,017		14,041		30,975
Current portion of long-term debt	81,000		88,697		76,650		12,047
Commercial paper	12,300		17,000		11,000		6,000
Accounts payable, trade	5,100		3,679		5,503		(1,824)
Accrued expenses	3,074		4,524		3,768		755
Accrued income taxes	3,917		2,783		5,958		(3,174)
Advances received	12,104		18,115		13,467		4,647
Deposits received	7,137		7,265		3,209		4,056
Reserve for bonuses	614		695		122		573
Reserve for bonuses to directors and corporate auditors	112		150		200		(50)
Other current liabilities	742		748		777		(29)
II Long-term liabilities	266,452	43.4	395,211	49.7	309,268	47.8	85,942
Corporate bond	–		40,000		–		40,000
Long-term debt	180,596		254,798		215,083		39,715
Accounts payable	3,180		–		3,114		(3,114)
Deferred income taxes	7,801		6,489		8,083		(1,593)
Deferred income taxes on land revaluation	13,778		16,791		13,765		3,025
Accrued severance indemnities	3,637		3,777		3,709		68
Allowance for retirement benefits for directors	482		523		500		22
Provision for loss on guarantees	63		56		56		–
Guarantee deposits received	36,605		39,944		37,658		2,285
Long-term deposits payable	19,856		32,393		26,856		5,537
Other long-term liabilities	448		435		438		(3)
Total liabilities	410,661	66.9	583,888	73.4	443,968	68.6	139,919
(NET ASSETS)							
I Owners' equity	174,581	28.4	179,141	22.5	174,089	26.9	5,052
1 Paid-in capital	77,181	12.6	77,181	9.7	77,181	11.9	–
2 Capital surplus	75,212	12.2	75,213	9.4	75,212	11.6	1
(1) Capital legal reserve	61,839		61,839		61,839		–
(2) Other capital surplus	13,373		13,374		13,373		1
3 Earned surplus	22,315	3.6	27,026	3.4	21,855	3.4	5,170
Other earned surplus	22,315		27,026		21,855		5,170
Reserve for asset replacement	669		669		669		–
Earned surplus brought forward	21,646		26,357		21,186		5,170
4 Treasury stock	(128)	(0.0)	(280)	(0.0)	(160)	(0.0)	(119)
II Valuation and translation adjustments	28,724	4.7	32,933	4.1	29,495	4.5	3,437
1 Valuation difference on available-for-sale securities	14,141	2.3	13,960	1.7	14,930	2.3	(970)
2 Revaluation difference on land	14,582	2.4	18,972	2.4	14,564	2.2	4,408
Total net assets	203,305	33.1	212,075	26.6	203,584	31.4	8,490
Total liabilities and net assets	613,966	100.0	795,963	100.0	647,553	100.0	148,410

Third-Quarter Non-Consolidated Statements of Income

(Millions of yen)

Item	End of FY 2006 3Q		End of FY 2007 3Q		Increase/ Decrease	FY 2006	
	January 1, 2006 through September 30, 2006		January 1, 2007 through September 30, 2007			January 1, 2006 through December 31, 2006	
	Amount	Percentage	Amount	Percentage	Amount	Amount	Percentage
I Revenue from operations		%		%			%
Leasing	26,525	16.9	33,055	30.8	6,529	36,624	19.2
Real estate sales	126,832	81.0	57,026	53.1	(69,806)	149,653	78.2
Other	3,323	2.1	17,256	16.1	13,932	5,005	2.6
Total revenue from operations	156,681	100.0	107,338	100.0	(49,343)	191,283	100.0
II Cost of revenue							
Leasing	14,870		16,449		1,578	20,413	
Real estate sales	101,579		44,289		(57,289)	120,012	
Other	2,507		4,550		2,042	3,521	
Total cost of revenue	118,958	75.9	65,289	60.8	(53,669)	143,947	75.3
Gross profit	37,723	24.1	42,049	39.2	4,325	47,335	24.7
III Selling, general and administrative expenses	13,126	8.4	12,711	11.9	(415)	17,763	9.2
Operating income	24,596	15.7	29,337	27.3	4,740	29,572	15.5
IV Non-operating income							
Interest income	341		395		53	466	
Dividend income	545		740		194	622	
Investment partnership income	–		–		–	908	
Other	96		259		162	125	
Total non-operating income	984	0.6	1,394	1.3	410	2,122	1.0
V Non-operating expenses							
Interest expense	3,322		4,374		1,052	4,459	
Bond issuance expenses	–		197		197	–	
Provision for allowance for doubtful accounts	–		132		132	676	
Other	271		594		323	642	
Total non-operating expenses	3,593	2.3	5,297	4.9	1,704	5,777	3.0
Recurring income	21,987	14.0	25,434	23.7	3,446	25,917	13.5
VI Extraordinary income							
Gain on sale of property and equipment	130		1,160		1,030	131	
Gain on sale of investment securities	–		31		31	–	
Gain on sale of stock in affiliates	3,674		–		(3,674)	3,674	
Reversal of provision for losses on doubtful accounts	69		6		(62)	25	
Gain on reversal of provision for investment losses	16		138		121	247	
Total extraordinary income	3,891	2.5	1,336	1.2	(2,554)	4,078	2.2
VII Extraordinary loss							
Loss on revaluation of real estate for sale	–		–		–	1,920	
Loss on sale of fixed assets	0		115		115	0	
Loss on retirement of property and equipment	46		159		113	81	
Loss on reconstruction of buildings	–		35		35	441	
Loss on devaluation of investment securities	22		–		(22)	101	
Valuation loss on investments in affiliates	58		–		(58)	368	
Total extraordinary loss	126	0.1	310	0.2	183	2,915	1.5
Income before income taxes	25,752	16.4	26,461	24.7	708	27,081	14.2
Current income taxes	7,565		10,574		3,009	9,608	
Deferred income taxes	2,399		2,174		(224)	2,162	
Net income	15,787	10.1	13,711	12.8	(2,076)	15,310	8.0

Third-Quarter Non-Consolidated Statements of Changes in Non-Consolidated Owners' Equity

Fiscal 2006 3Q (January 1, 2006 through September 30, 2006)

(Millions of yen)

	Owners' equity								Valuation and translation adjustments			Total net assets	
	Paid-in capital	Capital surplus			Earned surplus			Treasury stock	Total owners' equity	Valuation difference on available-for-sale securities	Revaluation difference on land		Total valuation and translation adjustments
		Capital legal reserve	Other capital surplus	Total capital surplus	Other earned surplus	Reserve for asset replacement	Earned surplus brought forward						
Balance at the end of previous period	77,181	61,839	13,372	75,211	–	13,976	13,976	(28)	166,341	15,512	13,016	28,528	194,870
Changes of items during the 3Q period													
Dividends from surplus	–	–	–	–	–	(3,498)	(3,498)	–	(3,498)	–	–	–	(3,498)
Quarterly net income	–	–	–	–	–	15,787	15,787	–	15,787	–	–	–	15,787
Transfer to land revaluation excess	–	–	–	–	–	(3,800)	(3,800)	–	(3,800)	–	–	–	(3,800)
Bonuses to directors and corporate auditors	–	–	–	–	–	(150)	(150)	–	(150)	–	–	–	(150)
Disposal of treasury stock	–	–	0	0	–	–	–	4	5	–	–	–	5
Acquisition of treasury stock	–	–	–	–	–	–	–	(104)	(104)	–	–	–	(104)
Reserve for asset replacement	–	–	–	–	669	(669)	–	–	–	–	–	–	–
Net changes of items other than owners' equity	–	–	–	–	–	–	–	–	–	(1,370)	1,565	195	195
Total changes of items during the 3Q period	–	–	0	0	669	7,669	8,338	(99)	8,239	(1,370)	1,565	195	8,434
Balance at the end of the current period (September 30, 2006)	77,181	61,839	13,373	75,212	669	21,646	22,315	(128)	174,581	14,141	14,582	28,724	203,305

Fiscal 2007 3Q (January 1, 2007 through September 30, 2007)

(Millions of yen)

	Owners' equity								Valuation and translation adjustments			Total net assets	
	Paid-in capital	Capital surplus			Earned surplus			Treasury stock	Total owners' equity	Valuation difference on available-for-sale securities	Revaluation difference on land		Total valuation and translation adjustments
		Capital legal reserve	Other capital surplus	Total capital surplus	Other earned surplus		Total earned surplus						
					Reserve for asset replacement	Earned surplus brought forward							
Balance at the end of previous period	77,181	61,839	13,373	75,212	669	21,186	21,855	(160)	174,089	14,930	14,564	29,495	203,584
Changes of items during the 3Q period													
Dividends from surplus	-	-	-	-	-	(4,132)	(4,132)	-	(4,132)	-	-	-	(4,132)
Quarterly net income	-	-	-	-	-	13,711	13,711	-	13,711	-	-	-	13,711
Transfer to land revaluation excess	-	-	-	-	-	(4,408)	(4,408)	-	(4,408)	-	-	-	(4,408)
Disposal of treasury stock	-	-	1	1	-	-	-	4	5	-	-	-	5
Acquisition of treasury stock	-	-	-	-	-	-	-	(123)	(123)	-	-	-	(123)
Net changes of items other than owners' equity	-	-	-	-	-	-	-	-	-	(970)	4,408	3,437	3,437
Total changes of items during the 3Q period	-	-	1	1	-	5,170	5,170	(119)	5,052	(970)	4,408	3,437	8,490
Balance at the end of the current period (September 30, 2007)	77,181	61,839	13,374	75,213	669	26,357	27,026	(280)	179,141	13,960	18,972	32,933	212,075

Fiscal 2006 (January 1, 2006 through December 31, 2006)

(Millions of yen)

	Owners' equity								Valuation and translation adjustments			Total net assets	
	Paid-in capital	Capital surplus			Earned surplus			Treasury stock	Total owners' equity	Valuation difference on available-for-sale securities	Revaluation difference on land		Total valuation and translation adjustments
		Capital legal reserve	Other capital surplus	Total capital surplus	Other earned surplus	Reserve for asset replacement	Earned surplus brought forward						
Balance at the end of previous period	77,181	61,839	13,372	75,211	–	13,976	13,976	(28)	166,341	15,512	13,016	28,528	194,870
Changes of items during the FY period													
Dividends from surplus	–	–	–	–	–	(3,498)	(3,498)	–	(3,498)	–	–	–	(3,498)
Net income	–	–	–	–	–	15,310	15,310	–	15,310	–	–	–	15,310
Transfer to land revaluation excess	–	–	–	–	–	(3,783)	(3,783)	–	(3,783)	–	–	–	(3,783)
Bonuses to directors and corporate auditors	–	–	–	–	–	(150)	(150)	–	(150)	–	–	–	(150)
Disposal of treasury stock	–	–	0	0	–	–	–	7	8	–	–	–	8
Acquisition of treasury stock	–	–	–	–	–	–	–	(139)	(139)	–	–	–	(139)
Reserve for asset replacement	–	–	–	–	669	(669)	–	–	–	–	–	–	–
Net changes of items other than owners' equity	–	–	–	–	–	–	–	–	–	(581)	1,547	966	966
Total changes of items during the FY period	–	–	0	0	669	7,210	7,879	(132)	7,747	(581)	1,547	966	8,714
Balance at the end of the period (December 31, 2006)	77,181	61,839	13,373	75,212	669	21,186	21,855	(160)	174,089	14,930	14,564	29,495	203,584

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