



Huge city model made by Mori Building



Financial Report for the Fiscal Year Ended March 2009

May 28, 2009
Mori Building Co., Ltd.

Financial Summary

for the Year Ended March 2009



- Operating revenue (sales) made a new high record thanks to strong performance Asset Development and Management Business.
- Operating profit, ordinary profit, and net profit decreased due mainly to costs to open the Shanghai World Financial Center and foreign exchange translation adjustment loss.

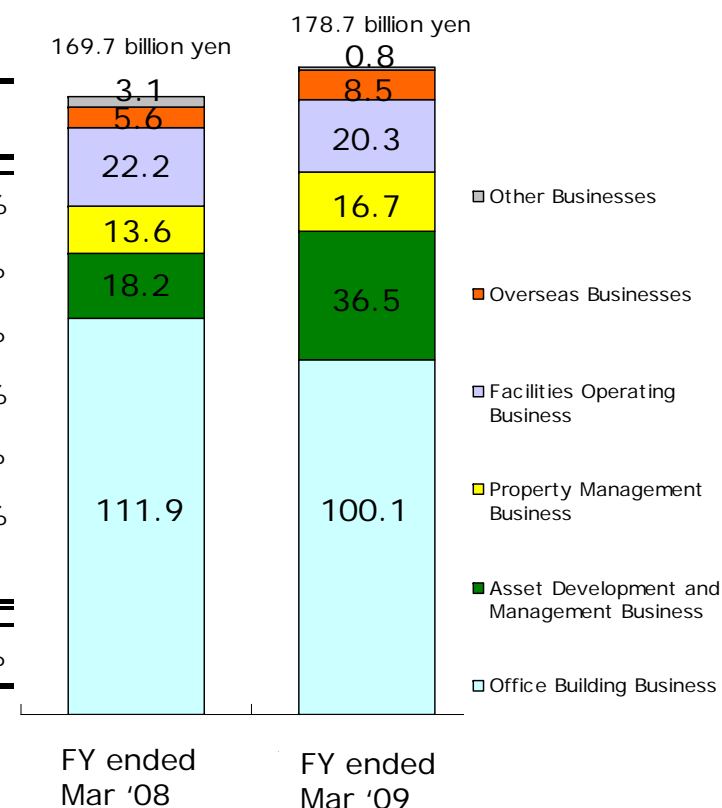
| | FY ended Mar '08 (Actual) | FY ended Mar '09 (Actual) | Change from previous year | % change from previous year |
|-------------------------------------------------|---------------------------------|---------------------------------|------------------------------|--------------------------------------|
| Operating revenue (sales) | 169.7 billion yen | 178.7 billion yen | 9 billion yen | 5.3% |
| Operating costs | 99.9 billion yen | 117.2 billion yen | 17.3 billion yen | 17.3% |
| Selling, general and administrative expenses | 25.8 billion yen | 24.4 billion yen | 1.4 billion yen | 5.4% |
| Operating profit | 44 billion yen | 37.1 billion yen | 6.9 billion yen | 15.6% |
| Non-operating profit/loss | 20.2 billion yen | 19.8 billion yen | 0.4 billion yen | - |
| Ordinary profit | 23.8 billion yen | 17.3 billion yen | 6.5 billion yen | 27.2% |
| Extraordinary profit/loss | 45.5 billion yen | 9.7 billion yen | 55.2 billion yen | - |
| Net profit | 39.5 billion yen | 4.1 billion yen | 35.3 billion yen | 89.6% |

Breakdown of Operating Revenue (Sales)



- The Office Building Business recorded decreased revenue due mainly to the off-balance sheet treatment of some Roppongi Hills assets.
- Revenue in the Asset Development and Management Business rose substantially due to sales of development assets to Mori Hills REIT.

| | FY ended Mar '08 | FY ended Mar '09 | Change | %change |
|-------------------------------------------|--------------------------|--------------------------|----------------------|-------------|
| Office Building Business | 111.9 billion yen | 100.1 billion yen | 11.8 billion yen | 10.5% |
| Asset Development and Management Business | 18.2 billion yen | 36.5 billion yen | 18.3 billion yen | 100.8% |
| Property Management Business | 13.6 billion yen | 16.7 billion yen | 3.1 billion yen | 22.5% |
| Facilities Operating Business | 22.2 billion yen | 20.3 billion yen | 1.9 billion yen | 8.6% |
| Overseas Businesses | 5.6 billion yen | 8.5 billion yen | 2.9 billion yen | 52.8% |
| Other Businesses | 3.1 billion yen | 0.8 billion yen | 2.4 billion yen | 75.9% |
| Eliminations/corporate | 5 billion yen | 4.2 billion yen | - | - |
| Operating revenue (sales) | 169.7 billion yen | 178.7 billion yen | 9 billion yen | 5.3% |



Office Building Business: Leased property management business, contracted works and design/supervision business, regional air conditioning and electricity supply business, observatory business, forum business, etc.

Asset Development and Management Business: Real estate sales business, investment business, etc.

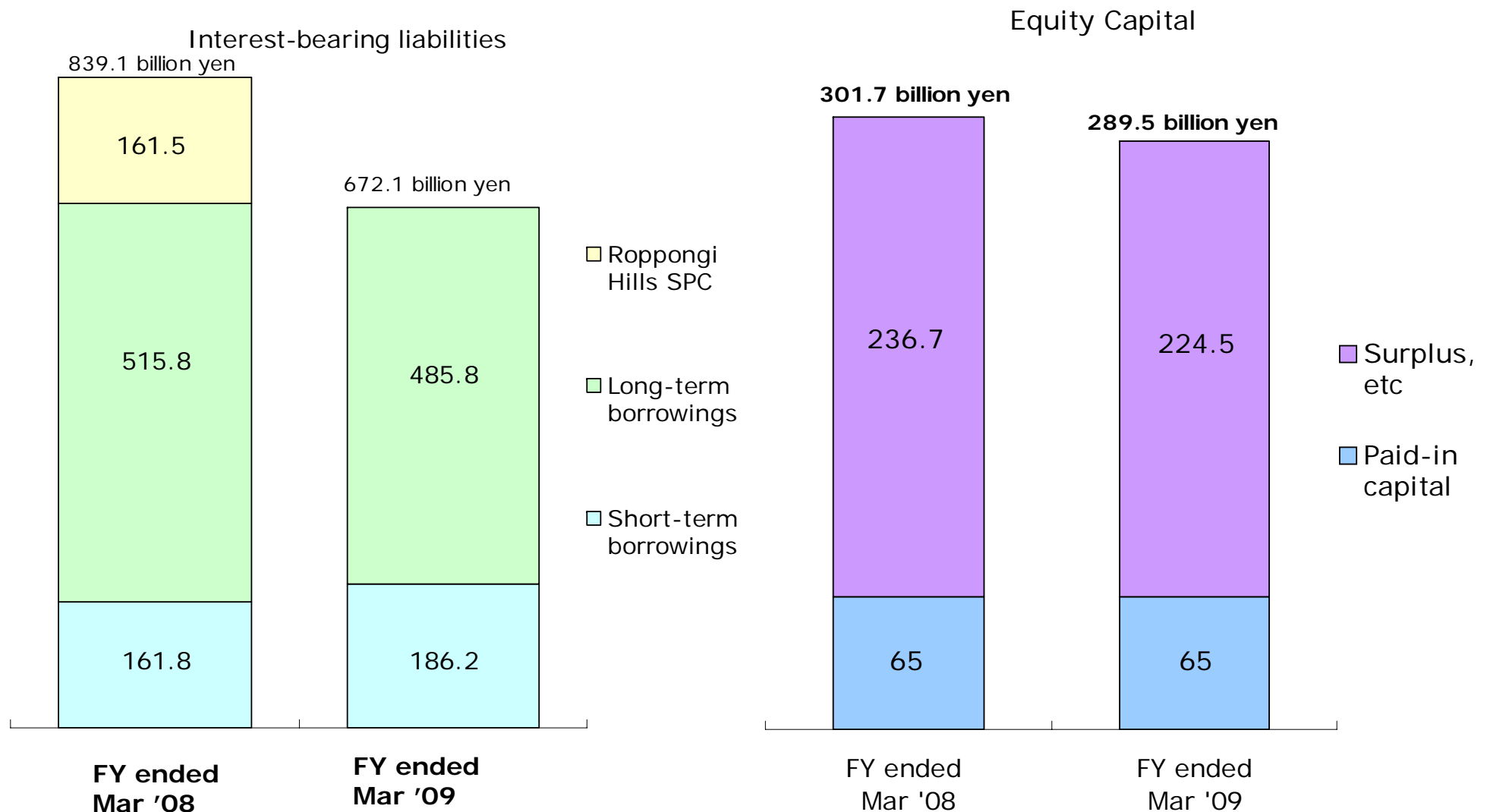
Property Management Business: Office building property management business, asset management business, etc.

Facilities Operating Business: Hotel business, membership club business, golf business, senior citizens home business

Overseas Businesses: Overseas real estate development and leasing business and overseas investment business

Condition of the Balance Sheet

- Interest-bearing liabilities decreased substantially to 672.1 billion yen due to the off-balance treatment of some Roppongi Hills assets
- Equity capital decreased to 289.5 billion yen due to a decrease in foreign currency translation adjustments and an increase in special cash dividends.



Efforts in the FY Ended March 2009

- Opening of the Shanghai World Financial Center
 - Tenants began moving into offices in June and the observatory was opened at the end of August
 - Grand opening at the end of October 2008
- Completed construction projects
 - Akasaka Tower Residence Top of the Hill (completed July 2008)
 - Akasaka Enoki-zaka Mori Building (completed February 2009)
- Transactions with Mori Hills REIT Investment Corp.
 - Underwrote 14.7 billion yen in new shares for its third-party allocation
 - Transferred Akasaka Tameike Tower (the office section) and ARK Mori Building (0.5 floor).

Efforts in the Year Ending March 2010

- Projects in construction
 1. Hirakawa-cho Mori Tower
 2. Akasaka 2-chome Plan (Fukuyoshicho)
 3. Nagatacho Sanno Mori Building
 4. Shiba-Mita Mori Building

- Projects in the planning stage
 1. Toranomom-Roppongi Area Redevelopment
 2. Oumi Area Kitagawa (North) P- Section Project
 3. Roppongi 6-chome 3-banchi Project
 4. Loop Road (Kanjo) No. 2 Project

Efforts during the Year Ending March 2010 (Projects in construction)



1. Hidakawa-cho Mori Building

| | |
|------------------------------|--------------------------------------------------------------------------------------------------------|
| Location | Hidakawa 2-chome, Chiyoda-ku, Tokyo |
| Site area | 5,592.19m ² |
| Total floor area | Approximately 51,800m ² |
| Floors | Above ground: 24, basement levels: 2 |
| Major uses | Offices (2nd to 13th floors) Residences (122 units on the 14th to 23rd floors) Shops (1st floor) |
| Construction starts | August 2007 |
| Construction to be completed | December 2009 (planned) |

* The information provided is based on the current overview of each plan. Please be aware that each project may differ from its plan in some respects when completed.

Efforts during the Year Ending March 2010 (Projects in construction)



2. (Tentative name) Akasaka 2-chome Plan (Fukuyoshicho)

| | |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Location | Akasaka 2-chome, Minato-ku, Tokyo |
| Site area | 2,006.45m ² |
| Total floor area | 24,858.49m ² |
| Floors | Above ground: 22, basement levels: 1 |
| Major uses | Offices (2nd floor, 13th to 21st floors) Residences (41 units on the 6th to 12th floors) Shops (1st floor) Car parking (3rd to 5th floors) |
| Construction starts | January 2009 |
| Construction to be completed | January 2011 (planned) |

* The information provided is based on the current overview of each plan. Please be aware that each project may differ from its plant in some respects when completed.

Efforts during the Year Ending March 2010 (Projects in construction)



3. Nagatocho Sanno Mori Building

| | |
|------------------------------|--------------------------------------|
| Location | Nagatocho 2-chome, Chiyoda-ku, Tokyo |
| Site area | 949.52m ² |
| Total floor area | Approximately 5,180m ² |
| Floors | Above ground: 8 |
| Major uses | Offices |
| Construction starts | December 2008 |
| Construction to be completed | December 2009 (planned) |

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Efforts during the Year Ending March 2010 (Projects in construction)



4. Shiba-Mita Mori Building

| | |
|------------------------------|---------------------------------|
| Location | Shiba 5-chome, Minato-ku, Tokyo |
| Site area | 495.29m ² |
| Total floor area | 2,992.85m ² |
| Floors | Above ground: 8 |
| Major uses | Offices |
| Construction starts | October 2008 |
| Construction to be completed | September 2009 (planned) |

* The information provided is based on the current overview of each plan. Please be aware that each project may differ from its plan in some respects when completed.

Efforts during the Year Ending March 2010 (Projects in the planning stage)



1. Toranomom-Roppongi Area Redevelopment



| | |
|------------------------------|------------------------------------------------------------------------------------------------------------------|
| Location | Roppongi 1-chome and Toranomom 5-chome, Minato-ku, Tokyo |
| Site area | C-1 area: Apprx. 15,370m ² , C-2 area: Apprx. 510m ² |
| Total floor area | Approximately 143,700m ² |
| Floors | Mixed-use tower: above ground: 47, basement levels: 4 Residence building: above ground: 6, basement levels: 2 |
| Major uses | Offices, shops, residences |
| Construction starts | Fall 2009 (planned) |
| Construction to be completed | 2012 (planned) |
| Remarks | Redevelopment Association established in July 2008 Exchange of rights plan approved in February 2009 |

* The information provided is based on the current overview of each plan. Please be aware that each project may differ from its plant in some respects when completed.

Efforts during the Year Ending March 2010 (Projects in the planning stage)



2. Aomi Area Kitagawa P-Section Project



| | |
|------------------------------|--------------------------------------------------------|
| Location | Aomi 1-chome, Koto-ku, Tokyo |
| Site area | Approximately 20,132m ² |
| Total floor area | Approximately 123,120m ² |
| Floors | Above ground: 14, basement levels: 1 |
| Major uses | Offices, commercial space, cultural facilities |
| Construction starts | October 2009 (planned) |
| Construction to be completed | December 2012 (planned) |
| Remarks | Mori Building picked as planned developer in July 2008 |

* The information provided is based on the current overview of each plan. Please be aware that each project may differ from its plan in some respects when completed.

Efforts during the Year Ending March 2010 (Projects in the planning stage)



3. (Tentative name) Roppongi 6-chome 3-banchi Project



| | |
|------------------------------|---------------------------------------------------|
| Location | Roppongi 6-chome, Minato-ku, Tokyo |
| Site area | 1,003.61m ² |
| Total floor area | Approximately 7,600m ² |
| Floors | Above ground: 10, basement levels: 1 |
| Major uses | Offices, shops, residences, meetings places, etc. |
| Construction starts | July 2009 (planned) |
| Construction to be completed | Early 2011 (planned) |

* The information provided is based on the current overview of each plan. Please be aware that each project may differ from its plan in some respects when completed.

Efforts during the Year Ending March 2010 (Projects in the planning stage)



4. Loop Road (Kanjo) No. 2 Project

Urban redevelopment project reviving the Unrealized MacArthur Highway

- Plan to redevelop along Loop Road No. 2 from Toranomon to Shimbashi, which has long been dubbed the “Unrealized MacArthur Highway.”
- To transform this vision into reality, the Tokyo Metropolitan Government selected Mori Building as a partner in a joint public-private sector effort.
- Mori Building was allocated approximately 9,400 tsubo of office floor area with the finalization of the management disposition plan.
- Construction planned to start in 2010 and be completed in 2014.

Source: Loop Road (Kanjo) No. 2 Shimbashi-Toranomon Area Project Overview 2008 (Tokyo)

* The information provided is based on the current overview of each plan. Please be aware that each project may differ from its plan in some respects when completed.

Business Forecast for the Year Ending March 2010

- Operating revenue (sales)
 - A decline in revenue is expected from the Office Building Business due to the off-balance sheet treatment of the Roppongi Hills SPC
 - An increase in revenue is expected from the Asset Development and Management Business due to the continuation of the reshuffling of assets
 - An increase in revenue is expected from the Overseas Business is due to the full-scale operation of the Shanghai World Financial Center
- Operating profit
 - Expected to remain nearly level
- Ordinary profit and net profit
 - Expected to increase due to the disappearance of transient losses such as the amortization burden of opening expenses for the Shanghai World Financial Center

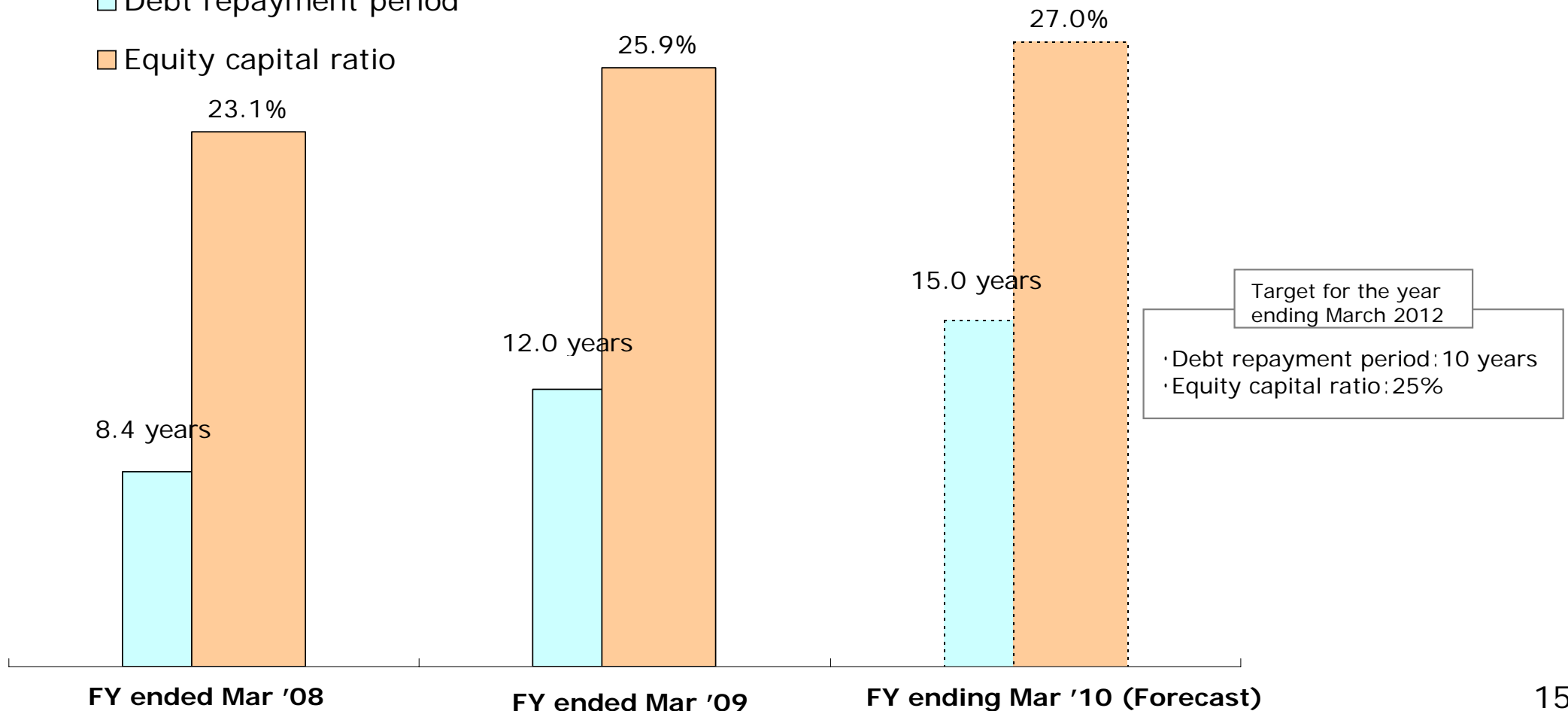
| | FY ended Mar '09 (Actual) | FY ended Mar '10 (Forecast) | Change from previous year | % change from previous year |
|---------------------------|---------------------------------|-----------------------------------|------------------------------|-----------------------------------|
| Operating revenue (sales) | 178.7 billion yen | 190 billion yen | 11.3 billion yen | 6% |
| Operating profit | 37.1 billion yen | 38 billion yen | 0.9 billion yen | 2% |
| Ordinary profit | 17.3 billion yen | 24 billion yen | 6.7 billion yen | 39% |
| Net profit | 4.1 billion yen | 12 billion yen | 7.9 billion yen | 191% |

Progress of the Long-term Management Plan

- In the year ended March 2009, the debt repayment period was lengthened due to a decline in ordinary profit while the equity capital ratio improved due to a reduction of gross assets
- In the year ending March 2010, the debt repayment period is expected to be 15 years and the equity capital ratio is expected to be 27%

■ Debt repayment period

■ Equity capital ratio



(Reference) Consolidated Comparative Balance Sheet

(Unit: million yen)



| Assets | | | | Liabilities | | | |
|---------------------------------------------|------------------|------------------|----------------|-----------------------------------------|------------------|------------------|----------------|
| Account | FY ended Mar '08 | FY ended Mar '09 | Change | Accounts | FY ended Mar '08 | FY ended Mar '09 | Change |
| Current assets | (215,417) | (174,905) | (40,512) | Current liabilities | (207,050) | (219,860) | (12,809) |
| Cash and deposits | 59,443 | 38,977 | 20,465 | Operating accounts payable | 10,665 | 11,154 | 489 |
| Bills receivable and operating accounts due | 12,799 | 12,654 | 145 | Short-term borrowings | 161,812 | 186,211 | 24,399 |
| Securities | 43,011 | 99 | 42,911 | Accrued corporate taxes, etc | 13,371 | 338 | 13,033 |
| Equity investment | 42,072 | 76,326 | 34,254 | Other | 21,201 | 22,155 | 954 |
| Inventory assets | 33,427 | 25,156 | 8,270 | | | | |
| Deferred tax assets | 2,011 | 804 | 1,207 | Fixed liabilities | (769,303) | (588,005) | (181,298) |
| Other | 23,297 | 21,368 | 1,928 | Long-term borrowings | 515,800 | 485,844 | 29,955 |
| Allowance for bad debt | 646 | 483 | 162 | Long-term deposits | 203,230 | 52,561 | 150,668 |
| | | | | Allowance for retirement benefits | 2,152 | 2,328 | 176 |
| Fixed assets | (1,081,083) | (943,068) | (138,014) | Deferred tax liabilities | 42,632 | 42,902 | 270 |
| Tangible fixed assets | (935,516) | (798,511) | (137,004) | Other | 5,488 | 4,367 | 1,120 |
| Buildings and structures | 144,543 | 235,789 | 91,246 | | | | |
| Machinery and delivery equipment | 8,016 | 9,897 | 1,880 | Total liabilities | 976,354 | 807,865 | 168,488 |
| Industrial tools and equipment | 5,027 | 6,517 | 1,489 | | | | |
| Land | 400,400 | 457,715 | 57,314 | | | | |
| Construction in progress | 102,502 | 39,431 | 63,071 | | | | |
| Trust real estate | 266,469 | 35,822 | 230,646 | | | | |
| Other | 8,555 | 13,336 | 4,780 | | | | |
| Intangible fixed assets | (69,929) | (84,376) | (14,446) | | | | |
| Land lease rights | 63,668 | 77,842 | 14,173 | Equity | | | |
| Other | 6,261 | 6,534 | 273 | Paid-in capital | 65,000 | 65,000 | - |
| Investment and other assets | (75,637) | (60,180) | (15,457) | Capital surplus | 55,021 | 55,021 | - |
| Investment securities | 20,063 | 28,510 | 8,446 | Retained profit | 176,458 | 171,484 | 4,973 |
| Long-term loans | 31,201 | 14,041 | 17,160 | Treasury stock | 505 | 505 | - |
| Deferred tax assets | 154 | 3,594 | 3,440 | Other securities valuation differences | 562 | 159 | 402 |
| Other | 24,677 | 14,428 | 10,249 | Deferred hedge P/L | 2,517 | 1,845 | 672 |
| Allowance for bad debt | 459 | 394 | 65 | Foreign exchange translation adjustment | 8,823 | 524 | 8,298 |
| | | | | Minority shareholders equity | 25,763 | 20,587 | 5,176 |
| Deferred assets | (7,333) | (-) | (7,333) | | | | |
| Opening expenses | 7,333 | - | 7,333 | | | | |
| | | | | Total equity | 327,480 | 310,108 | 17,372 |
| Total assets | 1,303,835 | 1,117,973 | 185,861 | Total liabilities and equity | 1,303,835 | 1,117,973 | 185,861 |

(Reference) Consolidated Comparative Profit and Loss Statement

(Unit : million yen)



| Account | FY ended Mar '08 | FY ended Mar '09 | Change |
|-------------------------------------------------------|------------------|------------------|-----------|
| Operating revenue | 169,686 | 178,729 | 9,043 |
| Operating costs | 99,925 | 117,237 | 17,311 |
| Gross operating profit | 69,760 | 61,492 | 8,268 |
| Selling, general and administrative expenses | (25,756) | (24,359) | (1,397) |
| Operating profit | 44,003 | 37,133 | 6,870 |
| Non-operating revenue | (2,898) | (4,006) | (1,108) |
| Interest earned | 559 | 1,085 | 526 |
| Dividends earned | 120 | 597 | 476 |
| Investment profit due to equity method | - | 1,334 | 1,334 |
| Other | 2,218 | 989 | 1,228 |
| Non-operating expenses | (23,099) | (23,817) | (717) |
| Interest cost | 13,503 | 14,367 | 864 |
| Investment loss due to equity method | 407 | - | 407 |
| Other | 9,188 | 9,449 | 260 |
| Ordinary profit | 23,802 | 17,322 | 6,480 |
| Extraordinary profit | (52,787) | (34,280) | (18,506) |
| Gain on sale of fixed assets | 50,416 | 31,720 | 18,695 |
| Gain on sale of investment secur | 1,315 | 401 | 913 |
| Other | 1,055 | 2,157 | 1,101 |
| Extraordinary losses | (7,309) | (44,012) | (36,703) |
| Loss from adjustment of previous term P/L | 252 | 17 | 234 |
| Loss from sale of fixed assets | 1,098 | 14,937 | 13,838 |
| Other | 5,959 | 29,058 | 23,099 |
| Current net profit before adjustments for taxes, etc. | 69,280 | 7,589 | 61,690 |
| Corporate tax, presidential tax, and business | 22,421 | 8,211 | 14,210 |
| Adjustment for corporate taxes, etc. | 6,772 | 2,699 | 9,472 |
| Minority stockholder profit | 633 | 2,043 | 2,677 |
| Net profit | 39,452 | 4,122 | 35,329 |

The statements regarding future forecasts contained in this material are analyses and judgments made by Mori Building based on information available at this time, and include potential risks as well as uncertainties. For this reason, actual results may differ from the forecasts due to changes in various factors.

