

<Attachment 1>

Mori Building Co., Ltd.
Report on Financial Results
for FY 2005 (the year ended March 2006)

From April 1, 2005

To March 31, 2006

- 1) Consolidated Financial Statement
- 2) Non-consolidated Financial Statement

Mori Building Co., Ltd.
6-10-1 Roppongi, Minato-ku, Tokyo

(1) Overview of financial results for FY 2005 (the year ended March 2006)

For the term under review, “Roppongi Hills,” “Ark Hills,” “Atago Green Hills” and our other core buildings maintained high occupancy ratios in office, residential, and commercial facilities. In particular, “Roppongi Hills,” in its third year since its grand opening in 2003, exhibited vigorous performance, enjoying some 44 million visitors throughout the year and reaching higher sales in its commercial facilities relative the previous term. In addition, “Omotesando Hills,” which opened in February 2006, has gotten off to a better start than expected. Holland Hills, completed in the previous term in Toranomon 5-Chome, has been in operation for its first full year. For existing buildings, systematic renewal work took place alongside active marketing efforts, resulting in higher occupancy ratios and increased lease revenues.

As a result, operating revenue for the term under review was at 152.7 billion yen (155.4 billion for the previous term), and operating profit stood at 37.6 billion yen, an increase of 3.7 billion yen over the previous term, primarily due to increased revenues from leased property management operations and the like.

In non-operating profits and losses, increased dividends received contributed to non-operating losses of 14.6 billion yen, an improvement of 0.8 billion yen over the previous term.

Based on these performance results, ordinary profit reached its highest-ever mark at 22.9 billion yen, an increase of 4.5 billion yen over the previous term (18.4 billion yen). Current net profit jumped significantly, to 11.1 billion yen, an increase of 5.4 billion yen over the previous term, in which extraordinary losses were recorded due to an accelerated introduction of asset impairment accounting.

- 1) Revenue from leased property management operations registered 100.5 billion yen, an increase of 6.2 billion yen over the previous term. Strong demand for office and residential units at our core properties of Roppongi Hills and Ark Hills resulted in high occupancy ratios. Contributing factors included high rents for new properties and increased rents in existing buildings, full-year operation of Holland Hills, and the high occupancy ratios of Shanghai HSBC Tower and the Dalian Senmao Building. Also among our commercial facilities, a large growth in earnings resulted from total sales at Roppongi Hills in excess of those in the previous term and from the contributions to revenue of Omotesando Hills, which opened in February 2006.
- 2) Revenue from property sales came to 7.9 billion yen, primarily due to sales of one of Ark Mori Building’s floors to Mori Hills REIT, Inc. and other transactions.
- 3) Revenue from contracted works and design/supervision operations reached 8.6 billion yen. Although revenue from contracted works tended to decrease due to the high occupancy ratios of our properties, reducing orders for tenant improvement works, such revenue came to 7.9 billion yen, thanks to tenant improvement works in new buildings such as Omotesando Hills and Ark Yagi Hills. We will make further efforts to expand

business opportunities, by developing new proprietary interior materials, for instance. In terms of revenue from design/supervision operations, we received orders for such operations from the Jingumae 4-Chome Urban Area Redevelopment Association (Omotesando Hills), etc., in the amount of 0.7 billion yen, an increase of 0.6 billion yen from the previous term.

- 4) Revenue from hotel operations was recorded at 15 billion yen, an increase of 0.6 billion yen over the previous term, as Grand Hyatt Tokyo continued the record high occupancy ratio witnessed since opening (average occupancy ratio: 92.6%) for the term, with the average unit earnings at 39,305 yen per room.

* Attained the highest-level GOP internationally in the Hyatt Group (approximately 400 locations around the globe) for three consecutive years.

GOP: Gross Operating Profit, an index adopted in the Uniform System of Accounts for Hotels in the U.S., indicating operating profits before deduction of fixed expenses (rents, taxes and dues, commissioned operation expenses, depreciations, non-life insurance premiums)

- 5) For revenue from service operations, the categorization of the revenues and expenditures concerning Roppongi Hills Arena was changed to “revenue from leased property management operations” to reflect actual conditions more accurately, but this category maintained the previously recorded level of 5.4 billion yen, with steady performance on observation floors, in art galleries, for tours, educational courses, etc., partly assisted by a stable stream of visitors to Roppongi Hills. This category has grown to be one of our most important core businesses.
- 6) Revenues from related operations were recorded at 14.9 billion yen, a decrease of 2.0 billion yen from the previous term, due to a change in categorization of Town Management related revenues and expenditures under “revenue from leased property management operations,” in order to reflect actual conditions more accurately.
 - (i) Among revenues from related operations, revenues from the heating supply business, electricity supply business, golf-course business, and others increased steadily.
 - (ii) In revenues from related operations, fee revenues grew steadily, due to commissions for property management and asset management operations, both received from fund properties, as well as consulting operations commissioned by the Jingumae 4-Chome Urban Area Redevelopment Association (Omotesando Hills).

(2) Outlook for the next term

We expect operating revenue to grow to 169.0 billion yen (an increase of 10.6% over the previous

term's figure of 152.7 billion yen).

- 1) For revenue from leased property management operations, high occupancy ratios are expected to continue in existing buildings, and overall rent levels are planned to increase. In addition, Omotesando Hills, which opened in February 2006 and has been performing much better than expected, will have been in operation for a full year. Based on these factors, we expect a figure of 106.2 billion yen (representing an increase of 5.6% over the previous term's 100.5 billion yen) for the next term.
- 2) For revenue from property sales, we intend to reach a figure of 13.5 billion yen (an increase of 68.8% over the previous term's 7.9 billion yen), primarily due to the scheduled sales of properties to Mori Hills Reit, Inc., and similar transactions.
- 3) For revenue from contracted works and design/supervision operations, we expect a figure of 6.8 billion yen (a decrease of 21.6% from the 8.6 billion yen of the previous term), as we foresee a reduction in opportunities for accepted orders for tenant improvement works, due to the continued high occupancy ratios in rental buildings.
- 4) For revenue from hotel operations, sales are expected to remain at the same level as in the previous term, as high occupancy ratios are expected to continue at the Grand Hyatt Tokyo, but partial refurbishing is scheduled, for further revenue growth.
- 5) For revenue from service operations, we expect to record 5.7 billion yen (an increase of 3.6% over the 5.4 billion yen for the previous term), primarily based on steady performance in service operations at Roppongi Hills and other core properties.
- 6) For revenues from related operations, we plan to see 22.0 billion yen (an increase of 47.4% over the 14.9 billion yen seen in the previous term), with earnings of approximately 6 billion yen expected to be generated from investment management of privately placed funds, steady performance in the heating supply business, the electricity supply business, golf-course business, etc., and increased revenues from property and asset management operations to be acquired from Mori Hills Reit, Inc., and similar transactions.

Based on these factors, we intend to see significant revenue growth, with anticipated ordinary profit of 28.0 billion yen (an increase of 21.9% over the 22.9 billion yen of the previous term), and anticipated current net profit of 14.0 billion yen (an increase of 26.1% over the 11.1 billion yen of the previous term).

(3) Future challenges

Bearing in mind the movement in modern urban environments from an industrialized societal model to a knowledge-based society, the Group has put forth new business targets in the categories of "urban development to protect against natural disasters (including earthquakes)," "preservation of the global environment through intensive property use and greening activities,"

and “establishment of an urban culture by promoting central urban residential life and a concentration of cultural facilities,” to promote comfortable and attractive urban revitalization projects from both long-term and international perspectives. With these principles in mind, we believe that it is our mission to contribute to society by providing not only the structures but also world-class value in culture and services.

Today we are engaged in new urban redevelopment projects in the Toranomon-Roppongi area, the Toranomon-Azabudai area, and the Southern area of the Hirakawa-cho 2-Chome East, as well as the northern area of Kita-Nakadori, Yokohama.

In China, the Shanghai World Financial Center (Shanghai, China, total floor area: 379,500 m², scheduled to be completed in early 2008) is currently under construction. This development project centers around a skyscraper soaring above the Lujiazui Financial and Trade Zone, the center of Shanghai’s Pudong New Area, with development now accelerated as the area grows as an Asian economic and financial center. With 101 above-ground floors reaching to a height of 492 meters, the Shanghai World Financial Center is a mixed-use vertical city offering not only office floors with the most advanced specifications and a hotel of the highest caliber, but also a wide variety of shops and the world’s highest observatory deck. Major office tenants will include global financial conglomerates, which will contribute to the establishment of Shanghai as an international financial center. Also as a major sightseeing spot in Asia, the Center is expected to attract visitors not only from China but from all over the world. Framework construction to the top floor will be completed by the end of this fiscal year, and final completion is scheduled for early 2008, in the run-up to the internationally awaited Beijing Olympic Games.

With the full operation of Omotesando Hills, the total floor area of commercial facilities operated by the Group has now reached 120,000 m².

As exemplified by Roppongi Hills and Omotesando Hills, we will further enhance our existing facilities as cultural centers and hubs of information, in our continued offering of exceptionally hospitable services to our tenant customers, residents, and visitors.

In terms of an organization, we emphasize improvements and enhancement of internal control, through our efforts validated by our successful certification under ISO 9001 in March 2006. To enhance our financial strength, a current challenge, we intend to enhance cash flows to strengthen our business base.

While interest rates may soon be increased to reflect the BOJ’s decision to abolish the quantitative relaxation policy, we are thoroughly hedged against interest-rate hikes with the adoption of fixed interest for our interest-bearing liabilities. This concern will thus have little influence on our business performance in the next term. We will also continue to work on diversifying our financing sources, including the use of syndicated loans, as implemented in February 2006.

(4) Mori Building Group operations

Operations of the Company and its 20 affiliated companies (16 consolidated subsidiaries and four equity-method affiliated companies) are summarized as indicated below.

<Leased property management operations>

Mori Building Co., Ltd. operates and manages urban complex leased properties, including office, residential, and commercial properties, parking facilities, and others in the central metropolitan area, such as Roppongi Hills, Ark Hills, Atago Green Hills, and Omotesando Hills, as well as Town Management services to add value to the urban environment, such as operations of cultural facilities—including art galleries and a variety of sites for public events.

VenusFort, Inc. (an equity-method affiliated company) conducts leased property management for “VenusFort,” a commercial facility. The Mori Urban Planning Corporation (a consolidated subsidiary) conducts leased property management for “Active G,” a commercial facility in Gifu Prefecture.

Outside of Japan, Shanghai Senmao International Real Estate Co., Ltd. and Dalian Senmao Building Co., Ltd. manage operations of leased offices, shops, and other properties in the Pudong Area in Shanghai and the city of Dalian, respectively.

<Contracted works operations>

Mori Building Co., Ltd. conducts contracted works primarily comprised of tenant improvement works required when residents move in or out.

<Design/supervision operations>

Mori Building Co., Ltd. accepts design/supervision operational work commissioned by urban area redevelopment associations in Omotesando Hills and elsewhere.

<Property sales>

Mori Building Co., Ltd. is engaged in the sales of office and residential units and other properties.

<Hotel operations>

Mori Hospitality Corporation (a consolidated company) operates the Grand Hyatt Tokyo in Roppongi Hills.

<Service operations>

Mori Building Co., Ltd. is engaged in businesses in the observatory, museum shops, art galleries, tours, and education-related activities (such as the Ark Urban School) in Roppongi Hills. It also offers products integrating artistic works and food business in Omotesando Hills.

<Related operations>

* Mori Building Co., Ltd. and Mori Building Investment Management Co., Ltd. (a consolidated subsidiary) conduct property and asset management business for leased properties, including funds-related activities for office and residential units owned by third parties.

- * Mori Urban Planning Corporation (a consolidated subsidiary) provides consulting services related to urban development projects.
- * Hills Club, Inc. (a consolidated subsidiary) operates membership-based clubs at Roppongi Hills and Ark Hills, as well as spa-related business for leased property residential customers of Mori Building Co., Ltd.
- * Ark Hills Heating & Cooling Supply Co., Ltd. (a consolidated subsidiary) and Roppongi Energy Service Co., Ltd. (a consolidated subsidiary) operate heating and electricity supply businesses in their respective areas.
- * Mori Building Co., Ltd. sells “Forest Ceiling” and other tenant improvement materials.
- * M&I Art System Co., Ltd. (a consolidated subsidiary) is engaged in sales and consulting operations related to art objects.
- * Prime Stage Co., Ltd. (an equity-method affiliated company) conducts nursing-care business for the elderly at the “SACRAVIA Seijo” home for the elderly.
- * eHills Corporation (a consolidated subsidiary) conducts IT-related service business.
- * Shishido Golf Club Co., Ltd. (a consolidated subsidiary) operates both the Shishido Hills Country Club and the Shizu Hills Country Club in Ibaraki Prefecture.

(1) Consolidated Financial Statement

1. Consolidated business performance for FY 2005 (from April 1, 2005 to March 31, 2006)

(1) Consolidated business performance (Note: Amounts less than one million are omitted. The same applies to the following tables.)

	Sales		Operating profit		Ordinary profit	
	(Millions of yen)		(Millions of yen)		(Millions of yen)	
FY 2005 (Ended 03/2006)	152,763	-1.7%	37,654	11.0%	22,960	24.7%
FY 2004 (Ended 03/2005)	155,477	-7.8%	33,912	72.9%	18,409	155.4%

	Current net profit		Current net profit per share		Ratio of current net profit to equity capital	Ratio of ordinary profits to total shareholder's equity	Ratio of ordinary profits to sales
	(Millions of yen)		Yen Sen				
FY 2005 (Ended 03/2006)	11,101	97.3%	55,509.08		12.1%	2.2%	15.0%
FY 2004 (Ended 03/2005)	5,625	73.9%	28,127.83		6.9%	1.8%	11.8%

(Note)

1) Loss on investments in equity-method affiliates

FY 2005 (Ended 03/2006): 64 million yen FY 2004 (Ended 03/2005): 275 million yen

2) Average number of shares outstanding (consolidated)

FY 2005 (Ended 03/2006): 200,000 FY 2004 (Ended 03/2005): 200,000

3) Any change in accounting method None

4) Percentage figures in sales, operating profits, ordinary profits, and current net profits are ratios of change relative to figures for the previous term.

(2) Consolidated financial status

	Total assets	Equity capital	Equity ratio	Equity capital per share
	(Millions of yen)	(Millions of yen)		Yen Sen
FY 2005 (Ended 03/2006)	1,034,806	99,667	9.6%	498,338.88
FY 2004 (Ended 03/2005)	1,034,361	84,213	8.1%	421,065.30

(Note) Number of shares outstanding at the end of the term (consolidated)

FY 2005 (Ended 03/2006): 200,000 FY 2004 (Ended 03/2005): 200,000

(3) Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 16

1. Forest Overseas Co., Ltd.
2. Hills Club, Inc.
3. Mori Hospitality Corporation
4. Mori Building Investment Management Co., Ltd
5. Mori Urban Planning Corporation
6. M&I Art System Co., Ltd.
7. Shishido Golf Club Co., Ltd
8. Roppongi Energy Service Co., Ltd.
9. Ark Hills Heating & Cooling Supply Co., Ltd.
10. eHills Corporation
11. Shanghai World Financial Center Investment No.1 (Cayman) Ltd
12. Shanghai World Financial Center Investment No.2 (Cayman) Ltd.
13. Shanghai World Financial Center Investment No.3 (Cayman) Ltd.
14. Shanghai World Financial Center Co., Ltd
15. Shanghai Senmao International Real Estate Co., Ltd.
16. Dalian Senmao Building Co., Ltd.

Number of equity-method affiliated companies: 4

1. Prime Stage Co.
2. VenusFort
3. Shanghai World Financial Center Investment Co.
4. Shanghai Lujiazui Property Management Co.

(4) Changes in scope of consolidation and application of equity method

Consolidation (excluded): 3

1. Mitsuki Parking Garage Management Co., Ltd.
2. La Foret Dallas Co., Ltd.
3. Akasaka Tameike Tower Management Co., Ltd.

Equity method (excluded): 2

1. Ginza Urban Planning Co., Ltd.
2. Roppongi First Building Co., Ltd.

2. Consolidated forecast for FY 2006 (From April 1, 2006 to March 31, 2007)

	Sales	Ordinary profit	Current net profit
	(Millions of yen)	(Millions of yen)	(Millions of yen)
Full business year	169,000	28,000	14,000

(Reference) Forecasted net profit per share (Full business year)

70,000.00 yen

Operational forecasts described in this report and other documents are based on the information available on the date of release thereof and on assumptions as of the date of release thereof, which involve uncertain factors affecting our future business performance. Actual business performance may differ significantly from these forecasts due to various future factors.

3. Consolidated comparative balance sheet

(Units: Millions of yen)

Assets				Liabilities			
Item	FY 2004 (Ended 03/2005)	FY 2005 (Ended 03/2006)	Change	Item	FY 2004 (Ended 03/2005)	FY 2005 (Ended 03/2006)	Change
Current assets	(118,878)	(100,932)	(-17,946)	Current liabilities	(92,272)	(90,383)	(-1,889)
Cash on hand and in bank	67,158	47,323	-19,835	Trade accounts payable	6,331	7,978	1,647
Trade notes and accounts receivable	7,417	9,717	2,300	Short-term borrowings	59,789	56,802	-2,987
Securities	2,534	5,653	3,119	Income tax payable	8,577	6,288	-2,289
Inventories	14,234	12,188	-2,046	Others	17,573	19,314	1,741
Deferred tax assets	2,765	3,080	315				
Others	24,948	23,145	-1,803	Fixed liabilities	(826,438)	(808,875)	(-17,563)
Allowance for doubtful accounts	-178	-177	1	Long-term liabilities	594,318	583,938	-10,380
Fixed assets	(914,488)	(927,331)	(12,843)	Long-term deposits payable	210,730	205,611	-5,119
Tangible fixed assets	(795,079)	(782,075)	(-13,004)	Allowance for retirement benefits	2,086	2,230	144
Buildings and structures	172,033	157,354	-14,679	Deferred tax liabilities	14,638	14,841	203
Machinery, equipment and vehicles	10,151	9,189	-962	Consolidation adjustment account	1,461	974	-487
Jigs, tools, and fixtures	4,214	3,870	-344	Others	3,203	1,279	-1,924
Land	298,614	375,220	-23,394				
Construction in progress	34,695	44,977	10,282	Total liabilities	918,710	899,258	-19,452
Trust properties	273,186	290,565	17,379				
Others	2,183	897	-1,286	Minority interests			
Intangible fixed assets	(58,890)	(59,883)	(993)	Minority interests	31,437	35,879	4,442
Leasehold	57,079	58,322	1,243				
Others	1,811	1,561	-250	Shareholders' equity			
Investments and other assets	(60,517)	(85,372)	(24,855)	Capital stock	1,000	1,000	0
Investment securities	34,780	63,020	28,240	Capital surplus	21	21	0
Long-term loans receivable	7,001	6,612	-389	Retained earnings	85,673	94,004	8,331
Differed tax assets	98	13	-85	Other profits or losses from securities revaluation	213	644	431
Others	18,984	16,263	-2,721	Exchange conversion adjustment account	-2,695	3,996	6,691
Allowance for doubtful accounts	-347	-537	-190				
Differed assets	(994)	(6,542)	(5,548)	Total shareholders' equity	84,213	99,667	15,455
Business commencement expenses, etc.	994	6,542	5,548				
Total assets	1,034,361	1,034,806	445	Total of liabilities, minority interests, and shareholders' equity	1,034,361	1,034,806	445

4. Consolidated comparative profit and loss statement

(Units: Millions of yen)

Item	FY 2004 (Ended 03/2005)	FY 2005 (Ended 03/2006)	Change
Operating revenue	155,477	152,763	-2,714
Cost of operating revenue	98,114	91,978	-6,136
Gross operating profit	57,363	60,784	3,421
Sales, general and administrative expenses	(23,451)	(23,130)	(-321)
Operating profit	33,912	37,654	3,742
Non-operating revenue	(3,125)	(5,406)	(2,281)
Interest income	253	189	-64
Dividend income	658	1,311	653
Others	2,213	3,905	1,692
Non-operating expenses	(18,628)	(20,100)	(1,472)
Interest expense	13,814	13,389	-425
Loss on investment in equity-method companies	275	64	-211
Others	4,538	6,646	2,108
Ordinary profit	18,409	22,960	4,551
Extraordinary profit	(6,490)	(6,781)	(291)
Gain on sale of fixed assets	2,411	2,502	91
Others	4,079	4,278	199
Extraordinary loss	(11,693)	(7,653)	(-4,040)
Loss on impairment of assets	4,776	0	-4,776
Loss on disposal of fixed assets	1,254	6,206	4,952
Others	5,662	1,447	-4,215
Current net profit before income taxes, etc.	13,207	22,088	8,881
Corporate, inhabitants' and enterprise taxes	9,764	10,748	984
Tax adjustment	-2,616	-327	2,289
Interest of minority shareholders	433	564	131
Current net profit	5,625	11,101	5,476

(2) Non-consolidated Financial Statement

1. Business performance for FY 2005 (from April 1, 2005 to March 31, 2006)

(1) Business performance (Note: Amounts less than one million are omitted. The same applies to the following tables.)

	Sales		Operating profit		Ordinary profit	
	(Millions of yen)		(Millions of yen)		(Millions of yen)	
FY 2005 (Ended 03/2006)	123,565	-0.4%	31,593	5.1%	18,070	11.2%
FY 2004 (Ended 03/2005)	124,002	-11.8%	30,064	79.9%	16,252	229.6%

	Current net profit		Current net profit per share		Ratio of current net profit to equity capital	Ratio of ordinary profits to total shareholder's equity	Ratio of ordinary profits to sales
	(Millions of yen)		Yen	Sen			
FY 2005 (Ended 03/2006)	5,988	181.7%	29,940.06	6.7%	1.9%	14.6%	
FY 2004 (Ended 03/2005)	2,125	14.8%	10,627.81	2.5%	1.7%	13.1%	

(Note)

1) Average number of shares outstanding for the term

FY 2005 (Ended 03/2006): 200,000 FY 2004 (Ended 03/2005): 200,000

2) Any change in accounting method None

3) Percentage figures in sales, operating profits, ordinary profits, and current net profits are ratios of change relative to figures for the previous term.

(2) Dividend status

	Annual dividend per share				Total dividend (annual)	Dividend payout ratio	Ratio of dividends on shareholders' equity
	Midterm		Year-end				
	Yen	Sen	Yen	Sen	(Millions of yen)		
FY 2005 (Ended 03/2006)	600.00	-	600.00	-	120	2.0%	0.1%
FY 2004 (Ended 03/2005)	600.00	-	600.00	-	120	5.6%	0.1%

(3) Financial status

	Total assets		Equity capital	Equity ratio	Equity capital per share
	Yen	Sen	(Millions of yen)		Yen Sen
FY 2005 (Ended 03/2006)	950,467	-	92,714	9.8%	463,571.01
FY 2004 (Ended 03/2005)	960,365	-	86,414	9.0%	432,074.82

(Note) Number of shares outstanding at the end of the term

FY 2005 (Ended 03/2006): 200,000

FY 2004 (Ended 03/2005): 200,000

2. Forecast for FY 2006 (From April 1, 2006 to March 31, 2007)

	Sales	Ordinary profit	Current net profit	Annual dividend per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	Yen Sen
Full business year	137,200	20,800	10,400	600.00

(Reference) Forecasted net profit per share (full business year)

52,000.00 yen

Operational forecasts described in this report and other documents are based on the information available on the date of release thereof and on assumptions as of the date of release thereof, which involve uncertain factors affecting our future business performance. Actual business performances may differ significantly from these forecasts due to various future factors.

3. Comparative balance sheet

(Units: Millions of yen)

Assets				Liabilities			
Item	FY 2004 (Ended 03/2005)	FY 2005 (Ended 03/2006)	Change	Item	FY 2004 (Ended 03/2005)	FY 2005 (Ended 03/2006)	Change
Current assets	(80,954)	(80,624)	(-336)	Current liabilities	(79,175)	(76,362)	(-2,813)
Cash on hand and in bank	25,845	24,681	-1,164	Trade accounts payable	5,021	4,338	-683
Trade notes and accounts receivable	5,868	7,357	1,489	Short-term borrowings	52,806	48,983	-3,823
Securities	2,531	5,256	2,725	Income tax payable	7,261	5,488	-1,773
Inventories	10,682	9,192	-1,490	Others	14,083	17,553	3,468
Deferred tax assets	2,439	2,735	296				
Others	33,756	31,571	-2,185				
Allowance for doubtful accounts	-169	-169	0	Fixed liabilities	(794,775)	(781,390)	(-13,385)
Fixed assets	(879,411)	(869,842)	(-9,569)	Long-term liabilities	569,818	563,284	-6,534
Tangible fixed assets	(741,820)	(709,919)	(-31,901)	Long-term deposits payable	208,192	203,359	-4,833
Buildings and structures	150,398	136,617	-13,781	Allowance for retirement benefits	2,032	1,985	-47
Machinery, equipment and vehicles	1,722	1,501	-221	Deferred tax liabilities	11,548	11,447	-101
Jigs, tools, and fixtures	3,691	3,432	-259	Others	3,183	1,313	-1,870
Land	297,429	274,035	-23,394				
Construction in progress	14,038	3,768	-10,270	Total liabilities	873,950	857,753	-16,197
Trust properties	273,186	290,565	17,379				
Others	1,353	0	-1,353	Shareholders' equity			
Intangible fixed assets	(53,755)	(54,868)	(1,113)	Capital stock	1,000	1,000	0
Leasehold	52,528	53,881	1,353	Capital surplus	21	21	0
Others	1,227	987	-240	Retained earnings	85,180	91,048	5,868
Investments and other assets	(83,834)	(105,054)	(21,220)	Other profits or losses from securities revaluation	213	644	431
Investment securities	64,589	86,866	22,277				
Long-term loans receivable	7,901	8,158	257	Total shareholders' equity	86,414	92,714	6300
Others	15,279	14,043	-1,236				
Allowance for doubtful accounts	-3,935	-4,015	-80	Total of liabilities, minority interests, and shareholders' equity	960,365	950,467	-9,898
Total assets	960,365	950,467	-9,898				

4. Comparative profit and loss statement

(Units: Millions of yen)

Item	FY 2004 (Ended 03/2005)	FY 2005 (Ended 03/2006)	Change
Operating revenue	124,002	123,565	-437
Cost of operating revenue	79,944	77,030	-2,914
Gross operating profit	44,057	46,535	2,478
Sales, general and administrative expenses	(13,993)	(14,942)	(949)
Operating profit	30,064	31,593	1,529
Non-operating revenue	(4,345)	(5,422)	(1,077)
Interest income	834	338	-496
Dividend income	681	1,341	660
Others	2,828	3,743	915
Non-operating expenses	(18,157)	(18,936)	(779)
Interest expense	13,339	12,940	-399
Others	4,817	5,995	1,178
Ordinary profit	16,252	18,079	1,827
Extraordinary profit	(4,248)	(6,884)	(2,636)
Gain on sale of fixed assets	2,411	2,502	91
Others	1,837	4,382	2,545
Extraordinary loss	(13,337)	(10,619)	(-2,718)
Loss on impairment of assets	4,776	0	-4,776
Loss on disposal of fixed assets	1,250	6,206	4,956
Others	7,310	4,413	-2,897
Current net profit before income taxes, etc.	7,164	14,344	7,180
Corporate, inhabitants' and enterprise taxes	8,080	9,047	967
Tax adjustment	-3,041	-691	2,350
Current net profit	2,125	5,988	3,863