

**Mori Building Co., Ltd. announces its interim financial statements
for the fiscal year 2007 (the year ending March 31, 2008).**

Mori Building Co., Ltd. is pleased to present its interim financial reports for the first half of FY2007 (the year ending March 31, 2008).

Benefiting from a favorable real estate market, the core businesses of "leased property management operations" and "contracted works and design/supervision operations" trended upwards; however, compared with the same period of the previous year, which had been impacted by extraordinary factors such as real estate fund-related revenues, there has been a relative decline in revenues and profits.

Regarding our forecasts for the full fiscal year, we project an increase in both revenues and profit compared with our original plan, owing to continuing strong performance of our core businesses, and we have adjusted our figures upwards, accordingly. For more information, please refer to the attached documents.

Consolidated Financial Results (Interim Statements for the 1st Half of FY2007)

(million yen)

	FY2006/1H (ended 9/30)	FY2007/1H (ended 9/30)	Change	(%)
Operating revenue	80,450	74,920	5,529	(6.9%)
Operating profit	25,388	15,810	9,578	(37.7%)
Ordinary profit	18,429	7,941	10,487	(56.9%)
Current net profit	9,728	5,269	4,459	(45.8%)

Operating Revenue

The "leased property management operations" (Buildings Business) recorded operating revenue of ¥52.2 billion. As a result of rising rent levels, there was a ¥700 million increase in operating revenue compared with the same period of the previous year, but because there were no new revenue-generating properties launched during the period, and due to the reduction of the revenue base arising from the liquidation of real estate undertaken in the previous fiscal year, operating revenues declined by ¥2.0 billion for an overall change from the same period of the previous year of ¥1.4 billion (2.6%).

Revenue recorded from "contracted works and design/supervision operations" totaled ¥3.6 billion, owing to the increase in contracted work in connection with tenant replacement. Compared with same period of the previous year, this represents a +¥1.6 billion (+83.1%) increase in revenues.

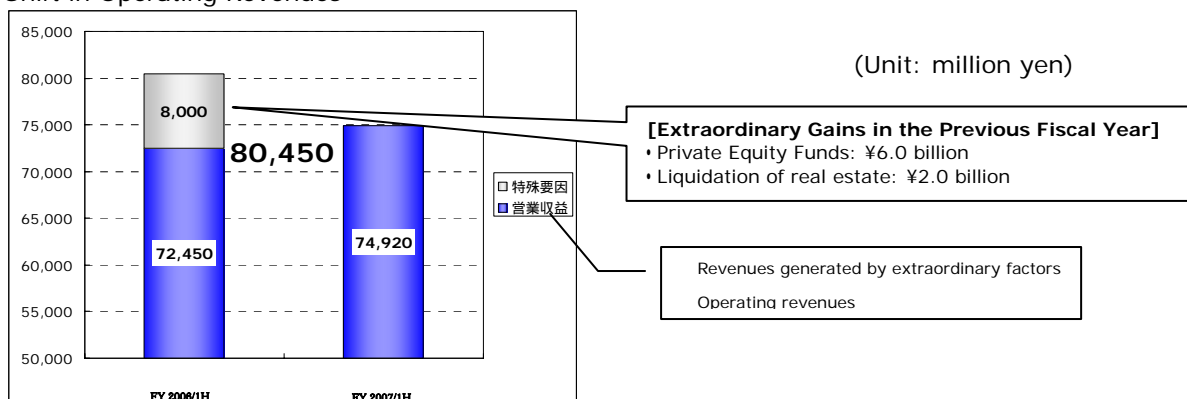
The "asset development and management business" and "property management business" recorded total revenues of ¥7.8 billion; however, because of extraordinary gains during the same period of the previous fiscal year including ¥2.0 billion from settlement of real estate equity funds and a further ¥3.9 billion of property management fees, the year-to-year change for the same period is ¥5.6 billion (41%).

"Facilities operating business" booked revenues of ¥10.6 billion which represents an increase of ¥500 million (+5.3%) compared with the interim financial results for the same period of the previous year. The breakdown of the main revenue items is as follows: hotel management +¥100 million (+2.4%) owing to the strong banquet revenues and increased guest room rates of the Grand Hyatt Tokyo; golf course/club management +¥200 million (+23.8%) due to an increase in Shishido Golf Club customers; and private membership

club management +¥200 million (+10.2%) as a result of renovations undertaken in the previous fiscal year.

"Overseas Businesses" recorded revenues of ¥2.7 billion. Improved occupancy rates of existing buildings in Dalian and Shanghai coupled with a rise in rent levels has contributed to a ¥300 million (+13.6%) increase in revenues compared with the same half of the previous fiscal year.

Shift in Operating Revenues



Operating Profit, Ordinary Profit & Current Net Profit (1st Half Interim Results)

Operating Profit totaled ¥15.8 billion. In addition to the decrease in operating revenues explained in the previous section, operating costs have increased ¥2.7 billion as a result of the change in the method of depreciation from straight-line to declining balance during this fiscal year, resulting in a decline of ¥9.5 billion (37.7%) compared with the previous year.

Reflecting the reduction in operating profit, ordinary profit totaled ¥7.9 billion, or a ¥10.4 billion (56.9%) decrease from the same period of the previous year.

Consequently, current net profit for the 1st half of FY2007 is ¥5.2 billion, which represents a decrease of ¥4.4 billion (45.8%) compared with the results of the 1st half of fiscal year 2006.

Projected consolidated business results (fiscal year 2007)

Regarding our original consolidated business result projections for the fiscal year ending in March 2008 which were announced previously on May 24 of this year, operating revenue, operating profit and ordinary profit have been revised upwards to reflect projected strong and continuing performance of core businesses. Moreover, current net profit for the year is expected to be significantly higher than original projections due to the sale of real estate properties.

(million yen)

	Previous Forecast (announced May 2007)	Current Forecast (announced November 2007)	Change	(%)
Operating revenue	164,500	168,300	3,800	(2.3%)
Operating profit	38,000	41,900	3,900	(10.3%)
Ordinary profit	23,500	25,300	1,800	(7.7)
Current net profit	11,800	23,200	11,400	(96.6%)

Taking appropriate action to seize the opportunity of the current uptrend in leased market market, Mori Building has moved forward with the execution of tenant replacement, strategic improvements and renovation for both office and residential properties.

As a result, a comparison of the occupancy rates at the end of March in 2007 and 2008 will show a slight decrease for office properties and residential from 98% to 96% and from 92% to 90%, respectively. However, the consequent rise in increased rent level is expected to generate an increase of ¥1.9 billion of revenues for the fiscal year. The enhanced competitiveness of our leased properties that will result from these measures is projected to contribute to increased revenues and profits for our leased property management operations in the next fiscal year and beyond.

<Attached Documents>

Summary of Interim Financial Statements for the Fiscal Year 2007 (the year ending March 31, 2008)

* These documents have been distributed to the Ministry of Land, Infrastructure and Transport Press Club and the MLIT Press Club for Construction Publications.

<Disclaimer regarding forward-looking statements>

Business performance projections in this and other documents are based on information available at the time this document was released, and a number of assumptions had to be made concerning factors that could affect future business performance. Actual business performance may vary considerably from these projections.

The Japanese language press release should always be referred to as originals of this document. Mori Building will not be responsible or liable for the completeness or accuracy of this English translation.

For more information, please contact:
Public Relations, Mori Building Co., Ltd.
Tel: +81-3-6406-6606, Fax: +81-3-6406-9306 E-mail: koho@mori.co.jp