

# Reference: Summary of Interim (1st Half) Financial Results FY2007 (ending March 31, 2008) and Projected Performance for the Full Fiscal Year

For Translation Purposes only

(Unit: million yen)

**<Leased property management Operations \*1> (Building Business)**

Lease management of office buildings, residential properties, and commercial facilities; and supply of area heating, air conditioning and electricity.

- ¥700 million revenue gain owing to rising rent levels of new and existing leases
- ¥2,000 million revenue loss from reduced revenue base resulting from real estate asset liquidation.
- Office occupancy rates

	Mar-07	Sep-07	Change
Occupancy rate	98%	95%	▲ 3%

**<Contracted works and design/supervision \*2>**

Contracted works such as interior finishing.

- ¥1,600 million revenue increase from contracted work in connection with tenants moving in and out of premises.

**<Asset development and management business \*3>**

Sale of real estate (office buildings, residential properties, etc.), investment in real estate investment business, etc.

- ¥2,000 million revenue decline as a result of extraordinary revenue recorded in the previous fiscal year (settlement of private-equity funds)
- ¥400 million of dividends from Mori Hills REIT Investment Corporation booked.

**<Property management business \*4>**

Leased property management operations, etc.

- ¥3,900 million revenue decline as a result of extraordinary revenue recorded in the previous year (private-equity fund contract fees.)

**<Facilities operating business \*5>**

Facilities operating business: hotel operations, dining business, golf business, etc.

- ¥100 million revenue increase owing to increased guestroom rates of Grand Hyatt To
- ¥200 million revenue increase owing to increase in Shishido Kokusai Golf Club customers.
- ¥200 million revenue increase from our private membership clubs owing to the beneficial effect of various improvements/renovations.

**<Overseas Businesses \*6>**

Real estate development/leasing business and overseas investments.

- ¥300 million revenue increase owing to high occupancy and rising rent levels of office buildings in China (Dalian, Shanghai)

	FY2006 1H	FY2007 1H	Change		FY 2007	FY 2008	Change from previous FY	
				Percentage change				Percentage change
<b>Operating Revenue</b>	80,450	74,920	5,529	( 6.9%)	159,152	168,300	9,148	(5.7%)
Leased property management Operations	53,649	*1 52,231	1,418	( 2.6%)	107,083	110,620	3,537	(3.3%)
Contracted works and design/supervision	1,978	*2 3,621	1,643	(83.1%)	6,123	8,130	2,007	(32.8%)
Asset development and management business	2,729	*3 1,064	1,665	( 61.0%)	3,617	17,450	13,833	(382.4%)
Property management business	10,724	*4 6,759	3,965	( 37.0%)	17,676	12,900	4,776	( 27.0%)
Facilities operating business	10,125	*5 10,664	539	(5.3%)	21,824	22,900	1,076	(4.9%)
Overseas businesses	2,385	*6 2,709	324	(13.6%)	4,894	5,100	206	(4.2%)
Other businesses	1,275	378	897	( 70.4%)	3,372	1,600	1,772	( 52.6%)
General corporate assets and intercompany eliminations	2,419	2,509			5,439	10,400		
<b>Cost of operating revenue</b>	43,281	46,860	3,579	(8.3%)	91,812	100,100	8,288	(9.0%)
<b>Sales and general administrative expenses</b>	11,780	12,249	469	(4.0%)	24,944	26,300	1,356	(5.4%)
<b>Operating profit</b>	25,388	15,810	9,578	( 37.7%)	42,394	41,900	494	( 1.2%)
<b>Non-operating profit and loss</b>	6,960	7,868	908	(13.0%)	13,914	16,600	2,686	(19.3%)
Net interest expense	7,685	7,795	110	(1.4%)	15,723			
Equity in earnings or losses of affiliates	17	4	13	( 76.5%)	41			
Others	742	69	811	( 109.3%)	1,849			
<b>Ordinary profit</b>	18,429	7,941	10,487	( 56.9%)	28,480	25,300	3,180	( 11.2%)
<b>Extraordinary profit</b>	478	3,257	2,779	(581.4%)	72,601	14,300		
<b>Extraordinary loss</b>	276	2,041	1,765	(639.5%)	1,351			
<b>Current net profit before tax and minority interests</b>	18,631	9,158	9,473	( 50.8%)	99,730	39,600	60,130	( 60.3%)
Corporate income tax, etc.	8,587	3,502	5,085	( 59.2%)	44,481	15,900		
Minority shareholder interests	315	386	71	(22.5%)	496	500		
<b>Current net income</b>	9,728	5,269	4,459	( 45.8%)	54,751	23,200	31,551	( 57.6%)

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