The figures for these Financial Statements are prepared in accordance with accounting principles generally accepted in Japan. Accordingly, they do not necessarily match the figures in the Annual Report issued by the Company, which present the same statements in a form that is more familiar to foreign readers through certain reclassifications or summarization of accounts. This English text is a translation of the Japanese original. The original is authoritative.

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
For the First Half of the Fiscal Year Ending March 31, 2010

November 5, 2009

NTT URBAN DEVELOPMENT CORPORATION Stock Exchange: Tokyo Stock Exchange
Code Number: 8933 URL: http://www.nttud.co.jp/
Representative: Masaki Mitsumura, President and Chief Executive Officer
Attn.: Masakazu Tsukamoto, Senior Executive Manager, Accounting and Finance Department Tel: +81-3-6811-6424
Filing of quarterly report: November 6, 2009
Scheduled date for commencing payment of dividend: December 4, 2009

(Note that all amounts have been rounded down to the nearest million yen, unless otherwise specified.)

1. Consolidated Financial Results (April 1, 2009 through September 30, 2009)

(1) Consolidated Results of Operations (Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2009	67,631	(1.1)	3,865	(78.7)	761	(95.0)	(6,187)	
Six months ended September 30, 2008	68,372	—	18,146	—	15,384	—	9,713	—

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Six months ended September 30, 2009	(1,880.04)	—
Six months ended September 30, 2008	2,951.20	—

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of shareholders' equity to assets	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2009	922,219	175,309	15.2	42,521.91
As of March 31, 2009	936,650	183,593	15.8	45,014.04

(Reference) Shareholders' equity: As of September 30, 2009: 139,948 million yen
As of March 31, 2009: 148,150 million yen

2. Dividends

	Dividends per share				
(Record Date)	End of the 1st quarter	Interim period end	End of the 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2009	—	600.00	—	600.00	1,200.00
Year ending March 31, 2010	—	600.00			
(Forecast) Year ending March 31, 2010			—	600.00	1,200.00

(Note) Revision to forecast of dividends during this term: No

3. Forecast of Consolidated Financial Results (April 1, 2009 through March 31, 2010)

(Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Annual	150,000	4.0	14,500	(42.6)	8,000	(59.0)	5,000	(68.7)	1,519.20

(Note) Revisions to forecast of consolidated business results during this term: Yes

4. Other

(1) Important Changes in Subsidiaries During the Term

(Changes in specified subsidiaries resulting in change in scope of consolidation): Not applicable

New: —

Exception: —

Not applicable

(2) Application of simplified accounting method and accounting treatment specific to preparation of quarterly consolidated financial statements: Applicable

For details, see paragraph 4 “Other” of [Qualitative Information, Financial Statements, Etc.], on page 9.

(3) Changes in accounting principles, procedures, and presentation methods, in relation to the preparation of quarterly consolidated financial statements (Changes Presented as Changes in basic matters for the preparation of quarterly consolidated financial statements)

(i) Changes due to amendment of accounting standards, etc.: Applicable

(ii) Changes other than (i): Not applicable

For details, see paragraph 4 “Other” of [Qualitative Information, Financial Statements, Etc.], on page 9.

(4) Number of Shares Outstanding (Common Stock)

(i) Total number of shares outstanding (including treasury stock) as of the end of each period:

As of September 30, 2009: 3,291,200 shares

As of March 31, 2009: 3,291,200 shares

(ii) Total number of treasury stock as of the end of each period:

As of September 30, 2009: — shares

As of March 31, 2009: — shares

(iii) Average number of issued shares for each period (consolidated cumulative period):

As of September 30, 2009: 3,291,200 shares

As of September 30, 2008: 3,291,200 shares

(Cautionary note regarding use of the Forecast of Financial Results, and other special notations)

Descriptions regarding the future, such as the forecast of financial results herein, are calculated based on the information which is available to the Company as of the date hereof. Please note that actual results may be different due to various factors such as subsequent changes in business environment. For assumptions underlying the forecasts and notes to the forecasts, refer to “3. Qualitative Information on Consolidated Earnings Forecast” of [Qualitative Information, Financial Statements, Etc.], on page 7.

[Qualitative Information, Financial Statements, Etc.]

1. Qualitative Information on Consolidated Financial Results

The Japanese economy continued to face challenging circumstances in the first half under review, most notably evident in high unemployment rates, although signs of a recovery did emerge in exports, production, and personal spending. We expect conditions to remain difficult for the time being, given the worsening employment situation. However, we also believe that the economic recovery will continue, backed by improvements in overseas economies. The nationwide average land price declined in 2009, with the scope of falls expanding in land for all purposes, including residential and commercial land, reflecting the difficult situation in the real estate market.

In the office leasing market, the average vacancy rate for office buildings in the five wards of central Tokyo remained high, in the 7% range, although the rate rose more moderately. Market rents clearly weakened, and competition among businesses intensified. The condominium sales market was unable to stage a recovery, despite progress in inventory adjustments.

In this environment, NTT Urban Development Corporation (the Company) posted declines in both sales and profit during the first half under review. Net sales amounted to ¥67,631 million (down ¥741 million, or 1.1% year on year), primarily reflecting lower sales in the leasing segment and in the residential property sales segment. Operating income was ¥3,865 million (down ¥14,281 million, or 78.7%), mainly attributable to the fall in net sales and a rise in operating expenses associated with the posting of a loss on valuation of inventories in cost of sales in the residential property sales business. Ordinary income was ¥761 million (down ¥14,623 million, or 95.0%), the result of a rise in interest expenses in non-operating expenses and other factors, in addition to the decline in operating income.

Given the difficult business environment, taxable income is likely to fall in the current fiscal year. Consequently, the Company has decided to reverse deferred tax assets in the first half under review in association with temporary differences that cannot be scheduled (the timing of inclusion in tax losses is not definite). The effect of the reversal on corporate income taxes was an increase of ¥5,051 million.

As a result, the Company posted a net loss of ¥6,187 million (net income of ¥9,713 million for the year-ago period).

The table below shows net sales by business segment in the first half under review. Net sales in each segment in the text include inter-segment internal revenues and transfers.

(Million yen)

Business segment	Previous first six months (From April 1, 2008 to September 30, 2008)	First six months under review (From April 1, 2009 to September 30, 2009)
Leasing	49,756	49,650
Residential property sales	13,944	13,538
Other	6,995	6,850
Eliminations	(2,323)	(2,407)
Total	68,372	67,631

(Notes) 1. The numbers do not include consumption tax. Net sales of each segment include inter-segment internal revenues and transfers.

2. "Eliminations" refers to internal revenues and transfers duplicated in more than one segment.

1) Leasing Business

In the leasing business, net sales fell from the year-ago period, as the adverse comparison with the sale of properties in the fiscal year ended March 2009, among other factors, more than offset rent income from new properties completed in the first half under review and from new properties, including Tradepia Yodoyabashi (Osaka-shi, Osaka), acquired in the fiscal year ended March 2009. Operating income was also down, primarily because of a rise in operating expenses that mainly reflected the posting of expenses associated with the completion of new properties. Operating income was also influenced by the fall in net sales.

The average vacancy rate for office buildings owned by the Company and its subsidiaries (the Group) rose, reflecting an increase in vacancies in association with the completion of new properties, among other factors, although it was still lower than that in the market. The vacancy rate in the five wards of central Tokyo was 4.9%, and the rate nationwide was 5.0% at the end of September 2009.

In the new building development business, projects underway include the Shijo-Karasuma Building (tentative name) (Kyoto-shi, Kyoto), Osaka Station North District Phase 1 Development Area Project, Shibaura Water Reclamation Center Upper-Level Section

Redevelopment Project (Minato-ku, Tokyo), and Uchikanda 3-chome Building (tentative name) (Chiyoda-ku, Tokyo). The Otemachi 1-chome Urban Area Redevelopment Project Type 1 (first-phase) (Chiyoda-ku, Tokyo), Urbannet Kotodai Building (Sendai-shi, Miyagi), and Urbannet Jozenji Building (Sendai-shi, Miyagi) were completed in the first half under review.

As a result of these activities, net sales of ¥49,650 million (down ¥105 million, or 0.2% year on year), operating expenses of ¥32,870 million (up ¥1,461 million, or 4.7%), and operating income of ¥16,779 million (down ¥1,567 million, or 8.5%) were recorded in the leasing business. The operating margin ratio declined to 33.8%, from 36.9% for the year-ago period.

The table below shows sales etc. by use of property in the leasing business. All figures are consolidated results. (Million yen)

Classification		Previous first six months (From April 1, 2008 to September 30, 2008)	First six months under review (From April 1, 2009 to September 30, 2009)
Office/Retail	Sales	45,701	45,938
	Leasable area	1,142,972 m^2 (Of the above, sub-leases: 19,273 m^2)	1,175,664 m^2 (Of the above, sub-leases: 21,374 m^2)
Residential/Other	Sales	4,054	3,711
Total net sales		49,756	49,650

(Notes) 1. "Leasable area" figures are as of September 30.

2. The leasable area of sub-leases does not include the area of sub-leases that have been agreed upon between the Company and its consolidated subsidiaries.

The table below shows the vacancy rate by area.

Classification	September 2008	December 2008	March 2009	June 2009	September 2009
Central Tokyo (Tokyo 5 wards)	8.7%	3.1%	2.8%	4.8%	4.9%
Nationwide	4.8%	3.2%	3.1%	4.4%	5.0%

(Notes) 1. The numbers above are vacancy rates as of the end of each month.

2. Tokyo 5 wards are Chiyoda-ku, Chuo-ku, Minato-ku, Shibuya-ku, and Shinjuku-ku.

2) Residential Property Sales Business

With respect to the residential property sales business, a total of 243 condominiums were delivered in the first half under review, including Maison Grants-Wellith Kitaando (Shizuoka-shi, Shizuoka), which was completed during the first half, and properties completed in previous fiscal years. During this period, the Company began sales of Wellith Kami Koshien (Nishinomiya-shi, Hyogo) and other buildings. With respect to building lot sales, Wellith Park Akuragawa (Yokkaichi-shi, Mie) and other building lots were sold.

Net sales were down year on year, with the decline in unit selling prices from a year ago outweighing land sales made during the period. Profit fell from the year-ago level, attributable to a loss on valuation of inventories of ¥10,849 million that the Company posted in cost of sales. This loss was posted based on the recognition that the profitability of inventories, mainly land for condominiums that the Company plans to develop, does not appear to have recovered in light of prevailing conditions, such as the absence of a recovery in the condominium market and falling land prices.

As a result, the Company posted net sales of ¥13,538 million (down ¥406 million, or 2.9% year on year), operating expenses of ¥24,287 million (up ¥12,073 million, or 98.9%), and an operating loss of ¥10,749 million (operating income of ¥1,731 million for the first half of the preceding fiscal year).

The table below shows net sales in the residential property sales business by operation type and area. (Million yen / units)

Classification			Previous first six months (From April 1, 2008 to September 30, 2008)		First six months under review (From April 1, 2009 to September 30, 2009)	
			Units/Lots	Sales	Units/Lots	Sales
Condominiums						
	Units delivered	Tokyo region	208	10,118	144	3,834
		Other regions	37	2,087	98	3,458
	Completed in inventory		143	—	444	—
Building Lots						
	Lots delivered	Tokyo region	—	0	1	2,003
		Other regions	97	1,738	159	4,242
	Completed in inventory		126	—	56	—
Residential (Condominiums/Building lots)						
	Units/Lots delivered	Tokyo region	208	10,118	145	5,834
		Other regions	134	3,826	257	7,700
	Completed in inventory		269	—	500	—
Other						
	Units/Lots delivered	Tokyo region	—	—	—	—
		Other regions	—	—	—	—
	Completed in inventory		—	—	—	—
Grand total (Sales)			—	13,944	—	13,538

(Notes) 1. For joint projects, the number of units, corresponding to the Company's share in the project, is rounded down to the nearest unit.

2. The numbers of condominiums completed in inventory were current as of September 30. The condominiums completed in inventory in the previous first half include ten units for which a contract has been completed but ownership has not yet been transferred. The building lots completed in inventory include 109 units for which a contract has been completed but ownership has not yet been transferred. The condominiums completed in inventory in the first half under review include 145 units for which a contract has been completed but ownership has not yet been transferred. The building lots completed in inventory include 33 units for which a contract has been completed but ownership has not yet been transferred..

3. Of the building lots delivered in the first half under review, 40 lots (collectively worth ¥4,722 million) were delivered through a block sale of land.

4. The Tokyo region includes Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma and Tochigi prefectures.

3) Other Business

Net sales in other business in the first half under review were ¥6,850 million (down ¥144 million, or 2.1% year on year), and operating income was ¥574 million (up ¥129 million, or 29.0%).

2. Qualitative Information on Consolidated Financial Position

(1) Consolidated balance sheet

Assets, net assets and liabilities at the end of the first half under review declined from the end of the previous fiscal year.

(Assets)

Total assets were ¥922,219 million (down ¥14,431 million from the end of the previous fiscal year).

Current assets were ¥120,846 million (down ¥27,601 million), primarily reflecting a decline of ¥30,816 million in inventories.

Fixed assets were ¥801,372 million (up ¥13,169 million), mainly due to a rise of ¥17,233 million in land.

(Liabilities)

Total liabilities were ¥746,909 million (down ¥6,147 million).

Current liabilities were ¥91,159 million (down ¥25,612 million). The major factors included a decrease of ¥13,798 million in short-term borrowings and a fall of ¥9,994 million in commercial paper.

Long-term liabilities were ¥655,749 million (up ¥19,464 million). The main factors included a rise of ¥9,937 million in corporate bonds, a climb of ¥5,623 million in (fixed) deferred tax liabilities, and an increase of ¥3,080 million in long-term debt.

A reversal of (fixed) deferred tax assets of ¥5,051 million was posted in the first half under review. Since (fixed) deferred tax liabilities are offset by (fixed) deferred tax assets in the consolidated balance sheets, the effect of the reversal is reflected as an increase in (fixed) deferred tax liabilities.

Interest-bearing debt at the end of the first half was ¥511,976 million (down ¥9,094 million).

(Net assets)

Net assets were ¥175,309 million (down ¥8,283 million from the end of the previous fiscal year), reflecting a fall of ¥8,162 million in retained earnings.

(2) Consolidated cash flows

Cash and cash equivalents (hereinafter “cash”) at the end of the first half under review increased ¥1,442 million from the end of the previous fiscal year, to ¥10,134 million. Free cash flows in the first half under review rose ¥40,564 million from the year-ago level, to ¥13,404 million.

(Note) The formula for calculating free cash flow is as follows:

Free cash flow = Cash flow from operating activities + Cash flow from investing activities

The following describes the situation for each category of cash flow and factors in the situation for the first half of the fiscal year:

(Cash flows from operating activities)

Cash provided by operating activities was ¥23,790 million, up ¥37,783 million year on year. Decreases in cash, including a decrease in notes and accounts payable, trade of ¥2,698 million, were more than offset by income before income taxes and minority interests of ¥369 million, depreciation and amortization of ¥12,597 million, a decrease in inventories of ¥14,134 million, and a decrease in notes and accounts receivable, trade of ¥374 million.

(Cash flows from investing activities)

Cash used in investing activities was ¥10,386 million, up ¥2,781 million year on year, primarily reflecting purchases of property, plant and equipment of ¥10,875 million.

(Cash flows from financing activities)

Cash used in financing activities was ¥11,961 million, down ¥32,207 million year on year. Increases in cash, including proceeds from long-term borrowings of ¥20,000 million and proceeds from issuance of bonds of ¥10,966 million, were outweighed by decreases in cash, including a net decrease in short-term borrowings of ¥13,798 million, repayments of long-term borrowings of ¥12,539 million, a decrease in commercial paper of ¥9,994 million, redemption of bonds of ¥3,755 million, and cash dividends paid of ¥1,974 million.

3. Qualitative Information on Consolidated Earnings Forecast

Although the Japanese economy is expected to recover, the Company assumes that the real estate market will continue to be challenging in the immediate future. In the office rental market, vacancy rates are rising, and pressure to cut prices is increasing. The condominium market has yet to recover fully. Based on the business environment and latest performance trends, the Company has revised its consolidated earnings forecasts for the fiscal year ending March 2010, which was announced with the Summary of Financial Statements for the Fiscal Year Ended March 31, 2009 released on May 8, 2009, and with the Summary of Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2010 released on August 4, 2009.

For details of the consolidated earnings forecast for the fiscal year ending March 2010, please refer to the Notice of Posting of Loss on Revaluation of Inventories and Revisions to Forecast of Business Results, etc. announced on November 5, 2009.

The revised consolidated earnings forecast for the fiscal year ending March 2010 is as follows:

Consolidated Earnings Forecast for Fiscal Year Ending March 2010

	Net sales (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net income (Million yen)	Net income per share (yen)
Previous forecast (A)	151,000	28,500	21,500	12,000	3,646.09
Revised forecast (B)	150,000	14,500	8,000	5,000	1,519.20
Change (B) – (A)	(1,000)	(14,000)	(13,500)	(7,000)	(2,126.88)
Rate of change (%)	(0.7)	(49.1)	(62.8)	(58.3)	(58.3)
(For reference) Results for previous fiscal year (ended March 2009)	144,277	25,244	19,504	15,989	4,858.34

Consolidated Segment Forecast for Fiscal Year Ending March 2010

Item	Previous forecast (Million yen)	Revised forecast (Million yen)	Change (Million yen)	Rate of change (%)	(For reference) Results for previous fiscal year (ended March 2009) (Million yen)
Net sales	151,000	150,000	(1,000)	(0.7)	144,277
Leasing	100,700	98,700	(2,000)	(2.0)	99,928
Residential property sales	41,100	41,800	700	1.7	32,688
Other	14,400	14,400	—	—	16,624
Eliminations	(5,200)	(4,900)	300		(4,963)
Operating income	28,500	14,500	(14,000)	(49.1)	25,244
Leasing	33,400	30,200	(3,200)	(9.6)	35,560
Residential property sales	700	(9,800)	(10,500)	—	(6,018)
Other	1,000	800	(200)	(20.0)	1,500
Eliminations/Corporate	(6,600)	(6,700)	(100)	—	(5,798)

During the first half under review, net sales and operating income fell on a year-on-year basis. There are increasing downside risks associated with rising vacancy rates and pressure to cut prices at existing properties. The average vacancy rate in the market remains high. Given the circumstances, the Company will pay attention to the risks of rising vacancies and falling rents.

In the residential property sales business, net sales and operating income declined year on year, reflecting decreases in the unit selling price and substantial rises in operating expenses associated with the posting of a loss on valuation of inventories and other factors, offsetting the sale of some condominiums. The Company assumes that the condominium market will remain weak, although sales are picking up at certain properties. In this environment, the Company will continue to strive to reduce inventories through early sales of properties that are on sale and through the commercialization of land it owns. It will also purchase carefully selected properties after considering their area and target customers.

Given the prevailing business environment, the Group will continue to pursue sustainable growth in its businesses under the NTT Urban Development Group Medium-Term Management Plan 2010 (formulated in November 2007; hereinafter "Medium-Term Management Plan"). Nonetheless, a rapid recovery in the real estate market is unlikely, and the Company cannot guarantee that the numerical targets (for FY2010 ending March 2011) included in the Medium-Term Management Plan will be met.

(Note) Forward-looking statements in this section are based on judgments of the Group as of the date of the announcement of this summary.

4. Other

(1) Important changes of subsidiaries during the term
(change of specified subsidiaries that led to a change in the scope of consolidation):
Not applicable

(2) Application of simplified accounting method and accounting treatment specific to the production of quarterly consolidated financial statements:
Application of simplified accounting treatment
(i) Inventory valuation method
A net sale value is estimated only for inventory assets whose profitability obviously fell, and the book value is reduced accordingly at the end of the quarter.
(ii) Basis for calculating income taxes, deferred tax assets, and deferred tax liabilities
In the calculation of the amount of income taxes to be paid, taxable additions and subtractions and tax deduction items are limited to important ones.
The collectability of deferred tax assets is measured based on the earnings forecast and tax planning used at the end of the previous fiscal year if there is considered to be no significant change in the business environment and occurrence of temporary differences.

(3) Changes in accounting principles, procedures, and presentation methods, in relation to the preparation of quarterly consolidated financial statements
Change in standard for recording amount of completed work and cost of completed work
The Company applied the completed-contract method for recording revenues related to contract work. However, starting the first quarter, the Company is applying the Accounting Standard for Construction Contracts (Accounting Standards Board of Japan Statement No. 15; December 27, 2007) and Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18; December 27, 2007) and applied the percentage-of-completion method (construction-cost-percentage method for estimating the progress of construction) for contracts whose outcome at the end of the second quarter is deemed certain and the completed-contract method for other construction contracts under which work commenced in the first quarter.
With this change, net sales rose ¥14 million during the first half under review, and operating income, ordinary income, and income before income taxes and minority interests each rose ¥2 million.
The effect on segment information is described in the segment information section.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets (Million yen)

	At the end of first half (September 30, 2009)	Condensed consolidated balance sheets at the end of previous fiscal year (March 31, 2009)
Assets		
Current assets		
Cash and bank deposits	10,309	8,954
Notes and accounts receivable, trade	4,792	5,167
Property for sale	14,123	11,133
Property for sale in progress	82,678	116,527
Uncompleted construction expenditure	151	109
Stores	—	33
Raw materials	—	26
Merchandise and finished goods	0	0
Raw materials and stores	60	—
Lease investment assets	484	488
Deferred tax assets	1,331	1,411
Other current assets	6,916	4,596
Less allowance for doubtful receivables	(3)	(1)
Total current assets	120,846	148,447
Fixed assets		
Property, plant and equipment		
Buildings and structures	695,258	682,795
Accumulated depreciation	(342,236)	(332,027)
Buildings and structures (net)	353,022	350,767
Machinery and vehicles	13,914	13,731
Accumulated depreciation	(11,361)	(11,116)
Machinery and vehicles (net)	2,553	2,614
Land	395,853	378,620
Leased assets	838	838
Accumulated depreciation	(624)	(597)
Leased assets (net)	214	241
Construction in progress	2,092	9,359
Other fixed assets	14,380	13,602
Accumulated depreciation	(10,492)	(10,079)
Other fixed assets (net)	3,887	3,523
Total property, plant and equipment	757,623	745,127
Intangible assets	3,344	3,338
Investments and other assets		
Investment securities	16,157	16,391
Long-term prepaid expenses	18,763	18,920
Deferred tax assets	275	50
Other assets	5,207	4,379
Less allowance for doubtful receivables	—	(3)
Total investments and other assets	40,404	39,737
Total fixed assets	801,372	788,202
Total assets	922,219	936,650

(Million yen)

	At the end of first half (September 30, 2009)	Condensed consolidated balance sheets at the end of previous fiscal year (March 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable, trade	6,447	9,052
Short-term borrowings	12,000	25,798
Lease liabilities	167	179
Current portion of long-term debt (payment within one year)	46,359	41,979
Corporate bonds (must redeem within one year)	2,410	5,109
Commercial paper	—	9,994
Accrued income taxes	292	611
Provision for loss on warranty	143	143
Other current liabilities	23,339	23,902
Total current liabilities	91,159	116,772
Long-term liabilities		
Corporate bonds	117,122	107,185
Long-term debt	334,083	331,003
Finance lease obligations	215	257
Deferred tax liabilities	66,027	60,403
Accrued employees' retirement benefits	5,718	5,255
Accrued directors' and corporate auditors' retirement benefits	71	67
Deposits from tenants	99,187	97,857
Negative goodwill	33,133	34,032
Provision for loss on warranty	60	60
Other long-term liabilities	129	160
Total long-term liabilities	655,749	636,284
Total liabilities	746,909	753,056
Net assets		
Shareholders' equity		
Common stock	48,760	48,760
Capital surplus	34,109	34,109
Retained earnings	56,941	65,103
Total shareholders' equity	139,811	147,973
Accumulated gains from revaluation and translation Adjustments		
Unrealized gain on securities	137	176
Total valuation and translation adjustments	137	176
Minority interests	35,361	35,443
Total net assets	175,309	183,593
Total liabilities and net assets	922,219	936,650

(2) Quarterly Consolidated Statements of Income

(Consolidated First Half) (Million yen)

	Previous consolidated first half (From April 1, 2008 to September 30, 2008)	Consolidated first half under review (From April 1, 2009 to September 30, 2009)
Net sales	68,372	67,631
Cost of sales	43,967	55,906
Gross profit	24,404	11,725
Selling, general and administrative expenses	6,258	7,859
Operating income	18,146	3,865
Non-operating income		
Interest income	42	32
Dividend income	36	17
Contributions	85	2
Amortization of negative goodwill	963	963
Equity in earnings of affiliates	52	71
Other	57	96
Total non-operating income	1,236	1,184
Non-operating expense		
Interest expense	3,762	4,121
Other	236	167
Total non-operating expenses	3,998	4,288
Ordinary income	15,384	761
Extraordinary income		
Gain on sales of fixed assets	2,081	50
Other	0	—
Total extraordinary income	2,082	50
Extraordinary losses		
Loss on sales of fixed assets	—	57
Loss on disposals of fixed assets	863	384
Total extraordinary losses	863	442
Income before income taxes and minority interests	16,603	369
Corporate income taxes	6,046	5,882
Minority interests	844	675
Net income (loss)	9,713	(6,187)

(Consolidated Second Quarter)		(Million yen)
	Previous consolidated second quarter (From July 1, 2008 to September 30, 2008)	Consolidated second quarter under review (From July 1, 2009 to September 30, 2009)
Net sales	38,621	35,046
Cost of sales	25,850	34,260
Gross profit	12,770	785
Selling, general and administrative expenses	3,498	4,191
Operating income	9,271	(3,406)
Non-operating income (loss)		
Interest income	23	17
Amortization of negative goodwill	481	481
Equity in earnings of affiliates	0	22
Other	24	33
Total non-operating income	529	555
Non-operating expense		
Interest expense	1,915	2,094
Other	130	90
Total non-operating expenses	2,045	2,185
Ordinary income (loss)	7,755	(5,036)
Extraordinary income		
Gain on sales of fixed assets	1,887	50
Total extraordinary income	1,887	50
Extraordinary losses		
Loss on sales of fixed assets	—	57
Loss on disposals of fixed assets	544	145
Total extraordinary losses	544	203
Income (loss) before income taxes and minority interests	9,098	(5,189)
Corporate income taxes	3,355	3,976
Minority interests	412	336
Net income (loss)	5,330	(9,502)

(3) Quarterly Consolidated Statements of Cash Flows (Million yen)

	Previous consolidated first half (From April 1, 2008 to September 30, 2008)	Consolidated first half under review (From April 1, 2009 to September 30, 2009)
Cash flows from operating activities		
Income before income taxes and minority interests	16,603	369
Depreciation and amortization	12,390	12,597
Amortization of negative goodwill	(963)	(963)
Amortization of goodwill	—	64
Increase (decrease) in allowance for doubtful receivables	(1)	(1)
Interest and dividends income	(78)	(50)
Interest expense	3,762	4,121
Investment loss (gain) on equity method	(52)	(71)
Loss (gain) on sales of fixed assets	(2,081)	7
Loss on disposal of fixed assets	863	384
Decrease (increase) in notes and accounts receivable, trade	2,645	374
Decrease (increase) in inventories	(14,053)	14,134
Increase (decrease) in notes and accounts payable, trade	(23,783)	(2,698)
Increase (decrease) in deposits from tenants	3,289	1,898
Other	(1,587)	(1,573)
Sub-total	(3,046)	28,592
Interest and dividends received	115	78
Interest paid	(3,752)	(4,021)
Income taxes paid	(7,309)	(859)
Net cash provided/used by operating activities	(13,992)	23,790
Cash flows from investing activities		
Purchases of property, plant and equipment	(16,316)	(10,875)
Proceeds from sales of property, plant and equipment	3,825	864
Purchases of investment securities	(203)	—
Proceeds from sales of investment securities	—	514
Other	(473)	(888)
Net cash used in investing activities	(13,167)	(10,386)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	16,686	(13,798)
Net increase (decrease) in commercial paper	(10,000)	(9,994)
Proceeds from long-term borrowings	11,500	20,000
Repayments of long-term borrowings	(16,650)	(12,539)
Proceeds from issuance of bonds	22,897	10,966
Redemption of bonds	(805)	(3,755)
Payments of other long-term accounts payable	(21)	—
Cash dividends paid	(2,303)	(1,974)
Cash dividends paid to minority shareholders	(942)	(757)
Other	(113)	(107)
Net cash provided/used by financing activities	20,245	(11,961)
Net increase (decrease) in cash and cash equivalents	(6,914)	1,442
Cash and cash equivalents at the beginning of the term	15,101	8,691
Cash and cash equivalents at the end of the term	8,186	10,134

(4) Notes regarding the premise of a going concern

Not applicable

(5) Segment information

Segment information by business

Previous consolidated second quarter (from July 1, 2008 to September 30, 2008) (Million yen)

	Leasing	Residential property sales	Other	Total	Eliminations/ Corporate	Consolidated
Sales						
(1) Sales to third parties	24,924	10,425	3,271	38,621	—	38,621
(2) Inter-segment internal revenues and transfers	282	—	1,046	1,329	(1,329)	—
Total	25,207	10,425	4,318	39,950	(1,329)	38,621
Operating income	9,107	1,248	347	10,703	(1,432)	9,271

Consolidated second quarter under review (from July 1, 2009 to September 30, 2009) (Million yen)

	Leasing	Residential property sales	Other	Total	Eliminations/ Corporate	Consolidated
Sales						
(1) Sales to third parties	24,801	7,571	2,672	35,046	—	35,046
(2) Inter-segment internal revenues and transfers	192	—	1,084	1,277	(1,277)	—
Total	24,994	7,571	3,756	36,323	(1,277)	35,046
Operating income (loss)	8,471	(10,726)	220	(2,034)	(1,371)	(3,406)

Previous consolidated first half (from April 1, 2008 to September 30, 2008) (Million yen)

	Leasing	Residential property sales	Other	Total	Eliminations/ Corporate	Consolidated
Sales						
(1) Sales to third parties	49,418	13,944	5,009	68,372	—	68,372
(2) Inter-segment internal revenues and transfers	337	—	1,985	2,323	(2,323)	—
Total	49,756	13,944	6,995	70,696	(2,323)	68,372
Operating income	18,347	1,731	445	20,523	(2,377)	18,146

Consolidated first half (from April 1, 2009 to September 30, 2009) (Million yen)

	Leasing	Residential property sales	Other	Total	Eliminations/ Corporate	Consolidated
Sales						
(1) Sales to third parties	49,273	13,538	4,819	67,631	—	67,631
(2) Inter-segment internal revenues and transfers	376	—	2,031	2,407	(2,407)	—
Total	49,650	13,538	6,850	70,039	(2,407)	67,631
Operating income (loss)	16,779	(10,749)	574	6,605	(2,739)	3,865

(Notes) 1. Operating segments:

Operating segmentation is determined based on operations in each segment.

2. Major products in each segment:

Leasing:	Leasing of land and buildings
Residential property sales:	Sale of residential land and buildings (condominiums and detached houses)
Other:	Contract construction and contracted operation and management of real estate

3. Change in accounting method

Previous consolidated first half

(Accounting standard for measurement of inventories)

The Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9 issued on July 5, 2006) is applied beginning the first quarter under review. In association with the change, operating income in the residential property sales business fell ¥514 million.

Consolidated first half under review

(Change in standard for recording amount of completed work and cost of completed work)

As stated 4. (3) of "Changes in accounting principles, procedures, and presentation methods, in relation to the preparation of quarterly consolidated financial statements" the Accounting Standard for Construction Contracts (Accounting Standards Board of Japan Statement No. 15; December 27, 2007) and Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18; December 27, 2007) are applied beginning the first quarter under review. With the change, operating income in the Other segment rose ¥2 million from that calculated using the conventional method.

(6) Note if there is a considerable change to shareholders' equity

Not applicable