# FACT BOOK 2009

**May 8, 2009**

W e c r e a t e h a r m o n y .

NTT都市開発
NTT Urban Development Co.

# FACTBOOK Contents

# Year-to-Year Comparison (Consolidated)

## 1. Consolidated Statements of Income

(Millions of yen)

| | Mar-08 | Mar-09 | Change | Change (%) |
|---|---|---|---|---|
| Net sales | 138,206 | 144,277 | 6,070 | 4.4 |
| Operating expense | 109,488 | 119,032 | 9,544 | 8.7 |
| Operating income | 28,718 | 25,244 | (3,474) | (12.1) |
| Non-operating income | 2,801 | 2,373 | (428) | (15.3) |
| Non-operating expense | 5,323 | 8,113 | 2,789 | 52.4 |
| Recurring income | 26,196 | 19,504 | (6,692) | (25.5) |
| Extraordinary gain | 743 | 12,037 | 11,294 | 1,518.7 |
| Extraordinary losses | 1,929 | 4,147 | 2,218 | 115.0 |
| Income before income taxes | 25,010 | 27,393 | 2,382 | 9.5 |
| Taxes | 10,252 | 11,404 | 1,151 | 11.2 |
| Net income | 14,758 | 15,989 | 1,231 | 8.3 |

Increases/Decreases (Billions of yen)

■ Operating revenue
- Leasing : +10
- Residential Property Sales : (5.7)
- Others : +2.7

■ Operating expense
- Leasing : +0.4
- Residential : +6.8
- Others : +2.2

■ Non-operating income
- Gain on the amortization of negative goodwill +1.9
- Equity in earnings of affiliates : (2.1)

■ Non-operating expense
- Interest expense : +2.7

■ Extraordinary gain
- Gain on sales of property and equipment +11.9

■ Extraordinary losses
- Losses on sales of property and equipment +1.1
- Loss on impairment of fixed assets : +0.4

## 2. Net Sales and Income by Segments

(Millions of yen)

| | Mar-08 | Mar-09 | Change | Change (%) |
|---|---|---|---|---|
| Net sales | | | | |
| Leasing | 89,917 | 99,928 | 10,011 | 11.1 |
| Residential property sales | 38,415 | 32,688 | (5,726) | (14.9) |
| Others | 13,845 | 16,624 | 2,778 | 20.1 |
| Eliminations | (3,971) | (4,963) | (992) | − |
| Total | 138,206 | 144,277 | 6,070 | 4.4 |
| Operating income | | | | |
| Leasing | 26,025 | 35,560 | 9,535 | 36.6 |
| Residential property sales | 6,593 | (6,018) | (12,611) | (191.3) |
| Others | 973 | 1,500 | 526 | 54.0 |
| Eliminations | (4,873) | (5,798) | (924) | − |
| Total | 28,718 | 25,244 | (3,474) | (12.1) |

Increases/Decreases (Billion yen)

■ Leasing
- Increase in net sales and income, primarily owing to the inclusion of UDX Special Purpose Company in subsidiaries, rents from new properties, and higher rents from existing properties

■ Residential property sales
- Lower sales and income, principally reflecting a decline in the unit delivery of condominiums and the posting of a loss on the revaluation of inventory

■ Others
- Higher sales and income, primarily supported by an increase in revenues from contract construction

# Year-to-Year Comparison (Consolidated)

## 3. Consolidated Balance Sheets

(Millions of yen)

| | Mar-08 | Mar-09 | Change | Change (%) |
|---|---|---|---|---|
| Current assets | 150,037 | 148,447 | (1,589) | (1.1) |
| Fixed assets | 750,287 | 788,202 | 37,914 | 5.1 |
| Total assets | 900,325 | 936,650 | 36,325 | 4.0 |
| Current liabilities | 127,406 | 116,772 | (10,634) | (8.3) |
| Long-term liabilities | 594,949 | 636,284 | 41,335 | 6.9 |
| Total liabilities | 722,356 | 753,056 | 30,700 | 4.3 |
| Net assets | 177,969 | 183,593 | 5,624 | 3.2 |
| Interest-bearing debt (consolidated) | 451,849 | 521,070 | 69,221 | 15.3 |

Increases/Decreases
(Billions of yen)

■ Assets
○Fixed assets
- Land +45.4
- Depreciation and amortization (25.1)

■ Liabilities
○ Current liabilities
- Short-term borrowings: +25.7
- Accounts payable, trade: (19.0)
- Corporate bonds: (6.5)
(must return within one year)
- Accrued income taxes: (6.8)
○ Fixed liabilities
- Long-term debt: +34.5
- Corporate bonds: +18.6

■ Net assets
- Net income: +15.9
- Dividends paid: (4.2)
- Minority interests: (6.1)

## 4. Consolidated Statements of Cash Flows

(Millions of yen)

| | Mar-08 | Mar-09 | Change |
|---|---|---|---|
| Cash and cash equivalents at the beginning of the year | 2,255 | 15,101 | 12,846 |
| Operating activities | 5,700 | (12,091) | (17,792) |
| Depreciation and amortization | 23,246 | 25,762 | 2,515 |
| Investing activities | (77,893) | (57,397) | 20,495 |
| Free cash flow | (72,192) | (69,488) | 2,703 |
| Financing activities | 85,038 | 63,079 | (21,959) |
| Cash and cash equivalents at the end of the year | 15,101 | 8,691 | (6,409) |

Key factors
(Billions of yen)

■ Operating CF (12.0)
- Income before income taxes: 27.3
- Depreciation and amortization: 25.7
- Increase in inventories: (12.8)
- Decrease in notes and accounts payable, trade: (19.0)
- Income taxes paid: (13.3)

■ Investing CF (57.3)
- Purchases of property and equipment: (66.2)
- Proceeds from sales of property and equipment: 19.6

■ Financing CF 63.0
- Increase in borrowings: 69.1
- Dividends paid: (4.2)

# Year’s Data (Consolidated)

## 1. Financial Highlights

| | Unit | Mar-05 | Mar-06 | Mar-07 | Mar-08 | Mar-09 | Mar-10 (Forecast) |
|---|---|---|---|---|---|---|---|
| Net sales | Millions of yen | 96,188 | 110,833 | 128,215 | 138,206 | 144,277 | 151,000 |
| Operating income | Millions of yen | 17,335 | 21,716 | 25,091 | 28,718 | 25,244 | 28,500 |
| Recurring income | Millions of yen | 13,556 | 18,346 | 22,938 | 26,196 | 19,504 | 21,500 |
| Net income | Millions of yen | 7,182 | 11,401 | 12,995 | 14,758 | 15,989 | 12,000 |
| Total assets | Millions of yen | 480,228 | 543,792 | 581,848 | 900,325 | 936,650 | - |
| Net assets | Millions of yen | - | - | 125,169 | 177,969 | 183,593 | - |
| Net worth | Millions of yen | 109,009 | 115,696 | 125,091 | 136,395 | 148,150 | - |
| Interest-bearing debt | Millions of yen | 231,784 | 268,942 | 293,069 | 451,849 | 521,070 | - |
| Shares outstanding | Shares | 658,240 | 658,240 | 3,291,200 | 3,291,200 | 3,291,200 | - |
| Operating activities | Millions of yen | 24,572 | 22,243 | (5,076) | 5,700 | (12,091) | - |
| Investing activities | Millions of yen | (27,812) | (45,157) | (32,995) | (77,893) | (57,397) | - |
| Financing activities | Millions of yen | 7,081 | 32,214 | 20,823 | 85,038 | 63,079 | - |
| Investment | Millions of yen | 26,070 | 54,622 | 48,595 | 93,367 | 75,638 | 40,000 |
| Depreciation and amortization | Millions of yen | 23,865 | 23,828 | 23,657 | 23,246 | 25,762 | - |
| Net operating income (NOI) | Millions of yen | 45,887 | 47,237 | 50,504 | 52,748 | 64,277 | - |
| Net income per share | JPY | 12,271.53 | 17,201.07 | 3,948.64 | 4,484.09 | 4,858.34 | - |
| Return on equity (ROE) | % | 9.2 | 10.1 | 10.8 | 11.3 | 11.2 | - |
| Dividend payout ratio | % | 42.3 | 29.1 | 25.3 | 26.8 | 24.7 | - |
| Dividend on equity (DOE) | % | 4.2 | 2.9 | 2.7 | 3.0 | 2.8 | - |
| Net worth ratio | % | 22.7 | 21.3 | 21.5 | 15.1 | 15.8 | - |
| Net D/E ratio | X | 2.03 | 2.16 | 2.32 | 2.44 | 2.78 | - |
| Interest coverage ratio | X | 6.5 | 6.9 | - | 1.2 | - | - |

[Notes]

- New Accounting Standard for Balance Sheet Presentation of Net Assets has been adopted since the year ended March 2007. No adjustments have been executed to the figures before the above year.
- NOI has been presented on a consolidated basis since the year ended March 2007.
- To calculate investments in the year ended March 2008, expenses required to additionally acquisition of preferred equities of UDX Special Purpose Company has been added to purchases of investment securities.

[Formulas for calculation of indicators]

* Investment = Capital expenditure + Purchases of investment securities (on a basis of cash flows from investing activities)
* NOI = Income for the leasing business - cost of sales for the leasing business + depreciation and amortization expense (including long-term prepaid expenses)
* Net income per share = Net income / Shares outstanding
* Return on equity = Net income / ((Net worth at the end of the previous year + Net worth at the end of the year under review) / 2)
* Dividend payout ratio = (Full-year) dividend per share / Net income per share
* Dividend on equity = (Full-year) dividend / ((Net worth at the end of the previous year + Net worth at the end of the year under review) / 2)
* Net worth ratio = Net worth / Total assets
* Net D/E ratio = (interest-bearing debt - cash and cash equivalents - time deposits whose deposit term exceeds three months) / net assets
* Interest coverage ratio = Cash flows from operating activities / Interest expenses (on the basis of cash flows from operating activities)
* Net worth = Net assets - Share options - Minority interest (The net worth presented until the year ended March 2006 was total shareholders’ equity.)

# Year’s Data (Consolidated)

## 2. Segment Information

(Millions of yen)

| | Mar-05 | Mar-06 | Mar-07 | Mar-08 | Mar-09 | Mar-10 (Forecast) |
|---|---|---|---|---|---|---|
| Net sales | 96,188 | 110,833 | 128,215 | 138,206 | 144,277 | 151,000 |
| Leasing | 73,816 | 77,488 | 85,312 | 89,917 | 99,928 | 100,700 |
| Residential property sales | 14,593 | 23,543 | 32,680 | 38,415 | 32,688 | 41,100 |
| Others | 12,032 | 13,956 | 13,524 | 13,845 | 16,624 | 14,400 |
| Eliminations | (4,253) | (4,155) | (3,301) | (3,971) | (4,963) | (5,200) |
| Operating expense | 78,853 | 89,116 | 103,124 | 109,488 | 119,032 | 122,500 |
| Leasing | 55,213 | 57,715 | 62,127 | 63,891 | 64,367 | 67,300 |
| Residential property sales | 13,152 | 19,040 | 27,451 | 31,821 | 38,706 | 40,400 |
| Others | 11,663 | 12,954 | 12,573 | 12,872 | 15,123 | 13,400 |
| Eliminations | (1,176) | (593) | 971 | 902 | 834 | 1,400 |
| Operating income | 17,335 | 21,716 | 25,091 | 28,718 | 25,244 | 28,500 |
| Leasing | 18,602 | 19,773 | 23,184 | 26,025 | 35,560 | 33,400 |
| Residential property sales | 1,441 | 4,503 | 5,228 | 6,593 | (6,018) | 700 |
| Others | 368 | 1,001 | 951 | 973 | 1,500 | 1,000 |
| Eliminations | (3,077) | (3,561) | (4,273) | (4,873) | (5,798) | (6,600) |
| Operating income margin | 18.0% | 19.6% | 19.6% | 20.8% | 17.5% | 18.9% |
| Leasing | 25.2% | 25.5% | 27.2% | 28.9% | 35.6% | 33.2% |
| Residential property sales | 9.9% | 19.1% | 16.0% | 17.2% | (18.4%) | 1.7% |
| Others | 3.1% | 7.2% | 7.0% | 7.0% | 9.0% | 6.9% |
| Assets | 480,228 | 543,792 | 581,848 | 900,325 | 936,650 | - |
| Leasing | 423,051 | 440,931 | 480,612 | 756,955 | 795,286 | - |
| Residential property sales | 18,779 | 45,522 | 88,606 | 128,258 | 133,099 | - |
| Others | 6,709 | 6,206 | 7,122 | 10,439 | 7,322 | - |
| Eliminations | 31,688 | 51,131 | 5,507 | 4,671 | 942 | - |
| Depreciation and amortization | 23,865 | 23,828 | 23,657 | 23,246 | 25,762 | - |
| Leasing | 23,686 | 23,652 | 23,468 | 22,924 | 25,476 | - |
| Residential property sales | 1 | 1 | 2 | 8 | 8 | - |
| Others | 3 | 3 | 7 | 60 | 76 | - |
| Eliminations | 173 | 171 | 179 | 254 | 201 | - |
| Capex | 17,911 | 45,425 | 48,589 | 76,713 | 65,002 | - |
| Leasing | 17,827 | 44,980 | 48,466 | 76,458 | 63,380 | - |
| Residential property sales | 4 | - | 4 | 5 | 0 | - |
| Others | 13 | 10 | 20 | 24 | 169 | - |
| Eliminations | 66 | 433 | 97 | 224 | 1,451 | - |

# Information on Leasing and Residential Property Sales

## 1. Leasing

### ○ By type

| | Unit | Mar-05 | Mar-06 | Mar-07 | Mar-08 | Mar-09 |
|---|---|---|---|---|---|---|
| Office/retail | | | | | | |
| Net sales | Millions of yen | 67,641 | 71,454 | 79,691 | 82,483 | 91,927 |
| Leasable area | $m^2$ | 953,222 | 1,051,735 | 1,070,521 | 1,146,353 | 1,154,905 |
| Sub-leases | $m^2$ | - | 49,094 | 55,953 | 18,365 | 21,374 |
| Residential/others | Millions of yen | 5,910 | 5,752 | 5,621 | 7,434 | 8,000 |
| Net sales | Millions of yen | 73,551 | 77,207 | 85,312 | 89,917 | 99,928 |

* Figures for the years since the year ended March 2007 are presented on a consolidated basis.

### ○ Vacancy rate

(%)

| | 2005 | | | | 2006 | | | | 2007 | | | | 2008 | | | | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 3 | 6 | 9 | 12 | 3 | 6 | 9 | 12 | 3 | 6 | 9 | 12 | 3 | 6 | 9 | 12 | 3 |
| Central Tokyo (Tokyo 5 wards) | 0.8 | 0.9 | 0.8 | 0.6 | 4.2 | 1.9 | 0.8 | 0.8 | 0.9 | 1.4 | 0.5 | 0.8 | 0.5 | 1.1 | 8.7 | 3.1 | 2.8 |
| Nationwide | 3.2 | 2.6 | 4.2 | 2.2 | 4.3 | 2.3 | 2.0 | 1.9 | 2.1 | 1.8 | 1.4 | 4.1 | 4.2 | 2.3 | 4.8 | 3.2 | 3.1 |

* Figures for the years since the year ended March 2007 are presented on a consolidated basis.

## 2. Residential Property Sales

(Millions of yen/unit)

| | Mar-05 | | Mar-06 | | Mar-07 | | Mar-08 | | Mar-09 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Units /Lots | Profits | Units /Lots | Profits | Units /Lots | Profits | Units /Lots | Profits | Units /Lots | Profits |
| Sale of condominiums | | | | | | | | | | |
| Units delivered | | | | | | | | | | |
| Tokyo area | 307 | 12,504 | 429 | 18,422 | 469 | 18,167 | 212 | 12,299 | 342 | 14,731 |
| Other areas | 10 | 834 | 137 | 5,120 | 201 | 7,531 | 413 | 18,020 | 221 | 10,114 |
| Inventories | 34 | - | 16 | - | 22 | - | 146 | - | 335 | - |
| Sale of land lots | | | | | | | | | | |
| Lots delivered | | | | | | | | | | |
| Tokyo area | 6 | 887 | - | - | 193 | 4,726 | 164 | 3,474 | - | 550 |
| Other areas | 1 | 367 | - | - | 39 | 2,255 | 164 | 3,331 | 387 | 7,291 |
| Inventories | - | - | - | - | 4 | - | 2 | - | 91 | - |
| Total | | | | | | | | | | |
| Units/Lots delivered | | | | | | | | | | |
| Tokyo area | 313 | 13,392 | 429 | 18,422 | 662 | 22,893 | 376 | 15,773 | 342 | 15,281 |
| Other areas | 11 | 1,201 | 137 | 5,120 | 240 | 9,786 | 577 | 21,351 | 608 | 17,406 |
| Inventories | 34 | - | 16 | - | 26 | - | 148 | - | 426 | - |
| Others | | | | | | | | | | |
| Units delivered | | | | | | | | | | |
| Tokyo area | - | - | - | - | - | - | - | - | - | - |
| Other areas | - | - | - | - | - | - | 1 | 1,289 | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - |
| Grand total | - | 14,593 | - | 23,543 | - | 32,680 | - | 38,415 | - | 32,688 |

# Information on Leasing and Residential Property Sales

## 3. NOI Figures by Key Buildings

(Millions of yen)

| | Location | Sector | Mar-05 | Mar-06 | Mar-07 | Mar-08 | Mar-09 |
|---|---|---|---|---|---|---|---|
| Urbannet Otemachi Building | Chiyoda, Tokyo | Office | 4,597 | 5,087 | 5,507 | 5,845 | 6,498 |
| Otemachi First Square | Chiyoda, Tokyo | Office | 4,720 | 4,739 | 4,508 | 4,902 | 4,994 |
| NTT Makuhari Building | Mihama, Chiba | Office | 1,982 | 2,007 | 2,220 | 2,371 | 2,349 |
| Granpark Tower | Minato, Tokyo | Office | 3,604 | 4,075 | 4,051 | 4,054 | 4,069 |
| Seavans N Building | Minato, Tokyo | Office | 2,676 | 2,521 | 2,644 | 2,933 | 3,182 |
| Tokyo Opera City | Shinjuku, Tokyo | Office | 1,445 | 1,522 | 1,676 | 1,845 | 1,862 |
| Urbannet Ikebukuro Building | Toshima, Tokyo | Office | 964 | 977 | 1,054 | 1,046 | 1,106 |
| Akihabara UDX | Chiyoda, Tokyo | Office | - | - | - | - | 7,874 |
| Urbannet Oroshimachi Building | Wakabayashi, Sendai | Office | 450 | 462 | 487 | 532 | 457 |
| Urbannet Itsutsubashi Building | Aoba, Sendai | Office | 184 | 227 | 250 | 236 | 233 |
| Johoku Building | Kita, Nagoya | Other | 419 | 392 | 388 | 521 | - |
| Urbannet CS Building | Naka, Nagoya | Office | 357 | 327 | 349 | 340 | 363 |
| Urbannet Shizuoka Building | Shizuoka, Shizuoka | Office | 351 | 335 | 314 | 293 | 338 |
| Urbannet Shizuoka Otemachi Building | Shizuoka, Shizuoka | Office | 328 | 375 | 387 | 404 | 423 |
| Urbannet Kaminagoya Building | Nishi, Nagoya | Office | 93 | 86 | 107 | 108 | 107 |
| Urbannet Fushimi Building | Naka, Nagoya | Office | 446 | 448 | 426 | 429 | 457 |
| Urbannet Nagoya Building | Higashi, Nagoya | Office | - | 760 | 2,464 | 2,386 | 2,464 |
| NTT Osaka Chuo Building | Chuo, Osaka | Office | 491 | 441 | 431 | 411 | 410 |
| Urban Ace Kitahama Building | Chuo, Osaka | Office | 514 | 530 | 443 | 399 | 427 |
| Urban Ace Higobashi Building | Nishi, Osaka | Office | 307 | 344 | 336 | 329 | 334 |
| Urban Ace Sannomiya Building | Chuo, Kobe | Office | 451 | 444 | 452 | 461 | 436 |
| Urban Ace Awaza Building | Nishi, Osaka | Office | 491 | 465 | 416 | 412 | 376 |
| Urbannet Honmachi Building | Chuo, Osaka | Office | 334 | 357 | 362 | 379 | 376 |
| Tradepia Yodoyabashi | Chuo, Osaka | Office | - | - | - | - | 327 |
| NTT Cred Motomachi Building | Naka, Hiroshima | Retail | 3,977 | 3,696 | 3,849 | 3,732 | 3,785 |
| NTT Cred Hakushima Building | Naka, Hiroshima | Office | 807 | 827 | 842 | 786 | 806 |
| NTT Cred Okayama Building | Kita, Okayama | Office | 557 | 531 | 567 | 564 | 467 |
| NTT-T Building | Chuo, Fukuoka | Retail | 2,028 | 2,044 | 2,149 | 2,160 | 2,220 |
| NTT-KF Building | Chuo, Fukuoka | Office | 297 | 313 | 319 | 326 | 324 |
| Urbannet Hakata Building | Hakata, Fukuoka | Office | 225 | 231 | 223 | 273 | 295 |
| Emuzu Odori Building | Chuo, Sapporo | Office | 459 | 427 | 426 | 396 | 415 |
| Emuzu Minami 22-jo Building | Chuo, Sapporo | Office | 89 | 108 | 111 | 122 | 119 |
| Urbannet Sapporo Building | Chuo, Sapporo | Office | 74 | 649 | 796 | 767 | 771 |
| Total other buildings | | | 12,153 | 11,473 | 11,935 | 12,971 | 15,595 |
| Total | | | 45,887 | 47,237 | 50,504 | 52,748 | 64,277 |

*1: Nagoya Mitsukoshi OS Center has been renamed Johoku Building. (Sold off in September 2008)
*2: Akihabara UDX is a property owned by a company consolidated into the Group in the fiscal year ended March 31, 2008.
*3: The Company acquired Tradepia Yodoyabashi in November 2008.
*4: Figures for the years since the year ended March 2007 are presented on a consolidated basis.

# Financial Statement Data

## 1. Consolidated Balance Sheet

(Millions of yen)

| | Mar-05 | Mar-06 | Mar-07 | Mar-08 | Mar-09 |
|---|---|---|---|---|---|
| (Assets) | | | | | |
| I. Current assets | | | | | |
| 1. Cash and cash equivalents | 6,823 | 19,526 | 2,057 | 9,577 | 8,954 |
| 2. Notes and accounts receivable, trade | 6,291 | 6,174 | 6,271 | 6,009 | 5,167 |
| 3. Inventories | 13,685 | 40,445 | 82,745 | 122,660 | 127,830 |
| 4. Deferred tax assets | 238 | 1,304 | 725 | 1,172 | 1,411 |
| 5. Other current assets | 5,784 | 3,037 | 3,053 | 10,617 | 3,984 |
| 6. Less allowance for doubtful receivables | (7) | (2) | (1) | (0) | (1) |
| Total current assets | 32,816 | 70,486 | 94,853 | 150,037 | 148,447 |
| II. Fixed assets | | | | | |
| 1. Property and equipment | | | | | |
| (1) Buildings and structures | 322,410 | 326,969 | 312,244 | 369,152 | 350,767 |
| (2) Machinery and vehicles | - | 3,816 | 3,420 | 3,072 | 2,614 |
| (3) Land | 60,612 | 76,374 | 101,723 | 333,183 | 378,620 |
| (4) Lease assets | - | - | - | 330 | 241 |
| (5) Construction in progress | 7,087 | 307 | 14,083 | 246 | 9,359 |
| (6) Other fixed assets | 6,334 | 3,308 | 3,281 | 3,384 | 3,523 |
| Property and equipment, net | 396,445 | 410,777 | 434,753 | 709,370 | 745,127 |
| 2. Intangible assets, net | 1,910 | 1,801 | 1,703 | 1,817 | 3,338 |
| 3. Investments and other assets | | | | | |
| (1) Investment securities | 20,138 | 29,768 | 20,422 | 14,637 | 16,391 |
| (2) Long-term prepaid expenses | 22,525 | 21,191 | 20,070 | 19,630 | 18,920 |
| (3) Deferred tax assets | 4,901 | 3,449 | 3,301 | 97 | 50 |
| (4) Other assets | 1,496 | 6,321 | 6,749 | 4,739 | 4,379 |
| (5) Less allowance for doubtful receivables | (6) | (5) | (5) | (5) | (3) |
| Total investments and other assets | 49,055 | 60,726 | 50,538 | 39,099 | 39,737 |
| Total fixed assets | 447,411 | 473,305 | 486,995 | 750,287 | 788,202 |
| Total assets | 480,228 | 543,792 | 581,848 | 900,325 | 936,650 |

# Financial Statement Data

(Millions of yen)

| | Mar-05 | Mar-06 | Mar-07 | Mar-08 | Mar-09 |
|---|---|---|---|---|---|
| (Liabilities) | | | | | |
| I. Current liabilities | | | | | |
| 1. Notes and accounts payable, trade | 4,523 | 13,274 | 21,714 | 28,139 | 9,052 |
| 2. Short-term borrowings | 50,223 | 66,957 | 7,842 | - | 25,798 |
| 3. Lease liabilities | - | - | - | 195 | 179 |
| 4. Current portion of long-term debt (payment within one year) | - | - | 26,261 | 45,190 | 41,979 |
| 5. Corporate bonds (payable within one year) | 5,000 | 7,500 | 9,300 | 11,611 | 5,109 |
| 6. Commercial paper | - | - | - | 10,000 | 9,994 |
| 7. Accrued income taxes | 1,449 | 6,226 | 4,193 | 7,439 | 611 |
| 8. Other current liabilities | 15,125 | 17,717 | 26,845 | 24,830 | 24,046 |
| Total current liabilities | 76,322 | 111,675 | 96,156 | 127,406 | 116,772 |
| II. Long-term liabilities | | | | | |
| 1. Corporate bonds | 26,800 | 19,300 | 32,992 | 88,563 | 107,185 |
| 2. Long-term debt | 149,760 | 175,185 | 216,673 | 296,482 | 331,003 |
| 3. Lease liabilities | - | - | - | 364 | 257 |
| 4. Deferred tax liabilities | - | - | - | 56,973 | 60,403 |
| 5. Accrued employees' retirement benefits | 4,670 | 5,084 | 5,231 | 4,984 | 5,255 |
| 6. Accrued directors‘ and corporate auditors’ retirement benefits | 235 | 200 | 203 | 45 | 67 |
| 7. Deposits from tenants | 113,336 | 116,563 | 105,230 | 108,792 | 97,857 |
| 8. Negative goodwill | - | - | - | 38,530 | 34,032 |
| 9. Other long-term liabilities | 5 | 5 | 191 | 212 | 220 |
| Total long-term liabilities | 294,808 | 316,339 | 360,522 | 594,949 | 636,284 |
| Total liabilities | 371,131 | 428,015 | 456,679 | 722,356 | 753,056 |
| (Net assets) | | | | | |
| I. Shareholders' equity | | | | | |
| 1. Common stock | 48,760 | 48,760 | 48,760 | 48,760 | 48,760 |
| 2. Capital surplus | 34,109 | 34,109 | 34,109 | 34,109 | 34,109 |
| 3. Retained earnings | 25,903 | 32,299 | 41,925 | 53,392 | 65,103 |
| II. Unrealized gain on securities | 236 | 526 | 296 | 133 | 176 |
| III. Minority interests in consolidated subsidiaries | 88 | 80 | 77 | 41,573 | 35,443 |
| Total Net assets (Minority interests not included) | 109,009 | 115,696 | - | - | - |
| Total Net assets (Minority interests included) | - | - | 125,169 | 177,969 | 183,593 |
| Total liabilities and Net assets | 480,228 | 543,792 | 581,848 | 900,325 | 936,650 |

# Financial Statement Data

## 2. Consolidated Statements of Income

(Millions of yen)

| | Mar-05 | Mar-06 | Mar-07 | Mar-08 | Mar-09 |
|---|---|---|---|---|---|
| | 96,188 | 110,833 | 128,215 | 138,206 | 144,277 |
| I. Net sales | 69,692 | 78,462 | 91,781 | 96,042 | 104,259 |
| II. Cost of sales | 26,495 | 32,371 | 36,433 | 42,163 | 40,017 |
| Gross profit | 9,160 | 10,654 | 11,342 | 13,445 | 14,773 |
| III. Selling, general and administrative expenses | 17,335 | 21,716 | 25,091 | 28,718 | 25,244 |
| Operating income | | | | | |
| IV. Non-operating income | 2 | 0 | 11 | 13 | 83 |
| 1. Interest income | 26 | 30 | 44 | 31 | 46 |
| 2. Dividend income | 72 | - | - | - | - |
| 3. Receiving fee | 113 | 215 | 39 | 112 | 92 |
| 4. Contributions | 5 | 2 | 32 | 67 | 33 |
| 5. Gain on donated fixed assets | - | - | - | - | 1,926 |
| 6. Gain on the amortization of negative goodwill | 125 | 247 | 1,624 | 2,245 | 66 |
| 7. Equity in earnings of affiliates | 58 | 89 | 97 | 331 | 124 |
| 8. Other expenses, net | 405 | 586 | 1,850 | 2,801 | 2,373 |
| Total other income | | | | | |
| V. Non-operating expense | 3,562 | 3,173 | 3,794 | 5,036 | 7,780 |
| 1. Interest expense | 347 | - | - | - | - |
| 2. Cost of issuance of stock | 227 | - | - | - | - |
| 3. Cost on IPO | - | 679 | - | - | - |
| 4. Fees on advance repayment | 46 | 104 | 208 | 287 | 332 |
| 5. Others | 4,183 | 3,956 | 4,003 | 5,323 | 8,113 |
| Total Non-operating expense | 13,556 | 18,346 | 22,938 | 26,196 | 19,504 |

# Financial Statement Data

(Millions of yen)

| | Mar-05 | Mar-06 | Mar-07 | Mar-08 | Mar-09 |
|---|---|---|---|---|---|
| VI. Extraordinary gain | | | | | |
| 1. Gain on Sales of fixed assets | 322 | 4,107 | 306 | 79 | 12,037 |
| 2. Gain from allowances for bad debts | - | - | - | - | - |
| 3. Gain on disbursement of substitutional portion of the National Welfare Pension Plan | - | - | - | 664 | - |
| Total extraordinary gains | 322 | 4,107 | 306 | 743 | 12,037 |
| VII. Extraordinary loss | | | | | |
| 1. Loss on sales of fixed assets | - | - | 0 | 5 | 1,136 |
| 2. Loss on disposals of fixed assets | 1,704 | 1,427 | 1,432 | 1,724 | 1,892 |
| 3. Loss from the application of lease accounting standards | - | - | - | 171 | - |
| 4. Loss on devaluation of investment securities | - | 234 | - | - | - |
| 5. Loss on asset impairment accounting | - | 1,625 | - | - | 457 |
| 6. Others | - | - | 0 | 27 | 661 |
| Total extraordinary losses | 1,704 | 3,287 | 1,432 | 1,929 | 4,147 |
| Income before income taxes | 12,174 | 19,166 | 21,812 | 25,010 | 27,393 |
| Taxes | 6,786 | 7,575 | 7,929 | 11,600 | 6,547 |
| Adjustments for taxes | (1,798) | 185 | 885 | (1,348) | 3,208 |
| Minority interests | 4 | 4 | 2 | 0 | 1,648 |
| Net income | 7,182 | 11,401 | 12,995 | 14,758 | 15,989 |

## 3. Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets

(Millions of yen)

| | Mar-05 | Mar-06 | Mar-07 | Mar-08 | Mar-09 |
|---|---|---|---|---|---|
| Shareholders' equity | | | | | |
| Common stock | | | | | |
| Balance at the beginning of the period | 26,320 | 48,760 | 48,760 | 48,760 | 48,760 |
| Balance at the end of the period | 48,760 | 48,760 | 48,760 | 48,760 | 48,760 |
| Capital surplus | | | | | |
| Balance at the beginning of the period | 0 | 34,109 | 34,109 | 34,109 | 34,109 |
| Balance at the end of the period | 34,109 | 34,109 | 34,109 | 34,109 | 34,109 |
| Retained earnings | | | | | |
| Balance at the beginning of the period | 21,405 | 25,903 | 32,299 | 41,925 | 53,392 |
| Cash dividends paid | (2,631) | (3,291) | (1,645) | (1,645) | (2,303) |
| Bonuses to directors and corporate auditors | (53) | (67) | (78) | - | - |
| Midterm dividend | - | (1,645) | (1,645) | (1,645) | (1,974) |
| Net income | 7,182 | 11,401 | 12,995 | 14,758 | 15,989 |
| Balance at the end of the period | 25,903 | 32,299 | 41,925 | 53,392 | 65,103 |
| Unrealized gains (losses), translation adjustments, and others | | | | | |
| Balance at the beginning of the period | 202 | 236 | 526 | 296 | 133 |
| Balance at the end of the period | 236 | 526 | 296 | 133 | 176 |
| Minority interests in consolidated subsidiaries | | | | | |
| Balance at the beginning of the period | 83 | 88 | 80 | 77 | 41,573 |
| Balance at the end of the period | 88 | 80 | 77 | 41,573 | 35,443 |

*1: Figures in the consolidated statements of capital surplus and retained earnings have been used for the consolidated statements of changes in shareholders' equity and other net assets for the years ended March 2004, 2005 and 2006.

## 4. Consolidated Statements of Cash Flows

(Millions of yen)

| | Mar-05 | Mar-06 | Mar-07 | Mar-08 | Mar-09 |
|---|---|---|---|---|---|
| I. Operating activities | | | | | |
| Income before income taxes and minority interests | 12,174 | 19,166 | 21,812 | 25,010 | 27,393 |
| Depreciation and amortization | 23,865 | 23,828 | 23,657 | 23,246 | 25,762 |
| Amortization of negative goodwill | - | - | - | - | (1,926) |
| Loss on impairment of fixed assets | - | 1,625 | - | - | 457 |
| Increase (decrease) in allowance for doubtful receivables | 7 | (5) | (0) | (2) | (0) |
| Increase in accrued employees' retirement benefits | 3,947 | 413 | 146 | (246) | 271 |
| Interest and dividends income | (29) | (31) | (55) | (44) | (129) |
| Interest expense | 3,562 | 3,173 | 3,794 | 5,036 | 7,780 |
| Commissions paid on early repayments | - | 679 | - | - | - |
| Equity in earnings of affiliates | (125) | (247) | (1,624) | (2,245) | (66) |
| Gain on sales of property and equipment | (322) | (4,107) | (306) | (79) | (12,037) |
| Loss on disposal of property and equipment | 1,704 | 1,427 | 1,431 | 1,724 | 1,892 |
| Loss on sales of property and equipment | - | - | 0 | 5 | 1,136 |
| Increase (decrease) in lease investment asset | - | - | - | - | (488) |
| Extraordinary loss from the application of the lease accounting standards | - | - | - | 171 | - |
| Loss on devaluation of investment securities | - | 234 | - | - | - |
| (Increase) decrease in notes and accounts receivable, trade | (1,845) | 117 | (97) | 262 | 842 |
| Amortization of bonds issuance costs | - | - | 7 | - | - |
| Increase in inventories | (4,142) | (25,108) | (42,281) | (39,933) | (12,822) |
| Increase (decrease) in notes and accounts payable, trade | (1,434 | 8,751 | 8,439 | 6,425 | (19,086) |
| Increase (decrease) in deposits from tenants | (2,961) | 3,211 | (9,514) | (483) | (8,586) |
| Bonuses to directors and corporate auditors | (53) | (67) | (78) | - | - |
| Other | 2,056 | (4,096) | 1,598 | (2,118) | (1,526) |
| Sub-total | 36,402 | 28,965 | 6,930 | 16,729 | 8,864 |
| Interest and dividends received | 64 | 67 | 1,561 | 2,172 | 166 |
| Interest paid | (3,779) | (3,234) | (3,575) | (4,942) | (7,758) |
| Commissions paid on early repayments | - | (679) | - | - | - |
| Income taxes paid | (8,115) | (2,875) | (9,992) | (8,257) | (13,363) |
| Net cash provided by operating activities | 24,572 | 22,243 | (5,076) | 5,700 | (12,091) |

# Financial Statement Data

(Millions of yen)

| | Mar-05 | Mar-06 | Mar-07 | Mar-08 | Mar-09 |
|---|---|---|---|---|---|
| II. Investing activities | | | | | |
| Increase in time deposits | - | (3) | - | - | - |
| Purchases of property and equipment | (19,834) | (43,936) | (43,117) | (74,892) | (66,225) |
| Proceeds from sales of property and equipment | 327 | 8,128 | 1,068 | 5,753 | 19,629 |
| Purchases of investment securities | (8,159) | (9,196) | (6) | (214) | (952) |
| Proceeds from sales of investment securities | - | 1 | 125 | - | - |
| Proceeds from refund of investment securities | - | - | 8,950 | 2,372 | - |
| Purchase of shares in affiliates that involves changes in the scope of consolidation | - | - | - | (10,810) | - |
| Purchase of additional preferred equity securities | - | - | - | - | (8,784) |
| Other | (146) | (151) | (15) | (101) | (1,064) |
| Net cash used in investing activities | (27,812) | (45,157) | (32,995) | (77,893) | (57,397) |
| III. Financing activities | | | | | |
| Net increase (decrease) in short-term borrowings | (9,000) | 24,500 | (26,657) | (7,842) | 25,798 |
| Net decrease in commercial paper | (4,000) | - | - | 10,000 | (5) |
| Proceeds from long-term borrowings | 8,000 | 62,940 | 67,750 | 125,000 | 76,500 |
| Repayments of long-term borrowings | (31,835) | (45,282) | (32,457) | (26,261) | (45,190) |
| Proceeds from corporate bonds | - | - | 22,984 | - | 23,664 |
| Payments of redemption of bonds | (10,000) | (5,000) | (7,500) | (12,300) | (11,611) |
| Payments of other long-term accounts payable | - | - | - | (60) | (21) |
| Proceeds from issuance of new shares of common stock | 56,548 | - | - | 0 | - |
| Cash dividends paid | (2,631) | (4,931) | (3,290) | (3,290) | (4,278) |
| Cash dividends paid to minority shareholders | - | (11) | (5) | - | (1,794) |
| Other | - | - | - | (206) | 18 |
| Net cash provided by financing activities | 7,081 | 32,214 | 20,823 | 85,038 | 63,079 |
| IV. Net increase in cash and cash equivalents | 3,841 | 9,300 | (17,248) | 12,846 | (6,409) |
| V. Cash and cash equivalents at the beginning of the year | 6,362 | 10,203 | 19,503 | 2,255 | 15,101 |
| VI. Cash and cash equivalents at the end of the year | 10,203 | 19,503 | 2,255 | 15,101 | 8,691 |