

Summary of Consolidated Financial Results for the First Quarter of 2007 (January 1, 2007 – March 31, 2007)

Described below is an abstract in English of the financial results for the first quarter of 2007 ended March 31, 2007 that was released today in Tokyo. The translation is prepared and provided for the purpose of the readers convenience only. All of readers are strongly recommended to refer to the original version in Japanese of the news release for complete and accurate information.

Company name: Kenedix, Inc.
 Stock code: 4321
 URL: <http://www.kenedix.com>
 Stock Exchange listing: First Section, Tokyo Stock Exchange
 Company Domicile: Tokyo
 President: Atsushi Kawashima
 Contact: Taiji Yoshikawa, Member of the Board of Directors and CFO
 Tel: +81-3-3519-2530
 Changes in Accounting Method: None
 Changes in Consolidated Subsidiaries and Affiliates Accounted For Under the Equity Method:

| | | |
|---------------------------|---------|--------------|
| Consolidated subsidiaries | New: 16 | Excluded: 1 |
| Affiliates | New: 6 | Excluded: 15 |

1. Consolidated Financial Results (Jan. 1, 2007 – March. 31, 2007)

(1) Consolidated Results of Operations

(Amounts rounded off to million yen)

| | Revenue | | Operating income | | Ordinary income | |
|-------------------------------|-------------|----------------|------------------|----------------|-----------------|----------------|
| | Million yen | YoY change (%) | Million yen | YoY change (%) | Million yen | YoY change (%) |
| First Quarter of 2007 | 7,756 | 16.1 | 5,463 | 4.6 | 4,385 | (9.9) |
| First Quarter of 2006 | 6,683 | 168.3 | 5,222 | 231.0 | 4,866 | 269.9 |
| (ref.) Year ended Dec 2006 | 27,044 | 93.7 | 18,637 | 103.9 | 16,461 | 102.9 |

| | Net income (after taxes) | | Net income per share, (basic) | Net income per share, (diluted) |
|--------------------------------|--------------------------|----------------|-------------------------------|---------------------------------|
| | Million yen | YoY change (%) | Yen | Yen |
| First Quarter of 2007 | 2,586 | (4.9) | 9,059.95 | 8,244.46 |
| First Quarter of 2006 | 2,719 | 250.0 | 9,633.45 | 9,550.30 |
| (ref.) Year ended Dec. 2007 | 9,015 | 89.5 | 31,750.48 | 30,625.34 |

Note: Percentage figures shown in the above represent year-on-year changes.

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net asset per share |
|--------------------------------|--------------|-------------|--------------|---------------------|
| | Million yen | Million yen | % | Yen |
| First Quarter ended March 2007 | 293,388 | 47,324 | 13.7 | 140,433.39 |
| First Quarter ended March 2006 | 139,841 | 30,869 | 22.1 | 109,306.05 |
| (ref.)Year ended Dec. 2006 | 158,147 | 39,794 | 23.5 | 130,380.08 |

(3) Consolidated Cash Flow Position

| | Net cash provided by (used in) operating activities | Net cash provided by (used in) investing activities | Net cash provided by (used in) financing activities | Cash and cash equivalents at end of period |
|--------------------------------|---|---|---|--|
| | Million yen | Million yen | Million yen | Million yen |
| First Quarter ended March 2007 | (36,609) | (26,061) | 62,578 | 36,947 |
| First Quarter ended March 2006 | (25,310) | (2,040) | 29,945 | 21,783 |
| (ref.)Year ended Dec. 2006 | (2,900) | (8,894) | 28,283 | 37,074 |

2. Forecast of Consolidated income for the Year Ending Dec. 2007 (Jan. 1, 2007 – Dec. 31, 2007)

| | Revenue | Ordinary income | Net income |
|-----------|-------------|-----------------|-------------|
| | Million yen | Million yen | Million yen |
| Interim | 19,400 | 12,500 | 6,300 |
| Full year | 31,700 | 18,800 | 10,000 |

Reference: Estimated consolidated net income per share for the full year: 17,389.91 yen

Note: The above forecast is based on information available to us as of May 10, 2007. The actual results are affected by various factors and may differ substantially.

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

| Account title | Year | | | | (ref.) | |
|-----------------------------------|---------------|-------|---------------|-------|------------------|-------|
| | March 31,2006 | | March 31,2007 | | December 31,2006 | |
| | Amount | % | Amount | % | Amount | % |
| Assets | | | | | | |
| I Current assets | | | | | | |
| 1 Cash and cash deposits | 19,329 | | 29,703 | | 34,390 | |
| 2 Deposits held in trust | 4,623 | | 10,223 | | 4,821 | |
| 3 Accounts receivable - trade | 653 | | 1,069 | | 866 | |
| 4 Inventories | 84,371 | | 206,310 | | 86,848 | |
| 5 Acquired non-performing loans | 7,243 | | 13,627 | | 3,603 | |
| 6 Other | 3,327 | | 4,269 | | 4,067 | |
| 7 Allowance for doubtful accounts | (37) | | (32) | | (32) | |
| Total current assets | 119,512 | 85.5 | 265,170 | 90.4 | 134,566 | 85.1 |
| II Fixed assets | | | | | | |
| 1 Property and equipment | | | | | | |
| (1) Buildings | 73 | | 93 | | 87 | |
| (2) Other | 59 | | 74 | | 66 | |
| Total property and equipment | 132 | 0.1 | 167 | 0.1 | 153 | 0.1 |
| 2 Intangible assets | 9 | 0.0 | 137 | 0.0 | 8 | 0.0 |
| 3 Investment and other assets | | | | | | |
| (1) Investment securities | 16,186 | | 21,095 | | 17,558 | |
| (2) Investment in capital | 2,632 | | 2,519 | | 3,126 | |
| (3) Long-term loans receivable | 911 | | 2,301 | | 1,431 | |
| (4) Other | 456 | | 1,996 | | 1,303 | |
| Total investment and other assets | 20,187 | 14.4 | 27,913 | 9.5 | 23,419 | 14.8 |
| Total fixed assets | 20,328 | 14.5 | 28,218 | 9.6 | 23,581 | 14.9 |
| Total assets | 139,841 | 100.0 | 293,388 | 100.0 | 158,147 | 100.0 |

(Millions of yen)

| Account title | Year | | | | (ref.) | |
|--|---------------|-------|---------------|------|------------------|------|
| | March 31,2006 | | March 31,2007 | | December 31,2006 | |
| | Amount | % | Amount | % | Amount | % |
| Liabilities | | | | | | |
| I Current liabilities | | | | | | |
| 1 Accounts payable - trade | 317 | | 3,659 | | 362 | |
| 2 Short-term borrowings | 51,927 | | 89,084 | | 35,900 | |
| 3 Commercial paper | - | | 6,000 | | - | |
| 4 Long-term borrowings - due within one year | 3,577 | | 27,984 | | 15,259 | |
| 5 Corporate bonds - due within one year | 1,936 | | 3,385 | | 2,785 | |
| 6 Accrued income taxes | 1,730 | | 1,359 | | 5,066 | |
| 7 Security deposits | 3,529 | | 7,059 | | 3,575 | |
| 8 Allowance for accrued bonuses payable | 178 | | 204 | | - | |
| 9 Accrued directors' and corporate auditors' bonuses | - | | - | | 270 | |
| 10 Other | 1,765 | | 8,578 | | 1,552 | |
| Total current liabilities | 64,961 | 46.4 | 147,313 | 50.2 | 64,772 | 41.0 |
| II Long-term liabilities | | | | | | |
| 1 Bonds payable | 7,494 | | 32,109 | | 30,519 | |
| 2 Long-term borrowings | 34,966 | | 65,120 | | 22,166 | |
| 3 Silent partnership contribution received | 841 | | 167 | | 279 | |
| 4 Allowance for employee retirement benefits | 11 | | 15 | | 13 | |
| 5 Allowance for directors' and corporate auditors' retirement benefits | 152 | | 177 | | 164 | |
| 6 Other | 524 | | 1,161 | | 438 | |
| Total long-term liabilities | 43,989 | 31.5 | 98,750 | 33.7 | 53,581 | 33.8 |
| Total liabilities | 108,951 | 77.9 | 246,064 | 83.9 | 118,353 | 74.8 |
| Minority interest | | | | | | |
| Minority interest | 19 | 0.0 | - | - | - | - |
| Shareholders' equity | | | | | | |
| I Common stock | 9,512 | 6.8 | - | - | - | - |
| II Additional paid-in capital | 9,771 | 7.0 | - | - | - | - |
| III Retained earnings | 10,704 | 7.6 | - | - | - | - |
| IV Net unrealized holding gains/losses on other securities | 810 | 0.6 | - | - | - | - |
| V Foreign currency translation adjustments | 112 | 0.1 | - | - | - | - |
| VI Treasury stock | (42) | (0.0) | - | - | - | - |
| Total shareholders' equity | 30,869 | 22.1 | - | - | - | - |
| Total liabilities, shareholders' equity, and minority interest | 139,841 | 100.0 | - | - | - | - |

(Millions of yen)

| Account title | Year | | March 31,2006 | | March 31,2007 | | (ref.) December 31,2006 | |
|--|--------|---|---------------|-------|---------------|-------|----------------------------|--|
| | Amount | % | Amount | % | Amount | % | | |
| | | | | | | | | |
| Net Assets | | | | | | | | |
| I Shareholders' equity | | | | | | | | |
| 1 Common stock | - | | 9,654 | 3.3 | 9,648 | 6.1 | | |
| 2 Additional paid-in capital | - | | 9,913 | 3.4 | 9,907 | 6.2 | | |
| 3 Retained earnings | - | | 18,726 | 6.3 | 16,996 | 10.8 | | |
| 4 Treasury stock | - | | (42) | (0.0) | (42) | (0.0) | | |
| Total shareholders' equity | - | | 38,252 | 13.0 | 36,510 | 23.1 | | |
| II Valuation and translation adjustments | | | | | | | | |
| 1 Net unrealized holding gains/losses on other securities | - | | 1,772 | 0.6 | 674 | 0.4 | | |
| 2 Deferred losses on hedges | - | | (72) | (0.0) | (111) | (0.0) | | |
| 3 Foreign currency translation adjustments | - | | 138 | 0.0 | 137 | 0.1 | | |
| Total valuation and translation adjustments | - | | 1,838 | 0.6 | 700 | 0.5 | | |
| III Minority interests in consolidated subsidiaries | | | | | | | | |
| | - | | 7,234 | 2.5 | 2,583 | 1.6 | | |
| Total net assets | - | | 47,324 | 16.1 | 39,794 | 25.2 | | |
| Total liabilities and net assets | - | | 293,388 | 100.0 | 158,147 | 100.0 | | |

(2) Consolidated Statements of Income

(Millions of yen)

| Account title | Year | | First Quarter of 2006 (Jan. 1, 2006 – Mar. 31, 2006) | | First Quarter of 2007 (Jan. 1, 2007 – Mar. 31, 2007) | | Year 2006 (Jan. 1, 2006 – Dec. 31, 2006) | |
|--|--------|-------|---|-------|---|-------|---|--------|
| | Amount | % | Amount | % | Amount | % | | |
| I Revenue | | 6,683 | 100.0 | | 7,756 | 100.0 | 27,044 | 100.0 |
| II Cost of revenue | | 662 | 9.9 | | 1,350 | 17.4 | 4,659 | 17.2 |
| Gross profit | | 6,021 | 90.1 | | 6,406 | 82.6 | 22,384 | 82.8 |
| III Selling, general and administrative expenses | | | | | | | | |
| 1 Directors' and corporate auditors' salaries | 59 | | | 49 | | | 240 | |
| 2 Salaries and bonuses | 186 | | | 228 | | | 1,536 | |
| 3 Provision for accrued employees' bonuses | 178 | | | 204 | | | – | |
| 4 Provision for accrued directors' and corporate auditors' bonuses | – | | | – | | | 270 | |
| 5 Provision for employees' retirement benefits | 1 | | | 2 | | | 8 | |
| 6 Provision for directors' and corporate auditors' retirement benefits | 12 | | | 12 | | | 24 | |
| 7 Commissions paid | 73 | | | 105 | | | 403 | |
| 8 Other | 286 | 798 | 12.0 | 339 | 942 | 12.2 | 1,264 | 3,747 |
| Operating income | | 5,222 | 78.1 | | 5,463 | 70.4 | | 18,637 |
| IV Non-operating income | | | | | | | | |
| 1 Interest income | 7 | | | 45 | | | 63 | |
| 2 Equity in earnings of non-consolidated subsidiaries and affiliates | 108 | | | 192 | | | 170 | |
| 3 Consumption taxes differential (after being offset by suspense payments and receipt) | – | | | 15 | | | 77 | |
| 4 Other | 43 | 158 | 2.4 | 16 | 269 | 3.5 | 65 | 376 |
| V Non-operating expenses | | | | | | | | |
| 1 Interest expense | 247 | | | 590 | | | 1,223 | |
| 2 Stock issue expenses | 0 | | | – | | | 2 | |
| 3 Bond issue expenses | 51 | | | 108 | | | 283 | |
| 4 Commissions paid | 196 | | | 519 | | | 879 | |
| 5 Other | 19 | 515 | 7.7 | 129 | 1,348 | 17.4 | 164 | 2,552 |
| Ordinary income | | 4,866 | 72.8 | | 4,385 | 56.5 | | 16,461 |
| VI Extra-ordinary income | | | | | | | | |
| 1 Gain on sale of investment securities | – | – | – | – | – | – | 20 | 20 |
| Income before provision for income taxes and profit distribution to silent partners | | 4,866 | 72.8 | | 4,385 | 56.5 | | 16,481 |
| Profit distribution to silent partners | | 404 | 6.0 | | (1) | (0.0) | | 474 |
| Income before income taxes | | 4,461 | 66.8 | | 4,387 | 56.5 | | 16,007 |
| Current income taxes | 1,767 | | | 1,576 | | | 6,739 | |
| Deferred income taxes | (24) | 1,742 | 26.1 | 97 | 1,673 | 21.6 | (263) | 6,475 |
| Minority interest | | (0) | (0) | | 127 | 1.6 | | 515 |
| Net income | | 2,719 | 40.7 | | 2,586 | 33.3 | | 9,015 |

(3) Consolidated Statements of Retained Earnings*(Millions of yen)*

| Account title | Year 2006 (Jan. 1, 2006 – Mar. 31, 2006) | |
|---|---|--------|
| | Amount | |
| Capital reserve | | |
| I Additional paid-in capital at beginning of period | | 9,766 |
| II Increase in additional paid-in capital | | |
| 1. New stock issuance for stock acquisition rights | 4 | 4 |
| III Additional paid-in capital at end of period | | 9,771 |
| Retained earnings | | |
| I Retained earnings at beginning of period | | 8,433 |
| II Increase in retained earnings | | |
| Net income | 2,719 | 2,719 |
| III Decrease in retained earnings | | |
| 1. Dividends paid | 352 | |
| 2. Directors' and corporate auditors' bonuses | 96 | 448 |
| IV Retained earnings at end of period | | 10,704 |

(4) Consolidated Statement of Changes in Net Assets

Year 2007 (Jan. 1, 2007 – Mar. 31, 2007)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|----------------------------|-------------------|----------------|----------------------------|
| | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance as of December 31, 2006 | 9,648 | 9,907 | 16,996 | (42) | 36,510 |
| Changes in the fiscal year | | | | | |
| New stock issue | 6 | 6 | - | - | 12 |
| Cash dividends | - | - | (856) | - | (856) |
| Net income | - | - | 2,586 | - | 2,586 |
| Net changes of items other than shareholders' equity | - | - | - | - | - |
| Total changes in the fiscal year | 6 | 6 | 1,729 | - | 1,741 |
| Balance as of March 31, 2007 | 9,654 | 9,913 | 18,726 | (42) | 38,252 |

| | Valuation and translation adjustments | | | | Minority interest in consolidated subsidiaries | Total net assets |
|--|---|---------------------------|--|---|--|------------------|
| | Net unrealized holding gain /losses on other securities | Deferred losses on hedges | Foreign currency translation adjustments | Total valuation and translation adjustments | | |
| Balance as of December 31, 2006 | 674 | (111) | 137 | 700 | 2,583 | 39,794 |
| Changes in the fiscal year | | | | | | |
| New stock issue | - | - | - | - | - | 12 |
| Cash dividends | - | - | - | - | - | (856) |
| Net income | - | - | - | - | - | 2,586 |
| Net changes of items other than shareholders' equity | 1,098 | 39 | 0 | 1,138 | 4,650 | 5,789 |
| Total changes in the fiscal year | 1,098 | 39 | 0 | 1,138 | 4,650 | 7,530 |
| Balance as of March 31, 2007 | 1,772 | (72) | 138 | 1,838 | 7,234 | 47,324 |

Year 2006 (Jan. 1, 2006 – Dec. 31, 2006)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|----------------------------|-------------------|----------------|----------------------------|
| | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance as of December 31, 2005 | 9,507 | 9,766 | 8,433 | - | 27,708 |
| Changes in the fiscal year | | | | | |
| New stock issue | 140 | 140 | - | - | 281 |
| Cash dividends | - | - | (352) | - | (352) |
| Bonuses to directors and corporate auditors | - | - | (99) | - | (99) |
| Net income | - | - | 9,015 | - | 9,015 |
| Acquisition of treasury stocks | - | - | - | (42) | (42) |
| Net changes of items other than shareholders' equity | - | - | - | - | - |
| Total changes in the fiscal year | 140 | 140 | 8,562 | (42) | 8,802 |
| Balance as of December 31, 2006 | 9,648 | 9,907 | 16,996 | (42) | 36,510 |

| | Valuation and translation adjustments | | | | Minority interest in consolidated subsidiaries | Total net assets |
|--|---|---------------------------|--|---|--|------------------|
| | Net unrealized holding gain /losses on other securities | Deferred losses on hedges | Foreign currency translation adjustments | Total valuation and translation adjustments | | |
| Balance as of December 31, 2005 | 739 | - | 113 | 853 | 16 | 28,578 |
| Changes in the fiscal year | | | | | | |
| New stock issue | - | - | - | - | - | 281 |
| Cash dividends | - | - | - | - | - | (352) |
| Bonuses to directors and corporate auditors | - | - | - | - | - | (99) |
| Net income | - | - | - | - | - | 9,015 |
| Acquisition of treasury stocks | - | - | - | - | - | (42) |
| Net changes of items other than shareholders' equity | (65) | (111) | 24 | (153) | 2,566 | 2,413 |
| Total changes in the fiscal year | (65) | (111) | 24 | (153) | 2,566 | 11,215 |
| Balance as of December 31, 2006 | 674 | (111) | 137 | 700 | 2,583 | 39,794 |

(5) Consolidated Statements of Cash Flow

(Millions of yen)

| Account title | Period | First Quarter of 2006 (Jan.1, 2006 - Mar.31, 2006) | First Quarter of 2006 (Jan.1, 2007 - Mar.31, 2007) | Year 2005 (Jan.1, 2006 - Dec.31, 2006) |
|--|--------|--|--|--|
| | | Amount | Amount | Amount |
| I Operating activities | | | | |
| 1. Income before provision for income taxes | | 4,461 | 4,387 | 16,007 |
| 2. Gain on sale and collection of acquired non-performing loans | | (68) | (264) | (314) |
| 3. Profit distribution from silent partnerships | | (1,306) | (1,252) | (2,287) |
| 4. Increase (decrease) in allowance for doubtful accounts | | (5) | - | (9) |
| 5. Increase (decrease) in accrued employees' bonuses | | 178 | 204 | - |
| 6. Increase (decrease) in accrued directors' and corporate auditors' bonuses | | - | - | 270 |
| 7. Increase (decrease) in allowance for employee' retirement benefits | | 0 | 2 | 2 |
| 8. Increase (decrease) in provision for directors' and corporate auditors' retirement benefits | | 12 | 12 | 24 |
| 9. Interest income | | (7) | (45) | (63) |
| 10. Interest expense | | 247 | 590 | 1,223 |
| 11. Profit distribution to silent partners | | 404 | (1) | 474 |
| 12. Equity in earnings of non-consolidated subsidiaries and affiliates | | (108) | (192) | (170) |
| 13. Gain on sale of real estate held for sale | | (3,053) | (643) | (10,848) |
| 14. Gain on sale of investment securities | | - | - | (20) |
| 15. Decrease (increase) in accounts receivable - trade | | (37) | (173) | (246) |
| 16. Payment for acquisition of real estate held for sale | | (25,734) | (42,570) | (86,082) |
| 17. Proceed from sale of real estate held for sale | | 15,448 | 8,457 | 92,544 |
| 18. Increase (decrease) in accounts payable - trade | | 52 | 3,296 | 86 |
| 19. Purchase of acquired non-performing loans | | (6,056) | (10,409) | (8,368) |
| 20. Proceeds from sale and collection of acquired non-performing loans | | 135 | 650 | 4,222 |
| 21. Distributions from silent partnerships | | 2,375 | 357 | 6,453 |
| 22. Contribution paid in silent partnerships | | (8,630) | (78) | (10,359) |
| 23. Proceeds from sale of silent partnerships | | - | - | 700 |
| 24. Proceeds from receipt of deposits for contribution to silent partnerships | | 164 | - | 159 |
| 25. Redemption of silent partners contribution received | | (1,002) | - | (804) |
| 26. Directors' bonuses corporate auditor' bonuses | | (96) | - | (99) |
| 27. Other, net | | 361 | 6,814 | 336 |
| Subtotal | | (22,262) | (30,859) | 2,828 |
| 28. Interest and dividends received | | 0 | 33 | 57 |
| 29. Interest paid | | (247) | (499) | (1,349) |
| 30. Income taxes paid | | (2,800) | (5,283) | (4,436) |
| Net cash used in operating activities | | (25,310) | (36,609) | (2,900) |

| Account title | Period | First Quarter of 2006 (Jan. 1, 2006 - Mar.31, 2006) | First Quarter of 2007 (Jan.1, 2007 - Mar.31, 2007) | Year 2006 (Jan.1, 2006 - Dec.31, 2006) |
|---|--------|---|--|--|
| | | Amount | Amount | Amount |
| II Investing activities | | | | |
| 1. Payment for purchase of property and equipment | | (4) | (32) | (52) |
| 2. Proceeds from sale of property and equipment | | - | - | 6 |
| 3. Payment for loans receivable | | (274) | (3,113) | (948) |
| 4. Proceeds from repayment of loans | | 3 | 2,333 | 143 |
| 5. Payment for acquisition of investment securities | | (558) | (1,180) | (5,377) |
| 6. Proceeds from sale of investment securities | | - | - | 28 |
| 7. Proceeds from capital reduction with compensation of investment securities | | - | 51 | 17 |
| 8. Payment for capital investment in affiliates | | (1,060) | (918) | (2,090) |
| 9. Proceeds from capital investments in affiliates | | 6 | 0 | 86 |
| 10. Proceeds from capital reduction of affiliates | | - | 570 | - |
| 11. Purchase of investment in subsidiaries involving change in scope of consolidation | | (24) | (23,694) | (24) |
| 12. Others, net | | (127) | (78) | (684) |
| Net cash used in investing activities | | (2,040) | (26,061) | (8,894) |
| III Financing activities | | | | |
| 1. Proceeds from short-term borrowings | | 45,174 | 57,284 | 88,406 |
| 2. Repayment of short-term borrowings | | (22,260) | (2,815) | (82,520) |
| 3. Proceeds from commercial paper | | - | 6,000 | - |
| 4. Proceeds from long-term borrowings | | 10,575 | 12,796 | 23,565 |
| 5. Repayment of long-term borrowings | | (4,386) | (13,265) | (25,127) |
| 6. Proceeds from issuance of stock | | 8 | 11 | 278 |
| 7. Proceeds from issuance of bonds | | 1,548 | 2,891 | 26,616 |
| 8. Payment for redemption of bonds | | (360) | (810) | (1,786) |
| 9. Proceeds from minority interests | | - | 1,951 | 1,030 |
| 10. Payment of dividends for minority interests | | - | (52) | - |
| 11. Distribution to minority interests in silent partnership | | - | (557) | (1,826) |
| 12. Dividends paid | | (352) | (856) | (352) |
| Net cash provided by financing activities | | 29,945 | 62,578 | 28,283 |
| IV Effect of exchange rate changes on cash and cash equivalents | | (0) | 0 | 14 |
| V Net increase (decrease) in cash and cash equivalents | | 2,593 | 91 | 16,503 |
| VI Cash and cash equivalents at beginning of period | | 19,178 | 37,074 | 19,178 |
| VII Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation | | 11 | (35) | 1,392 |
| VIII Cash and cash equivalents at end of period | | 21,783 | 36,947 | 37,074 |

(6) Segment Information*(Millions of yen)*

| | Year 2006 (Jan. 1, 2006 – Mar. 31, 2006) | | | | |
|--------------------|---|---------------------------------|--|----------------------------|--------------|
| | Real Estate Investment Advisory Business | Asset Management Business | NPL Investment Management Business | Adjusts and Elimination | Consolidated |
| Revenue | 5,419 | 637 | 626 | - | 6,683 |
| Costs and expenses | 951 | 308 | 159 | 41 | 1,460 |
| Operating income | 4,467 | 328 | 467 | (41) | 5,222 |

(Millions of yen)

| | Year 2007 (Jan. 1, 2007 – Mar. 31, 2007) | | | | |
|--------------------|---|---------------------------------|--|----------------------------|--------------|
| | Real Estate Investment Advisory Business | Asset Management Business | NPL Investment Management Business | Adjusts and Elimination | Consolidated |
| Revenue | 5,288 | 2,455 | 407 | (394) | 7,756 |
| Costs and expenses | 1,847 | 488 | 143 | 185 | 2,293 |
| Operating income | 3,441 | 1,967 | 264 | (208) | 5,463 |

(Millions of yen)

| | Year 2006 (Jan. 1, 2006 – Dec. 31, 2006) | | | | |
|--------------------|---|---------------------------------|--|----------------------------|--------------|
| | Real Estate Investment Advisory Business | Asset Management Business | NPL Investment Management Business | Adjusts and Elimination | Consolidated |
| Revenue | 21,253 | 5,255 | 1,309 | (773) | 27,044 |
| Costs and expenses | 5,832 | 1,908 | 756 | (89) | 8,407 |
| Operating income | 15,420 | 3,346 | 553 | (683) | 18,637 |