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## **JAPAN LAND REPORTS 14.2% JUMP IN NET PROFIT FOR FIRST SIX MONTHS**

### Results Summary

S\$'000	1/4/2007 to 30/9/2007	1/4/2006 to 30/9/2006	Change %
Revenue	78,233	87,696	(10.8)
Profit before tax	5,622	4,566	23.1
Profit from operating activities	5,978	6,842	(12.6)
Share of profit of associated companies	2,057	(190)	n.m.
Net profit after tax	3,065	2,683	14.2
Net profit attributable to equity holders	2,890	1,147	152.0

**Singapore, 14 November 2007** – SGX Mainboard-listed Japan Land Limited (“Japan Land” or “the Group”), an investment-holding company with a focus on the Japan real estate market, today announced strong bottom-line growth for the first six months of the financial year ending 31 March 2008 (“FY2008”).

The Group reported a 10.8% decline in revenue for the half year ended 30 September 2007 (“1H FY2008”) amounting to S\$78.2 million, due to a 6.4% depreciation of the Japanese Yen against the Singapore Dollar. In addition, fewer plots of land were sold during the period following an internal change of the remuneration system relating to sales staff aimed at improving the correlation between staff performance and sales results at KHC Ltd Group (“KHC”). The Group also recognised S\$5.8 million (¥451.5 million) for the provision of project management services relating to the ongoing development of the internet data centre in Tokyo via wholly-owned subsidiary Japan Asia Land Limited (“JALL”).

Japan Land’s gross profit increased from S\$21.5 million in 1H FY2007 to S\$23.7 million in 1H FY2008 due to contributions from JALL’s project management services. Accordingly, the Group’s profit margin improved from 24.5% in 1H FY2007 to 30.3% in 1H FY2008.

In addition, Japan Land’s general and administrative expenses increased by S\$1.9 million to S\$12.6 million in 1H FY2008 mainly attributable to an increase in staff headcount during the period as a result of expanded business operations in Japan.

The Group generated profit after tax of S\$3.1 million in 1H FY2008 compared to S\$2.7 million in 1H FY2007. Profit after tax attributable to shareholders amounted to S\$2.9 million, an increase of 152% over 1H FY2007.

Commenting on Japan Land's performance, Managing Director Mitsutoshi Ono said, "The Group has done well for the first six months of this year. We are already seeing the positive effects of the re-organisation on KHC's sales team and we expect sales levels to recover during the second half of this year. We are continuing to look for opportunities in Japan and the region to leverage on our expertise in project management services, building on our experience in the development of the internet data centre".

## **Group Outlook**

For the second half of this financial year, Japan Land expects to continue enjoying positive contributions from its housing operations as demand for its customised housing remains firm. To fortify its market share in this segment, the Group is currently exploring opportunities to further expand its KHC network by opening new sales offices in key areas of the Hyogo Prefecture.

Japan Land will also continue to roll out its focused strategy of becoming a total real estate solutions provider by further expanding its property and development businesses. The Group's Internet Data Centre project in Japan is expected to complete and commence operations in 2008, and is on track to start contributing to Japan Land's results in the next financial year. The current IDC project represents a significant milestone for Japan Land, and is expected to enhance the Group's market position and bolster its reputation for future involvement in more of such value-added projects across Asia.

Mr Ono added, "Looking ahead, Japan Land will continue to build on its specialist capabilities and fortify its market share with higher value-added projects like IDC. We will continue to keep a look out for viable opportunities to enhance our revenue streams. Barring any unforeseen circumstances, Japan Land remains positive about the outlook for the remaining six months of this financial year".

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### **About Japan Land (Company Registration No. 199707417K)**

Japan Land is a Singapore-based company investing in the real estate market in Japan. Through its associate company Hong Kong-based Japan Asia Holdings Limited, Japan Land also has a strong presence in the financial services sector in Japan and Hong Kong. Japan Land is listed on the Mainboard of the Singapore Exchange.