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JAPAN LAND RECORDS REVENUE GROWTH IN FY2008 ON THE BACK OF NEW IDC BUSINESS

Results Summary

S\$'000	1/4/2007 to 31/3/2008	1/4/2006 to 31/3/2007	Change%
Revenue	5,874	3,772	55.7
Profit before tax	317	2,578	(87.7)
Profit/(loss) from operating activities	705	41	n.m
Shares of profit from associated companies	2,163	5,424	(60.1)
Net profit after tax	666	9,276	(92.8)

Singapore, 30 May 2008 – SGX Mainboard-listed Japan Land Limited (“Japan Land” or “the Group”), a specialist provider of real estate-related services and solutions across the value chain, today announced a 55.7% year-on-year jump in its revenue for its financial year ended 31 March 2008 (“FY2008”). While net profit after tax declined due to smaller contributions from associated companies and increased expenses, the Group believes it is well-positioned for future growth as it establishes itself as a strong player in the Internet Data Centre (“IDC”) segment and the fast-growing Vietnam real estate market.

Financial Review

The Group’s revenue grew 55.7% to S\$5.87 million in FY2008 from S\$3.78 million in FY2007, boosted by contributions arising from the provision of project arrangement and management services for its first IDC project in Tokyo, Japan.

Japan Land recognised S\$119,000 in other income in FY2008 mainly from interest income. This is a decline from S\$1.2 million recorded in FY2007, which was boosted by the deemed disposal of its investment in its associated companies, including a gain of S\$859,000 from the dilution of its shareholding interest in associated company Japan Asia Holdings (Japan) Limited (“JAHJ”).

The Group recorded total contributions of S\$2.2 million from its three associated companies – JAHJ, Japan Asia Holdings (“JAH”) and Lux Partners. Both JAH and JAHJ contributed smaller profits compared to the previous year as their results were hit by an impairment loss at one of JAHJ’s subsidiary companies.

The Group saw a 7% increase in expenses to S\$5.3 million in FY2008 from S\$4.9 million in FY2007, mainly affected by a 17.9% increase in general & administrative expenses to S\$5.1 million, which

were attributable to share option expenses in relation to share options granted to directors and employees in May 2007.

On 7 April 2008, the Group completed the disposal of 185,000 shares in KHC Limited (“KHC”), and recorded a net gain of approximately S\$5.2 million for the next financial year. The Group now holds a 20% stake in the customised housing developer, compared with 68% earlier.

Net profit after tax declined 92.8% to S\$666,000 in FY2008 from S\$9.3 million in FY2007, weighed down largely by smaller sales KHC. The slowdown in sales was attributed to organisational changes within KHC from April to July 2007, which affected sales during the first half of FY2008, as well as new housing regulations that required additional checks on the calculations for new buildings, which delayed construction approvals by months. During the year, KHC also operated against the backdrop of a slowing economy in Japan, which weighed on consumer sentiment and dampened the demand for new homes.

Commented Mr. Mitsutoshi Ono, Managing Director of Japan Land, “FY2008 was a challenging year as the business landscape became more competitive and expenses increased. Nevertheless, we succeeded in growing our revenues by redirecting our focus on more profitable and value-added real estate segments, such as property arrangement and management.”

Outlook

Japan Land will continue its efforts to strengthen its presence in the value-added real estate segments of property arrangement and management. Construction of the 20,000 sqm IDC in Tokyo, the largest in Japanese capital, was completed today. The Group is expecting further fee contributions from this IDC in the next two financial years.

Following at the heels of its successful investment in the IDC project in Tokyo, Japan Land entered into a new IDC project in Singapore in January 2008, and with a land area of 11,700 sqm is set to be one of the largest IDCs in Singapore. Construction is expected to commence in the third quarter of 2008 and complete by end-2009.

Japan Land’s investments and participation in both the Tokyo and Singapore IDC projects have strengthened its reputation and track record in this business arena. Since its entry into this market, it has forged important and critical relationships with important industry partners and is now widely regarded as a well-respected IDC developer and manager. The Group will continue to look out for opportunities to participate in more IDC projects in Asia.

Japan Land also recently established a subsidiary company Japan Asia (Vietnam) Company Ltd to tap on the fast-growing Vietnam market and undertake project management and other real estate-related services in the country.

To reduce its exposure to the uncertain residential property market in Japan, the Group has pared its stake in KHC to 20%. However, by retaining an interest in the customised housing developer however, it will continue to enjoy contributions from this business, which will be booked on an associated level, going forward.

Added Mr. Ono, “Despite the competitive business landscape, we believe our specialist capabilities will provide a solid platform to grow our businesses in the profitable and value-added segments of project arrangement and management. Looking ahead, we expect to enhance our market position with more IDCs and further strengthen our reputation as a specialist provider of real estate-related services and solutions across the region.”

End

About Japan Land

Japan Land Limited is an investment holding company based in Singapore and listed on the Mainboard of the Singapore Exchange. Through its subsidiaries and associated companies, Japan Land is engaged in the business of property development, facilities and asset management and customised housing.

Initially focused on customised housing and real estate development through its subsidiary KHC Limited, Japan Land has since ventured into the business of developing and managing data centres in Asia, reflecting its focus on becoming a specialist real estate player. Following the success of the largest IDC project in Tokyo, the Group is developing an IDC in Singapore and plans to participate in more of such projects in the region in the future.

It is Japan Land's vision is to become a leading real estate player and specialist provider of real estate and related solutions and services across the value chain. The Group will continue to look out for key opportunities to further establish its presence in Asia.

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