Consolidated Financial Results for the Second Quarter of FY2009
(February 1, 2009 through July 31, 2009)

September 1, 2009

Company name : Sekisui House, Ltd. (URL http://www.sekisuihouse.co.jp)
Listed exchanges : Tokyo(first section), Osaka(first section), Nagoya(first section)
Stock code : 1928
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Filing date of quarterly securities report : September 11, 2009
Date of scheduled payment of dividends : September 30 , 2009

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for the Six months ended July 31, 2009 (February 1, 2009 through July 31, 2009)

(1) Consolidated Financial Results (% figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Recurring income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Jul. 31, 2009	668,012	-	2,995	-	2,653	-	(2,373)	-
Six months ended Jul. 31, 2008	783,447	(1.7)	50,943	9.5	51,922	5.2	28,006	(2.3)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Jul. 31, 2009	(3.51)	-
Six months ended Jul. 31, 2008	41.42	41.41

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2009	1,353,344	750,806	55.4	1,109.75
As of January 31, 2009	1,387,237	754,130	54.3	1,115.20

(Reference) Shareholders' equity As of July 31, 2009: ¥749,936 million As of January 31, 2009: ¥753,647 million

2. Cash Dividends

	Cash dividends per share				
Standard date	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Jan. 31, 2009	-	12.00	-	12.00	24.00
Year ending Jan. 31, 2010	-	10.00			
Year ending Jan. 31, 2010 (forecast)			-	10.00	20.00

(Note) Revisions to the forecast of cash dividends in the current quarter: None

3. Consolidated Results Forecast for FY2009 (February 1, 2009 through January 31, 2010)

(% figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Recurring income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending Jan. 31, 2010	1,380,000	(8.9)	21,500	(70.9)	21,000	(72.8)	6,000	(47.9)	8.88

(Note) Revisions to the consolidated results forecast in the current quarter: Yes

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries that caused a change in scope of consolidation): None

(2) Adoption of simplified accounting methods and special accounting practices for consolidated quarterly financial statements: Adopted

(Note) For more details, please see "4. Others" in [Qualitative Information, Financial Statements, and Other Information] in page 6.

(3) Changes in accounting principles, procedures, and presentation for consolidated quarterly financial statements (matters to be included in the section, Changes in Basic Important Matters for Preparation of Consolidated Quarterly Financial Statements)

(i) Changes caused by revisions of accounting standards etc.: Yes

(ii) Changes other than (i): Yes

(Note) For more details, please see "4. Others" in [Qualitative Information, Financial Statements, and Other Information] in page 6.

(4) Number of shares outstanding (common stock)

(i) Number of shares outstanding at the end of each period (including treasury stock):

As of Jul. 31, 2009: 676,885,078 shares — As of Jan. 31, 2009: 676,885,078 shares

(ii) Number of treasury stock at the end of each period:

As of Jul. 31, 2009: 1,114,529 shares — As of Jan. 31, 2009: 1,089,368 shares

(iii) Average number of shares outstanding in each period (cumulative quarterly consolidated accounting period):

Six months ended Jul. 31, 2009: 675,783,671 shares — Six months ended Jul. 31, 2008: 676,182,117 shares

<u>* Notes Regarding the Appropriate Use of Results Forecasts and Other Important Matters</u>

1. The business results forecast above has been changed from that announced on March 2, 2009. Please see the "Notice regarding Revision of Business Results Forecast" announced on September 1, 2009 (today) for details.
2. This document contains forward-looking statements based on judgments and estimates derived from information available to the Company at the time of this release, and is therefore subject to risks and uncertainties. Actual future results may differ materially from any projections presented here due to a variety of factors, including economic conditions surrounding the business domain of the Company and Group companies, as well as market trends.
3. Effective from the fiscal year ending January 2010, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and its Implementation Guidance, "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) have been applied. Quarterly consolidated financial statements have been prepared in accordance with "Regulation for Quarterly Consolidated Financial Reporting."

[Qualitative Information, Financial Statements, and Other Information]

1. Qualitative Information Regarding Consolidated Business Results

During the first six months of the year ending January 31, 2010, the global stock market registered a recovery trend as the governments of various countries took active steps to reflate the economy and achieve financial stability, with the result that concerns over economic growth have been decreasing. Even so, this recovery has not proven strong enough to dramatically improve the real economy, which experienced a sharp deceleration.

In Japan, despite signs of industrial production bottoming out, consumer confidence stayed persistently weak as private capital expenditures remained low and the employment environment showed no sign of improvement.

In the housing market, willingness to invest in housing remained low overall, due to falling land prices throughout the country following the decrease in funds for real estate investment in the wake of the financial crisis, and absence of any signs of improvement in personal income, among other reasons. Amid the sluggish real estate market, condominium sales continued to perform slowly and demands for rental housing decreased on the back of declining job security.

Meanwhile, willingness to invest in housing began to show signs of recovery, primarily owing to the expanded mortgage tax break and investment tax credit for housing, thus effecting a turnaround in demands of real estate, including detached houses, and rebuilding demands.

Against this backdrop, in order to boost the sales of eco-friendly housing, in March we put *Green First* models on the detached house and rental housing markets as a response to growing customer demands for "comfort," "economic efficiency," and "eco-friendliness."

On the marketing front, we opened *Kansai Sumai-no-Yume-Kojo* (large-scale experiment-based facilities) within our Comprehensive Housing R&D Institute in Kyoto in order to bolster sales promotions through display of a variety of technologies which have been incorporated into our housing.

In a move to extend our global reach, we have embarked on three projects in the eastern part of Australia for development and supply of residential areas and sales of our buildings.

As part of an effort to enhance our corporate resilience, on March 31 we discontinued production at the Shiga Factory, thus ensuring steady progress in the implementation of full-scale company-wide business restructuring.

Despite these efforts, net sales in the first six months of the year ending January 31, 2010 remained sluggish, recording ¥668,012 million on a consolidated basis. This sluggish performance is attributable to the fact that weak consumer confidence in the wake of last year's rapid economic downturn and the slower-than-expected effects of stimulative government policies have had a lingering impact on the level of our orders and other numbers. On the profit side, while we outperformed our target for cost reduction, due to the decline in sales we recorded operating income of ¥2,995 million, recurring income of ¥2,653 million, and net loss of ¥2,373 million.

Built to Order Housing Business

In March, we added *Green First* models, eco-friendly houses which are equipped with either photovoltaic power generation systems or residential fuel cell systems, to our steel-frame detached house lines, *Sha-Wood* wood-framed lines, and *Sha-Maison* low-rise apartment lines. As a follow-up to the promotion of these new models, we put on the market in April the steel-frame detached house *Be Ecord Casual Green First* and wood-framed *M'Natura Green First*, which come equipped with our original photovoltaic power generation system built-in to the roof tiles and offer high cost performance, thereby enhancing their appeal to a broader customer group. As a result, sales of eco-friendly housing recorded steady growth, with *Green First* models accounting for nearly half of the new orders for our detached houses placed in the latter half of the period under review.

In a bid to further boost orders for detached houses, we achieved positive differentiation in our steel-framed detached house line by expanding the *IS Series*, which features our original external *Dyne Wall*. For wood-framed lines, in which we are experiencing a strong rate of orders, we made efforts to gain a greater market share by holding nationwide *Sha-wood Nattoku Kengakukai* (inspection tours to familiarize prospective customers with the benefits of *Sha-wood* lines). In the *Sha-Maison* low-rise apartment business, we made aggressive marketing efforts by introducing region-specific lines which cater to the specific demands of each region.

As a result of these efforts, orders for detached houses showed signs of bottoming out. Orders for low-rise apartments, however, remained sluggish.

Sales in the Built to Order Housing Business totaled to ¥281,344 million and operating income to ¥17,646 million.

Real Estate for Sale Business

Through the concept of "Beauty that blooms with time," we strengthened our commitment to towns and urban development along with our Urban Development Charter, which aims to create towns that are environmentally-conscious and maintain their asset value.

In the Built for Sale Housing Business, we held the sales promotion event *Machinami Sankan-bi* (visits to existing subdivisions with superior living environments) in an effort to increase our sales share. This event successfully stimulated first-time buyers, showing the promise of a recovery in orders for built-for-sale houses and other detached houses.

In the meantime, we remained committed to the creation of a recycling society by making aggressive efforts to help promote the "Long-term Sustainable Housing Leading Model Project," a brainchild of the Ministry of Land, Infrastructure, Transport and Tourism of Japan which aims to enhance people's awareness of the need to extend the life of housing in Japan. We also organized the similar event *EVERLOOP Sankanbi* for the promotion of our *EVERLOOP* revitalized house line.

In the Condominium Business, we continued to focus our resources on the three largest metropolitan areas. We also appealed the designs through the use of our extensive know how amassed in the detached housing business and developments which blend in smoothly with the neighborhood. The sluggish condominium market, however, had a negative impact on our Condominium Business, which performed slowly.

In the Urban Redevelopment Business, construction of the *Hommachi Garden City Project (Osaka)* achieved steady progress toward completion in June 2010 and a grand opening in fall 2010. Meanwhile, we commenced construction work on the *Gotenyama Project (Shinagawa, Tokyo)* and *Hommachi Minami Garden City Project (Osaka)* this March.

Sales of this segment came to ¥134,993 million, while the segment posted operating loss of ¥5,140 million.

Real Estate for Leasing Business

In the Real Estate for Leasing Business, we strengthened our alliance with Sekiwa Real Estate companies to increase the occupancy rate, which has been declining due to the slowdown of the rental housing business. For new property projects, we sought to increase our earnings on a higher level of orders for *Sha-Maison* low-rise apartments by custom-designing marketing strategies for each area so that we can offer design solutions which are optimized to specific demands.

Sales in the Real Estate for Leasing Business recorded ¥182,040 million and operating income of ¥7,608 million.

Other Business

For the remodeling business, our proposals for "now and forever" comfort in housing range from space design, namely, the alteration of room arrangements according to the customer's current lifestyle, to remodeling housing to be more environmentally-friendly and energy-efficient, by way of promoting the spread of high performance sashes and installing high-efficiency hot water supply systems and photovoltaic power generation systems.

In April, the Sekiwa Construction companies and Sekiwa Real Estate companies entered into the remodeling business as we expanded the scope of our remodeling business from buildings of our own construction to those built by others. With this new initiative, our remodeling business exhibited strong growth.

For the exterior business, we promoted the creation of a rich natural environment that achieves harmony between humankind and nature, and provides an ecological link with surrounding woods and woodlot by planting trees of the indigenous species and native varieties of the region in accordance with our *Gohon no Ki* gardening concept. However, the exterior business maintained a low profile as new housing starts decreased.

For the RC (reinforced concrete buildings) contracts business, we made a series of aggressive efforts which included making proposals on the efficient use of land to owners of high value-added apartments etc., based on the findings of finely-tuned marketing research. As corporate demands lowered on the back of weak earnings on the part of enterprises, and individual land owners stayed on the sidelines with regard to their asset utilization, this business was put under difficult conditions and thus performed slowly.

For this segment, sales amounted to ¥69,633 million and operating income to ¥1,123 million.

2. Qualitative Information Regarding Consolidated Financial Conditions

Total assets decreased by ¥33,893 million from the end of the previous fiscal year to ¥1,353,344 million at the end of the first six months of the year ending January 31, 2010, primarily owing to the decrease in cash and deposits and the decrease in land for sale due to the promotion of sales of existing held-for-sale properties, while undeveloped land for sale increased as a result of the acquisition of land for startup of the overseas business. Liabilities decreased by ¥30,569 million to ¥602,538 million, primarily owing to the decline in notes and accounts payable, while long-term debts increased in order to meet capital requirements for the overseas business. Net assets declined by ¥3,324 million to ¥750,806 million, due to the decrease in retained earnings following dividend payments, etc.

Consolidated cash flows are as follow:

Net cash provided by operating activities decreased by ¥9,714 million. This was attributable to the decrease in notes and accounts payable and payments of corporate taxes, in spite of the decrease in inventories.

Net cash provided by investing activities decreased by ¥12,514 million, mainly due to purchases of leasing properties and investments in securities.
Net cash provided by financing activities increased by ¥854 million, primarily owing to the dividend payments, while long-term debt increased.

Consequently, cash and cash equivalents at the end of this second quarter amounted to ¥102,869 million, decreasing by ¥21,648 million from the end of the previous fiscal year ended January 31, 2009.

3. Qualitative Information Regarding Consolidated Results Forecasts

In light of the business performance for the first six months of the year ending January 31, 2010 and surrounding business environment, the Company has revised its business results forecast for the fiscal year ending January 31, 2010. Please see the "Notice regarding Revision of Business Results Forecast" announced on September 1, 2009 for matters concerning such business results forecast revision.

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries that caused a change in scope of consolidation): Not applicable

(2) Adoption of simplified accounting methods and special accounting practices for consolidated quarterly financial statements:

1. Simplified accounting methods

① Method for valuation of inventories

With respect to the valuation of inventories, where inventories are deemed to have declined materially in value, the book value of such inventory is marked down to reflect the estimated net realizable amounts.

② Method for calculating deferred tax assets and liabilities

The recoverability of deferred tax assets is calculated on the results forecast in the consolidated financial results for the previous fiscal year, since it is deemed that the business environment and situation with regard to the occurrence of temporary differences have not undergone any material change since the end of the previous fiscal year.

2. Special accounting practices for consolidated quarterly financial statements: Not applicable

(3) Changes in accounting principles, procedures, and presentation for consolidated quarterly financial statements:

1. Changes caused by revisions of accounting standards etc.

- Effective from the fiscal year ending January 2010, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and its Implementation Guidance, "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) has been applied. Quarterly consolidated financial statements have been prepared in accordance with "Regulation for Quarterly Consolidated Financial Reporting".
- Inventories held for sale in the ordinary course of business were previously stated at cost based on either the individual cost method or the moving average method. From this first quarterly period, however, the Company has applied the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9, July 5, 2006), and inventories are now valued mainly at cost based on either the individual cost method or the moving average method (with book value being written down to the net realizable value in cases where there has been a material decline in value.)

By the adoption of the new accounting standard, the impact on the income statement will be ¥519 million.

- Effective from this first quarterly period, the Company adopts the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No.18 issued on May 17, 2006). The adoption of the new accounting standard did not have a material impact on the income statement.

2. Changes other than 1

- In and before the fiscal year ended January 2009, finance leases, other than those deemed to transfer ownership of the leased assets to the lessee, were accounted for in a manner similar to that applicable to operating leases. Effective from this first quarterly period, the Company has applied the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No.16), earlier than the time scheduled required by these rules, and accordingly such transactions are now based on the capital lease method. For depreciation of leased assets for finance lease transactions other than those involving a transfer of title, useful life is based on the duration of the lease period and straight-line depreciation is applied with an assumed residual value of zero. The adoption of the new accounting standard and guidance will have minor impact on the income statement, provided, however, that finance lease transactions other than those involving a transfer of title which began prior to the application of the new accounting standards have been accounted for using the same method as the ordinary operating lease method.

5. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of July 31, 2009	As of January 31, 2009
Assets		
Current assets		
Cash and deposits	103,069	124,517
Notes and accounts receivable	8,862	13,180
Short-term investments	199	2,049
Prepaid expenses for construction in progress	41,251	42,564
Buildings for sale	108,153	105,556
Land for sale	495,049	517,003
Undeveloped land for sale	77,352	66,700
Other inventories	6,056	6,047
Deferred income taxes	46,626	45,505
Other current assets	28,452	29,549
Less allowance for doubtful accounts	(2,160)	(1,473)
Total current assets	912,914	951,200
Fixed assets		
Property, plant and equipment		
Buildings and structures	128,411	126,620
Machinery and vehicles	11,515	13,500
Land	128,420	127,712
Construction in progress	4,210	4,859
Other property, plant and equipment	4,766	5,115
Total property, plant and equipment	277,323	277,808
Intangible assets	9,272	9,181
Investments and other assets		
Investments in securities	70,591	61,777
Long-term loans receivable	32,964	32,491
Prepaid pension cost	1	4,893
Deferred income taxes	14,083	12,374
Other investments and other assets	37,598	38,896
Less allowance for doubtful accounts	(1,405)	(1,386)
Total investments and other assets	153,833	149,046
Total fixed assets	440,430	436,036
Total assets	1,353,344	1,387,237

(Millions of yen)

	As of July 31, 2009	As of January 31, 2009
Liabilities		
Current liabilities		
Notes and accounts payable	119,155	149,935
Current portion of long-term debt	449	-
Accrued income taxes	4,289	5,957
Advances received on construction projects in progress	86,778	84,726
Allowance for employees' bonuses	8,470	12,337
Allowance for directors' and corporate auditors' bonuses	-	594
Allowance for compensation payments on completed works	2,547	2,660
Other current liabilities	39,992	46,364
Total current liabilities	261,683	302,576
Long-term liabilities		
Straight bonds	59,983	59,981
Long-term debt	199,692	190,000
Guarantee deposits received	54,921	55,611
Accrued retirement benefits for employees	22,795	21,561
Accrued retirement benefits for directors and corporate auditors	1,024	1,222
Negative goodwill	-	5
Other long-term liabilities	2,435	2,147
Total long-term liabilities	340,854	330,530
Total liabilities	602,538	633,107
Net assets		
Shareholders' equity		
Common stock	186,554	186,554
Capital surplus	237,522	237,522
Retained earnings	321,402	331,895
Less treasury stock, at cost	(1,367)	(1,355)
Total shareholders' equity	744,110	754,616
Valuation and translation adjustments		
Net unrealized holding gain (loss) on securities	4,526	(960)
Deferred gains (losses) on hedges	(135)	(8)
Translation adjustment	1,435	-
Total valuation and translation adjustments	5,825	(969)
Stock subscription rights	196	158
Minority interests	673	323
Total net assets	750,806	754,130
Total liabilities and net assets	1,353,344	1,387,237

(2) Consolidated Quarterly Statements of Income

(Millions of yen)

	Six months ended July 31, 2009
Net sales	668,012
Cost of sales	563,919
Gross profit	104,092
Selling, general and administrative expenses	101,096
Operating income	2,995
Non-operating income	
Interest income	557
Dividend income	468
Equity in earnings of affiliates	67
Other non-operating income	1,790
Total non-operating income	2,884
Non-operating expense	
Interest expense	1,532
Other non-operating expenses	1,695
Total non-operating expenses	3,227
Recurring income	2,653
Extraordinary loss	
Cost of business structure improvement	4,155
Loss on sales and retirement of fixed assets	900
Loss on revaluation of investments in securities	742
Total extraordinary losses	5,798
Loss before income taxes and minority interests	(3,145)
Current income taxes	3,744
Deferred income taxes	(4,521)
Total income taxes	(776)
Minority interests in earnings of subsidiaries	5
Net loss	(2,373)

(3) Consolidated Quarterly Statement of Cash Flows

(Millions of yen)

	Six months ended July 31, 2009
Cash flows from operating activities	
Loss before income taxes and minority interests	(3,145)
Depreciation and amortization	8,099
Increase (decrease) in accrued retirement benefits	1,234
Decrease (increase) in prepaid pension cost	4,891
Increase (decrease) in allowance for doubtful accounts	706
Interest and dividend income	(1,026)
Interest expense	1,532
Equity in (earnings) losses of affiliates	(67)
Loss (gain) on revaluation of investments in securities	742
Decrease (increase) in notes and accounts receivable	4,325
Decrease (increase) in inventories	14,674
Increase (decrease) in notes and accounts payable	(30,801)
Increase (decrease) in advances received on construction projects in progress	2,052
Other	(11,714)
Subtotal	(8,495)
Interest and dividends received	1,081
Interest paid	(1,611)
Income taxes paid	(5,833)
Income taxes refund	5,143
Net cash provided by (used in) operating activities	(9,714)
Cash flows from investing activities	
Proceeds from sales of short-term investments	2,000
Purchases of property, plant and equipment	(8,845)
Proceeds from sales of property, plant and equipment	96
Purchases of investments in securities	(2,595)
Payments of loans receivable	(3,385)
Collection of loans receivable	2,900
Other	(2,684)
Net cash provided by (used in) investing activities	(12,514)
Cash flows from financing activities	
Proceeds from long-term debt	7,298
Increase in treasury stock	(32)
Cash dividends paid	(8,111)
Other	(8)
Net cash provided by financing activities	(854)
Effect of exchange rate change on cash and cash equivalents	1,435
Net increase (decrease) in cash and cash equivalents	(21,648)
Cash and cash equivalents at beginning of period	124,517
Cash and cash equivalents at end of period	102,869

Effective from the fiscal year ending January 2010, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and its Implementation Guidance, "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) have been applied. Quarterly consolidated financial statements have been prepared in accordance with "Regulation for Quarterly Consolidated Financial Reporting".

(4) Notes Regarding Assumption of a Going Concern

Not applicable

(5) Segment Information

[Segment Information by Each Business]

Six months ended July 31, 2009 (February 1, 2009 through July 31, 2009) (Millions of yen)

	Built to Order Housing	Real Estate for Sale	Real Estate for Leasing	Other Business	Total	Eliminations and back office	Consolidated
Sales							
(1) Sales to third parties	281,344	134,993	182,040	69,633	668,012	-	668,012
(2) Inter-group sales and transfers	4,662	135	889	1,527	7,214	(7,214)	-
Net sales	286,006	135,129	182,930	71,160	675,226	(7,214)	668,012
Operating income (loss)	17,646	(5,140)	7,608	1,123	21,237	(18,241)	2,995

Notes

1. Business Classification

The Company classifies its operations according to type and the nature of business based on the currently used sales categories.

2. Main details of each business segment:

Built to Order Housing: Designing, constructing, and contracting for sale housing using the Company's prefabricated materials

Real Estate for Sale: Selling houses and real estate, designing, constructing, and contracting for sale housing on estate land, conducting urban redevelopment projects and commercial buildings transactions

Real Estate for Leasing: Renting and managing properties

Other Business: Designing, constructing, and contracting for condominiums and commercial buildings and providing home remodeling, landscaping, and exterior construction

[Geographical Segment Information]

Six months ended July 31, 2009 (February 1, 2009 through July 31, 2009)

Japanese operations accounted for more than 90% of sales in all segments, so the Company has not presented geographical segment information.

[Overseas Sales]

Six months ended July 31, 2009 (February 1, 2009 through July 31, 2009)

There are no applicable overseas sales.

(6) Notes Regarding Significant Changes in the Amount of Shareholders' Equity

Not applicable

For reference

Consolidated Financial Statements for the Second Quarter of FY2008

(1) Summary of Consolidated Balance Sheets

Six months ended July 31, 2008 (February 1, 2008 through July 31, 2008)

(Millions of yen)

	Six months ended July 31, 2008
I. Net sales	783,447
II. Cost of sales	621,977
Gross profit	161,470
III. Selling, general and administrative expenses	110,526
Operating income	50,943
IV. Non-operating income	3,688
Interest and dividends income	1,453
Equity in gains of affiliates	175
Miscellaneous income	2,059
V. Non-operating loss	2,709
Interest expense	1,247
Miscellaneous expense	1,462
Recurring income	51,922
VI. Extraordinary loss	4,333
Income before income taxes and minority interests	47,589
Income taxes	15,685
Deferred income taxes	3,877
Minority interests in earnings of subsidiaries	19
Net income	28,006

(2) Summary of Consolidated Statements of Cash Flows

Six months ended July 31, 2008 (February 1, 2008 through July 31, 2008)

(Millions of yen)

	Six months ended July 31, 2008
I. Cash flows from operating activities	
Income before income taxes and minority interests	47,589
Depreciation and amortization	7,407
Loss on impairment of fixed assets	821
Increase in accrued retirement benefit	27
Decrease in prepaid pension cost	547
Interest and dividend income	(1,453)
Interest expense	1,247
Equity in gains of affiliates	(175)
Decrease in notes and accounts receivable	72,007
Increase in inventories, etc.	(58,105)
Decrease in notes and accounts payable	(11,650)
Increase in advances received	13,201
Other	(3,129)
Subtotal	68,337
Interest and dividends received	1,500
Interest paid	(1,242)
Income taxes paid	(26,736)
Net cash provided by operating activities	41,858
II. Cash flows from investing activities	
Proceeds from sales of short-term investments	130
Purchases of property, plant and equipment	(17,928)
Proceeds from sales of property, plant and equipment	36
Purchases of investments in securities	(6,905)
Payment for loans receivable	(950)
Settlement of loans receivable	2,405
Other	(1,773)
Net cash used in investing activities	(24,986)
III. Cash flows from financing activities	
Increase in short-term bonds payable	20,000
Proceeds from long-term debt	245
Cash dividends paid	(8,116)
Purchase of treasury stock	(46)
Other	23
Net cash used in financing activities	12,104
IV. Net increase in cash and cash equivalents	28,976
V. Cash and cash equivalents at beginning of period	60,236
VI. Cash and cash equivalents at end of period	89,213

(3) Segment Information

[Segment Information by Each Business]

Six months ended July 31, 2008 (February 1, 2008 through July 31, 2008)

(Millions of yen)

	Built to Order Housing	Real Estate for Sale	Real Estate for Leasing	Other Business	Total	Eliminations and back office	Consolidated
Sales							
(1) Sales to third parties	320,549	203,379	177,243	82,274	783,447	-	783,447
(2) Inter-group sales and transfers	4,252	14	1,449	1,883	7,600	(7,600)	-
Net sales	324,802	203,393	178,693	84,158	791,048	(7,600)	783,447
Operating income (loss)	23,403	35,291	9,696	1,901	70,291	(19,347)	50,943

Notes

1. Business Classification

The Company classifies its operations according to type and the nature of business based on the currently used sales categories.

2. Main details of each business segment:

Built to Order Housing: Designing, constructing, and contracting for sale housing using the Company's prefabricated materials

Real Estate for Sale: Selling houses and real estate, designing, constructing, and contracting for sale housing on estate land, conducting urban redevelopment projects and commercial buildings transactions

Real Estate for Leasing: Renting and managing properties

Other Business: Designing, constructing, and contracting for condominiums and commercial buildings and providing home remodeling, landscaping, and exterior construction

6. Other Information

(For reference: the State of Orders)

[Consolidated] (Millions of yen)

	Six months ended July 31, 2008		Six months ended July 31, 2009		Year ended January 31, 2009	
	Orders	Accumulated Orders	Orders	Accumulated Orders	Orders	Accumulated Orders
Built to Order Housing	383,123	415,240	306,731	365,089	669,897	339,702
Real Estate for Sale	221,700	107,049	133,002	69,109	299,651	71,101
Real Estate for Leasing	177,243	-	182,040	-	357,075	-
Other Business	80,661	101,407	74,977	97,771	146,362	92,427
Total	862,728	623,696	696,751	531,970	1,472,987	503,230

[Non-Consolidated] (Millions of yen)

	Six months ended July 31, 2008		Six months ended July 31, 2009		Year ended January 31, 2009	
	Orders	Accumulated Orders	Orders	Accumulated Orders	Orders	Accumulated Orders
Built to Order Housing	385,906	419,176	308,589	368,658	676,363	343,923
Real Estate for Sale	212,481	102,122	121,112	64,961	274,187	57,993
Real Estate for Leasing	5,178	-	4,988	-	10,880	-
Other Business	51,927	106,974	39,139	106,650	95,715	103,683
Total	655,493	628,272	473,830	540,269	1,057,147	505,600