Summary of Consolidated Financial Results for the Third Quarter of FY2010 (February 1, 2010 through October 31, 2010) (Japanese Standard)

December 9, 2010

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
Representative	: Toshinori Abe, President and Representative Director
Inquiries	: Fumiaki Hirabayashi, Director and Managing Officer Head of Corporate Communications Dept. Tel +81 6 6440 3111
Filing date of quarterly securities report	: December 14, 2010
Date of scheduled payment of dividends	: -
Quarterly earnings supplementary explanatory documents	: Yes
Quarterly earnings results briefing	: No

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Results for the Nine Months Ended October 31, 2010 (February 1, 2010 through October 31, 2010)

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

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Nine months ended Oct. 31, 2010	1,060,488	17.3	29,258	-	29,155	-	13,549	-
Nine months ended Oct. 31, 2009	904,363	-	(9,056)	-	(9,454)	-	(10,669)	-

	Net income per share	Fully diluted net income per share
	¥	¥
Nine months ended Oct. 31, 2010	20.05	20.04
Nine months ended Oct. 31, 2009	(15.79)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of October 31, 2010	1,314,440	718,500	54.6	1,061.61
As of January 31, 2010	1,353,946	716,295	52.9	1,059.18

(Reference) Shareholders' equity As of October 31, 2010: ¥717,345 million As of January 31, 2010: ¥715,737 million

2. Cash Dividends

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	¥	¥	¥	¥	¥
Year ended Jan. 31, 2010	-	10.00	-	0.00	10.00
Year ending Jan. 31, 2011	-	13.00	-		
Year ending Jan. 31, 2011 (forecast)				8.00	21.00

(Note) Revisions to the forecast of cash dividends in the current quarter: None
Breakdown of cash dividends forecast for 2Q FY2010: Ordinary dividends: ¥8.00, 50th anniversary commemorative dividends: ¥5.00

3. Consolidated Results Forecast for FY2010 (February 1, 2010 through January 31, 2011)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Year ending Jan. 31, 2011	1,475,000	9.0	55,500	-	55,000	-	30,000	-	44.40

(Note) Revisions to the consolidated results forecast in the current quarter: None

4. Others (For further details, please see "2. Other Information" of the "Attached Material" on page 7.)

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

(Note) Changes in the status of specified subsidiaries during the period associated with change in scope of consolidation.

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

(Note) Application of simplified accounting methods and/or special accounting methods for preparation of the quarterly consolidated financial statements.

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

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

(ii) Changes other than (i): None

(Note) Changes in accounting principles, procedures, or representation methods relating to the preparation of the consolidated financial statements described in "Changes in the Basis for Presentation of the Consolidated Financial Statements."

(4) Number of shares outstanding (common stock)

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

As of Oct. 31, 2010: 676,885,078 shares　　As of Jan. 31, 2010: 676,885,078 shares

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

As of Oct. 31, 2010: 1,169,573 shares　　As of Jan. 31, 2010: 1,137,664 shares

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

Nine months ended Oct. 31, 2010: 675,726,611 shares　　Nine months ended Oct. 31, 2009: 675,777,671 shares

*** Implementation Status of Quarterly Review Processes**

At the time of disclosure of this report, the procedures for review of quarterly consolidated financial statements, pursuant to the Financial Products and Exchange Law, have not been completed.

*** Notes Regarding the Appropriate Use of Results Forecasts and Other Important Matters**

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.

For details of results forecast, please refer to "(3) Qualitative Information Regarding Consolidated Results Forecast" in "1. Qualitative Information Regarding Consolidated Results for the Nine Months under Review" of the "Attached Material" on page 7.

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1. Qualitative Information Regarding the Consolidated Results for the Nine Months under Review

(1) Qualitative information regarding consolidated business results

In the first nine months of the fiscal year ending January 31, 2011, the housing market environment remained harsh due to a subdued recovery in individual consumption and the employment environment. However, the market benefited from government measures aimed at promoting homeownership and upgrades to existing homes. Specifically, tax incentives such as the largest tax cut on mortgage loans in history were implemented. Subsidies aimed at promoting more environmentally friendly housing were extended. The eco-point system was introduced for housing. And tax exemptions were expanded for monetary gifts *inter vivos* to family members buying a home. The effect of these measures was a recovery in the number of new housing starts including owner-occupied homes. Furthermore, the decline in land prices slowed in Japan's major cities and some smaller local cities.

Under such an environment, Sekisui House has aggressively pursued business initiatives set forth in our mid-term management plan (announced January 2010), which include strengthening our core businesses, expanding our business portfolio and deploying our Green First Strategy as a driver of business growth in eco-friendly housing. We commemorated our 50th anniversary of Sekisui House's foundation on August 1 this year. Under the catchphrase, "Come home to a Sekisui House", we announced reaching the milestone of two million houses sold to date and to express our appreciation for Sekisui House owners through a far-reaching campaign utilizing mass media outlets including TV broadcasts and customer home visits. Meanwhile, we strived to build a solid sales base by raising customer satisfaction with events for Sekisui House owners across the nation to commemorate our 50th anniversary.

As part of our product strategy, we introduced 50th anniversary commemorative models that revamped the structural skeleton and introduced new elements. Those models included the steel-framed detached home Be Sai+e and the wood-framed Sha-Wood home The Gravis. We worked to increase orders and expand our market share through a sales promotion event (history's largest *Sumai no Sankan-bi)* that attracted the greatest customer traffic to date. Our Smart Universal Design won the Good Design Award 2010 in the Living/Residential Facilities category. Smart Universal Design is our unique design for living space, which builds upon conventional aspects of safety, peace of mind and user-friendliness to pursue comfort and sensory appeal and make our homes easy to operate.

To expand our business portfolio, we participated in a joint acquisition of all shares in Joint REIT's asset management firm (Sekisui House acquired a 75% stake) with Spring Investment Co., Ltd. In June, the name of investment corporation was changed to Sekisui House SI Investment Corporation. This allowed us to make a full-fledged entry into the residential REIT business. Additionally, to expand business opportunities across all aspects of real estate, we have forged a business alliance with KOWA REAL ESTATE CO., LTD., with whom we will jointly pursue a wide variety of businesses, from development to leasing and more.

In Australia, we acquired the built-to-order homebuilding unit of AV Jennings, a company with a 70-plus year history, in August 2010 and agreed to a business and development alliance with the leading developer, Lend Lease Group, in September. In the United States, we have agreed to participate in the joint development of residential and commercial complexes, with leading real estate developer and homebuilder Miller and Smith on the One Loudoun Project in the suburbs of Washington D.C., and with Newland Real Estate Group on the Cinco Ranch housing development project located in western Houston.

Under our Urban Redevelopment Business, we began construction in March at Osaka Station North District Phase 1 Development Area Project (Umeda Kita-Yard). In June, construction finished at Hommachi Garden City, home to The St. Regis Osaka, the hotel chain's first foray into Japan, and many retail stores. October was the grand opening.

Our business in general performed well, helped by a steady increase in orders driven by our Green First Strategy coupled with the effects of the government's measures, our 50th anniversary commemorative products and sales promotion events.

Net sales in the first nine months of FY2010 amounted to ¥1,060,488 million, an increase by 17.3% compared with the previous comparable period. Operating income grew to ¥29,258 million, ordinary income to ¥29,155 million, and net income to ¥13,549 million.

Built to Order Housing Business

In our Built to Order Housing Business, we strengthened our sales force to actively implement our Green First Strategy, as a part of our mid-term management plan, and to further drive sales of the Green First brand. Green First models have accounted for approximately 70% of our order bookings, showing steady sales growth.

We launched new products including 50th anniversary commemorative models for both our steel-framed housing and wood-framed Sha-Wood products. Based on a concept of the beauty of Japan's four seasons, the steel-framed Be Sai+e product showcases many new features, including reinforced structural skeleton with stronger load-bearing walls, new *Gururin* heat insulation specifications and our slow-living proposal offering comfortable and open space. The Gravis is positioned as a core product in the wood-framed Sha-Wood line and features a new iteration of our proprietary Sha-Wood S-MJ (super metal joint) system, including super columns with 250 mm module width to deliver superb load-bearing properties. We have launched these new products at the same time to increase orders and grow our share in the detached housing market.

In our Sha-Maison low-rise apartments business, we aggressively promoted our eco-friendly apartment product Sha-Maison Ecostyle. We worked to increase orders by offering rental housing with strong value propositions to owners, including our BEREO × electric in major urban areas where there is strong demand for three-story apartments and our two-story apartments CURAVIE × electric and CURAVIE × SOLAR in smaller regional cities. In addition, we strove to increase apartment sales by introducing differentiated features such as the SHAIDD55, our original floor-sound insulation system that dampens sounds made by impact on the floor above.

Our efforts resulted in a continued recovery in detached housing orders and signs of recovery for apartments primarily in major urban areas.

Sales in the Built to Order Housing Business increased by 38.1% from the previous comparable period to ¥487,923 million and operating income by195.7% to ¥42,238 million.

Real Estate for Sale Business

In the Built for Sale Housing Business, we held the sales promotion event *Machinami Sankan-bi* (visits to existing subdivisions with superb living environments) to stimulate sales. We leveraged our brand power to actively promote our Green First Strategy. This business line also benefited from mortgage tax breaks, leading to signs of a modest recovery in some geographical areas. Under such an environment, we strove to promote sales by developing communities that deliver highly value-added asset creation, which is where we can best exhibit a competitive edge.

In our Condominium Business, we promoted sales by emphasizing the property attractiveness, product concept and added value of condominiums currently available for sale. Sales have been strong on increased activity in the overall condominium market, especially in Tokyo. Our GRANDE MAISON OKURAYAMA TERRACE sold out on the first day.

Phase 1 and 2 of condominiums at Wentworth Point in the suburb of Sydney, Australia, a business we began last year, is progressing solidly with 90% of units under contract. We started selling Phase 3 in September.

In our Urban Redevelopment Business, We held the grand opening of Hommachi Garden City (Osaka) in October. Also construction is progressing steadily at our Garden City Shinagawa Gotenyama (Shinagawa, Tokyo) and Hommachi Minami Garden City (Osaka) projects.

For the Real Estate for Sale Business, sales decreased by 10.6% from the previous comparable period to ¥162,379 million, and operating loss came to ¥2,978 million.

Real Estate for Leasing Business

In the Real Estate for Leasing Business, the number of units of Sha-Maison low-rise apartments for block leasing and management by Sekiwa Real Estate companies showed a steady increase. While occupancy rates stagnate nationwide, we pushed forward with marketing activities as an integrated group, actively proposing remodeling aimed at maintaining and enhancing owner's asset value and strengthened ties with exclusive agents of Sekiwa Real Estate companies. As a result, we were able to maintain high occupancy rates mainly in Tokyo, Osaka and other urban areas. Furthermore, we worked to grow earnings in the Real Estate for Leasing Business by introducing new supply based on pinpointed area marketing to propose Sha-Maison Town etc.

Sales in the Real Estate for Leasing Business grew by 3.6% from the previous comparable period to ¥282,793 million and operating income by 4.6% to ¥10,947 million.

Other Business

Our Remodeling Business as part of our Green First Strategy fared well as we actively marketed remodeling proposals aimed at energy conservation with the installation of photovoltaic power generation systems and high-efficiency hot water supply systems. Aside from environmental features, we proposed remodeling ideas to support comfort in living tailored to diversifying lifestyles. As a result, business fared well, helped by the effects of eco-points for housing.

Orders and inquiries for the *Sekiwa no Ki no Ie*, a second brand from the Sekiwa Construction Group, were strong due to housing designs tailored to regional characteristics and the trustworthiness of the Sekisui House Group.

For this segment, sales amounted to ¥127,390 million (up 32.2% from the previous comparable period) and operating income to ¥5,401 million (up 146.0%).

(2) Qualitative Information Regarding Consolidated Financial Conditions

Total assets decreased by ¥39,506 million from the end of the previous fiscal year to ¥1,314,440 million at the end of the first nine months of the year ending January 31, 2011, primarily owing to an decrease in cash and deposits following the repayment of long-term loans. Liabilities decreased by ¥41,710 million to ¥595,939 million as bonds payable increased while long-term loans payable decreased. Net assets increased by ¥2,204 million to ¥718,500 million, chiefly due to the increase in retained earnings.

Operating cash increased by ¥13,763 million from the end of the previous fiscal year (an increase by ¥48,022 million from the previous comparable period). This was primarily due to the increase in notes and accounts receivable despite of the decrease in inventories.

Net cash provided by investing activities decreased by ¥11,044 million from the end of the previous fiscal year (an increase by ¥7,121 million from the previous period), mainly owing to purchase of property, plant and equipment.

Net cash provided by financing activities decreased by ¥48,422 million from the end of the previous fiscal year and declined by ¥61,093 million from the previous comparable period. This was primarily owing to the issuance of bonds payable and repayment of long-term loans.

As a result, cash and cash equivalents at the end of this third quarter amounted to ¥102,834 million, decreasing by ¥45,795 million from the end of the previous fiscal year ended January 31, 2010.

(3) Qualitative Information Regarding Consolidated Results Forecast

Consolidated results forecast for the fiscal year ending January 31, 2011 remains unchanged from our outlook as of September 9th. This is due to net sales in line with the plan driven by brisk sales based on our Green First Strategy in tandem with the Japanese government's stimulus packages.

2. Other Information

(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:

Changes in the basis for accounting for net sales and cost of sales of completed construction contracts

Previously, the Company used the completed-contract method to account for its income from contract construction, but it adopts the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007) from this first quarterly period. Accordingly, beginning with construction contracts that commenced during the reporting nine-month period (excluding those whose construction period is very short), the percentage-of-completion

method shall be applied to construction activities whose outcome for the portion completed at the end of the reporting period is deemed certain (the percentage of completion shall be estimated based on the percentage of the cost incurred to the estimated total cost). The completed-contract method shall be applied to other construction activities.
As a result of this change, net sales increased by ¥108,450 million, while operating income, ordinary income and income before taxes and minority interests has increased by ¥21,144 million each.
The effects of this change on each business segment are indicated in the relevant sections.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(¥ million)

	As of October 31, 2010	As of January 31, 2010
Assets		
Current assets		
Cash and deposits	102,834	149,330
Notes receivable, accounts receivable from completed construction contracts	46,779	11,391
Short-term investment securities	5	1,274
Costs on uncompleted construction contracts	14,862	47,540
Buildings for sale	135,365	115,643
Land for sale in lots	337,367	357,321
Undeveloped land for sale	75,530	71,089
Other inventories	6,939	5,848
Deferred tax assets	63,590	65,787
Other	28,481	27,844
Allowance for doubtful accounts	(2,368)	(2,137)
Total current assets	809,385	850,933
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	131,123	131,828
Machinery, equipment and vehicles, net	10,271	10,587
Land	189,214	189,361
Construction in progress	7,307	6,160
Other, net	4,311	4,294
Total property, plant and equipment	342,229	342,233
Intangible assets	9,649	9,070
Investments and other assets		
Investment securities	65,913	67,410
Long-term loans receivable	29,725	32,791
Deferred tax assets	20,800	17,274
Other	38,190	35,715
Allowance for doubtful accounts	(1,455)	(1,483)
Total investments and other assets	153,175	151,708
Total noncurrent assets	505,054	503,012
Total assets	1,314,440	1,353,946

(¥ million)

	As of October 31, 2010	As of January 31, 2010
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	94,028	135,658
Electronically recorded obligations-operating	36,025	-
Short-term bonds payable	10,000	-
Short-term loans payable	10	-
Current portion of long-term loans payable	80,148	172,901
Income taxes payable	6,941	4,810
Advances received on uncompleted construction contracts	81,111	90,425
Provision for bonuses	21,795	6,177
Provision for warranties for completed construction	3,152	2,390
Other	36,503	48,102
Total current liabilities	369,717	460,466
Noncurrent liabilities		
Bonds payable	129,989	59,986
Long-term loans payable	3,567	28,778
Long-term lease and guarantee deposited	52,898	54,439
Provision for retirement benefits	33,705	29,347
Provision for directors' retirement benefits	976	1,125
Other	5,083	3,507
Total noncurrent liabilities	226,222	177,184
Total liabilities	595,939	637,650
Net assets		
Shareholders' equity		
Capital stock	186,554	186,554
Capital surplus	237,522	237,522
Retained earnings	292,495	287,738
Treasury stock	(1,408)	(1,385)
Total shareholders' equity	715,164	710,429
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	573	3,152
Deferred gains or losses on hedges	12	4
Foreign currency translation adjustment	1,595	2,151
Total valuation and translation adjustments	2,181	5,308
Subscription rights to shares	284	232
Minority interests	870	325
Total net assets	718,500	716,295
Total liabilities and net assets	1,314,440	1,353,946

(2) Consolidated Quarterly Statements of Income

For the nine months ended October 31, 2009 and 2010

(¥ million)

	Feb. 1, 2009 – Oct. 31, 2009	Feb. 1, 2010 – Oct. 31, 2010
Net sales	904,363	1,060,488
Cost of sales	765,665	881,212
Gross profit	138,698	179,275
Selling, general and administrative expenses	147,754	150,017
Operating income (loss)	(9,056)	29,258
Non-operating income		
Interest income	812	905
Dividends income	479	556
Insurance agency commission	830	907
Equity in earnings of affiliates	149	515
Other	1,803	1,986
Total non-operating income	4,074	4,872
Non-operating expenses		
Interest expenses	2,259	2,168
Other	2,213	2,806
Total non-operating expenses	4,472	4,975
Ordinary income (loss)	(9,454)	29,155
Extraordinary income		
Gain on sales of investment securities	-	132
Total extraordinary income	-	132
Extraordinary loss		
Loss on valuation of investment securities	742	2,848
Loss on sales and retirement of noncurrent assets	1,363	1,969
Impairment loss	-	32
Cost of business structure improvement	4,491	-
Total extraordinary losses	6,597	4,850
Income (loss) before income taxes and minority interests	(16,052)	24,437
Income taxes-current	6,415	11,857
Income taxes-deferred	(11,807)	(993)
Total income taxes	(5,392)	10,864
Minority interests in income	9	24
Net income (loss)	(10,669)	13,549

(3) Consolidated Quarterly Statements of Cash Flows

(¥ million)

	Feb. 1, 2009 – Oct. 31, 2009	Feb. 1, 2010 – Oct. 31, 2010
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(16,052)	24,437
Depreciation and amortization	12,186	11,880
Increase (decrease) in provision for retirement benefits	4,653	4,358
Decrease (increase) in prepaid pension costs	4,889	12
Interest and dividends income	(1,291)	(1,462)
Interest expenses	2,259	2,168
Equity in (earnings) losses of affiliates	(149)	(515)
Loss (gain) on valuation of investment securities	742	2,848
Decrease (increase) in notes and accounts receivable-trade	4,995	(35,236)
Decrease (increase) in inventories	(45,106)	28,263
Increase (decrease) in notes and accounts payable-trade	(28,597)	(9,302)
Increase (decrease) in advances received on uncompleted construction contracts	43,032	(9,337)
Other, net	(7,534)	3,813
Subtotal	(25,971)	21,929
Interest and dividends income received	1,352	1,392
Interest expenses paid	(2,404)	(2,459)
Income taxes paid	(12,382)	(9,753)
Income taxes refund	5,147	2,654
Net cash provided by (used in) operating activities	(34,258)	13,763
Net cash provided by (used in) investing activities		
Proceeds from sales of short-term investment securities	2,000	1,280
Purchase of property, plant and equipment	(14,436)	(13,137)
Proceeds from sales of property, plant and equipment	142	4,046
Purchase of investment securities	(2,600)	(4,066)
Proceeds from sales of investment securities	-	308
Payments of loans receivable	(3,672)	(846)
Collection of loans receivable	3,674	4,296
Other, net	(3,273)	(2,925)
Net cash provided by (used in) investing activities	(18,165)	(11,044)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term bonds payable	20,000	10,000
Net increase (decrease) in short-term loans payable	-	10
Proceeds from long-term loans payable	7,608	2,310
Repayment of long-term loans payable	-	(121,845)
Proceeds from issuance of bonds	-	70,000
Purchase of treasury stock	(43)	(35)
Cash dividends paid	(14,871)	(8,786)
Other, net	(23)	(76)
Net cash provided by (used in) financing activities	12,670	(48,422)
Effect of exchange rate change on cash and cash equivalents	1,570	(92)
Net increase (decrease) in cash and cash equivalents	(38,182)	(45,795)
Cash and cash equivalents at beginning of period	124,517	148,630
Cash and cash equivalents at end of period	86,335	102,834

(4) Notes Regarding Assumption of a Going Concern

Not applicable

(5) Segment Information

[Segment Information by Each Business]

Nine months ended October 31, 2009 (February 1, 2009 through October 31, 2009) (¥ million)

	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	353,318	181,661	273,021	96,362	904,363	-	904,363
(2) Inter-group sales and transfers	5,440	135	1,289	2,161	9,026	(9,026)	-
Net sales	358,759	181,796	274,311	98,523	913,390	(9,026)	904,363
Operating income (loss)	14,285	(9,240)	10,470	2,195	17,711	(26,767)	(9,056)

Nine months ended October 31, 2010 (February 1, 2010 through October 31, 2010) (¥ million)

	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	487,923	162,379	282,793	127,390	1,060,488	-	1,060,488
(2) Inter-group sales and transfers	4,840	-	1,363	2,062	8,266	(8,266)	-
Net sales	492,764	162,379	284,157	129,453	1,068,755	(8,266)	1,060,488
Operating income (loss)	42,238	(2,978)	10,947	5,401	55,608	(26,349)	29,258

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

3. Changes in Accounting Standards

Nine months ended October 31, 2010 (February 1, 2010 through October 31, 2010)

As stated in the "Changes in accounting principles, procedures, and presentation for consolidated quarterly financial statements", the Company adopts the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007) from this first quarterly period. Accordingly, net sales for the Built to Order Housing Business and

Other Businesses increased by ¥93,729 million and ¥6,483 million, respectively, compared with the previous accounting method. Operating income for the Built to Order Housing Business and Other Businesses increased by ¥18,822 million and ¥493 million respectively, compared with the previous accounting method. In the Real Estate for Sale Business, net sales increased by ¥8,236 million, while operating loss decreased by ¥1,828 million.

[Geographical Segment Information]

Japanese operations accounted for more than 90% of sales in all segments for the nine months ended October 31, 2009 (February 1, 2009 through October 31, 2009) and October 31, 2010 (February 1, 2010 through October 31, 2010), so the Company has not presented geographical segment information.

[Overseas Sales]

There are no applicable overseas sales for the nine months ended October 31, 2009 (February 1, 2009 through October 31, 2009). For the nine months ended October 31, 2010 (February 1, 2010 through October 31, 2010), the ratio of overseas sales to the consolidated net sales was below 10%, so the Company has not presented the description of overseas sales.

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

Not applicable

4. Supplemental Information

The State of Orders

[Consolidated]

(¥ million)

	Nine months ended October 31, 2009		Nine months ended October 31, 2010		Year ended January 31, 2010	
	Orders	Accumulated Orders	Orders	Accumulated Orders	Orders	Accumulated Orders
Built to Order Housing	458,002	444,386	537,622	410,576	611,551	360,877
Real Estate for Sale	186,241	75,682	196,091	84,954	233,713	51,242
Real Estate for Leasing	273,021	-	282,793	-	364,217	-
Other Business	108,093	104,158	133,067	105,351	152,266	99,674
Total	1,025,359	624,226	1,149,575	600,882	1,361,750	511,794