Summary of Consolidated Financial Results for the Third Quarter of FY2011 (February 1, 2011 through October 31, 2011) (Japanese Standard)

December 8, 2011

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 Senior Managing Officer Head of Corporate Communications Dept. Tel +81 6 6440 3111
Filing date of quarterly securities report	: December 14, 2011
Date of scheduled payment of dividends	: -
Quarterly earnings supplementary explanatory documents	: Yes
Quarterly earnings results briefing	: Yes (for institutional investors and analysts, in Japanese)

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

1. Consolidated Results for the Nine Months Ended October 31, 2011 (February 1, 2011 through October 31, 2011)

(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, 2011	1,112,091	4.9	49,704	69.9	49,856	71.0	24,847	83.4
Nine months ended Oct. 31, 2010	1,060,488	17.3	29,258	-	29,155	-	13,549	-

	Net income per share	Fully diluted net income per share
	¥	¥
Nine months ended Oct. 31, 2011	36.77	35.61
Nine months ended Oct. 31, 2010	20.05	20.04

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of October 31, 2011	1,400,464	739,900	52.7	1,091.64
As of January 31, 2011	1,341,308	738,029	54.9	1,090.67

(Reference) Shareholders' equity As of October 31, 2011: ¥737,598 million As of January 31, 2011: ¥736,962 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, 2011	-	13.00	-	8.00	21.00
Year ending Jan. 31, 2012	-	10.00	-		
Year ending Jan. 31, 2012 (forecast)				10.00	20.00

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

3. Consolidated Results Forecast for FY2011 (February 1, 2011 through January 31, 2012)

(% 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, 2012	1,520,000	2.1	68,000	20.7	68,500	21.7	35,500	16.7	52.54

(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 8)

(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, 2011: 676,885,078 shares　　As of Jan. 31, 2011: 676,885,078 shares

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

As of Oct. 31, 2011: 1,205,929 shares　　As of Jan. 31, 2011: 1,187,859 shares

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

Nine months ended Oct. 31, 2011: 675,686,670 shares　　Nine months ended Oct. 31, 2010: 675,726,611 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 8.

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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 consolidated fiscal year ending January 31, 2012, the Japanese economy saw a normalization of manufacturing activities, etc., with the supply-side constraints imposed by the Great East Japan Earthquake largely resolved and a recovery in orders supported by demand for reconstruction in the areas affected by the disaster. Nonetheless, although exports gradually recovered, financial instability caused mainly by the European debt crisis, fears of economic slowdown in the United States, and the suspension of production at Japan's production bases in Thailand due to the adverse impact of the recent flooding all took a toll on business activities, putting significant downward pressure on corporate earnings. In this environment, uncertainty over the economic outlook heightened.

In the housing market, the downturn in land prices eased nationwide and condominium investment in the Tokyo Metropolitan Area recovered. Also, additional stimulus measures for the support of housing acquisition were devised by the government to promoting environmentally friendly housing. These measures included the resumption of subsidies for the installment of ENE FARM, a household fuel cell system, which had originally ended in July 2011. Discussions were also held on extending Flat 35S, a preferential interest rate system, which had originally ended in September 2011, and on resuming the eco-point system for housing. However, the continued strength of the yen and other factors that cast uncertainty over the future of the economy suppressed housing investment somewhat, resulting in a year-on-year decrease in the immediate number of new housing starts.

Meanwhile, consumer awareness of safety, reliability, and comfort in housing, as well as of the importance of energy at the time of disaster, increased after the earthquake. In this environment, Sekisui House actively promoted the sale of homes featuring SHEQAS, Sekisui's unique antiseismic system that can halve the transfiguration of a building, as well as Green First homes with a photovoltaic power generation system or household fuel cell system installed, as part of Sekisui's efforts to provide eco-friendly houses with superior earthquake resistance. The Company also developed and commenced sales of Green First Hybrid, a new series of homes featuring a power supply system combining solar cells, fuel cells, and storage batteries, the first of its kind in the world. The Slow Living housing design, in which Sekisui House proposes a large and comfortable open space that softly connects the outer and interior areas, meanwhile won the 2011 Good Design Award.

In the Urban Redevelopment Business, Sekisui House concluded an agreement with The Ritz-Carlton Hotel Company, L.L.C. to open a Ritz-Carlton, the most luxurious brand of the Marriott Hotel Group, the world's leading hotel chain, in the spring of 2014 in a building that would be constructed in Nakagyo-ku, Kyoto City.

In overseas business, Sekisui House, as a core company of the Modern Construction Industrial Park, a national project carried out by Shenyang City, China, started to construct a production factory for steel-framed housing to meet demand for energy-saving and high functional industrialized housing in China. In Australia, Sekisui House commenced the joint development project of Central Park, a residential and commercial complex in central Sydney, with Frasers Centrepoint Limited.

Looking at business performance, Sekisui House took steps to increase orders in line with the key initiative of its mid-term management plan, the "Green First Strategy" (as a driver of business growth in eco-friendly housing). As a result, orders for detached houses and rental housing, in particular, increased. These increases were mainly attributable to a rise in the installation rate of SHEQAS, Sekisui's unique antiseismic system, as a result of rising awareness of the safety of houses nationwide, an increase in orders for double power generation systems that use both household fuel cells and photovoltaic power generation systems, a rise in demand for reconstruction in the disaster-hit areas, and a hike in demand for rental housing in cities.

In the first nine months of the consolidated fiscal year under review, net sales amounted to ¥1,112,091 million (up 4.9% year on year). Operating income amounted to ¥49,704 million (up 69.9% year on year), ordinary income to ¥49,856 million (up 71.0% year on year), and net income to ¥24,847 million (up 83.4% year on year).

(Custom Detached Houses Business)

In the Custom Detached Houses Business, Sekisui House took initiatives to bolster orders in line with the "Green First Strategy."

To respond to demand for the reconstruction of houses after the Great East Japan Earthquake, the Company established a system for supplying the standardized housing packages of its steel-framed housing, wood-framed housing, and Sekiwa no Ki no Ie for customers in afflicted areas who were hoping for the early reconstruction of their houses.

In product development, specifically steel-framed housing, Sekisui House started to sell Airkis, a system that focused on health as an essential factor for leading a comfortable life, by introducing the product to its mainstay steel-framed housing products, Be Sai+e and IS ORDER, as standard products. Airkis is an air environment-friendly system that can halve the level of five chemical substances, including formaldehyde, in the internal living space from that of national standards. It was created following the development and study of building materials to improve the internal air environment of houses since the 1990s as the "sick house" syndrome emerged as an issue.

In October 2011, Sekisui House began selling a new flagship model called IS ROY+E, which uses a unique concrete wall called Dyne Concrete for the first time in a new structure that permits a higher degree of freedom in design.

In the wood-framed Sha-Wood line that uses Bellburn, a well-regarded original exterior wall made of earthenware, the Company sought to expand sales by launching a Western-style model called Gravis Villa that uses new colors for the exterior walls and quality designs. Meanwhile, in response to an increase in orders for Bellburn, Sekisui House concluded the transfer of the building material business of Kurosaki Harima Corporation, which supplied the walls in question. By bringing the production of Bellburn in house, it sought to improve its production capabilities and cut costs.

Thanks to the above initiatives, as well as renewed recognition of the safety of housing, demand for reconstruction, and the continuation of official stimulus measures, orders in this business increased.

Sales in the Custom Detached Houses Business amounted to ¥344,080 million for the first nine months of the consolidated fiscal year under review, and operating income to ¥35,264 million.

(Rental Housing Business)

In the Rental Housing Business, Sekisui House actively proposed Sha-Maison Gardens, which was designed with the concept of harmonizing with the landscape, minimizing the burden on the environment, and ensuring safety and comfort. Moreover, to respond to support reconstruction efforts in the disaster hit areas, Sekisui House established a system for supplying the standardized housing packages to respond to demand for construction in the affected areas in the same manner as done in the Custom Detached Houses Business.

Looking at product development, in February 2011, Sekisui House launched PRO+NUBE, a new product that adopted the new reinforced structural skeleton, and, as a standard feature, SHAIDD55, its original floor-sound insulation system that is able to significantly dampen the sound of impacts on the floor above.

As part of its sales promotion activities, Sekisui House held the Sha-Maison Festa, a sales promotion event, in early March 2011 to organize site tours and propose an efficient land use. In the meantime, Sekisui House launched a business operations system called Sha-Maison with System, which provides Group-wide support to rental home owners to ensure long-term, stable operation of rental homes. By promoting the efficient use of land, among other measures, and establishing solid support systems, Sekisui House sought to strengthen its sales capabilities.

As a result of these business development efforts as well as the intense implementation of area strategies in cities where demand for rental housing was rising, orders in this segment remained steady.

Sales in the Rental Housing Business amounted to ¥208,206 million for the first nine months of the consolidated fiscal year under review, and operating income to ¥19,671 million.

(Houses for Sale Business)

In the Houses for Sale Business, by holding sales promotion events such as *Natsu no Sumai no Sankan-bi* (summer visits to model houses) and *Machinami Sankan-bi* (visits to existing subdivisions with superb living environments), Sekisui House effectively executed the Green First Strategy, and strengthened its sales capabilities. In *Kazusa no Mori, Chiharadai*, the town project of detached houses for sale in Ichihara City, Chiba Prefecture, a draft of the landscape plan based on proposals that were jointly prepared by Sekisui House and other developers and the residents was developed as the landscape plan of Ichihara City. In this way, Sekisui House was engaged in developing a town with a sound landscape that will increase the value of its assets in the future. The MAST brand promoted by Sekiwa Real Estate, a Group company, was added to the Sekisui House lineup to bolster its marketing strategy by introducing a wider range of products and adding appeal in its development initiatives.

As a result of these initiatives, certain regions showed signs of a recovery, reflecting the effects of government stimulus packages as evident in the Custom Detached Houses Business. However, overall sales nationwide remained sluggish. In response, Sekisui House took steps to streamline assets by continuing to adjust inventories.

Sales in the Houses for Sale Business amounted to ¥91,700 million for the first nine months of the consolidated fiscal year under review, and operating income to ¥1,489 million.

(Condominiums Business)

In the Condominium Business, Sekisui House started to sell the Phase I properties in Grand Front Osaka Owner's Tower, a condominium under construction in Kita-ku, Osaka City, based on a joint development project called the Umekita Advanced Development District Project, and this progressed steadily. Orders for new condominiums that Sekisui House started to sell in urban areas, such as Grande Maison Sangenjaya Place (Setagaya-ku, Tokyo) and Grand Terminal Tower Motoyawata (Ichikawa-shi, Chiba Prefecture), also remained steady.

The sales situation showed some weakness as a result of promoting sales of existing properties and continued inventory reduction.

Sales in the Condominiums Business amounted to ¥23,511 million for the first nine months of the consolidated fiscal year under review, and operating loss to ¥6,385 million.

(Urban Redevelopment Business)

In the Urban Redevelopment Business, Sekisui House sold Daiba Garden City to Japan Excellent, Inc., a J-REIT in February 2011. Meanwhile, Sekisui House is steadily managing Hommachi Garden City, which commenced operations in 2010. It also completed the development of Garden City Shinagawa Gotenyama and Hommachi Minami Garden City in February 2011 and March 2011, respectively, and began leasing activities.

In addition management of rental properties held by the Sekisui House Group, including rental housing, Prime Maison, fared steadily with the sound improvements of the occupancy rates.

Sales in the Urban Redevelopment Business amounted to ¥31,872 million for the first nine months of the consolidated fiscal year under review, and operating income to ¥9,475 million.

(Remodeling Business)

In the Remodeling Business, based on its Green First Strategy, Sekisui House made remodeling proposals aimed at energy conservation, installing photovoltaic power generation systems and introducing heat insulation renovations. Sekisui House also actively proposed the remodeling of detached and rental houses to offer its customers comfortable living environments in accordance with individual and diversified lifestyles by holding nationwide Remodeling Fairs and Kitchen Storage Seminars. Meanwhile, Sekisui House focused on the recovery and reconstruction effort of the owners of its products immediately after the March 11 earthquake, and promptly responded to requests for repairs and related work.

As a result of these business promotions, orders remained steady.

Sales in the Remodeling Business amounted to ¥72,570 million for the first nine months of the consolidated fiscal year under review, and operating income to ¥6,624 million.

(Real Estate Management Fees Business)

In the Real Estate Management Fees Business, the number of units of Sha-Maison low-rise apartments for block leasing and management by Sekiwa Real Estate companies enjoyed a steady increase. As the rental housing market picked up, particularly in urban areas, the Sekisui House Group was united in active sales promotions to attract new tenants. Moreover, by continuing to propose remodeling to homeowners in accordance with the needs in the market, Sekisui House maintained high occupancy rates, especially in the Tokyo metropolitan area.

Sales in the Real Estate Management Fees Business amounted to ¥282,373 million for the first nine months of the consolidated fiscal year under review, and operating income to ¥10,637million.

(Other Businesses)

In overseas business, delivery of all 215 units sold in the Phase I properties in condominiums in Wentworth Point in Australia was completed in October 2011. Orders for other units that are currently being marketed, and properties for sale in Central Park, which Sekisui House acquired in Australia in July 2011, and in One Loudoun, an urban residential and commercial complex project in the United States, are also moving forward steadily. Moreover, Sekisui House started operations in Singapore by undertaking three real estate development projects. It also undertook large-scale urban development projects in Shenyang City and Suzhou City in China. Moreover, Sekisui House began constructing a factory that will provide materials for industrialized housing in Shenyang City.

In the exterior business, Sekisui House sought to bolster its ability to make proposals to customers and enhance operating efficiency by integrating Greentechno Sekiwa companies and Sekiwa Construction, Ltd.

Sales in the Other Business amounted to ¥57,776 million for the first nine months of the consolidated fiscal year under review, and operating loss to ¥2,951 million.

(2) Qualitative Information Regarding Consolidated Financial Conditions

Total assets at the end of the first nine months under review increased ¥59,155 million, to ¥1,400,464 million, primarily because of a rise in accounts receivable from completed construction contracts and land for sale for the overseas business, including that for the Suzhou project. Total liabilities increased ¥57,284 million, to ¥660,563 million, mainly reflecting the issuance of euroyen-denominated convertible bonds with warrants attached. Net assets rose ¥1,871 million, to ¥739,900 million, chiefly because of the posting of net income while foreign currency translation adjustment decreased.

Net cash used in operating activities was ¥15,689 million (a year-on-year decrease of ¥29,453 million in net cash used), primarily attributable to an increase in notes and accounts payable and inventories.

Net cash used in investing activities was ¥23,534 million (a year-on-year decrease of ¥12,490 million in net cash used), mainly reflecting the purchase of property, plant, and equipment.

Net cash provided by financing activities was ¥21,253 million (a year-on-year increase of ¥69,676 million in net cash provided), chiefly due to the repayment of long-term loans payable, while corporate bonds were issued.

(3) Qualitative Information Regarding Consolidated Results Forecast

The Company recorded an extraordinary loss of approximately ¥1.2 billion related to the Great East Japan Earthquake and a valuation loss on its holding investment securities of approximately ¥3.3 billion affected by the sluggish stock market.

With respect to operating activities, sales activity is progressing steadily, given demand for the reconstruction of houses after the earthquake and a rise in interest in systems for the safety and security of dwelling performance, including SHEQAS (seismic vibration absorption system), Sekisui's unique antiseismic system, in addition to solid sales promotion activities based on the Green First Strategy. Accordingly, the consolidated results forecast for the fiscal year ending January 31, 2012 remains unchanged from the plan announced on September 8, 2011.

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:

1. Changes in significant accounting standards

① Application of the Accounting Standard for Equity Method of Accounting for Investments and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

The Accounting Standard for Equity Method of Accounting for Investments (Accounting Standards Board of Japan (ASBJ) Statement No. 16 on March 10, 2008), and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (Practical Issues Task Force (PITF) No. 24 on March 10, 2008) were applied from the first quarter of the consolidated fiscal year under review.

The application of the accounting standard and the practical solution described above did not have an impact on the consolidated quarterly financial statements.

② Application of the Accounting Standards for Asset Retirement Obligations

The Accounting Standards for Asset Retirement Obligations (Accounting Standards Board of Japan (ASBJ) Statement No. 18 on March 31, 2008) and the Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21 on March 31, 2008) were applied from the first quarter of the consolidated fiscal year under review.

As a result of their application, operating income and ordinary income for the first nine months of the consolidated fiscal year under review decreased ¥115 million respectively, and income before income taxes and minority interests declined ¥803 million. The change in asset retirement obligations that resulted from the application of these accounting standards was ¥1,605 million.

2. Change in presentation

Notes to Consolidated Quarterly Statements of Income

Following the application of the Cabinet Office Ordinance Partially Revising Regulations on Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 5, March 24, 2009) based on Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, December 26, 2008), income before minority interests is presented in the consolidated statements of income for the third quarter of the fiscal year under review.

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3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(¥ million)

	As of October 31, 2011	As of January 31, 2011
Assets		
Current assets		
Cash and deposits	127,378	151,983
Notes receivable, accounts receivable from completed construction contracts	50,258	35,545
Short-term investment securities	-	5
Costs on uncompleted construction contracts	16,328	12,212
Buildings for sale	132,204	131,737
Land for sale in lots	331,034	329,487
Undeveloped land for sale	112,088	70,835
Other inventories	8,039	6,162
Deferred tax assets	57,115	52,640
Other	42,801	34,282
Allowance for doubtful accounts	(2,184)	(2,361)
Total current assets	875,066	822,530
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	134,413	131,540
Machinery, equipment and vehicles, net	11,121	11,923
Land	194,620	193,249
Construction in progress	11,971	11,099
Other, net	4,369	4,319
Total property, plant and equipment	356,495	352,131
Intangible assets	14,245	9,809
Investments and other assets		
Investment securities	67,015	72,449
Long-term loans receivable	26,733	28,831
Deferred tax assets	23,469	18,650
Other	38,413	38,350
Allowance for doubtful accounts	(974)	(1,445)
Total investments and other assets	154,657	156,837
Total noncurrent assets	525,397	518,778
Total assets	1,400,464	1,341,308

(¥ million)

	As of October 31, 2011	As of January 31, 2011
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	84,029	104,631
Electronically recorded obligations-operating	50,688	45,083
Short-term loans payable	3,531	25
Current portion of long-term loans payable	2,600	27,454
Income taxes payable	20,917	9,038
Advances received on uncompleted construction contracts	83,600	75,539
Provision for bonuses	23,904	14,419
Allowance for directors' and corporate auditors' bonuses	-	662
Provision for warranties for completed construction	3,133	2,762
Other	48,148	44,471
Total current liabilities	320,553	324,088
Noncurrent liabilities		
Bonds payable	129,994	129,990
Bonds with subscription rights to shares	50,000	-
Long-term loans payable	56,475	54,560
Long-term lease and guarantee deposited	52,342	52,592
Provision for retirement benefits	40,696	34,914
Provision for directors' retirement benefits	987	1,023
Other	9,513	6,109
Total noncurrent liabilities	340,010	279,190
Total liabilities	660,563	603,279
Net assets		
Shareholders' equity		
Capital stock	186,554	186,554
Capital surplus	237,522	237,522
Retained earnings	322,040	309,361
Treasury stock	(1,426)	(1,416)
Total shareholders' equity	744,690	732,021
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,640	2,813
Deferred gains or losses on hedges	(7)	11
Foreign currency translation adjustment	(8,724)	2,115
Total valuation and translation adjustments	(7,091)	4,940
Subscription rights to shares	346	292
Minority interests	1,954	774
Total net assets	739,900	738,029
Total liabilities and net assets	1,400,464	1,341,308

(2) **Consolidated Quarterly Statements of Income**

For the Nine months ended October 31, 2010 and 2011

(¥ million)

	Feb. 1, 2010 – Oct. 31, 2010	Feb. 1, 2011 – Oct. 31, 2011
Net sales	1,060,488	1,112,091
Cost of sales	881,212	911,119
Gross profit	179,275	200,972
Selling, general and administrative expenses	150,017	151,267
Operating income	29,258	49,704
Non-operating income		
Interest income	905	1,062
Dividends income	556	630
Insurance agency commission	907	928
Equity in earnings of affiliates	515	296
Other	1,986	2,089
Total non-operating income	4,872	5,008
Non-operating expenses		
Interest expenses	2,168	1,510
Other	2,806	3,345
Total non-operating expenses	4,975	4,856
Ordinary income	29,155	49,856
Extraordinary income		
Gain on sales of investment securities	132	-
Total extraordinary income	132	-
Extraordinary loss		
Loss on revaluation of investments in securities	2,848	3,328
Loss on disaster	-	1,293
Loss on sales and retirement of noncurrent assets	1,969	837
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	687
Impairment loss	32	167
Total extraordinary losses	4,850	6,314
Income before income taxes and minority interests	24,437	43,541
Income taxes-current	11,857	27,435
Income taxes-deferred	(993)	(8,764)
Total income taxes	10,864	18,670
Income before minority interests	-	24,870
Minority interests in income	24	23
Net income	13,549	24,847

(3) Consolidated Quarterly Statements of Cash Flows

(¥ million)

	Feb. 1, 2010 – Oct. 31, 2010	Feb. 1, 2011 – Oct. 31, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	24,437	43,541
Depreciation and amortization	11,880	13,332
Increase (decrease) in provision for retirement benefits	4,358	5,781
Decrease (increase) in prepaid pension costs	12	-
Interest and dividends income	(1,462)	(1,693)
Interest expenses	2,168	1,510
Equity in (earnings) losses of affiliates	(515)	(296)
Loss (gain) on revaluation of investments in securities	2,848	3,328
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	687
Decrease (increase) in notes and accounts receivable-trade	(35,236)	(14,713)
Decrease (increase) in inventories	28,263	(50,180)
Increase (decrease) in notes and accounts payable-trade	(9,302)	(6,858)
Increase (decrease) in advances received on uncompleted construction contracts	(9,337)	8,060
Other, net	3,813	(2,557)
Subtotal	21,929	(56)
Interest and dividends income received	1,392	1,701
Interest expenses paid	(2,459)	(2,738)
Income taxes paid	(9,753)	(15,724)
Income taxes refund	2,654	1,128
Net cash provided by (used in) operating activities	13,763	(15,689)
Net cash provided by (used in) investing activities		
Proceeds from sales of short-term investment	1,280	5
Purchase of property, plant and equipment	(13,137)	(21,535)
Proceeds from sales of property, plant and equipment	4,046	1,219
Purchase of investment securities	(4,066)	(1,328)
Proceeds from sales of investment securities	308	2,629
Payments of loans receivable	(846)	(734)
Collection of loans receivable	4,296	2,925
Other, net	(2,925)	(6,715)
Net cash provided by (used in) investing activities	(11,044)	(23,534)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term bonds payable	10,000	-
Net increase (decrease) in short-term loans payable	10	3,507
Proceeds from long-term loans payable	2,310	9,281
Repayment of long-term loans payable	(121,845)	(30,450)
Proceeds from issuance of bonds	70,000	50,000
Purchase of treasury stock	(35)	(19)
Cash dividends paid	(8,786)	(12,165)
Other, net	(76)	1,101
Net cash provided by (used in) financing activities	(48,422)	21,253
Effect of exchange rate change on cash and cash equivalents	(92)	(6,633)
Net increase (decrease) in cash and cash equivalents	(45,795)	(24,604)
Cash and cash equivalents at beginning of period	148,630	151,983
Cash and cash equivalents at end of period	102,834	127,378

(4) Notes Regarding Assumption of a Going Concern

Not applicable

(5) Segment Information

[Segment Information by Each Business]

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

[Segmental information]

1. Summary of reportable segments

The reportable segments of the Sekisui House Group are its constituent units for which separate financial information is obtained and examined on a regular basis by its manager to determine the allocation of management resources and evaluate business performance.

The Sekisui House Group operates a comprehensive housing businesses as a proactive creator of comfortable living environments. To achieve sustainable growth by optimizing its management resources, the Group has established business domains. Each domain operates by developing its own business strategies.

Consequently, the Group comprises segments based on the products and services provided by each business domain. The Group considers the Custom Detached Houses Business, the Rental Housing Business, the Houses for Sale Business, the Condominiums Business, the Urban Redevelopment Business, the Remodeling Business, and Real Estate Management Fees Business, excluding Other Businesses, as its reportable segments.

Main details of each reportable segment are as follows;

Custom Detached Houses Business:	Designing, constructing, and contracting for sale detached houses
Rental Housing Business:	Designing, constructing, and contracting for sale rental housing and other buildings
Houses for Sale Business:	Selling houses and real estate, and designing, constructing, and contracting for sale houses on residential land for sale
Condominiums Business:	Selling condominiums
Urban Redevelopment Business:	Developing office buildings, commercial facilities, and other facilities, and managing and maintaining its own properties
Remodeling Business:	Renovating housing
Real Estate Management Fees Business:	Leasing, managing, maintaining, and brokering real estate.

2. Sales and operating income (loss) by reportable business segment

Nine months ended October 31, 2011 (February 1, 2011 through October 31, 2011) (¥ million)

	Reportable Business Segments					
	Custom detached houses	Rental housing	Houses for sale	Condominiums	Urban redevelopment	Remodeling
Sales						
(1) Sales to third parties	344,080	208,206	91,700	23,511	31,872	72,570
(2) Inter-group sales and transfers	-	1,862	-	-	79	102
Net sales	344,080	210,068	91,700	23,511	31,951	72,673
Operating income (loss)	35,264	19,671	1,489	(6,385)	9,475	6,624

	Reportable Business Segments		Other Businesses (Note: 1)	Total	Adjustment (Note: 2)	Amounts on the consolidated financial statements
	Real estate management fees	Total				
Sales						
(1) Sales to third parties	282,373	1,054,314	57,776	1,112,091	-	1,112,091
(2) Inter-group sales and transfers	1,686	3,730	3,781	7,512	(7,512)	-
Net sales	284,059	1,058,045	61,558	1,119,603	(7,512)	1,112,091
Operating income (loss)	10,637	76,777	(2,951)	73,826	(24,121)	49,704

(Notes)

1. Other Businesses principally include the overseas business and the exterior business.

2. An adjustment of ¥24,121 million yen for segment income (loss) includes an elimination of inter-segment transactions of ¥2,307 million and corporate expenses of ¥21,814 million that have not been allocated to each segment. Corporate expenses mainly include selling, general and administration expenses and experiment and research expenses that do not belong to any reportable segments.

3. Operating income (loss) by business segment is adjusted to correspond to operating income in the consolidated quarterly statements of income.

(Additional information)

The Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17 on March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 on March 21, 2008) were applied from the first quarter of the consolidated fiscal year under review.

(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, 2010		Nine months ended October 31, 2011		Year ended January 31, 2011	
	Orders	Accumulated Orders	Orders	Accumulated Orders	Orders	Accumulated Orders
Built to Order Housing	537,622	410,576	-	-	710,103	373,593
Real Estate for Sale	196,091	84,954	-	-	253,947	75,706
Real Estate for Leasing	282,793	-	-	-	377,667	-
Other	133,067	105,351	-	-	186,644	102,487
Total	1,149,575	600,882	-	-	1,528,362	551,787

Custom detached houses	-	-	359,539	239,714	-	-
Rental housing	-	-	227,744	227,313	-	-
Houses for sale	-	-	99,536	39,303	-	-
Condominiums	-	-	41,392	24,759	-	-
Urban redevelopment	-	-	18,672	-	-	-
Remodeling	-	-	80,748	22,199	-	-
Real estate management fees	-	-	282,373	-	-	-
Other Businesses	-	-	79,901	76,314	-	-
Total	-	-	1,189,908	629,604	-	-