

Financial Results for the Third Quarter of FY Ending March 2011



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Summary of Financial Results for the Third Quarter (cumulative)

- The domestic housing market saw a gradual recovery which was largely boosted by government stimulus measures.
- Both revenues and income rose sharply.

	3Q FY March 2010 (cumulative)		3Q FY March 2011 (cumulative)		YoY Change	% of YoY Change
Sales		506.9		569.2	+62.3	+12.3%
Gross profit	16.4%	83.3	16.3%	93.0	+9.7	+11.6%
Selling, general and administrative expenses		86.3		85.0	-1.3	-1.5%
Operating income	-0.6%	-3.0	1.4%	7.9	+10.9	—
Recurring Income	-0.7%	-3.6	1.5%	8.5	+12.2	—
Net income	-1.2%	-6.2	0.5%	2.6	+8.9	—

(Billion yen)

Summary of Financial Results for the Third Quarter by Segment

- The timber and building materials business and the housing business, which are our core businesses, drove overall performance during the quarter.
- In the overseas business, recovery in the US housing business was slower than anticipated.

<Sales>

<Recurring Income>

(Billion yen)

	3Q FY March 2010 (cumulative)	3Q FY March 2011 (cumulative)	YoY Change	% of YoY Change
Timber and Building Materials Business	255.9	294.6	+38.7	+15.1%
Overseas Business	18.3	24.8	+6.5	+35.6%
Housing Business	218.2	230.5	+12.3	+5.6%
Real Estate Business	27.7	37.2	+9.5	+34.3%
Other Businesses	11.4	10.0	-1.4	-12.6%
Adjustment	-24.6	-27.8	-3.2	—
Total	506.9	569.2	+62.3	+12.3%

	3Q FY March 2010 (cumulative)	3Q FY March 2011 (cumulative)	YoY Change	% of YoY Change
Timber and Building Materials Business	0.6%	1.5%	+2.2	+142.8%
Overseas Business	-14.8%	-2.7%	+2.4	—
Housing Business	0.4%	3.4%	+7.1	+861.3%
Real Estate Business	-2.4%	2.5%	+1.6	—
Other Businesses	3.5%	3.1%	-0.1	-23.2%
Adjustment	—	-4.0%	-1.0	—
Total	-0.7%	1.5%	+12.2	—

Full Year Forecast

- There was no change overall in the forecast for the full year. However, forecast figures for individual segments changed.
- Forecast figures for the timber and building materials and housing businesses were upwardly revised. Forecast figures for the overseas business were downwardly revised.

* Actuarial difference in accounting for retirement benefits obligations.

	FY March 2010 Actual		FY March 2010 Actual		FY March 2011 Forecast (as of 3Q)		YoY Change	% of YoY Change	YoY Change		% of YoY Change	
Sales		723.9	—	—		770.0	+46.1	+6.4%	—	—	—	—
Gross profit	17.2%	124.3	—	—		133.0	+8.7	+7.0%	—	—	—	—
Selling, general and administrative expenses		114.5	116.9	—		117.5	+3.0	+2.6%	+0.6	+0.5%	—	—
Operating income	1.3%	9.7	1.0%	7.4		15.5	+5.8	+59.0%	+8.1	+109.9%	—	—
Recurring Income	1.3%	9.5	1.0%	7.1		16.0	+6.5	+69.0%	+8.9	+125.3%	—	—
Net income	0.3%	2.4	0.1%	1.0		7.5	+5.1	+215.5%	+6.5	+682.2%	—	—

* Actuarial losses are excluded

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Revised Segment Forecast

	<Sales>				<Recurring Income>						
	Forecast as of 2Q		Forecast as of 3Q		Forecast as of 2Q		Forecast as of 3Q		Change		
Timber and Building Materials Business		372.0	379.0	+7.0	+1.9%	1.0%	3.7	1.2%	4.4	+0.7	+18.9%
Overseas Business		34.0	32.0	-2.0	-5.9%	-1.2%	-0.4	-5.0%	-1.6	-1.2	—
Housing Business		345.0	345.0	—	—	5.2%	17.8	5.3%	18.3	+0.5	+2.8%
Real Estate Business		47.0	47.0	—	—	1.5%	0.7	1.5%	0.7	—	—
Other Businesses		13.0	13.0	—	—	2.3%	0.3	3.1%	0.4	+0.1	+33.3%
Adjustment		-41.0	-46.0	-5.0	—	—	-6.1	—	-6.2	-0.1	—
Total		770.0	770.0	—	—	2.1%	16.0	2.1%	16.0	—	—

Results and Full Year Forecast for Sales

- Buoyed by the recovery in the housing market, sales of custom-built detached housing and wooden apartments grew in terms of both the amounts and units of houses sold.
- Sales of detached spec homes also performed strongly and increased.

(Billion yen)

		3Q FY March 2010 (cumulative)	3Q FY March 2011 (cumulative)	YoY Change	% of YoY Change	FY March 2010 Actual	FY March 2011 Forecast	YoY Change	% of YoY Change
Contract Work	Custom-built detached housing	167.6	176.9	+9.3	+5.6%	264.2	275.0	+10.8	+4.1%
	units	5,408	5,702	+294	+5.4%	8,580	8,850	+270	+3.1%
	Unit price (millions)	31.0	31.0	+0	+0.1%	30.8	31.1	+0.3	+0.9%
	Wooden apartments	1.8	2.5	+0.7	+37.7%	5.6	6.7	+1.1	+19.0%
	units	203	254	+5.1	+25.1%	670	720	+50	+7.5%
	Other contract work	5.5	3.3	-2.2	-40.7%	8.0	3.4	-4.6	-57.6%
	Detached spec homes	5.6	7.9	+2.3	+41.3%	7.9	9.4	+1.5	+19.7%
	units	129	187	+58	+45.0%	183	230	+47	+25.7%
	Unit price (millions)	43.5	42.4	-1.1	-2.5%	42.9	40.9	-2.0	-4.7%
Land for custom-built housing	3.2	3.9	+0.7	+22.2%	6.0	4.9	-1.1	-18.4%	
Real estate development	1.8	7.8	+6.0	+330.8%	2.0	11.0	+9.0	+454.0%	
Other	5.4	5.0	-0.4	-7.6%	7.3	7.6	+0.3	+3.7%	

Results and Full Year Forecast for Orders Received

- Orders received for custom-built detached housing are recovering, albeit slowly.
- We will strive to achieve the full year forecast results by expanding orders of products that employ our proprietary Big Frame construction method, and holding three major company-hosted *Sumai Haku* housing fairs.

(Billion yen)

		3Q FY March 2010 (cumulative)	3Q FY March 2011 (cumulative)	YoY Change	% of YoY Change	FY March 2010 Actual	FY March 2011 Forecast	YoY Change	% of YoY Change
Contract Work	Custom-built detached housing	198.0	205.7	+7.7	+3.9%	265.2	283.0	+17.8	+6.7%
	units	6,471	6,495	+24	+0.4%	8,593	9,000	+407	+4.7%
	Unit price (millions)	30.6	31.7	+1.1	+3.5%	30.9	31.4	+0.6	+1.9%
	Apartments	4.6	5.6	+1.0	+20.7%	7.0	8.5	+1.5	+22.0%
	units	488	584	+96	+19.7%	736	920	+184	+25.0%
	Other contract work	2.3	0.1	-2.2	-94.7%	3.1	0.4	-2.7	-87.0%

(Billion yen)	3Q FY March 2011 (cumulative)	FY March 2011 Forecast
Tangible Fixed Assets	9.5	16.0
Intangible Fixed assets	1.9	3.4
Others	0.2	0.2
Total	11.6	19.6

◎Breakdown of our main investments
(3Q, cumulative)

Real Estate Investments	3.9
Construction of Particle Board Factory in Vietnam	2.3
Other Plant Related Capital Expenditures	2.1
Systems Investments	0.6
Model Homes	0.6

◎Breakdown of our main investments
(full year)

Real Estate Investments	6.7
Construction of Particle Board Factory in Vietnam	2.9
Other Plant Related Capital Expenditures	3.1
Systems Investments	2.4
Model Homes	1.4

(Billion yen)

	End FY2010	3Q FY2011	Change		End FY2010	3Q FY2011	Change
Cash, deposits, securities	71.7	46.8	-24.9	Payables	147.6	151.4	+3.8
Receivables	107.4	130.9	+23.5	Short-term loans	12.3	18.5	+6.2
Finished Goods, logs and lumber	17.2	18.3	+1.1	Other current liabilities	59.5	79.8	+20.2
Developed land and housing for sale	26.3	27.7	+1.4	Long-term loans/bonds	51.0	47.0	-4.0
Other current assets	85.1	106.1	+21.0	Other long-term liabilities	36.4	36.2	-0.1
Total Current assets	307.8	329.8	+22.0	Total liabilities	306.8	332.9	+26.1
Buildings and structures	29.7	32.1	+2.4	Shareholders' equity	159.3	159.3	-0
Land	26.7	27.2	+0.5	Valuation and translation adjustments	3.2	-0	-3.3
Investment securities	51.1	48.1	-3.0	Minority interests	0.3	0.3	-0.1
Other fixed assets	54.5	55.2	+0.8				
Total fixed assets	162.0	162.6	+0.7	Net assets	162.9	159.6	-3.4
Total assets	469.7	492.5	+22.7	Total liabilities and net assets	469.7	492.5	+22.7

Balance Sheet Points

- Current assets increased as growth in receivables accompanied higher sales.
- Current liabilities grew as the number of properties under construction increased, spurring growth in receivables for construction in progress.

	End FY2010	3Q FY2011
Operating cash flows	+7.2	-4.1
Investment cash flows	-16.3	-20.5
Free cash flows	-9.1	-24.5
Financing cash flows	+8.2	+0.3



Financial Results for the Third Quarter of Fiscal Year 2011



The forecast figures in this presentation are based on projections deemed logical at the time when it was prepared.

Actual performance may differ materially from these projections.

