

Financial Results for the First Quarter of FY Ending March 2012



◆ Business Results for the First Quarter of FY March 2012	2
Summary of Financial Results		
Summary of Financial Results by Segment		
Notes on Sales (Housing & Real Estate)		
◆ Earnings Forecasts for FY March 2012	5
Earnings Forecasts for the First Half/Full Year		
Earnings Forecast by Segment for full year		
Notes on Sales (Housing & Real Estate)		
◆ Orders Received and the Full Year Forecast	8
◆ Balance Sheets	9
◆ Capital Expenditures	10
◆ Information	12

Summary of Financial Results

- The timber and building materials business and the housing business, which are our core businesses, drove overall performance during the quarter.
- Revenues rose sharply and the range of deficit was reduced year on year.

(Billion yen)

	1Q FY March 2011		1Q FY March 2012		YoY Change	% of YoY Change
Net Sales		149.0		163.6	+14.6	+9.8%
Gross Profit	14.0%	20.9	14.3%	23.4	+2.5	+11.8%
Selling, General & Admin. Expenses		27.6		26.8	-0.8	-2.9%
Operating Income	-4.5%	-6.7	-2.1%	-3.4	+3.3	—
Recurring Income	-4.2%	-6.3	-1.7%	-2.8	+3.4	—
Net Income	-3.0%	-4.5	-1.1%	-1.7	+2.8	—

Summary of Financial Results by Segment

- **Timber and Building Materials Business**
⇒ Both sales and income rose because of growing demand for imported plywood.
- **Housing Business**
⇒ Both sales and income rose because of increasing the units of custom-built detached houses sold.
- **Overseas Business**
⇒ Sales grew but income decreased because of failing to show much growth.
- **Real Estate Business**
⇒ Both sales and income decreased because of decreasing the selling of buildings for rent.

(Billion yen)

		1Q FY March 2011		1Q FY March 2012		YoY Change	% of YoY Change
<Net Sales>	Timber and Building Materials Business		90.5		97.4	+6.9	+7.6%
	Overseas Business		7.3		7.7	+0.3	+4.7%
	Housing Business		43.4		54.7	+11.3	+26.1%
	Real Estate Business		12.8		9.1	-3.7	-28.8%
	Other Business		3.4		3.0	-0.4	-11.9%
	Adjustment		-8.4		-8.2	+2	-
	Total		149.0		163.6	+14.6	+9.8%
<Recurring Income>	Timber and Building Materials Business	0.9%	0.8	1.6%	1.5	+0.7	+85.9%
	Overseas Business	-3.4%	-0.3	-6.1%	-0.5	-0.2	-
	Housing Business	-15.0%	-6.5	-6.9%	-3.8	+2.8	-
	Real Estate Business	1.8%	0.2	-2.2%	-0.2	-0.4	-
	Other Business	3.0%	0.1	4.8%	0.1	+0.0	+42.8%
	Adjustment	-	-0.7	-	-0.1	+0.6	-
	Total	-4.2%	-6.3	-1.7%	-2.8	+3.4	-

Notes on Sales (Housing and Real Estate)

- Sales of custom-built detached housing rose considerably year-on-year as the units and the unit price of them increased.
- The sales unit of detached spec homes decreased year-on-year ,but also are in progress as planned.

(incl. percentage of completion basis)		1Q FY March 2011	1Q FY March 2012	YoY Change	(Billion yen) % of YoY Change
Contract Work	Custom-built detached housing	29.4	39.9	+10.4	+35.6%
	Units	975	1,234	+25.9	+26.6%
	Unit price (millions)	30.2	32.3	+2.1	+6.8%
	Wooden apartments	0.1	0.5	+0.4	+747.3%
	Units	8	52	+4.4	+550.0%
	Other contract work	2.0	0.1	-2.0	-97.5%
Detached spec homes		2.3	1.6	-7.0	-31.0%
Units	48	38	-10	-20.8%	
Unit price (millions)	47.6	41.5	-6.1	-12.8%	
Land for custom-built housing		1.1	0.7	-0.4	-34.0%
Real estate development		3.6	1.1	-2.5	-69.2%
Other		1.4	3.1	+1.7	+116.3%

Earnings Forecasts for the First Half/Full Year

- The first half and full year earnings forecasts have not changed since the beginning of the fiscal term.
- We need watch carefully the trends of Japanese economy and the housing markets.

<First Half Forecast>

<Full Year Forecast>

(Billion yen)	<First Half Forecast>				<Full Year Forecast>			
	1H FY March 2011	1H FY March 2012 Forecast	YoY Change	% of YoY Change	FY March 2011 Actual	FY March 2012 Forecast	YoY Change	% of YoY Change
Net Sales	373.9	380.0	+6.1	+1.6%	797.5	815.0	+17.5	+2.2%
Gross Profit	61.3	63.0	+1.7	+2.8%	132.6	137.5	+4.9	+3.7%
Selling, General & Admin. Expenses	56.4	58.5	+2.1	+3.7%	118.3	119.5	+1.2	+1.0%
Operating Income	4.9	4.5	-0.4	-7.7%	14.2	18.0	+3.8	+26.4%
Recurring Income	5.1	4.5	-0.6	-11.7%	14.2	18.5	+4.3	+30.2%
Net Income	1.5	2.5	+1.0	+63.7%	5.2	10.0	+4.8	+93.2%

Earnings Forecast by Segment for full year

- The overseas business and real estate business will swing into profit during the current fiscal term.
- Recurring income for the housing business will fall slightly once soaring prices for materials are taken into account.

(Billion yen)

		FY March 2011	FY March 2012 Forecast	YoY Change	% of YoY Change
<Net Sales>	Timber and Building Materials Business	390.2	388.0	-2.2	-0.6%
	Overseas Business	33.2	38.0	+4.8	+14.3%
	Housing Business	346.3	367.0	+20.7	+6.0%
	Real Estate Business	50.9	48.0	-2.9	-5.7%
	Other Business	13.5	11.0	-2.5	-18.7%
	Adjustment	-36.7	-37.0	-0.3	-
	Total	797.5	815.0	+17.5	+2.2%
<Recurring Income>	Timber and Building Materials Business	1.2% 4.8	1.1% 4.3	-0.5	-11.3%
	Overseas Business	-5.5% -1.8	0.0% 0.0	+1.8	-
	Housing Business	5.5% 19.0	5.0% 18.5	-0.5	-2.6%
	Real Estate Business	1.8% 0.9	1.0% 0.5	-0.4	-44.6%
	Other Business	3.7% 0.5	2.7% 0.3	-0.2	-40.2%
	Adjustment	- -9.2	- -5.1	+4.1	-
	Total	1.8% 14.2	2.3% 18.5	+4.3	+30.2%

* difference in accounting for retirement benefits obligations are included in the adjustment

Notes on Sales (Housing & Real Estate)

- Sales of key custom-built detached housing are expected to outperform the sales results for last fiscal term.
- In the case of real estate development, sales are expected to increase substantially due to sales of leasing properties held and increased sales of condominiums.

(Billion yen)

(incl. percentage of completion basis)		FY March 2011	FY March 2012 Forecast	YoY Change	% of YoY Change
Contract Work	Custom-built detached housing				
		270.9	285.4	+14.5	+5.4%
	Units	8,721	8,900	+179	+2.1%
	Unit price (millions)	31.1	32.1	+1.0	+3.2%
	Wooden apartments	6.7	6.7	+0.0	+0.3%
	Units	72.4	73.0	+0.6	+0.8%
	Other contract work	3.6	0.5	-3.1	-85.9%
	Detached spec homes				
		9.6	10.0	+0.4	+4.5%
	Units	226	230	+4	+1.8%
	Unit price (millions)	42.3	43.5	+1.1	+2.7%
	Land for custom-built housing	5.8	4.6	-1.2	-20.5%
	Real estate development	9.7	11.8	+2.1	+21.6%
	Other	6.9	7.0	+0.1	+1.2%

- Orders received for the first quarter are on par with orders received the previous fiscal term.
- The full year forecast for orders received has not changed since the beginning of the fiscal term.

(Billion yen)

		1Q FY March 2011	1Q FY March 2012	YoY Change		FY March 2011 Actual	FY March 2012 Forecast	YoY Change	
Orders Received	Custom-built detached housing	64.3	69.5	+5.2	+8.1%	284.4	289.0	+4.6	+1.6%
	Units	2,106	2,098	-8	-0.4%	8,926	9,000	+74	+0.8%
	Unit price (millions)	30.5	33.1	+2.6	+8.5%	31.9	32.1	+0.3	+0.8%
	Wooden apartments	1.6	1.5	-0.1	-4.0%	7.3	8.6	+1.3	+17.1%
	Units	176	134	-4.2	-23.9%	775	940	+165	+21.3%
	Other contract work	0.1	0.5	+4.0	+416.5%	0.2	1.0	+0.8	+526.6%
Backlog of Orders Received	Custom-built detached housing	283.0	291.2	+8.3	+2.9%	261.7	265.3	+3.6	+1.4%
	Units	9,325	9,263	-6.2	-0.7%	8,399	8,499	+100	+1.2%
	Unit price (millions)	30.3	31.4	+1.1	+4.0%	31.2	31.2	+0.1	+0.2%
	Wooden apartments	9.0	9.2	+0.2	+2.0%	8.2	10.1	+1.9	+23.3%
	Units	1,000	965	-3.5	-3.5%	883	1,093	+210	+23.8%
	Other contract work	1.5	0.5	-1.0	-67.6%	-	0.5	+0.5	-

Results for the First Quarter of FY March 2012

(Billion yen)

	End FY March 2011	1Q FY March 2012	Change		End FY March 2011	1Q FY March 2012	Change
Cash, deposits, securities	75.6	37.8	-37.8	Payables	150.2	124.4	-25.8
Receivables	118.5	116.6	-1.9	Short-term loans	18.6	17.7	-0.9
Finished goods, logs and lumber	19.0	22.5	+2.4	Other current liabilities	75.0	81.4	+6.4
Developed land and housing for sale	31.5	32.6	+1.1	Long-term loans/bonds	47.1	45.9	-1.3
Other current assets	88.9	98.7	+9.8	Provision for employees' retirement benefits	6.2	5.8	-0.4
Total current assets	333.4	308.1	-25.3	Other long-term liabilities	29.3	29.1	-0.2
Buildings and structures	28.8	28.6	-0.2	Total liabilities	326.3	304.2	-22.1
Land	26.0	25.5	-0.5	Shareholders' equity	161.9	158.8	-3.1
Investment securities	48.5	47.2	-1.2	Accumulated Other Comprehensive income	1.0	0.5	-0.5
Other fixed assets	52.6	54.3	+1.6	Minority interest	0.2	0.2	-0.0
Total fixed assets	156.0	155.7	-0.3	Net assets	156.0	159.5	-3.6
Assets	489.4	463.8	-25.6	Total liabilities and net assets	489.4	463.8	-25.6

Balance Sheet Notes

- As seasonal factors, payable and cash, deposits, securities declined in 1Q.
- Developed land and housing for sale declined due to the sales of leasing properties held.

The plan for the full year remains unchanged

- In the real estate business, one leasing property was acquired

(Billion yen)	1Q FY March 2012	FY March 2011 Forecast
Tangible Fixed Assets	2.3	12.5
Intangible Fixed Assets (software)	0.3	3.3
Other	0.0	0.2
Total	2.7	16.0

© Breakdown of our main investments

(Billion yen)	1Q FY March 2012	FY March 2011 Forecast
Tangible Fixed Assets	2.3	12.5
Intangible Fixed Assets (software)	0.3	3.3
Other	0.0	0.2
Total	2.7	16.0



Financial Results for the First Quarter of FY Ending March 2012



**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.**

