

## Summary of Financial Results for the First Quarter of the Fiscal Year Ending March, 2011 [Japan GAAP] (Consolidated)

Name of Company:	Sumitomo Forestry Co., Ltd.
Stock Exchange Listing:	Tokyo, Osaka
Stock Code	1911
URL:	<a href="http://sfc.jp/">http://sfc.jp/</a>
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Date of filing of financial report:	August 13, 2010
Date of commencement of dividend payment (tentative):	-
Preparation of supplementary materials:	Yes
Convening of a first quarter results meeting:	No

(Note: Amounts are rounded to nearest million Yen.)

**1. Financial results for the first quarter cumulative period under review (April 1, 2010 – June 30, 2010)**

(1) Results of operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Recurring income		Net income	
	Million Yen	%	Million Yen	%	Million yen	%	Million yen	%
1Q FY Ending March 2011	149,022	9.7	-6,690	-	-6,276	-	-4,520	-
1Q FY Ended March 2010	135,897	-12.7	-8,746	-	-8,189	-	-5,525	-

	Net income per share	Net income per share fully diluted
	Yen	Yen
1Q FY Ending March 2011	-25.51	-
1Q FY Ended March 2010	-31.19	-

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2010	450,861	153,909	34.1	867.00
As of March 31, 2010	469,738	162,930	34.6	917.82

(Note) Shareholders' equity

As of June 30, 2010 153,585 million yen

As of March 31, 2010 162,588 million yen

**2. Dividends**

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Full year
	Yen	Yen	Yen	Yen	Yen
FY Ended March 2010	-	7.50	-	7.50	15.00
FY Ending March 2011	-				
FY Ending March 2011 (Est.)		7.50	-	7.50	15.00

(Note) Revised dividend forecast for the quarter under review: No

### 3. Forecast for the fiscal year ending March, 2011 (Consolidated, April 1, 2010 - March 31, 2011)

(Percentage figures represent period on period changes (cumulative, full year) or year on year changes (2Q))

	Net sales		Operating income		Recurring income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q (cumulative)	350,000	3.9	0	-	0	-	-1,000	-	-5.65
Fiscal Year	760,000	5.0	12,000	23.1	12,000	26.8	6,000	152.4	33.87
Ending March 2011									

Note: Revised forecast for the quarter under review: No

### 4. Other (for further information, please refer to "Other Information" in [Accompanying Materials] (Page 3))

- (1) Changes in main subsidiaries (changes in specific subsidiaries accompanied by changes in the scope of consolidation): None
- (2) Application of simplified accounting treatment and specific accounting treatment (application of simplified accounting treatment and accounting treatment specific to the preparation of the consolidated quarterly financial statements): Yes
- (3) Changes in accounting principles, procedures and presentation methods in the preparation of the consolidated quarterly financial statements (presented in the section on Changes to the Basis of Presenting the Consolidated Financial Statements)
  - a) Changes due to revision of accounting standards: Yes
  - b) Changes other than in (a): None

Changes in important items considered fundamental to the preparation of the consolidated quarterly financial statements

#### (4) Number of shares outstanding (common stock)

a) Shares outstanding (including treasury stock)	As of June 30, 2010	177,410,239	As of March 31, 2010	177,410,239
b) Treasury stock	As of June 30, 2010	264,409	As of March 31, 2010	263,750
c) Average number of shares during the term (cumulative for the quarter)	As of June 30, 2010	177,145,934	As of June 30, 2009	177,148,945

- Indication regarding the performance of quarterly review procedures  
This summary of quarterly financial results is not subject to quarterly review procedures based on the Financial Instruments and Exchange Law. At the time when this report was issued, review procedures for the quarterly financial statements had not been completed pursuant to the Financial Instruments and Exchange Law.
- Cautionary statement regarding the appropriate use of business results forecasts  
The forward-looking statements in these materials regarding business results are based on available information and certain assumptions that were deemed logical at the time when they were prepared. Actual results may differ materially due to a wide range of factors. For information regarding using the assumptions that form the basis for the business results forecasts and cautionary notes about using business results forecasts, please refer to "Qualitative Information related to Consolidated Business Results Forecasts" [Accompanying Materials] (Page 3).

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## 1. Qualitative Information related to the Consolidated Business Results

### (1) Qualitative Information related to the Consolidated Operating Results

During the first quarter cumulative period under review (Consolidated, April - June, 2010), corporate earnings improved fanned by expanding demand from emerging countries (mainly in Asia), and a gradual recovery in domestic demand. Although the recovery in personal consumption and other signs indicate that the Japanese economy is regaining strength, factors including fears about a global economic downturn (mainly around Europe and the United States), persistent deflation and ongoing uncertainty about the future continued to weigh down the Japanese economy. Although there are signs that the housing market is recovering due partly to government measures aimed at stimulating the housing market, unemployment and income circumstances remain bleak, and so the situation is unpredictable.

In this difficult business environment, sales increased by 9.7% compared to the previous year, to ¥149,022 million. All income categories improved, as operating loss totaled ¥6,690 million, recurring income totaled ¥6,276 million and net income totaled ¥4,520 million year-on-year.

In terms of the housing business (the business which has the greatest impact on the Group's consolidated income), it is normal for sales to be lackluster in the first quarter, as the main thrust in March, the end of the reporting period, is the completion and transfer of buildings on completion of construction. For this reason, the business recorded a loss in the financial results for the first quarter under review.

#### <Business Segments>

##### 1) *Timber and Building Materials*

The Timber and Building Materials Business recorded sales of ¥86,382 million, and ¥819 million in recurring income. These results were largely attributable to strong market recovery on the domestic front, which triggered an overall increase in year on year sales volumes, and also drove up unit sales prices in the timber and building materials distribution business and the building materials manufacturing business.

##### 2) *Overseas*

The overseas business recorded sales of ¥5,852 million, and a recurring loss of ¥252 million. This was mainly due to the strong results achieved by the timber and building materials manufacturing business, as New Zealand and Indonesian building materials manufacturers experienced a gradual recovery in sales volumes and unit prices during the quarter and the housing business in Australia enjoyed robust sales.

##### 3) *Housing*

The housing business recorded sales of ¥42,813 million and ¥6,523 million in recurring loss. These results were largely attributable to the year-on-year decline in the number of houses sold by the custom-built detached housing business, which caused sales to fall. However, recurring income improved due to the effects of cost savings and cost-cutting. The renovation business also performed strongly as a result of previous investment in its resources.

The value of orders received totaled ¥64,276 million, a decline of 0.3% compared to the previous year. Orders received for custom-built detached housing are a leading performance indicator. Against a backdrop of an apparent recovery in the number of owner-occupied housing starts due to government measures aimed at stimulating the housing market, we strove to capture more orders by expanding sales of houses with solar power systems.

##### 4) *Real Estate*

The real estate business recorded sales of ¥12,815 million, and ¥235 million in recurring income during the quarter. The business was buoyed by sales of leasing properties held and booming sales of detached spec homes.

5) *Other Businesses*

Other businesses recorded sales of ¥964 million and ¥100 million in recurring income. As well as the businesses mentioned above, Sumitomo Forestry Group develops IT systems for its Group companies, operates a leasing business and a wide range of service businesses for residential customers (products include housing insurance agency services), and manufactures and sells farming and gardening materials.

(2) Qualitative Information related to the Consolidated Financial Position

Despite the growth in costs on uncompleted construction contracts associated with the increasing number of new starts, at the end of the first quarter under review, total assets were down by ¥18,878 million compared to the end of the previous year, totalling ¥450,861 million. This was largely attributable to the decline in cash and cash equivalents due to the payment of construction fees. Liabilities fell by ¥9,856 million compared to the end of the previous year, totalling ¥296,952 million. This was largely attributable to the payment of the abovementioned construction obligations. Net assets totalled ¥153,909 million and the equity ratio was 34.1%.

Operating activities delivered a net cash loss of ¥24,430 million. This was mainly due to growth in inventories such as costs on uncompleted construction contracts and the payment of construction obligations and income taxes. Net cash used for investment activities totalled ¥3,291 million, most of which was used for purchasing properties for leasing by the real estate business. Financing activities delivered a net cash outflow of ¥956 million, due mainly to the payment of dividends. As a result of the above, the balance of cash and cash equivalents at the end of the first consolidated quarter under review totalled ¥42,810 million, a decline of ¥28,852 million compared to the end of the previous year.

(3) Qualitative Information related to Consolidated Business Results Forecasts

The full year business results forecast for the fiscal year ending March, 2011 is as per the “Announcement Regarding Revisions to the Financial Results for the Fiscal Year ending March, 2010” which was issued on May 13, 2010.

**2. Other Information**

(1) Changes in Main Subsidiaries

Not applicable

(2) Outline of Simplified Accounting Treatment and/or Specific Accounting Treatment

1) Simplified Accounting Treatment

Method used for Calculating Depreciation and Amortization

The declining balance method is used to calculate the depreciation and amortization of some fixed assets. This method calculates the amount of depreciation and amortization for the relevant consolidated fiscal year in proportion to a certain period of time.

2) Specific accounting treatment

Not applicable

(3) Changes in Accounting Principles, Procedures and Presentation Methods

Changes in accounting standards used for normal accounting treatment

1) Application of Accounting Standards for Asset Retirement Obligations

In the first quarter of the consolidated fiscal period, the Company started applying the "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18; March 31, 2008) and the "Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21; March 31, 2008).

Consequently, operating loss and recurring losses increased by ¥30 million and net income before income taxes rose by ¥738 million. Furthermore, the change in the asset retirement obligation as the application of these standards begins amounts to ¥1,368 million.

2) Application of Accounting Standards for Business Combinations

In the first quarter of the consolidated fiscal period, the Company started applying "Accounting Standards for Business Combinations" (ASBJ Statement No. 21; December 26, 2008) and the "Guidance for Accounting Standard for Business Combination and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).

Changes in the Presentation Method

(Quarterly Consolidated Statements of Income)

Due to the application of the "Cabinet Office Ordinance for Partial Amendment of Regulations concerned with the Terminology, Format and Preparation of the Financial Statements" (Cabinet Office Ordinance No. 5; March 24, 2009) based on the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22; December 26, 2008), in the first quarter cumulative period (consolidated) under review, "Quarterly Consolidated Statement of Income" was presented in "Net Income before Minority Interests."

**3. Quarterly Consolidated Financial Statements**

## (1) Consolidated Balance Sheet

	(million yen)	
	1Q FY Ending March 2011	Summarized Consolidated Balance Sheet for the Previous Fiscal Year End (March 31, 2010)
<b>Assets</b>		
<b>Current assets</b>		
Cash and time deposits	37,841	52,714
Notes and accounts receivable -trade	105,234	102,355
Accounts receivable from completed construction contracts	4,771	5,071
Marketable securities	5,011	19,000
Finished goods, logs and lumber	14,396	12,236
Work in process	1,191	1,086
Raw materials and supplies	4,036	3,908
Developed land and housing for sale	22,090	26,333
Costs on uncompleted construction contracts	50,828	32,420
Deferred tax assets	9,616	6,308
Short-term loans receivable	851	859
Accounts receivable-other	30,852	42,599
Other	4,912	3,719
Allowance for doubtful accounts	-755	-836
<b>Total current assets</b>	290,875	307,772
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	53,182	50,928
Accumulated depreciation	-21,743	-21,210
Buildings and structures, net	31,440	29,718
Machinery, equipment and vehicles	57,456	56,957
Accumulated depreciation	-41,771	-41,073
Machinery, equipment and vehicles, net	15,685	15,884
Land	27,831	26,692
Leased assets	5,750	4,541
Accumulated depreciation	-2,034	-1,162
Leased Assets, net	3,716	3,379
Construction in progress	522	439
Other	18,095	18,139
Accumulated depreciation	-5,453	-5,381
Other, net	12,642	12,757
<b>Total property, plant and equipment</b>	91,835	88,870
<b>Intangible assets</b>		
Goodwill	283	309
Other	6,076	6,328
<b>Total intangible assets</b>	6,359	6,637

(million yen)

	1Q FY Ending March 2011	Summarized Consolidated Balance Sheet for the Previous Fiscal Year End (March 31, 2010)
<b>Investments and other assets</b>		
Investment securities	46,207	51,094
Long-term loans receivable	3,081	3,094
Deferred tax assets	1,565	1,138
Prepaid pension cost	1,698	1,595
Other	11,289	11,574
Allowance for doubtful accounts	-2,048	-2,037
Total investments and other assets	61,792	66,459
Total noncurrent assets	159,986	161,966
Total assets	450,861	469,738
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	86,130	86,553
Accounts payable for construction contracts	35,329	61,029
Short-term debt	17,379	12,323
Lease obligations	817	815
Income taxes payable	659	2,205
Advances received on uncompleted construction contracts	48,172	31,077
Deferred tax liabilities	10	10
Provision for employees' bonuses	3,890	7,337
Provision for directors' bonuses	—	35
Provision for warranties for completed construction	1,243	1,256
Other	20,389	16,794
Total current liabilities	214,017	219,434
<b>Long-term liabilities</b>		
Bonds issued	15,000	15,000
Long-term loans payable	31,838	36,008
Lease obligations	2,692	2,640
Deferred tax liabilities	8,134	9,358
Provision for employees' retirement benefits	5,384	5,390
Provision for directors' retirement benefits	136	164
Provision for loss on business liquidation	1,306	1,306
Other	18,446	17,509
Total long-term liabilities	82,936	87,374
Total liabilities	296,952	306,808



(million yen)

	IQ FY Ending March 2011	Summarized Consolidated Balance Sheet for the Previous Fiscal Year End (March 31, 2010)
Net assets		
Shareholders' equity		
Common stock	27,672	27,672
Capital surplus	26,872	26,872
Retained earnings	99,218	105,066
Treasury stock	-263	-262
Total shareholders' equity	153,499	159,348
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,610	5,594
Deferred gains or losses on hedges	-370	24
Foreign currency translation adjustments	-2,154	-2,378
Total valuation and translation adjustments	86	3,241
Minority interests	324	342
Total net assets	153,909	162,930
Total liabilities and net assets	450,861	469,738

## (2) Consolidated Statements of Income

	(million yen)	
	Previous 1Q Cumulative Period (Consolidated) (April 1, 2009 - June 30, 2009)	1Q Cumulative Period under Review (Consolidated) (April 1, 2010 - June 30, 2010)
Net Sales	135,897	149,022
Cost of sales	116,317	128,139
Gross profit	19,580	20,883
Selling, general and administrative expenses	28,326	27,573
Operating income (loss)	-8,746	-6,690
Non-operating income		
Interest income	88	46
Purchase discounts	137	82
Dividends income	281	380
Equity in earnings of affiliates	—	91
Foreign exchange gains	353	—
Other	275	382
Total non-operating income	1,134	981
Non-operating expenses		
Interest expenses	289	322
Sales discounts	123	125
Equity in losses of affiliates	96	—
Foreign exchange losses	—	56
Other	69	63
Total non-operating expenses	578	567
Recurring income (loss)	-8,189	-6,276
Extraordinary gains		
Gain on applying Accounting Standard for Construction Contracts	321	—
Total extraordinary gains	321	—
Extraordinary loss		
Loss on retirement of noncurrent assets	76	41
Loss on devaluation of investment securities	4	20
Head office transfer cost	255	—
Gain (loss) on applying Accounting Standard for Asset Retirement Obligation	—	706
Total extraordinary loss	334	768
Income (loss) before income taxes and minority interests	-8,203	-7,043
Income taxes- current	345	464
Income taxes- deferred	-3,021	-2,968
Total income taxes	-2,676	-2,504
Net income before minority interests	—	-4,540
Minority interests	-2	-20
Net income (loss)	-5,525	-4,520

## (3) Consolidated Statements of Cash Flows

	(million yen)	
	Previous 1Q Cumulative Period (Consolidated) (April 1, 2009 - June 30, 2009)	1Q Cumulative Period under Review (Consolidated) (April 1, 2010 - June 30, 2010)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	-8,203	-7,043
Depreciation and amortization	1,948	2,063
Amortization of goodwill	52	27
Provision for (reversal of) doubtful accounts	-133	-71
Provision for (reversal of) employees' bonuses	-3,499	-3,447
Provision for (reversal of) directors' bonuses	-39	-35
Provision for (reversal of) warranties for completed construction	-14	-12
Provision for (reversal of) employees' retirement benefits, less payments	-403	-112
Provision for (reversal of) directors' retirement benefits	4	-29
Interest and dividends income	-370	-427
Interest expenses	289	322
Equity in (earnings) losses of affiliates	96	-91
Losses (gains) on devaluation of marketable securities and investment securities	4	20
Losses (gains) on sales/disposal of fixed assets, net	76	41
Losses (gains) on applying Accounting Standard for Asset Retirement Obligation	—	706
Decrease (increase) in notes and accounts receivable-trade	13,273	-2,509
Inventories	-7,799	-16,456
Other current assets	9,860	10,869
Notes and accounts payable, trade	-28,796	-26,743
Advances received	1,713	2,215
Advances received on uncompleted construction contracts	11,220	17,095
Accrued consumption taxes	-224	-526
Other current liabilities	754	1,481
Other, net	-31	-39
Subtotal	-10,218	-22,699
Interest and dividends income received	410	827
Interest paid	-384	-350
Income taxes paid	-1,187	-2,208
Net cash provided by (used in) operating activities	-11,379	-24,430

(million yen)

	Previous 1Q Cumulative Period (Consolidated) (April 1, 2009 - June 30, 2009)	1Q Cumulative Period under Review (Consolidated) (April 1, 2010 - June 30, 2010)
Cash flows from investment activities		
Payments into time deposits	-9	-9
Proceeds from withdrawal of time deposits	18	18
Decrease (increase) in short-term loans receivable	751	20
Payments for purchases of fixed assets	-3,197	-3,618
Proceeds from sales of fixed assets	754	259
Payments for purchase of intangible assets	-245	-141
Payments for purchases of investment securities	-3	-45
Proceeds from sales of investment securities	—	0
Proceeds from purchase of stock of subsidiary newly consolidated	26	—
Payments of long-term loans receivable	-592	-22
Proceeds from long-term loans receivable	19	63
Other payments	-962	-211
Other proceeds	390	395
Net cash used in investment activities	-3,051	-3,291
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term debt	-611	681
Repayments of finance lease obligations	-192	-288
Proceeds from long-term debt	254	0
Repayments of long-term debt	-498	-20
Cash dividends paid	-1,329	-1,329
Cash dividends paid to minority shareholders	-0	-0
Other proceeds	0	0
Other payments	-1	-1
Net cash provided by (used in) financing activities	-2,375	-956
Effect of exchange rate change on cash and cash equivalents	520	-175
Net Increase (decrease) in cash and cash equivalents	-16,285	-28,852
Cash and cash equivalents at beginning of term	40,730	71,662
Cash and cash equivalents at end of quarter	24,445	42,810

- (4) Notes related to the Assumption of a Going Concern  
Not applicable

- (5) Segment Information

Operating segment information

Previous 1Q Cumulative Period

(million yen)

(Consolidated, April 1, 2009 – June 30, 2009)

	Timber and Building Materials Business	Housing and Housing-related Business	Other	Total	Elimination/ Corporate	Consolidated
Sales						
(1) Sales to unaffiliated customers	79,309	55,646	942	135,897	-	135,897
(2) Inter-segment sales/transfers	3,808	101	3,299	7,208	(7,208)	-
Total	83,116	55,748	4,241	143,105	(7,208)	135,897
Operating income / loss	-485	-7,331	246	-7,570	(1,176)	-8,746

(Notes)

1. Business activities are divided into three segments from the standpoint of similarities among the types and characteristics of business activities.
2. Major activities of each segment are as follows.
  - (1) Timber and building materials: procurement, manufacture and sale of timber and building materials
  - (2) Housing and housing-related: construction of detached houses and apartment buildings; house exteriors; landscaping; real estate transactions, leasing and brokerage; others
  - (3) Others: leasing; insurance agent business; others
3. Changes in accounting treatment methods  
(Criteria for recording net sales of completed construction and cost of sales of completed construction)  
In the first quarter of the consolidated fiscal period, the Company started applying "Accounting Standards for Construction Contracts" (ASBJ Statement No. 15; December 27, 2007) and "Guidance for Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18; December 27, 2007). With these changes, net sales connected to housing and housing-related businesses increased by ¥1,032 million and operating loss fell by ¥119 million compared to what these would amount to if the former method was used.

Segment Information

1) Outline of Reporting Segments

Reporting segments are discrete constituent units of the Company for which financial statements are separately prepared. In order to determine the allocation of the Company's management resources and evaluate its business results, the Board of Directors regularly discusses the reporting segments.

The Company has established divisions in its Headquarters to handle its products, services and regions. Each division formulates comprehensive strategies for the products and services that it handles and uses these strategies to conduct its business activities.

Therefore, the Company consists of different product, service and region-oriented segments which are based around divisions. There are 4 reporting segments: Timber and Building Materials Business, Overseas Business, Housing Business and the Real Estate Business.

The Timber and Building Materials Business procures, manufactures and sells timber and building materials. The Overseas Business procures, manufactures and sells timber and building materials overseas, constructs detached houses and sells spec homes. The Housing Business constructs residential property such as detached and collective housing, conducts renovations and exterior work and carries out landscaping and planting. The Real Estate Business brokers real estate purchases, sales and rentals and sells spec homes.

## 2) Information regarding Sales and Income (Loss) for each Reporting Segment

First quarter cumulative period under review

(million yen)

(Consolidated, April 1, 2010 - June 30, 2010)

	Reporting segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the quarterly, consolidated Statements of Income (Note 3)
	Timber and Building Materials Business	Overseas Business	Housing Business	Real Estate Business	Total				
Sales									
(1) Unaffiliated customers	86,382	5,852	42,813	12,815	147,862	964	148,826	196	149,022
(2) Inter-segment sales/transfers	4,143	1,479	559	12	6,192	2,408	8,600	-8,600	-
Total	90,525	7,331	43,372	12,826	154,054	3,372	157,426	-8,404	149,022
Operating income / loss	819	-252	-6,523	235	-5,721	100	-5,622	-654	-6,276

## (Notes)

1. "Other" are business segments that are not included in the reporting segments. Such segments include the Leasing Business and Insurance Agency Business.
2. The adjusted business loss of ¥654 million includes ¥35 million in eliminated intersegment transactions and ¥619 million in corporate expenses etc. Corporate expenses etc. are mainly selling, general and administrative expenses, which are not allocated to any reporting segments.
3. Total segment income (loss) is adjusted against recurring income in the quarterly consolidated statements of income.
4. Inter-segment transactions are priced in accordance with prevailing market prices.
5. Changes in accounting treatment methods

(Accounting standards for asset retirement obligations)

In the first quarter of the consolidated fiscal period, the Company started applying the "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18; March 31, 2008) and the "Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21; March 31, 2008). With these changes, operating income for the Timber and Building Materials Business fell by 0 million yen, operating loss for the Housing Business increased by ¥25 million, and operating loss for the Adjustment increased by 5 million yen compared to what these would amount to if the former method was used.

- 3) Information regarding goodwill or impairment loss on fixed assets for each reporting segment  
Not applicable

(Additional Information)

In the first quarter consolidated fiscal period, the Company started applying the "Accounting Standards for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17; March 27, 2009) and "Guidance on Accounting Standards for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20; March 21, 2008).

- (6) Notes on Significant Changes in Shareholders' Equity  
Not applicable

## 4. Supplementary Information

## (1) Consolidated Statements of Income

(million yen)

	1Q FY Ended march 2010 (Reference figures)		1Q FY Ending March 2011		YoY change	% of YoY Change	FY Ended march 2010 (Reference figures)		FY Ending March 2011 (Forecast)		YoY change	% of YoY change
Timber and Building Materials Business	79,150		90,525		+11,375	+14.4%	341,432		357,000		+15,568	+4.6%
Overseas Business	4,845		7,331		+2,486	+51.3%	25,472		38,000		+12,528	+49.2%
Housing Business	45,989		43,372		-2,617	-5.7%	338,295		345,000		+6,705	+2.0%
Real Estate Business	9,690		12,826		+3,136	+32.4%	38,169		44,000		+5,831	+15.3%
Other Businesses	4,049		3,372		-677	-16.7%	15,171		13,000		-2,171	-14.3%
Adjustment	-7,826		-8,404		-578	-	-34,617		-37,000		-2,383	-
<b>Sales</b>	<b>135,897</b>		<b>149,022</b>		<b>+13,125</b>	<b>+9.7%</b>	<b>723,923</b>		<b>760,000</b>		<b>+36,077</b>	<b>+5.0%</b>
Gross profit	14.4%	19,580	14.0%	20,883	+1,303	+6.7%	17.2%	124,269	16.9%	128,500	+4,231	+3.4%
Selling, general and administrative expenses		28,326		27,573	-752	-2.7%		114,522		116,500	+1,978	+1.7%
Operating income	-6.4%	-8,746	-4.5%	-6,690	+2,056	-	1.3%	9,747	1.6%	12,000	+2,253	+23.1%
Non-operating income		1,134		981	-153	-13.5%		4,147		3,000	-1,147	-27.7%
Non-operating expenses		578		567	-11	-1.9%		4,429		3,000	-1,429	-32.3%
Non-operating income (loss)		557		414	-142	-25.6%		-282		-	+282	-
Timber and Building Materials Business	-0.2%	-122	0.9%	819	+941	-	0.6%	2,006	0.9%	3,100	+1,094	+54.6%
Overseas Business	-8.6%	-415	-3.4%	-252	+162	-	-10.1%	-2,582	0.8%	300	+2,882	-
Housing Business	-16.1%	-7,425	-15.0%	-6,523	+902	-	3.9%	13,250	3.6%	12,400	-850	-6.4%
Real Estate Business	1.2%	116	1.8%	235	+120	+103.3%	-2.7%	-1,042	1.4%	600	+1,642	-
Other	4.1%	166	3.0%	100	-66	-39.8%	3.8%	583	1.5%	200	-383	-65.7%
Adjustment		-508		-654	-146	-		-2,750		-4,600	-1,850	-
<b>Recurring Income</b>	<b>-6.0%</b>	<b>-8,189</b>	<b>-4.2%</b>	<b>-6,276</b>	<b>+1,913</b>	<b>-</b>	<b>1.3%</b>	<b>9,465</b>	<b>1.6%</b>	<b>12,000</b>	<b>+2,535</b>	<b>+26.8%</b>
Extraordinary gains		321		-	-321	-		4,346		-	-4,346	-
Extraordinary losses		334		768	+433	+129.5%		3,228		1,000	-2,228	-69.0%
Extraordinary gains (loss)		-14		-768	-754	-		1,118		-1,000	-2,118	-
Net income	-4.1%	-5,525	-3.0%	-4,520	+1,006	-	0.3%	2,377	0.8%	6,000	+3,623	+152.4%

## (2) Breakdown of Sales and Orders Received for the Housing Business and Real Estate Business (Non-consolidated)

## 1) First Quarter (Cumulative)

(million yen)

			1Q FY Ended March 2010 (Actual)			1Q FY Ending March 2011 (Actual)			Change	
			Volume	Amount	Unit price	Volume	Amount	Unit price	Volume	Amount
Orders Received	Contract Work	Custom-built detached housing	2,090	64,444	30.8	2,106	64,276	30.5	+ 0.8%	-0.3%
		Wooden apartments	121	1,107	9.2	176	1,597	9.1	+ 45.5%	+ 44.2%
		Other contracts		1,547	-		102	-		-93.4%
Sales	Contract Work	Custom-built detached housing *1	1,049	32,302	30.8	975	29,442	30.2	-7.1%	-8.9%
		Wooden apartments *1	23	247	10.7	8	56	6.9	-65.2%	-77.5%
		Other contracts		1,861	-		2,030	-		+ 9.1%
	Detached spec homes business *2	28	1,155	41.2	48	2,285	47.6	+ 71.4%	+ 97.9%	
	Land for custom-built housing		408	-		1,081	-		+ 165.2%	
	Real estate development *2		1,361	-		3,587	-		+ 163.6%	
	Other		1,994	-		1,443	-		-27.6%	
Total				39,328	-		39,924	-		+ 1.5%
Backlog of Orders Received at Term End	Contract Work	Custom-built housing	9,222	279,306	30.3	9,325	282,988	30.3	+ 1.1%	+ 1.3%
		Wooden apartments	864	7,020	8.1	1,000	9,041	9.0	+ 15.7%	+ 28.8%
		Other contracts		8,043	-		1,470	-		-81.7%

## 2) Full year

(million yen)

			FY Ended March 2010 (Actual)			FY Ending March 2011 (Forecast)			Change	
			Volume	Amount	Unit price	Volume	Amount	Unit price	Volume	Amount
Orders Received	Contract Work	Custom-built detached housing	8,593	265,203	30.9	9,000	288,000	32.0	+ 4.7%	+ 8.6%
		Wooden apartments	736	6,969	9.5	990	9,100	9.2	+ 34.5%	+ 30.6%
		Other contracts		3,069	-		400	-		-87.0%
Sales	Contract Work	Custom-built detached housing *1	8,580	264,215	30.8	8,700	271,000	31.1	+ 1.4%	+ 2.6%
		Wooden apartments *1	670	5,630	8.4	720	6,700	9.3	+ 7.5%	+ 19.0%
		Other contracts		8,028	-		3,700	-		-53.9%
	Detached spec homes business *2	183	7,851	42.9	230	9,400	40.9	+ 25.7%	+ 19.7%	
	Land for custom-built housing		6,002	-		4,500	-		-25.0%	
	Real estate development *2		1,986	-		12,800	-		+ 544.6%	
	Other		7,332	-		2,900	-		-60.4%	
Total				301,043	-		311,000	-		+ 3.3%
Backlog of Orders Received at Term End	Contract Work	Custom-built housing	8,194	248,153	30.3	8,494	265,153	31.2	+ 3.7%	+ 6.9%
		Wooden apartments	832	7,499	9.0	1,102	9,899	9.0	+ 32.5%	+ 32.0%
		Other contracts		3,398	-		98	-		-97.1%

\* 1: Sales volumes for custom-built housing and wooden apartments are delivered houses (number of houses is shown).

\* 2: Spec Homes Business and Real Estate Development figures are for the total of land and building.