

Consolidated Third-Quarter Earnings Report
February 1, 2008 – October 31, 2008

December 1, 2008

Name of company **Sekisui House, Ltd.** (URL <http://www.sekisuihouse.co.jp>)
 Stock code 1928
 Listed exchanges Tokyo (first section), Osaka (first section), Nagoya (first section)
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1. Third-Quarter Operating Results for Fiscal 2008 (February 1, 2008 to October 31, 2008)

(1) Consolidated business results

*Please note that numbers less than a million yen are rounded down.

	Net sales		Operating income		Recurring income		Net income	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
FY2008 Third Quarter	1,044,811	1.3	38,538	35.6	41,459	29.0	14,539	(19.0)
FY2007 Third Quarter	1,031,337	(5.1)	28,415	(59.6)	32,136	(55.4)	17,939	(56.6)
FY2007	1,597,807	-	109,727	-	114,086	-	60,352	-

(Note) Percentages indicate year-on-year changes.

	Net income per share	Fully diluted net income per share
	<i>yen</i>	<i>yen</i>
FY2008 Third Quarter	21.50	21.50
FY2007 Third Quarter	25.93	25.93
FY2007	87.70	87.68

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	<i>Millions of yen</i>	<i>Millions of yen</i>	%	<i>yen</i>
FY2008 Third Quarter	1,400,691	757,892	54.1	1,120.73
FY2007 Third Quarter	1,390,248	734,366	52.8	1,085.48
FY2007	1,349,441	770,963	57.1	1,139.63

(3) Consolidated cash flows

Millions of yen

	Net cash provided by operating activities	Net cash used in investing activities	Net cash in financing activities	Cash and cash equivalents at end of period
FY2008 Third Quarter	(9,486)	(33,870)	40,660	57,539
FY2007 Third Quarter	(225,076)	(52,562)	116,625	68,484
FY2007	(175,279)	(59,900)	65,917	60,236

2. Consolidated results forecast for the year ending January 31, 2009

	Net sales		Operating income		Recurring income		Net income		Net income per share
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>yen</i>
Full year	1,580,000	(1.1)	89,000	(18.9)	90,000	(21.1)	48,000	(20.5)	71.02

3. Others

1) Changes of reporting entities (Change in condition of significant consolidated subsidiaries): None

2) Adoption of simplified accounting method: Yes

3) Change in accounting policies from the previous consolidated financial statements: None

See page 4, "4. Others, Qualitative information on financial statements, etc", for detail.

(Reference) Summary of non-consolidated financial results (February 1, 2008 to October 31, 2008)

1) Non-consolidated business results

*Please note that numbers less than a million yen are rounded down.

	Net sales		Operating income		Recurring income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2008 Third Quarter	737,468	1.3	22,202	100.2	27,178	60.2	6,035	(41.2)
FY2007 Third Quarter	727,766	(9.8)	11,089	(78.8)	16,961	(69.8)	10,270	(69.4)
FY2007	1,195,245	-	86,745	-	92,982	-	50,179	-

(Note) Percentages indicate year-on-year changes.

	Net income per share	Fully diluted net income per share
	yen	yen
FY2008 Third Quarter	8.92	8.92
FY2007 Third Quarter	14.84	14.84
FY2007	72.90	72.89

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY2008 Third Quarter	1,278,856	677,777	53.0	1,002.41
FY2007 Third Quarter	1,282,795	665,222	51.9	983.42
FY2007	1,238,622	699,339	56.5	1,033.87

2. Non-consolidated results forecast for the year ending January 31, 2009

	Net sales		Operating income		Recurring income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	1,170,000	(2.1)	65,000	(25.1)	67,500	(27.4)	36,000	(28.3)	53.25

Forecasts are based on information available to management at the time of this announcement. A number of uncertainties may cause actual results to differ materially from forecasts.

For financial forecasts, please see "3. Qualitative information on business forecast" on page 4.

Qualitative information on the consolidated financial statements, etc.

1. Qualitative information on the consolidated operating results

During the third quarter of the year ending January 31, 2009, the Japanese economy performed on a low note. Greater downward pressure had a negative effect on corporate earnings and weakened private sector capital expenditures on the back of credit crunch and growing concerns over economic recession amid the international economic turmoil originating in the U.S., although inflationary crude oil prices fell as speculative capital out-flowed and demand diminished. Meanwhile, the drop in the stock market and rapid appreciation of the yen further fueled uncertainties about the future course of the economy.

In the housing market, we found ourselves under difficult business conditions. The confusion created by the 2007 amendment to the Building Standard Law had almost disappeared; however, the decline in land prices and the erosion of financial assets, such as stocks and investment trusts, as well as rising consumer prices, continued to cause willingness to invest in housing to wane.

Against this backdrop, we focused on expanding sales by meeting new demands which had remained untapped. We launched *Is Order J*, our new steel-frame detached houses, and enhanced the rental house lines in a way that caters to demands in metropolitan areas, while at the same time organizing the sales promotion events *Sumai no Sankan-bi* (visits to existing housing built by the company) and *Machinami Sankan-bi* (visits to existing subdivisions with superior living environments) in the hopes of boosting sales.

We relocated the “Zero Emission House,” which was displayed at the G8 Hokkaido Toyako Summit in July, to our Kanto factory so that we can communicate our advanced technologies in energy conservation and earthquake-resistant performance to a wider public base.

Urban redevelopment business contributed to the performance of the period under review. Nevertheless, built-for-sale detached houses performed slowly in the sluggish real-estate market; and as the stock market declined, loss on revaluation of investments in securities squeezed our profits. As a result, our consolidated net sales for the third quarter were 1,044,811 million yen; consolidated operating income resulted in 38,538 million yen, consolidated recurring income in 41,459 million yen, and consolidated net income in 14,539 million yen.

Orders were slow overall in steel frame houses and Real Estate for Sale Business, although *Sha-wood* (wood-frame houses) and low-rise rental houses fared briskly. The Daiba project, which we had completed on the sales contract in the first quarter of this fiscal year, was cancelled.

2. Qualitative information on the consolidated financial position

Consolidated total assets increased by 51,250 million yen to the end of previous period to 1,400,691 million yen, primarily owing to the increase in inventories.

Conditions regarding cash flows are as follow.

Operating cash decreased by 9,486 million yen, mainly due to the increase in inventories.

Cash from investing activities declined by 33,870 million yen, primarily owing to the investments in leasing properties.

Cash from financing activities increased by 40,660 million yen. This was primarily owing to an increase in long-term debts.

As a result, cash and cash equivalents at the end of the period decreased by 2,697 million yen compared to the end of the previous fiscal year to 57,539 million yen.

3. Qualitative information on business forecast

No revisions have been made to full-year forecasts announced on September 1, 2008.

4. Others

- A) Changes in reporting entities (Change in condition of significant consolidated subsidiaries): None
- B) Adoption of simplified accounting method
A simplified accounting method is applied to income taxes, allowances and reserves.
- C) Change in accounting policies from the previous consolidated financial statements: None

CONSOLIDATED BALANCE SHEETS

Millions of yen

	As of Oct. 31, 2007	As of Oct. 31, 2008	Difference	%	As of Jan. 31, 2008
Assets					
I. Current assets					
Cash and deposits	68,284	57,539			60,236
Notes and accounts receivable	17,365	8,828			84,589
Marketable securities	1,738	-			139
Inventories	792,554	834,045			709,184
Deferred income taxes	51,949	36,400			45,522
Other current assets	38,164	38,464			29,634
Less allowance for doubtful accounts	(1,829)	(1,845)			(1,843)
Total current assets	968,227	973,432	5,205	0.5	927,463
II. Fixed assets					
1. Tangible fixed assets					
Buildings and structures	107,121	117,615			112,363
Machinery and vehicles	14,895	13,766			14,730
Tools and equipment	6,232	5,313			6,078
Land	100,293	115,946			105,110
Construction in progress	12,404	8,214			5,964
Total tangible fixed assets	240,948	260,855	19,907	8.3	244,247
2. Intangible fixed assets	8,062	9,230	1,168	14.5	8,356
3. Investments and other assets					
Investments in securities	94,529	67,424			85,798
Long-term loans receivable	34,190	32,169			33,713
Prepaid pension cost	4,170	5,711			6,917
Deferred income taxes	1,529	13,844			4,941
Other investments and other assets	40,195	39,448			39,486
Less allowance for doubtful accounts	(1,604)	(1,426)			(1,484)
Total investments and other assets	173,010	157,172	(15,838)	(9.2)	169,373
Total fixed assets	422,021	427,258	5,237	1.2	421,977
Total assets	1,390,248	1,400,691	10,443	0.8	1,349,441

	As of Oct. 31, 2007	As of Oct. 31, 2008	Difference	%	As of Jan. 31, 2008
Liabilities					
I. Current liabilities					
Notes and accounts payable	149,917	149,651			160,836
Short-term loans payable	800	-			-
Commercial paper	150,000	20,000			40,000
Accrued income taxes	3,738	3,271			27,529
Advances received	141,323	133,735			87,032
Allowance for bonuses	26,583	23,993			17,030
Allowance for bonuses to directors, executive officers and corporate auditors	-	-			859
Allowance for compensation payments on completed works	2,707	2,801			2,799
Other current liabilities	42,001	34,057			43,514
Total current liabilities	517,071	367,511	(149,560)	(28.9)	379,603
II. Long-term liabilities					
Straight bonds	-	59,980			59,976
Long-term debt	60,294	137,000			60,441
Deposits and guarantees	54,988	54,613			54,665
Deferred tax liability	10	10			25
Accrued retirement benefits for employees	19,938	20,379			20,107
Allowance for retirement benefits to director, executive officers and corporate auditors	1,141	1,144			1,235
Negative goodwill	43	19			47
Other long-term liabilities	2,394	2,139			2,375
Total long-term liabilities	138,810	275,286	136,476	98.3	198,873
Total liabilities	655,882	642,798	(13,084)	(2.0)	578,477
Net assets					
I. Shareholders' equity					
Capital stock	186,554	186,554			186,554
Capital surplus	254,130	237,522			254,126
Retained earnings	335,151	334,945			377,564
Treasury stock	(58,491)	(1,353)			(58,530)
Total shareholders' equity	717,345	757,668	40,323	5.6	759,715
II. Valuation and translation adjustments					
Net unrealized holding gain (loss) on securities	16,680	(233)			10,893
Deferred hedge gains and losses	-	(4)			(4)
Total valuation and translation adjustments	16,680	(238)	(16,918)	-	10,889
III. Share warrants	45	134	89	197.8	67
IV. Minority interests	295	326	31	10.5	292
Total net assets	734,366	757,892	23,526	3.2	770,963
Total liabilities and net assets	1,390,248	1,400,691	10,443	0.8	1,349,441

CONSOLIDATED STATEMENTS OF INCOME

Millions of yen

	Feb. 1, 2007 - Oct. 31, 2007	Feb. 1, 2008 - Oct. 31, 2008	Difference	%	Feb. 1, 2007 - Jan. 31, 2008
I. Net sales	1,031,337	1,044,811	13,474	1.3	1,597,807
II. Cost of sales	840,021	841,420	1,399	0.2	1,269,243
Gross profit	191,316	203,391	12,075	6.3	328,564
III. Selling, general and administrative expenses	162,901	164,852	1,951	1.2	218,836
Operating income	28,415	38,538	10,123	35.6	109,727
IV. Non-operating income	6,143	7,086	943	15.4	8,289
Interest and dividends income	1,933	1,812			2,799
Equity in gains of affiliates	202	241			224
Miscellaneous income	4,007	5,033			5,265
V. Non-operating expense	2,422	4,166	1,744	72.0	3,930
Interest expense	611	1,813			1,153
Miscellaneous expense	1,810	2,353			2,777
Recurring income	32,136	41,459	9,323	29.0	114,086
VI. Extraordinary income	175	-	(175)	-	175
VII. Extraordinary loss	798	11,353	10,555	-	4,830
Income before income taxes and minority interests	31,512	30,106	(1,406)	(4.5)	109,432
Income taxes	13,535	15,529			49,045
Minority interests in earnings of subsidiaries	38	36			34
Net income	17,939	14,539	(3,400)	(19.0)	60,352

Consolidated Statement of Changes in Net Assets

February 1, 2008 – October 31, 2008

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at January 31, 2008	186,554	254,126	377,564	(58,530)	759,715
Changes for this period					
Dividends from surplus	-	-	(16,232)	-	(16,232)
Net income	-	-	14,539	-	14,539
Gain of treasury stock	-	-	-	(500)	(500)
Retirement of treasury stock	-	(16,604)	(40,832)	57,437	-
Sale of treasury stock	-	-	(93)	240	147
Net changes of items other than "Shareholders' equity" during this period	-	-	-	-	-
Total changes during this period	-	(16,604)	(42,619)	57,177	(2,046)
Balance at October 31, 2008	186,554	237,522	334,945	(1,353)	757,668

	Valuation and translations adjustments			Share warrants	Minority interests	Total net assets
	Net unrealized holding gain(loss) on securities	Deferred hedge gains and losses	Total			
Balance at January 31, 2008	10,893	(4)	10,889	67	292	770,963
Changes for this period						
Dividends from surplus	-	-	-	-	-	(16,232)
Net income	-	-	-	-	-	14,539
Gain of treasury stock	-	-	-	-	-	(500)
Retirement of treasury stock	-	-	-	-	-	-
Sale of treasury stock	-	-	-	-	-	147
Net changes of items other than "Shareholders' equity" during this period	(11,127)	(0)	(11,127)	67	34	(11,024)
Total changes during this period	(11,127)	(0)	(11,127)	67	34	(13,070)
Balance at October 31, 2008	(233)	(4)	(238)	134	326	757,892

CONSOLIDATED STATEMENT OF CASH FLOW

Millions of yen

	Feb. 1, 2007 – Oct. 31, 2007	Feb. 1, 2008 – Oct. 31, 2008	Feb. 1, 2007 – Jan. 31, 2008
I. Cash flows from operating activities			
Income before income taxes and minority interests	31,512	30,106	109,432
Depreciation and amortization	10,117	11,286	14,157
Loss on asset impairment	-	821	-
Increase (decrease) in accrued retirement benefit	(1,764)	271	(1,595)
Decrease (increase) in prepaid pension cost	(4,170)	1,206	(6,917)
Interest and dividend income	(1,933)	(1,812)	(2,799)
Interest expense	611	1,813	1,153
Equity in gains of affiliates	(202)	(241)	(224)
Loss on revaluation of real estate held for sale	97	-	3,375
Loss on revaluation of investments in securities	-	6,846	566
Decrease (increase) in note and accounts receivables	66,937	75,413	(286)
Increase in inventories, etc.	(296,037)	(127,607)	(213,528)
Decrease in notes and accounts payable	(21,010)	(13,841)	(10,966)
Increase (decrease) in advances received	43,218	46,814	(11,072)
Other	(6,567)	854	(11,289)
Subtotal	(179,190)	31,933	(129,995)
Interest and dividends received	1,991	1,874	2,858
Interest paid	(764)	(1,791)	(842)
Income taxes paid	(47,113)	(41,503)	(47,299)
Net cash provided by operating activities	(225,076)	(9,486)	(175,279)
II. Cash flows from investing activities			
Proceeds from sales of marketable securities	50	140	1,450
Purchases of property, plant and equipment	(37,010)	(26,726)	(44,552)
Proceeds from sales of property, plant and equipment	54	65	71
Purchase of investments in securities	(15,436)	(6,905)	(17,052)
Proceeds from sales of investments in securities	370	-	434
Payment for loans receivable	(1,897)	(1,529)	(2,716)
Settlement of loans receivable	3,013	3,259	4,320
Other	(1,707)	(2,172)	(1,855)
Net cash used in investing activities	(52,562)	(33,870)	(59,900)
III. Cash flows from financing activities			
Net increase in short-term loans payable	800	-	-
Net (decrease) increase in commercial paper	150,000	(20,000)	40,000
Proceeds from long-term debt	40,245	77,245	40,392
Proceeds from issuance of straight bonds	-	-	59,976
Cash dividends paid	(16,625)	(16,232)	(16,625)
Purchase of treasury stock	(57,815)	(499)	(57,854)
Other	21	147	29
Net cash used in financing activities	116,625	40,660	65,917
IV. Net decrease in cash and cash equivalents	(161,013)	(2,697)	(169,262)
V. Cash and cash equivalents at beginning of period	229,498	60,236	229,498
VI. Cash and cash equivalents at end of period	68,484	57,539	60,236

(Segmental information)**(1) Four sections classify each business****FY2007 Third Quarter (February 1, 2007 – October 31, 2007)**

Millions of yen

	Built to Order Housing	Real Estate for Sale	Real Estate for Leasing	Other Business	Total	Eliminations and Back Office	Consolidated
Sales							
Sales to third parties	434,061	240,897	247,790	108,588	1,031,337	-	1,031,337
Inter-group sales and transfers	7,058	-	1,165	2,778	11,002	(11,002)	-
Total sales	441,120	240,897	248,955	111,366	1,042,340	(11,002)	1,031,337
Operating expenses	411,559	225,838	236,352	110,243	983,994	18,928	1,002,922
Operating income	29,560	15,059	12,603	1,123	58,346	(29,930)	28,415

FY2008 Third Quarter (February 1, 2008 – October 31, 2008)

Millions of yen

	Built to Order Housing	Real Estate for Sale	Real Estate for Leasing	Other Business	Total	Eliminations and Back Office	Consolidated
Sales							
Sales to third parties	422,302	246,760	266,249	109,500	1,044,811	-	1,044,811
Inter-group sales and transfers	5,856	14	1,969	2,729	10,571	(10,571)	-
Total sales	428,158	246,774	268,219	112,230	1,055,382	(10,571)	1,044,811
Operating expenses	407,393	215,230	254,214	110,810	987,648	18,624	1,006,273
Operating income	20,765	31,544	14,004	1,419	67,733	(29,195)	38,538

FY2007 (February 1, 2007 – January 31, 2008)

Millions of yen

	Built to Order Housing	Real Estate for Sale	Real Estate for Leasing	Other Business	Total	Eliminations and Back Office	Consolidated
Sales							
Sales to third parties	704,506	403,083	334,530	155,686	1,597,807	-	1,597,807
Inter-group sales and transfers	10,590	-	1,696	4,436	16,723	(16,723)	-
Total sales	715,096	403,083	336,227	160,122	1,614,530	(16,723)	1,597,807
Operating expenses	641,535	345,373	320,945	156,218	1,464,073	24,006	1,488,079
Operating income	73,561	57,710	15,281	3,903	150,457	(40,729)	109,727

[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 leasing condominiums and commercial buildings and providing home remodeling, landscaping, and exterior construction

3. The main operating expenses that cannot be allocated within the eliminations and back office portion of operating expenses cover costs for the parent headquarters, administrative operations for branch office organizations, and research and development operations.

FY2007 Third Quarter: 28,358 million yen FY2008 Third Quarter: 27,263 million yen FY2007: 38,772 million yen

Segment Breakdown

Consolidated

Millions of yen

	FY2007 Third Quarter Feb.1, 2007 – Oct. 31, 2007		FY2008 Third Quarter Feb.1, 2008 – Oct. 31, 2008		FY2007 Feb.1, 2007 –Jan. 31, 2008	
	Orders	Accumulated Orders	Orders	Accumulated Orders	Orders	Accumulated Orders
Built to Order Housing	528,038	453,187	534,320	464,684	697,963	352,666
Real Estate for Sale	318,018	181,699	262,720	104,689	387,233	88,728
Real Estate for Leasing	247,790	-	266,249	-	334,530	-
Other Business	120,364	113,122	108,054	101,575	157,360	103,020
Total	1,214,211	748,009	1,171,344	670,949	1,577,087	544,416

Non-Consolidated

Millions of yen

	FY2007 Third Quarter Feb.1, 2007 – Oct. 31, 2007		FY2008 Third Quarter Feb.1, 2008 – Oct. 31, 2008		FY2007 Feb.1, 2007 –Jan. 31, 2008	
	Orders	Accumulated Orders	Orders	Accumulated Orders	Orders	Accumulated Orders
Built to Order Housing	531,051	456,035	538,962	469,722	703,507	356,158
Real Estate for Sale	303,076	179,598	243,452	92,625	369,444	86,293
Real Estate for Leasing	6,597	-	7,432	-	9,181	-
Other Business	78,449	110,814	71,052	110,039	107,026	106,501
Total	919,174	746,447	860,901	672,386	1,189,159	548,953

NON-CONSOLIDATED BALANCE SHEETS

Millions of yen

	As of Oct. 31, 2007	As of Oct. 31, 2008	Difference	%	As of Jan. 31, 2008
Assets					
I. Current assets					
Cash and deposits	30,141	25,464			22,471
Notes receivable-trade	7	149			121
Accounts receivable-construction	10,752	4,349			71,123
Accounts receivable-real estate	3,222	834			10,147
Marketable securities	1,408	-			9
Prepaid expenses for construction in progress	101,330	101,879			40,536
Buildings for sale	110,440	103,131			94,713
Land for sale	472,045	513,292			455,031
Land for sale in process	76,739	76,792			87,763
Other inventories	7,139	7,160			5,977
Advance payments	4,317	1,147			578
Prepaid expenses	7,294	5,604			6,234
Accounts receivable-other	12,888	14,164			15,898
Deferred income taxes	47,190	32,253			41,347
Other current assets	12,077	14,734			5,338
Less allowance for doubtful accounts	(1,039)	(1,075)			(1,124)
Total current assets	895,957	899,883	3,926	0.4	856,168
II. Fixed assets					
1. Tangible fixed assets					
Buildings	73,781	78,721			77,113
Structures	4,489	4,323			4,457
Machinery and equipment	13,777	12,892			13,690
Vehicles and delivery equipment	170	142			164
Tools and equipment	4,781	3,955			4,591
Land	84,727	97,920			88,801
Constructions in progress	10,172	5,430			3,827
Total tangible fixed assets	191,901	203,386	11,485	6.0	192,646
2. Intangible fixed assets					
Industrial property	28	24			27
Lease rights	1,608	1,608			1,608
Software	4,037	5,339			4,320
Utility rights	21	18			20
Telephone subscription rights	684	683			686
Total intangible fixed assets	6,380	7,674	1,294	20.3	6,663
3. Investments and other assets					
Investments in securities	92,213	63,628			82,310
Investments in subsidiaries and partnership	38,048	37,871			39,009
Long-term loans receivable	34,465	31,787			33,920
Deposit and guaranty	13,956	13,399			13,810
Long-term prepaid expenses	897	779			821
Prepaid pension costs	3,960	5,083			5,978
Deferred income taxes	-	10,035			2,178
Other investments and other assets	5,876	6,284			5,987
Less allowance for doubtful accounts	(863)	(959)			(873)
Total investments and other assets	188,555	167,911	(20,644)	(10.9)	183,143
Total fixed assets	386,837	378,972	(7,865)	(2.0)	382,453
Total assets	1,282,795	1,278,856	(3,939)	(0.3)	1,238,622

Millions of yen

	As of Oct. 31, 2007	As of Oct. 31, 2008	Difference	%	As of Jan. 31, 2008
Liabilities					
I. Current liabilities					
Notes payable-trade	59,484	54,299			64,242
Accounts payable-trade	45,203	52,253			40,562
Accounts payable-construction	32,257	30,884			48,523
Commercial paper	150,000	20,000			40,000
Accounts payable-other	7,758	3,520			5,934
Accrued expenses	14,208	13,057			13,819
Deferred corporate taxes	152	466			21,047
Deferred consumption taxes	-	-			6,383
Advances received-construction	97,501	96,100			51,186
Advance received-other	17,139	7,866			9,142
Allowance for bonuses	20,065	17,589			12,382
Allowance for bonuses to directors, executive officers and corporate auditors	-	-			220
Allowance for compensation payments on completed works	2,705	2,801			2,798
Other current liabilities	82,141	77,520			75,171
Total current liabilities	528,619	376,358	(152,261)	(28.8)	391,415
II. Long-term liabilities					
Straight bonds	-	59,980			59,976
Long-term debt	60,000	137,000			60,000
Deposits and guaranty received	8,242	8,029			8,286
Long-term accounts payable	578	535			571
Long-term advance received	103	79			97
Deferred tax liability	1,172	-			-
Accrued retirement benefits for employees	18,856	19,096			18,935
Total long-term liabilities	88,953	224,720	135,767	152.6	147,867
Total liabilities	617,573	601,079	(16,494)	(2.7)	539,283
Net assets					
I. Shareholders' equity					
1. Capital stock	186,554	186,554	-	-	186,554
2. Capital surplus	258,915	242,307	(16,608)	(6.4)	258,912
Legal reserve	242,307	242,307			242,307
Other	16,607	-			16,604
3. Retained earnings	261,391	250,178	(11,213)	(4.3)	301,300
Legal reserve	23,128	23,128			23,128
Other	238,263	227,049			278,172
Reserve for dividends to shareholders	18,000	18,000			18,000
General reserve	206,800	201,800			206,800
Retained earnings carried forward	13,463	7,249			53,372
4. Treasury stock	(58,334)	(1,184)	57,150	-	(58,362)
Total shareholders' equity	648,527	677,856	29,329	4.5	688,404
II. Valuation and translation adjustments					
Net unrealized holding gain (loss) on securities	16,650	(212)			10,871
Deferred hedge gains and losses	-	(1)			(4)
Total valuation and translation adjustments	16,650	(214)	(16,864)	-	10,867
III. Share warrants	45	134	89	197.8	67
Total net assets	665,222	677,777	12,555	1.9	699,339
Total liabilities and net assets	1,282,795	1,278,856	(3,939)	(0.3)	1,238,622

NON-CONSOLIDATED STATEMENTS OF INCOME

Millions of yen

	Feb. 1, 2007 – Oct. 31, 2007	Feb. 1, 2008 – Oct. 31, 2008	Difference	%	Feb. 1, 2007 – Jan. 31, 2008
I. Net sales	727,766	737,468	9,702	1.3	1,195,245
Construction	555,609	533,941			891,437
Real estate	172,157	203,526			303,808
II. Cost of sales	586,793	585,323	(1,470)	(0.3)	934,700
Construction	446,160	434,402			707,843
Real estate	140,632	150,920			226,857
Gross profit on sales	140,972	152,144	11,172	7.9	260,544
Total gross profit from construction	109,448	99,538			183,593
Total gross profit from sales of real estate	31,524	52,605			76,950
III. Selling, general and administrative expenses	129,883	129,941	58	0.0	173,799
Operating income	11,089	22,202	11,113	100.2	86,745
IV. Non-operating income	8,044	8,829	785	9.8	9,792
Interest and dividends income	4,454	4,097			5,223
Miscellaneous income	3,589	4,731			4,569
V. Non-operating expense	2,172	3,854	1,682	77.4	3,555
Interest paid	317	676			545
Interest on corporate bonds	276	1,134			598
Miscellaneous expense	1,578	2,042			2,411
Recurring income	16,961	27,178	10,217	60.2	92,982
VI. Extraordinary income	175	41	(134)	(76.6)	175
VII. Extraordinary loss	638	12,066	11,428	-	4,641
Income before income taxes	16,498	15,152	(1,346)	(8.2)	88,516
Current income taxes	481	369			26,178
Deferred income taxes	5,747	8,748			12,159
Net income	10,270	6,035	(4,235)	(41.2)	50,179

Non-consolidated statement of change in net assets

February 1, 2008 – October 31, 2008

Millions of yen

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Capital reserve	Other capital surplus	Total	Legal reserve	Other			Total
						Reserve for dividends	General reserve	Retained earnings carried forward	
Balance at January 31, 2008	186,554	242,307	16,604	258,912	23,128	18,000	206,800	53,372	301,300
Changes for this period									
Dividends from surplus	-	-	-	-	-	-	-	(16,232)	(16,232)
Reversal of general reserves	-	-	-	-	-	-	(5,000)	5,000	-
Net income	-	-	-	-	-	-	-	6,035	6,035
Gain of treasury stock	-	-	-	-	-	-	-	-	-
Retirement of treasury stock	-	-	(16,604)	(16,604)	-	-	-	(40,832)	(40,832)
Sale of treasury stock	-	-	-	-	-	-	-	(93)	(93)
Net changes of items other than "Shareholders' Equity" during this period	-	-	-	-	-	-	-	-	-
Total changes during this period	-	-	(16,604)	(16,604)	-	-	(5,000)	(46,122)	(51,122)
Balance at October 31, 2008	186,554	242,307	-	242,307	23,128	18,000	201,800	7,249	250,178

	Shareholders' equity		Valuation and translation adjustments			Share warrants	Total net assets
	Treasury stock	Total	Net unrealized holding gain (loss) on securities	Deferred hedge gains and losses	Total		
Balance at January 31, 2008	(58,362)	688,404	10,871	(4)	10,867	67	699,339
Changes for this period							
Dividends from surplus	-	(16,232)	-	-	-	-	(16,232)
Reversal of general reserves	-	-	-	-	-	-	-
Net income	-	6,035	-	-	-	-	6,035
Gain of treasury stock	(499)	(499)	-	-	-	-	(499)
Retirement of treasury stock	57,437	-	-	-	-	-	-
Sale of treasury stock	240	147	-	-	-	-	147
Net changes of items other than "Shareholders' Equity" during this period	-	-	(11,084)	3	(11,081)	67	(11,013)
Total changes during this period	57,178	(10,548)	(11,084)	3	(11,081)	67	(21,562)
Balance at October 31, 2008	(1,184)	677,856	(212)	(1)	(214)	134	677,777