

# Consolidated Financial Results for the First Quarter of FY2009 (February 1, 2009 through April 30, 2009)

June 3, 2009

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 : Hidehiro Yamaguchi, Executive Officer, Head of Corporate Communications Department  
 Tel +81 6 6440 3111  
 Filing date of quarterly securities report : June 11, 2009  
 Date of scheduled payment of dividends : ---

(Amounts are rounded down to the nearest million yen)

## 1. Consolidated Results for the First Quarter of FY2009 (February 1, 2009 through April 30, 2009)

(1) Consolidated Financial Results (% figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Recurring income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2009 First Quarter	263,963	-	(12,021)	-	(12,225)	-	(8,456)	-
FY2008 First Quarter	255,478	(13.6)	(17,201)	-	(17,170)	-	(11,068)	-

	Net income per share		Diluted net income per share	
	Yen		Yen	
FY2009 First Quarter	(12.51)		-	
FY2008 First Quarter	(16.37)		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2009 First Quarter	1,368,921	740,027	54.0	1,094.33
FY2008	1,387,237	754,130	54.3	1,115.20

(Reference) Shareholders' equity FY2009 First Quarter: ¥739,534 million FY2008: ¥753,647 million

## 2. Cash Dividends

Standard date	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2008	-	12.00	-	12.00	24.00
FY2009	-				
FY2009 (forecast)		10.00	-	10.00	20.00

(Note) Revisions to the forecast of cash dividends in the current quarter: None

## 3. Consolidated Results Forecast for FY2009 (February 1, 2009 through January 31, 2010)

(% figures represent changes from the same period of the previous year.)

	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
FY2009 Second Quarter	700,000	(10.7)	10,500	(79.4)	10,300	(80.2)	1,600	(94.3)	2.37
FY2009	1,460,000	(3.6)	39,000	(47.3)	38,500	(50.0)	19,000	65.0	28.12

(Note) Revisions to the consolidated results forecast in the current quarter: None

**4. Others**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries that caused a change in scope of consolidation): None

(2) Adoption of simplified accounting methods and special accounting practices for consolidated quarterly financial statements: Adopted  
(Note) For more details, please see “4. Others” in [Qualitative Information, Financial Statements, and Other Information] in page 5.

(3) Changes in accounting principles, procedures, and presentation for consolidated quarterly financial statements (matters to be included in the section, Changes in Basic Important Matters for Preparation of Consolidated Quarterly Financial Statements)

(i) Changes caused by revisions of accounting standards etc.: Yes

(ii) Changes other than (i): Yes

(Note) For more details, please see “4. Others” in [Qualitative Information, Financial Statements, and Other Information] in page 5.

(4) Number of shares outstanding (common stock)

(i) Number of shares outstanding at the end of each period (including treasury stock):

FY2009 First Quarter: 676,885,078 shares	FY2008: 676,885,078 shares
--	----------------------------

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

FY2009 First Quarter: 1,099,198 shares	FY2008: 1,089,368 shares
--	--------------------------

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

FY2009 First Quarter: 675,790,457 shares	FY2008 First Quarter: 676,188,423 shares
--	--

\* Notes Regarding the Appropriate Use of Results Forecasts and Other Important Matters

1. 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 for FY2009” in [Qualitative Information, Financial Statements, and Other Information] in page 5.

2. Effective from the fiscal year ending January 2010, the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and its Implementation Guidance, “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) have been applied. Quarterly consolidated financial statements have been prepared in accordance with “Regulation for Quarterly Consolidated Financial Reporting.”

## [Qualitative Information, Financial Statements, and Other Information]

### 1. Qualitative Information Regarding Consolidated Business Results

During the first quarter of the fiscal year ending January 31, 2010, the global economy showed some signs of turnaround in a bearish stock market, as aggressive measures taken by countries to buoy up the economy and stabilize the financial system successfully alleviated excessive concerns over the financial turmoil. However, these measures failed to bring about any major improvement to the credit contraction and rapid deceleration of the real economy stemming from the worldwide financial crisis. The Japanese economy, in addition, continued to see weak consumer confidence, as a significant deterioration in corporate earnings served not only to lower production and private capital expenditures, but also to greatly aggravate the employment environment.

In the housing market, willingness to invest in housing remained low overall, as land prices fell throughout the country following the decrease in funds for real estate investment in the wake of the financial crisis, and absent any signs of improvement in personal income, among other reasons. Consequently, sales of real estate, including condominiums, performed slowly, and rebuilding orders maintained a low profile. Meanwhile, the rental housing business lost its firmness and became sluggish, as demands lowered on the back of weakening job security.

Against this backdrop, in a move to pursue our medium- and long-term management strategies we put on the detached house and rental housing markets *Green First* models, which feature either a photovoltaic power generation system or a fuel cell system for residential use, in response to growing customer demands for “comfort,” “economic efficiency,” and “eco-friendliness.” We also built the sixth of our *Sumai-no-Yume-Kojo* (large-scale experiment-based facilities) within our Comprehensive Housing R&D Institute in Kyoto in order to bolster sales promotions by displaying a variety of technologies which have been incorporated into our housing.

Meanwhile, as part of steady implementation of full-scale company-wide business restructuring, we discontinued production at the Shiga Factory on March 31, thus enhancing our corporate resilience.

However, with the effects of the economic recession of the previous fiscal year still lingering, consolidated net sales amounted to ¥263,963 million, consolidated operating loss to ¥12,021 million, consolidated recurring loss to ¥12,225 million, and consolidated net loss to ¥8,456 million.

#### **Built to Order Housing Business**

In March, we added *Green First* models to our steel-frame detached house lines, *Sha-Wood* wood-framed lines, and *Sha-Maison* low-rise apartment lines. By combining spatial design in harmony with nature and advanced energy-saving and -creating technologies, these new offerings achieve an advanced “carbon neutral lifestyle” level, which reduces CO<sub>2</sub> emissions when normally inhabited and thus lowers utility costs, while also ensuring a comfortable life for its residents.

As a follow-up to the promotion of these new models, we put on the market in April the steel-frame detached house *Be Ecord Casual Green First* and wood-framed *MNatura Green First*, which come equipped with our original photovoltaic power generation system built-in to the roof tiles and offer high cost performance, thereby enhancing their appeal to a broader customer group.

In the *Sha-Maison* low-rise apartment business, we continued to reinforce our marketing strength to meet growing customer requirements for eco-friendliness by proactively offering our eco-friendly rental housing.

As a result, sales in the business totaled to ¥88,115 million and operating loss to ¥3,903 million.

### **Real Estate for Sale Business**

Through the concept of “*Beauty that blooms with time*,” we strengthened our commitment to towns and urban development along with our *Urban Development Charter*, which aims to create towns that are environmentally-conscious and maintain their asset value.

In the Built for Sale Housing Business, we held the sales promotion event *Machinami Sankan-bi* (visits to existing subdivisions with superior living environments) in an effort to increase our sales share. In the meantime, we remained committed to the creation of a recycling society by making aggressive efforts to help promote the “Long-term Sustainable Housing Leading Model Project,” a brainchild of the Ministry of Land, Infrastructure, Transport and Tourism of Japan which aims to enhance people’s awareness of the need to extend the life of housing in Japan. We also organized the similar event *EVERLOOP Sankan-bi* for the promotion of our *EVERLOOP* revitalized house line.

In the Condominium Business, we continued to focus our resources on the three largest metropolitan areas, and began selling *GM Daizawa* in Tokyo. We also appealed the designs through the use of our extensive know-how amassed in the detached housing business and developments which blend in smoothly with the neighborhood.

In the Urban Redevelopment Business, *Hommachi Garden City Project* (Osaka), *Gotenyama Project* (Shinagawa, Tokyo) and other projects achieved steady progress.

As a result, sales in the business totaled to ¥53,559 million and operating loss to ¥4,129 million.

### **Real Estate for Leasing Business**

In the Real Estate for Leasing Business, with a view towards taking more orders for block leasing and management of our *Sha-Maison* low-rise apartments, we custom-designed marketing strategies for each area in order to offer design solutions which are optimized to specific demands through closer alliance with Sekiwa Real Estate companies. Aiming at the increase in profitability, we also worked on creating quality stock by sustaining a high occupancy rate and extensive involvement in the maintenance of properties.

Consequently, sales in the business amounted to ¥94,050 million and operating income to ¥5,587 million.

### **Other Business**

For the remodeling business, our proposals range from space design, namely, the alteration of room arrangements according to their current lifestyle, to remodeling them into environmentally-friendly, energy efficient housing, by way of promoting the spread of high performance sashes and installing high-efficiency hot water supply systems and photovoltaic power generation systems. For the exterior business, we promoted the creation of a rich natural environment that achieves harmony between humankind and nature, and provides an ecological link with surrounding woods and woodlot by planting trees of the indigenous species and native varieties of the region in accordance with our *Gohon no ki* gardening concept.

As a result, sales in the business amounted to ¥28,238 million and operating loss to ¥685 million.

## 2. Qualitative Information Regarding Consolidated Financial Conditions

Total assets decreased by ¥18,316 million from the end of the previous fiscal year to ¥1,368,921 million, primarily owing to the decrease in cash and deposits, while buildings for sale increased and prepaid expenses for construction in progress rose as a result of the increase in accumulated orders. Liabilities decreased by ¥4,214 million to ¥628,893 million, primarily owing to the decline in notes and accounts payable, while short-term bonds payable and advances received on construction projects in progress increased. Net assets declined by ¥14,102 million to ¥740,027 million, mainly due to the decrease in retained earnings.

Consolidated cash flows are as follow:

Net cash provided by operating activities decreased by ¥66,772 million, owing to the increase in inventories, despite the decrease in notes and accounts payable.

Net cash provided by investing activities decreased by ¥6,165 million. This was mainly due to purchases of leasing properties and investments in securities.

Net cash provided by financing activities increased by ¥21,876 million, primarily owing to the increase in short-term bonds payable, while dividends were paid out.

Consequently, cash and cash equivalents at the end of this first quarter amounted to ¥73,979 million, decreasing by ¥50,538 million from the end of the previous fiscal year ended January 31, 2009.

## 3. Qualitative Information Regarding Consolidated Results Forecasts

While aggressively expanding sales with our eco-friendly housing *Green First* models at the core of our marketing strategies, we will capitalize on the golden opportunities presented by the expanded mortgage tax break and investment tax credit for housing as we move ahead. Due to the deterioration in corporate earnings and absence of any signs of improvement in personal income, however, we maintain our earlier results forecast for the year ending January 2010 from those we announced on March 2, 2009 in the Summary of Financial Statements for the year ended January 31, 2009.

## 4. Others

(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

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 caused by revisions of accounting standards etc.

- Effective from the fiscal year ending January 2010, the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and its Implementation Guidance, “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) has been applied. Quarterly consolidated financial statements have been prepared in accordance with “Regulation for Quarterly Consolidated Financial Reporting”.
- Inventories held for sale in the ordinary course of business were previously stated at cost based on either the individual cost method or the moving average method. From this first quarterly period, however, the Company has applied the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No.9, July 5, 2006), and inventories are now valued mainly at cost based on either the individual cost method or the moving average method (with book value being written down to the net realizable value in cases where there has been a material decline in value.) By the adoption of the new accounting standard, the impact on the income statement will be ¥551 million.
- Effective from this first quarterly period, the Company adopts the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No.18 issued on May 17, 2006). The adoption of the new accounting standard will have no impact on the income statement.

2. Changes other than 1

- In and before the fiscal year ended January 2009, finance leases, other than those deemed to transfer ownership of the leased assets to the lessee, were accounted for in a manner similar to that applicable to operating leases. Effective from this first quarterly period, the Company has applied the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No.16), earlier than the time scheduled required by these rules, and accordingly such transactions are now based on the capital lease method. For depreciation of leased assets for finance lease transactions other than those involving a transfer of title, useful life is based on the duration of the lease period and straight-line depreciation is applied with an assumed residual value of zero. The adoption of the new accounting standard and guidance will have minor impact on the income statement, provided, however, that finance lease transactions other than those involving a transfer of title which began prior to the application of the new accounting standards have been accounted for using the same method as the ordinary operating lease method.

## 5. Consolidated Quarterly Financial Statements

### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	FY2009 First Quarter (As of April 30, 2009)	FY2008 (As of January 31, 2009)
<b>Assets</b>		
Current assets		
Cash and deposits	73,979	124,517
Notes and accounts receivable	7,054	13,180
Short-term investments	49	2,049
Prepaid expenses for construction in progress	71,650	42,564
Buildings for sale	113,479	105,556
Land for sale	510,243	517,003
Undeveloped land for sale	67,296	66,700
Other inventories	6,940	6,047
Deferred income taxes	51,495	45,505
Other current assets	31,309	29,549
Less allowance for doubtful accounts	(1,448)	(1,473)
Total current assets	932,052	951,200
Fixed assets		
Property, plant and equipment		
Buildings and structures	128,118	126,620
Machinery and vehicles	13,000	13,500
Land	128,421	127,712
Construction in progress	4,161	4,859
Other property, plant and equipment	4,869	5,115
Total property, plant and equipment	278,571	277,808
Intangible assets	9,235	9,181
Investments and other assets		
Investments in securities	66,180	61,777
Long-term loans receivable	31,755	32,491
Prepaid pension cost	1,457	4,893
Deferred income taxes	14,056	12,374
Other investments and other assets	36,988	38,896
Less allowance for doubtful accounts	(1,377)	(1,386)
Total investments and other assets	149,061	149,046
Total fixed assets	436,869	436,036
Total assets	1,368,921	1,387,237

(Millions of yen)

	FY2009 First Quarter (As of April 30, 2009)	FY2008 (As of January 31, 2009)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	109,687	149,935
Short-term bonds payable	30,000	-
Accrued income taxes	2,556	5,957
Advances received on construction projects in progress	105,222	84,726
Allowance for employees' bonuses	13,646	12,337
Allowance for directors' and corporate auditors' bonuses	-	594
Allowance for compensation payments on completed works	2,798	2,660
Other current liabilities	34,791	46,364
<b>Total current liabilities</b>	<b>298,702</b>	<b>302,576</b>
Long-term liabilities		
Straight bonds	59,982	59,981
Long-term debt	190,000	190,000
Guarantee deposits received	55,544	55,611
Accrued retirement benefits for employees	21,369	21,561
Accrued retirement benefits for directors and corporate auditors	1,003	1,222
Negative goodwill	2	5
Other long-term liabilities	2,288	2,147
<b>Total long-term liabilities</b>	<b>330,190</b>	<b>330,530</b>
<b>Total liabilities</b>	<b>628,893</b>	<b>633,107</b>
Net assets		
Shareholders' equity		
Common stock	186,554	186,554
Capital surplus	237,522	237,522
Retained earnings	315,320	331,895
Less treasury stock, at cost	(1,354)	(1,355)
<b>Total shareholders' equity</b>	<b>738,042</b>	<b>754,616</b>
Valuation and translation adjustments		
Net unrealized holding gain (loss) on securities	974	(960)
Deferred losses on hedges	(5)	(8)
Translation adjustment	522	-
<b>Total valuation and translation adjustments</b>	<b>1,491</b>	<b>(969)</b>
Stock subscription rights	176	158
Minority interests	317	323
<b>Total net assets</b>	<b>740,027</b>	<b>754,130</b>
<b>Total liabilities and net assets</b>	<b>1,368,921</b>	<b>1,387,237</b>



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

(Millions of yen)

FY2009 First Quarter (February 1, 2009 - April 30, 2009)	
Net sales	263,963
Cost of sales	226,841
Gross profit	37,122
Selling, general and administrative expenses	49,144
Operating loss	(12,021)
Non-operating income	
Interest income	273
Dividend income	12
Insurance agency commission	336
Other non-operating income	756
Total non-operating income	1,379
Non-operating expense	
Interest expense	778
Equity in losses of affiliates	5
Other non-operating expenses	797
Total non-operating expenses	1,582
Recurring loss	(12,225)
Extraordinary loss	
Cost of business structure improvement	1,011
Loss on sales and retirement of fixed assets	592
Total extraordinary losses	1,603
Loss before income taxes and minority interests	(13,828)
Current income taxes	2,292
Deferred income taxes	(7,659)
Total income taxes	(5,367)
Minority interests in earnings of subsidiaries	(5)
Net loss	(8,456)

**(3) Consolidated Quarterly Statement of Cash Flows**

(Millions of yen)

FY2009 First Quarter (February 1, 2009 - April 30, 2009)	
<b>Cash flows from operating activities</b>	
Loss before income taxes and minority interests	(13,828)
Depreciation and amortization	3,980
Decrease in accrued retirement benefits	(192)
Decrease in prepaid pension cost	3,435
Interest and dividend income	(285)
Interest expense	778
Equity in losses of affiliates	5
Decrease in notes and accounts receivable	6,125
Increase in inventories, etc.	(31,129)
Decrease in notes and accounts payable	(40,308)
Increase in advances received on construction projects in progress	20,495
Other	(13,462)
Subtotal	(64,385)
Interest and dividends received	354
Interest paid	(885)
Income taxes paid	(5,810)
Income taxes refund	3,954
Net cash provided by (used in) operating activities	(66,772)
<b>Cash flows from investing activities</b>	
Proceeds from sales of short-term investments	2,000
Purchases of property, plant and equipment	(5,208)
Proceeds from sales of property, plant and equipment	57
Purchases of investments in securities	(2,575)
Increase in loans receivable	(890)
Decrease in loans receivable	1,524
Other	(1,073)
Net cash provided by (used in) investing activities	(6,165)
<b>Cash flows from financing activities</b>	
Increase in short-term bonds payable	30,000
Increase in treasury stock	(17)
Cash dividends paid	(8,111)
Other	5
Net cash provided by financing activities	21,876
Effect of exchange rate change on cash and cash equivalents	522
Net decrease in cash and cash equivalents	(50,538)
Cash and cash equivalents at beginning of period	124,517
Cash and cash equivalents at end of period	73,979

Effective from the fiscal year ending January 2010, the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and its Implementation Guidance, “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) have been applied. Quarterly consolidated financial statements have been prepared in accordance with “Regulation for Quarterly Consolidated Financial Reporting”.

**(4) Notes Regarding Assumption of a Going Concern**

Not applicable

**(5) Segment Information**

[Segment Information by Each Business]

FY2009 First Quarter (February 1, 2009 through April 30, 2009)

(Millions of yen)

	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	88,115	53,559	94,050	28,238	263,963	-	263,963
(2) Inter-group sales and transfers	2,410	135	544	767	3,858	(3,858)	-
Net sales	90,525	53,694	94,595	29,006	267,821	(3,858)	263,963
Operating income	(3,903)	(4,129)	5,587	(685)	(3,131)	(8,890)	(12,021)

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

[Geographical Segment Information]

FY2009 First Quarter (February 1, 2009 through April 30, 2009)

Japanese operations accounted for more than 90% of sales in all segments, so the Company has not presented geographical segment information.

[Overseas Sales]

FY2009 First Quarter (February 1, 2009 through April 30, 2009)

There are no applicable overseas sales.

**(6) Notes Regarding Significant Changes in the Amount of Shareholders' Equity**

Not applicable

**For reference****Consolidated Financial Statements for the First Quarter of FY2008**

## (1) Summary of Consolidated Balance Sheets

FY2008 First Quarter (February 1, 2008 through April 30, 2008)

(Millions of yen)

	FY2008 First Quarter
I. Net sales	255,478
II. Cost of sales	217,491
Gross profit	37,987
III. Selling, general and administrative expenses	55,189
Operating income	(17,201)
IV. Non-operating income	1,150
Interest and dividends income	381
Equity in gains of affiliates	59
Miscellaneous income	708
V. Non-operating loss	1,119
Interest expense	558
Miscellaneous expense	560
Recurring income	(17,170)
VI. Extraordinary loss	344
Income before income taxes and minority interests	(17,514)
Income taxes	(6,454)
Minority interests in earnings of subsidiaries	8
Net income	(11,068)

## (2) Summary of Consolidated Statements of Cash Flows

FY2008 First Quarter (February 1, 2008 through April 30, 2008)

(Millions of yen)

	FY2008 First Quarter
I. Cash flows from operating activities	
Income before income taxes and minority interests	(17,514)
Depreciation and amortization	3,577
Decrease in accrued retirement benefit	(33)
Increase in prepaid pension cost	(594)
Interest and dividends income	(381)
Interest expense	558
Equity in gains of affiliates	(59)
Decrease in notes and accounts receivable	73,861
Increase in inventories, etc.	(100,907)
Decrease in notes and accounts payable	(31,788)
Increase in advances received	39,437
Other	(3,397)
Subtotal	(37,241)
Interest and dividends received	429
Interest paid	(624)
Income taxes paid	(26,619)
Net cash provided by operating activities	(64,056)
II. Cash flows from investing activities	
Purchases of property, plant and equipment	(12,697)
Proceeds from sales of property, plant and equipment	26
Payment for loans receivable	(679)
Settlement of loans receivable	1,224
Other	(5,031)
Net cash used in investing activities	(17,156)
III. Cash flows from financing activities	
Net increase in commercial paper	90,000
Proceeds from long-term debt	147
Cash dividends paid	(8,116)
Purchase of treasury stock	(13)
Other	12
Net cash used in financing activities	82,028
IV. Net increase in cash and cash equivalents	816
V. Cash and cash equivalents at beginning of period	60,236
VI. Cash and cash equivalents at end of period	61,052

**(3) Segment Information**

[Segment Information by Each Business]

FY2008 First Quarter (February 1, 2008 through April 30, 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							
(1) Sales to third parties	68,981	59,627	88,914	37,954	255,478	-	255,478
(2) Inter-group sales and transfers	1,338	14	751	972	3,076	(3,076)	-
Net sales	70,320	59,641	89,665	38,926	258,555	(3,076)	255,478
Operating income	(9,721)	(2,763)	5,920	(909)	(7,473)	(9,728)	(17,201)

## 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 condominiums and commercial buildings and providing home remodeling, landscaping, and exterior construction

**6. Other Information**

(For reference: the State of Orders)

**[Consolidated]**

(Millions of yen)

	FY2008 First Quarter Feb.1, 2008 - Apr. 30, 2008		FY2009 First Quarter Feb.1, 2009 - Apr. 30, 2009		FY2008 Feb.1, 2008 - Jan. 31, 2009	
	Orders	Accumulated Orders	Orders	Accumulated Orders	Orders	Accumulated Orders
Built to Order Housing	178,909	462,594	137,044	388,631	669,897	339,702
Real Estate for Sale	103,610	132,711	67,519	85,061	299,651	71,101
Real Estate for Leasing	88,914	-	94,050	-	357,075	-
Other Business	35,300	100,366	29,080	93,268	146,362	92,427
Total	406,735	695,672	327,695	566,962	1,472,987	503,230

**[Non-Consolidated]**

(Millions of yen)

	FY2008 First Quarter Feb.1, 2008 - Apr. 30, 2008		FY2009 First Quarter Feb.1, 2009 - Apr. 30, 2009		FY2008 Feb.1, 2008 - Jan. 31, 2009	
	Orders	Accumulated Orders	Orders	Accumulated Orders	Orders	Accumulated Orders
Built to Order Housing	180,404	467,442	137,578	391,991	676,363	343,923
Real Estate for Sale	99,207	128,938	61,159	79,460	274,187	57,993
Real Estate for Leasing	2,400	-	2,484	-	10,880	-
Other Business	22,581	103,633	14,890	103,258	95,715	103,683
Total	304,594	700,013	216,113	574,709	1,057,147	505,600