

**Consolidated Financial Statements Summary**  
**for the Second Quarter of FY2014 (February 1, 2014 through July 31, 2014)**  
**(Japanese Standard)**

September 4, 2014

Company name : **Sekisui House, Ltd.** (URL <http://www.sekisuihouse.co.jp>)  
Listed exchanges : Tokyo, Nagoya  
Stock code : 1928  
Representative : Toshinori Abe, President and Representative Director  
Inquiries : Hitoshi Kuroyanagi, Chief Manager of Corporate Communications Dept.  
Tel +81 6 6440 3111  
Filing date of quarterly securities report : September 12, 2014  
Date of scheduled payment of dividends : September 30, 2014  
Quarterly earnings supplementary explanatory documents : Yes  
Quarterly earnings results briefing : Yes (for institutional investors and analysts, in Japanese)

(Amounts are rounded down to the nearest million yen.)

**1. Consolidated Results for the Six Months Ended July 31, 2014 (February 1, 2014 through July 31, 2014)**

## (1) Consolidated Financial Results

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

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Six months ended Jul. 31, 2014	910,146	7.7	71,704	28.7	75,203	30.5	42,180	23.9
Six months ended Jul. 31, 2013	845,246	11.5	55,699	67.4	57,637	68.2	34,042	99.4

(Note) Comprehensive income:

Six months ended Jul. 31, 2014: ¥32,295 million (-49.6%) Six months ended Jul. 31, 2013: ¥64,081 million (234.8%)

	Net income per share	Fully diluted net income per share
	¥	¥
Six months ended Jul. 31, 2014	61.46	58.40
Six months ended Jul. 31, 2013	50.68	47.13

## (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	¥ million	¥ million	%
As of July 31, 2014	1,854,610	962,566	51.4
As of January 31, 2014	1,769,005	941,415	52.6

(Reference) Shareholders' equity As of July 31, 2014: ¥953,695 million As of January 31, 2014: ¥930,944 million

**2. Cash Dividends**

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	¥	¥	¥	¥	¥
Year ended Jan. 31, 2014	-	20.00	-	23.00	43.00
Year ending Jan. 31, 2015	-	25.00			
Year ending Jan. 31, 2015 (forecast)			-	25.00	50.00

(Note) Revised dividend forecast for the quarter under review: None

**3. Consolidated Results Forecast for FY2014 (February 1, 2014 through January 31, 2015)**

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Year ending Jan. 31, 2015	1,820,000	0.8	142,000	7.6	149,000	8.1	86,000	7.8	124.24

(Note) Revised forecast for the quarter under review: Yes

**Notes**

(1) Changes in significant subsidiaries (changes in specific subsidiaries that caused a change in scope of consolidation): None

(2) Application of accounting treatment specific to the preparations for consolidated quarterly financial statements: None

(3) Changes in accounting policies, accounting estimates and restatements

(a) Changes in accounting policies due to amendment of accounting standards: Not applicable

(b) Changes in accounting policies due other than (a): Not applicable

(c) Changes in accounting estimates: Not applicable

(d) Restatements: Not applicable

(4) Number of shares outstanding (common stock)

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

As of Jul.31, 2014: 693,827,653 shares

As of Jan. 31, 2014: 686,895,078 shares

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

As of Jul. 31, 2014: 1,646,660 shares

As of Jan. 31, 2014: 1,673,647 shares

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

Six months ended Jul. 31, 2014: 686,259,348 shares

Six months ended Jul. 31, 2013: 671,640,663 shares

**\* Implementation Status of Quarterly Review Processes**

At the time of disclosure of this report, the procedures for review of quarterly consolidated financial statements, pursuant to the Financial Products and Exchange Law, have not been completed.

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

Descriptions regarding forward-looking statements, etc. contained in these materials are based on information currently available to the Company and certain assumptions judged reasonable. The Company makes no warranty as to the feasibility of its projections. Future results may differ materially from projections due to various factors. For the assumptions underlying the earnings forecast, please see “(3) Qualitative Information Regarding Consolidated Results Forecast” in “1. Qualitative Information Regarding Consolidated Results for the Six Months under Review” of the “Attached Material” on page 6.

(Obtaining supplementary explanatory documents)

The Company plans to hold a briefing for institutional investors and analysts on September 4, 2014. Relevant financial explanatory documents to be handed out at the briefing will be posted on our official website on the same day.

**TABLE OF CONTENTS OF THE ATTACHED MATERIAL**

<b>1. Qualitative Information Regarding the Consolidated Results for the Six Months under Review</b> .....	<b>4</b>
(1) Qualitative Information Regarding Consolidated Business Results .....	4
(2) Qualitative Information Regarding Consolidated Financial Conditions .....	6
(3) Qualitative Information Regarding Consolidated Results Forecast .....	6
<b>2. Matters Regarding Summary Information (Notes)</b> .....	<b>7</b>
(1) Changes in Significant Subsidiaries during the Period .....	7
(2) Application of Accounting Treatment Specific to the Preparations for Consolidated Quarterly Financial Statements	7
(3) Changes in Accounting Policies, Accounting Estimates and Restatements .....	7
<b>3. Consolidated Quarterly Financial Statements</b> .....	<b>8</b>
(1) Consolidated Quarterly Balance Sheets .....	8
(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income	10
Consolidated Quarterly Statements of Income	
For the Cumulative Second Quarter .....	10
Consolidated Quarterly Statements of Comprehensive Income	
For the Cumulative Second Quarter .....	11
(3) Notes to Consolidated Quarterly Financial Statements .....	12
(Notes Regarding Assumption of a Going Concern) .....	12
(Notes on Significant Changes in the Amount of Shareholders' Equity) .....	12
(Segment Information, etc.) .....	12
<b>4. Supplemental Information</b> .....	<b>14</b>
The State of Orders .....	14

## 1. Qualitative Information Regarding the Consolidated Results for the Six Months under Review

### (1) Qualitative Information Regarding Consolidated Business Results

During the first six months of the consolidated fiscal year under review, the Japanese economy remained on a modest recovery path, backed by solid corporate earnings. Although demand remained weak due to a reactionary fall following the last-minute surge ahead of the consumption tax hike in April, there was growing optimism about the prospects for economic recovery, amid signs of improvement in the employment and income situation.

In the housing market, custom detached houses were affected by waning anticipation of higher interest rates and a reactionary fall in demand, a tendency towards more prolonged examination prior to conclusion of contract was seen, and orders remained at a low level. However, interest in rental housing, largely as a means of minimizing inheritance tax, remained strong and orders held firm.

Under these circumstances, the Company followed its medium-term management plan, enhancing the synergies between its three business models: the Built-to-Order Business, the Supplied Housing Business and the Development Business, including selling products pursuing differentiation from competitors, mainly Green First Zero eco-friendly homes, and promoting business under its brand vision "SLOW & SMART." In March, the Company also held sales promotion events nationwide, including *Sumai no sankan-bi* (visits to model houses) and Sha-Maison Festa, and worked to win orders.

Meanwhile, the Company developed the SHEAD construction method, a liquefaction mitigation technique for housing, to prevent liquefaction damage as the result of an earthquake and to provide greater safety and security. Also, with elder-to-elder nursing and the growing burden on carers set to become social problems in the future as the number of elderly increases, the Company also pursued initiatives to solve various social issues such as elderly home health care support, including starting joint research and development on the application of robot technology in the home with MUSCLE Corporation.

In addition, the Company has begun future disaster-proof factory planning at the Tohoku Factory, based on its own key concept of disaster-proof housing. We will strive to increase our disaster prevention capabilities for the entire community by building a smart energy system useful for the factory both in a normal period and in the event of emergency and strengthening cooperation with towns, residents and local organizations for disaster prevention.

In the second quarter of the consolidated fiscal year under review, net sales amounted to ¥910,146 million (up 7.7% year-on-year). Operating income amounted to ¥71,704 million (up 28.7% year-on-year), ordinary income to ¥75,203 million (up 30.5% year-on-year) and net income to ¥42,180 million (up 23.9% year-on-year).

Business results by segments are as follows.

#### (Custom Detached Houses Business)

In the steel frame detached house segment, the Company unified steel frame two-story house construction methods and sought to standardize high quality and high performance, including the adoption of exterior walls with high performance insulation and high durability. By doing so, the Company significantly reduced the number of parts and materials and sought to improve production, design and construction efficiency. In the meantime, the Company started sales of *Be moderate* high-performance homes that can be fitted with a photovoltaic generation system greater than 10 kW in size making them eligible for feed-in tariffs for all electricity generated and that also meet the requirements of Zero Energy Houses (ZEH). In addition, to celebrate the 30th anniversary of the launch of the IS SERIES which includes the Company's

flagship product IS STAGE, the Company also started sales of a new series with improved basic performance and higher asset value. In the wood-framed Sha-Wood house segment, the Company worked to expand sales, strengthening the lineup of its original Bellburn earthenware exterior wall and launching The Gravis 2014 edition as a high-end product.

Orders remained at a low level largely due to waning anticipation of higher interest rates.

Sales in the Custom Detached Houses Business amounted to ¥227,686 million, down 8.4% year-on-year, and operating income to ¥27,574 million, down 9.6% year-on-year.

#### **(Rental Housing Business)**

In the Rental Housing Business, the need to minimize rising inheritance taxes remained strong, and sales of 3- and 4-story rental houses, which were the focus of the Company's efforts, increased steadily. In Ichinomiya City, Aichi Prefecture, the Company developed Nikke Garden Court Hanamizuki, a large Sha-Maison low-rise apartments town comprising 11 buildings and 90 units, which is based on the concept of a child-care support town and brings the "SLOW & SMART" vision to the fore. The Company also held Sha-Maison Expo on the site, a sales promotion event combining promotion with the viewing of the Company's actual properties to stress the appeal of Sha-Maison.

As a result of these business promotions, orders were favorable.

Sales in the Rental Housing Business amounted to ¥201,370 million, up 24.1% year-on-year, and operating income to ¥2,263 million, up 46.7% year-on-year.

#### **(Remodeling Business)**

In the Remodeling Business, the Company proactively proposed remodeling projects to increase energy conservation, including the installation of photovoltaic generation systems and household fuel cells, in addition to the core Green First initiative, as well as remodeling projects to increase comfort, including alteration of the layout and improvement of equipment performance. Meanwhile, it held sales promotion events nationwide to acquire new customers.

Sales in the Remodeling Business amounted to ¥70,191 million, up 13.7% year-on-year, and operating income to ¥8,716 million, up 30.2% year-on-year.

#### **(Real Estate Management Fees Business)**

In the Real Estate Management Fees Business, the number of units of Sha-Maison low-rise apartments for block leasing and management by Sekiwa Real Estate companies increased steadily, with solid growth in the number of units built in the Rental Housing Business. Demand increased in the rental housing market, mainly in urban areas, and efforts were made to encourage occupancy by stressing the appeal of the Sha-Maison brand and increasing cooperation among Group companies. Further, by making proposals for remodeling to meet the needs of the market, occupancy rates remained high.

Sales in the Real Estate Management Fees Business amounted to ¥212,857 million, up 4.3% year-on-year, and operating income to ¥11,976 million, up 8.6% year-on-year.

#### **(Houses for Sale Business)**

In the Houses for Sale Business, the Company continued to develop smart towns nationwide, focusing on Green First HYBRID homes, with self-sustainability and the regeneration of community as the theme. As a leading smart house company, the Company developed and proactively marketed new high-value-added homes for sale, based on the keywords "safety and security," "healthy and pleasant," "energy" and "watchful." It also held *Machinami sankan-bi* promotional events nationwide and worked to expand sales.

Sales in the Houses for Sale Business amounted to ¥58,564 million, down 16.1% year-on-year, and operating income to ¥5,033 million, up 20.3% year-on-year.

**(Condominiums Business)**

In the Condominium Business, new properties such as the Grande Maison Jyosui Garden City South Forest (Fukuoka City) sold well, and inquiries about Grande Maison Shirokane no Mori The Tower (Minato-ku, Tokyo) and other properties for sale also remained at a high level. Against this backdrop, the Company continued to implement sales strategies to enhance brand value.

As a result of these business promotions, orders were steady.

Sales in the Condominiums Business amounted to ¥32,178 million, up 6.0% year-on-year, and operating income to ¥2,578 million, up 663.9% year-on-year.

**(Urban Redevelopment Business)**

In the Urban Redevelopment Business, occupancy rates of Sekisui House Group's rental properties such as its Prime Maison series rental apartments remained firm. The Company also sold properties including Prime Maison Fujimidai to Sekisui House SI Residential Investment Corporation. In addition, the Ritz-Carlton, Kyoto, a top luxury hotel affiliated with the Marriott Hotel Group, built by the Company in Nakagyo Ward, Kyoto, opened on February 7.

Sales in the Urban Redevelopment Business amounted to ¥27,596 million, up 95.4% year-on-year, and operating income to ¥6,076 million, up 71.3% year-on-year.

**(Overseas Business)**

In the Overseas Business, as in the previous fiscal year, sales of subdivisions in the United States, including Cinco Ranch in Texas and One Loudoun in Virginia, remained firm. In Australia, delivery of the Park Lane Building in Central Park began, and sales of subdivisions of The Hermitage in Camden and newly opened Ripley Valley were brisk. In China, sales began for our projects in Heping District in Shenyang, Taicang City and Wuxi City among others.

Sales in the Overseas Business amounted to ¥30,067 million, up 52.7% year-on-year, and operating income to ¥791 million, up 42.6% year-on-year.

**(Other Businesses)**

In the Exterior Business, the Company proposed landscaping to plant trees native to each area in line with its "Gohon no ki" landscaping concept. It also made proactive proposals for comprehensive exterior designs with detached and rental housing designed to complement the neighboring townscape.

Sales in the Other Businesses amounted to ¥49,632 million, up 43.5% year-on-year, and operating income to ¥2,367 million, up 586.5% year-on-year.

**(2) Qualitative Information Regarding Consolidated Financial Conditions**

Total assets grew ¥85,605 million to ¥1,854,610 million at the end of the second quarter of the consolidated fiscal year under review, primarily attributable to increases in property, plant and equipment and real estate for sale. Liabilities increased ¥64,453 million, to ¥892,043 million, mainly due to the issue of short-term bonds payable and an increase in short-term loans payable. Net assets increased ¥21,151 million, to ¥962,566 million, primarily owing to the posting of net income and increases in capital stock and capital surplus, reflecting the issuing of new shares associated with the exercise of subscription rights to shares attached to bonds with subscription rights to shares.

**(3) Qualitative Information Regarding Consolidated Results Forecast**

In view of recent orders in the Customer Detached Houses Business and the Overseas Business and in light of the recording of a loss on valuation of investment securities, we have revised our consolidated results forecast for the fiscal year ending January 31, 2015 announced on March 6, 2014 to net sales of ¥1,820 billion and net income of ¥86 billion.

**2. Matters Regarding Summary Information (Notes)**

(1) Changes in Significant Subsidiaries (changes in specific subsidiaries that caused a change in scope of consolidation):

Not applicable

(2) Application of Accounting Treatment Specific to the Preparations for Consolidated Quarterly Financial Statements:

Not applicable

(3) Changes in Accounting Policies, Accounting Estimates and Restatements:

Not applicable

## 3. Consolidated Quarterly Financial Statements

## (1) Consolidated Quarterly Balance Sheets

(¥ million)

	As of January 31, 2014	As of July 31, 2014
<b>Assets</b>		
Current assets		
Cash and deposits	182,134	142,776
Notes receivable, accounts receivable from completed construction contracts	46,182	53,073
Short-term investment securities	1,044	855
Costs on uncompleted construction contracts	10,558	8,771
Buildings for sale	178,220	192,859
Land for sale in lots	472,377	462,174
Undeveloped land for sale	81,139	93,946
Other inventories	11,298	11,309
Deferred tax assets	47,402	41,513
Other	49,479	68,270
Allowance for doubtful accounts	(1,246)	(1,252)
Total current assets	1,078,589	1,074,295
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	194,169	219,899
Machinery, equipment and vehicles, net	16,261	15,176
Land	235,023	305,493
Construction in progress	15,258	5,970
Other, net	5,821	6,923
Total property, plant and equipment	466,534	553,463
Intangible assets	16,546	16,109
Investments and other assets		
Investment securities	106,429	111,539
Long-term loans receivable	47,249	46,291
Prepaid pension cost	1,175	1,265
Deferred tax assets	14,234	12,827
Other	38,838	39,402
Allowance for doubtful accounts	(594)	(585)
Total investments and other assets	207,333	210,741
Total noncurrent assets	690,415	780,314
<b>Total assets</b>	<b>1,769,005</b>	<b>1,854,610</b>



(¥ million)

	As of January 31, 2014	As of July 31, 2014
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts	110,860	97,998
Electronically recorded obligations-operating	63,865	56,323
Short-term bonds payable	-	95,000
Short-term loans payable	38,009	80,531
Current portion of bonds payable	-	70,000
Current portion of long-term loans payable	45,587	38,304
Income taxes payable	31,085	19,451
Advances received on uncompleted construction contracts	116,352	98,282
Provision for bonuses	24,898	17,741
Provision for directors' bonuses	961	-
Provision for warranties for completed construction	3,484	3,366
Other	67,554	57,336
<b>Total current liabilities</b>	<b>502,659</b>	<b>634,336</b>
Noncurrent liabilities		
Bonds payable	90,000	20,000
Bonds with subscription rights to shares	36,390	29,490
Long-term loans payable	77,391	86,599
Long-term lease and guarantee deposited	54,801	57,859
Deferred tax liabilities	203	256
Provision for retirement benefits	55,037	51,373
Provision for directors' retirement benefits	977	961
Other	10,127	11,165
<b>Total noncurrent liabilities</b>	<b>324,929</b>	<b>257,707</b>
<b>Total liabilities</b>	<b>827,589</b>	<b>892,043</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	191,559	195,009
Capital surplus	243,217	246,665
Retained earnings	413,446	439,867
Treasury stock	(1,379)	(1,361)
<b>Total shareholders' equity</b>	<b>846,843</b>	<b>880,180</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,612	27,903
Deferred gains or losses on hedges	47	9
Foreign currency translation adjustment	56,440	45,601
<b>Total accumulated other comprehensive income</b>	<b>84,101</b>	<b>73,515</b>
Subscription rights to shares	474	493
Minority interests	9,996	8,377
<b>Total net assets</b>	<b>941,415</b>	<b>962,566</b>
<b>Total liabilities and net assets</b>	<b>1,769,005</b>	<b>1,854,610</b>

**(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**  
**(Consolidated Quarterly Statements of Income)**  
**For the six months ended July 31, 2013 and 2014**

	(¥ million)	
	Feb. 1, 2013– Jul. 31, 2013	Feb. 1, 2014 – Jul. 31, 2014
Net sales	845,246	910,146
Cost of sales	679,542	728,334
Gross profit	165,703	181,811
Selling, general and administrative expenses	110,003	110,107
Operating income	55,699	71,704
Non-operating income		
Interest income	774	788
Dividends income	666	838
Equity in earnings of affiliates	976	1,991
Other	1,706	2,193
Total non-operating income	4,124	5,812
Non-operating expenses		
Interest expenses	512	527
Other	1,674	1,784
Total non-operating expenses	2,186	2,312
Ordinary income	57,637	75,203
Extraordinary income		
Gain on sales of investment securities	-	307
Total extraordinary income	-	307
Extraordinary loss		
Loss on valuation of investment securities	37	3,375
Loss on sales and retirement of noncurrent assets	652	380
Impairment loss	39	28
Total extraordinary losses	728	3,784
Income before income taxes and minority interests	56,908	71,727
Income taxes-current	18,766	21,808
Income taxes-deferred	3,123	6,945
Total income taxes	21,889	28,754
Income before minority interests	35,018	42,972
Minority interests in income	976	792
Net income	34,042	42,180

**(Consolidated Quarterly Statements of Comprehensive Income)****For the six months ended July 31, 2013 and 2014**

	Feb. 1, 2013– Jul. 31, 2013	Feb. 1, 2014 – Jul. 31, 2014
Income before minority interests	35,018	42,972
Other comprehensive income		
Valuation difference on available-for-sale securities	6,067	291
Deferred gains or losses on hedges	10	(35)
Foreign currency translation adjustment	22,792	(10,813)
Share of other comprehensive income of associates accounted for using equity method	191	(119)
Total other comprehensive income	29,062	(10,677)
Comprehensive income	64,081	32,295
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	62,871	31,594
Comprehensive income attributable to minority interests	1,209	700

**(3) Notes to Consolidated Quarterly Financial Statements****(Notes Regarding Assumption of a Going Concern)**

Not applicable

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

Not applicable

**(Segment Information, etc.)****[Segment Information]**

I. Six months ended July 31, 2013 (February 1, 2013 through July 31, 2013)

1. Sales and operating income (loss) by reportable business segment

(¥ million)

	Reportable Business Segments						
	Custom detached houses	Rental housing	Remodeling	Real estate management fees	Houses for sale	Condominiums	Urban redevelopment
Sales							
(1) Sales to third parties	248,630	162,214	61,728	204,125	69,806	30,347	14,120
(2) Inter-group sales and transfers	-	2,417	323	1,673	-	-	67
Net sales	248,630	164,631	62,052	205,799	69,806	30,347	14,188
Operating income (loss)	30,519	15,405	6,693	11,031	4,184	337	3,548

	Reportable Business Segments		Other Businesses (Note: 1)	Total	Adjustments (Note: 2)	Amounts on the consolidated financial statements (Note: 3)
	Overseas business	Total				
Sales						
(1) Sales to third parties	19,692	810,666	34,579	845,246	-	845,246
(2) Inter-group sales and transfers	-	4,481	3,316	7,798	(7,798)	-
Net sales	19,692	815,148	37,896	853,044	(7,798)	845,246
Operating income (loss)	554	72,274	344	72,619	(16,919)	55,699

Notes:

1. Other Businesses principally include the exterior business.
2. An adjustment of ¥16,919 million for segment income includes an elimination of inter-segment transactions of ¥2,190 million and corporate expenses of ¥14,729 million that have not been allocated to each segment. Corporate expenses mainly include selling, general and administration expenses and experiment and research expenses that do not belong to any reportable segments.
3. Operating income by business segment is adjusted to correspond to operating income in the consolidated quarterly statements of income.

## II. Six months ended July 31, 2014 (February 1, 2014 through July 31, 2014)

## 1. Sales and operating income by reportable business segment

(¥ million)

	Reportable Business Segments						
	Custom detached houses	Rental housing	Remodeling	Real estate management fees	Houses for sale	Condominiums	Urban redevelopment
Sales							
(1) Sales to third parties	227,686	201,370	70,191	212,857	58,564	32,178	27,596
(2) Inter-group sales and transfers	0	1,224	224	1,653	-	-	67
Net sales	227,686	202,594	70,416	214,511	58,564	32,178	27,664
Operating income	27,574	22,603	8,716	11,976	5,033	2,578	6,076

	Reportable Business Segments		Other Businesses (Note: 1)	Total	Adjustments (Note:2)	Amounts on the consolidated financial statements (Note: 3)
	Overseas business	Total				
Sales						
(1) Sales to third parties	30,067	860,513	49,632	910,146	-	910,146
(2) Inter-group sales and transfers	-	3,170	3,424	6,594	(6,594)	-
Net sales	30,067	863,683	53,056	916,740	(6,594)	910,146
Operating income	791	85,351	2,367	87,719	(16,015)	71,704

## Notes:

1. Other Businesses principally include the exterior business.
2. An adjustment of ¥16,015 million for segment income includes an elimination of inter-segment transactions of ¥2,078 million and corporate expenses of ¥13,936 million that have not been allocated to each segment. Corporate expenses mainly include selling, general and administration expenses and experiment and research expenses that do not belong to any reportable segments.
3. Operating income by business segment is adjusted to correspond to operating income in the consolidated quarterly statements of income.

**4. Supplemental Information****The State of Orders****[Consolidated]**

(¥ million)

	Six months ended July 31, 2013		Six months ended July 31, 2014		Year ended January 31, 2014	
	Orders	Accumulated Orders	Orders	Accumulated Orders	Orders	Accumulated Orders
Custom detached houses	295,089	293,449	196,763	223,448	525,072	254,372
Rental housing	212,625	292,944	200,258	311,863	426,644	312,975
Remodeling	64,507	23,496	62,943	23,547	135,123	30,794
Real estate management fees	204,125	-	212,857	-	408,403	-
Houses for sale	72,319	38,768	59,596	36,393	132,511	35,361
Condominiums	34,042	51,118	32,695	61,507	76,649	60,989
Urban redevelopment	14,120	-	25,366	-	44,658	2,230
Overseas business	27,849	71,991	34,813	65,787	82,599	61,040
Other Businesses	40,743	38,047	41,908	47,620	96,907	55,344
<b>Total</b>	<b>965,424</b>	<b>809,817</b>	<b>867,204</b>	<b>770,166</b>	<b>1,928,571</b>	<b>813,108</b>