Summary of Consolidated Financial Results (Unaudited)
for the First Three Months of the Fiscal Year Ending March 31, 2011
(From April 1, 2010 to June 30, 2010)
[Japanese GAAP]

August 6, 2010

Name of Listed Company: Daiwa House Industry Co., Ltd.
Listed Exchanges: First section of the Tokyo Stock Exchange; First section of the Osaka Securities Exchange
Code No.: 1925
URL: http://www.daiwahouse.co.jp/
Representative: Kenji Murakami, President and COO
Contact: Koichi Tsuchida, General Manager, IR Department, Management Administration Headquarters
Phone No.: 06-6342-1400/Fax No. 06-6342-1419
E-mail to: dh.ir.communications@daiwahouse.jp

Scheduled Date of Filing Quarterly Report: August 12, 2010
Supplemental documents for the financial results provided: Yes
Results briefing for the first quarter provided: Yes (for institutional investors and securities analysts)

(Amounts below one million yen are omitted)

1. Consolidated Results of Operation for the three months ended June 30, 2010
(From April 1, 2010 to June 30, 2010)
(1) Consolidated Business Results (% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
Three months ended:	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2010	354,964	(6.0)	14,093	1.7	15,753	4.9	7,627	(5.4)
June 30, 2009	377,465	6.4	13,858	193.8	15,020	180.1	8,063	257.2

	Basic net income per share	Diluted net income per share
Three months ended:	Yen	Yen
June 30, 2010	13.17	—
June 30, 2009	13.92	—

(2) Consolidated Financial Conditions

	Total assets	Net assets	Net asset ratio	Net assets per share
As of:	Millions of yen	Millions of yen	%	Yen
June 30, 2010	1,881,861	615,804	32.7	1,061.80
March 31, 2010	1,916,927	617,769	32.2	1,065.15

Reference: Net asset ratio = (Net assets – Minority interests)/Total assets × 100
(Net assets – Minority interests) is as follows:
June 30, 2010: 614,867 million yen; March 31, 2010: 616,821 million yen

2. Dividends

	Dividend per share				
(Record date)	End of 1st quarter (June 30)	End of 2nd quarter (Sept. 30)	End of 3rd quarter (Dec. 31)	Fiscal year-end (March 31)	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2010	—	0.00	—	17.00	17.00
Fiscal year ending March 31, 2011	—				
Fiscal year ending March 31, 2011 (forecasts)		0.00	—	17.00	17.00

Note: Revision made to dividend forecasts in the quarter under review: None

3. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

(% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2010	768,000	(4.5)	34,500	(11.0)	32,000	(17.3)	14,000	(34.5)	24.18
Fiscal year ending March 31, 2011	1,610,000	0.0	66,000	5.2	60,500	0.8	24,000	25.6	41.44

Note: Revision made to business forecasts in the quarter under review: None

4. Others (for details, please refer to "Other Information" of "the Attached Material," on page 7.)

(1) Changes in Significant Subsidiaries during the quarter under review: None
Note: The above refers to changes in specified subsidiaries associated with changes in the scope of consolidation.

(2) Application of Simplified Accounting Methods and/or Unique Accounting Methods: None
Note: The above refers to application of Simplified Accounting Methods and/or Accounting Methods Unique to the Preparation of the Quarterly Consolidated Financial Statements.

(3) Changes in Accounting Policies, Procedures and Methods of Presentation
1) Changes made due to amendment of accounting standards: Yes
2) Changes made due to reasons other than 1): None
Note: The above refers to changes in Accounting Policies, Procedures and Methods of Presentation for the Preparation of the Quarterly Consolidated Financial Statements, recorded in "Changes under Basic Significant Matters Regarding Preparation of the Quarterly Consolidated Financial Statements."

(4) Number of Issued and Outstanding Shares (Common Stock)

1) Number of shares at the end of the period (including treasury stock)

As of June 30, 2010	599,921,851 shares	As of March 31, 2010	599,921,851 shares

2) Number of treasury stock at the end of the period

As of June 30, 2010	20,842,320 shares	As of March 31, 2010	20,829,959 shares

3) Average number of shares during the period (for three months under review)

Three months ended June 30, 2010	579,084,741 shares	Three months ended June 30, 2009	579,160,239 shares

* Presentation of implementing the quarterly review procedures
As of the time when the quarterly financial results are disclosed, the Group had not completed the reviewing (checking) procedures for quarterly consolidated financial statements as laid down by the Financial Instruments and Exchange Law.

*Remarks on appropriate use of forecasted results of operation and other special matters
(Notes regarding forward-looking statements)
Consolidated business forecasts are based on assumptions in light of the information available as of the date of announcement of this material and the factors of uncertainty that may possibly impact the future results of operation. The Group's actual results may differ significantly from those presented herein as a consequence of numerous factors such as economic conditions, competitor situations and fluctuations in land prices. Please refer to the section of "Qualitative Information Regarding Consolidated Business Forecasts" of "the Attached Material" on page 6 for details.

○Contents of the Attached Material

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

(1) Qualitative Information Regarding Consolidated Business Results

During the first three months of fiscal 2010 ending March 31, 2011, the Japanese economic environment remained severe, primarily because of bank and sovereign creditworthiness fears in Europe, the impact of deflation and an unstable employment situation, despite some pickup expected from the Japanese government's emergency stimulus measures and other initiatives, amid a gradual increase in exports and moderate recovery in corporate earnings.

In the housing industry, a recovery in condominium subdivisions and rental housing was seen in major cities, primarily thanks to the effects of housing demand stimulus instituted by the government, including expansion of the scope of exclusion for taxes related to housing acquisition, the housing loan tax reduction and application of the eco-point system for housing. Despite these measures, however, there was no recovery in rural areas. As a result, the number of new housing starts generally remained sluggish.

In these circumstances, the Daiwa House Group saw improving management efficiency as an urgent task. To this end, it took steps to improve business performances by focusing on three policies: bolstering our proposal ability in core businesses; expanding the scale of our business in growing markets; and ensuring financial strength and enhancing profitability.

In the Single-Family Houses Business, which is one of the keys to our plan to bolster our proposal ability in core businesses, we proactively promoted the "xevo" series, the mainstay of our single-family house products, as high-quality, long-term houses with outstanding environmental performance. In commemoration of the 55th anniversary of our business, we began issuing eco-points of our own, called "xevo" eco-points, for all our single-family house products.

With regard to our goal of expanding business scale in growing markets, our Existing Home Business bolstered renovation proposals for rental housing, in addition to those for single-family houses, supported by the housing eco-point system introduced by the government.

In CSR initiatives, our major Group companies have introduced the Company's unique indicators for self-assessment of CSR activities to make targets in their CSR activities more visually identifiable, and have stepped up efforts to work with stakeholders.

As a result of these factors, consolidated net sales for the three months under review stood at 354,964 million yen, down 6.0% year-on-year. Ordinary income was 15,753 million yen, up 4.9% year-on-year. Net income amounted to 7,627 million yen, down 5.4% year-on-year.

Results by business segment are as follows.

Single-Family Houses Business

In the Single-Family Houses, we strove to boost sales of "xevo" series houses, the mainstay of our single-family house line, made with standard specifications that satisfy the certification criteria of the High Quality Long-Term Housing Model adopted by the Japanese government and apply housing eco-points. Our "xevo" series products have conformed to the government's measures to support home buyers. In addition, in commemoration of the 55th anniversary of our founding, we began to issue our own "xevo" eco-points, a unique service for a limited period, to customers who desire to build a "xevo" house. The service augments the housing eco-points issued by the government. We also offered environmental load-cutting initiatives, including the promotion of solar power for houses by lowering the costs of our photovoltaic power generation systems.

Meanwhile, we started a new project, called the Smart "xevo" Eco Project, which aims to build energy self-supply houses with zero CO_2 emissions and zero utility costs by 2020. As a first stage in this project, we opened SMA×Eco HOUSE, a housing exhibition site furnished with lithium-ion batteries for home-use, a first for Japan.

As a result, sales of this segment were 61,816 million yen. Operating loss was 524 million yen.

Rental Housing Business

We stepped up our marketing activities in Japan's major metropolises, with a particular focus on increasing sales of three-story models and eco-friendly houses. We also offered support systems via Daiwa Living Co., Ltd., from diverse perspectives, such as a tenant management system and a long-term en bloc rental contract system, which assure stable long-term property management for owners of rental housing units. Orders for rental housing enjoyed a slight recovery, aided by the eco-point system for housing.

As a result, sales of this segment were 103,836 million yen. Operating income was 8,592 million yen.

Condominiums Business

Although condominium contract rates have been recovering, due to housing demand stimulus instituted by the government, especially in the Tokyo Metropolitan area and the Kinki and Kyushu areas, market conditions in other urban areas remained severe. In these circumstances, the Condominium Business sought to develop properties that emphasize consideration for and co-existence with the environment. For example, we launched sales of the condominium complex *The Residence Chitose Funabashi* (Tokyo), that pays consideration to the environment and economy, including a solar panel hot water system, green roofing, and bulk purchasing of electricity and gas.

As a result, sales of this segment were 27,223 million yen. Operating loss was 594 million yen.

Existing Home Business

In the Existing Home Business, we stepped up sales promotions including a campaign for eco-renovation that adopts the eco-point system for housing, and a sales campaign targeting rental housing renovation. In cooperation with Group companies, we upgraded sales, design and construction systems to enhance our technological capability.

As a result, sales of this segment were 13,156 million yen. Operating income was 519 million yen.

Commercial Facilities Business

In the Commercial Facilities Business, the Group made use of planning and proposal-driven sales centered on roadside store development, leveraging its abundant land-related data and expertise in store-opening support for tenant businesses. Daiwa Lease Co., Ltd., which manages commercial facilities, promoted the nationwide deployment of *Frespo* open mall commercial facilities designed for a small trading area. We opened *Frespo Houki* (Tottori) in April 2010. There are now *Frespo* facilities at 122 locations in Japan.

As a result, sales of this segment were 58,855 million yen. Operating income was 6,901 million yen.

Business and Corporate Facilities Business

In Business and Corporate Facilities Business, we harnessed the Group's strengths to build large-scale logistics, manufacturing and food-production facilities. We also made active use of proposal-based marketing for private nursing care facilities for the elderly and rental houses for the aged.

As a result, sales of this segment were 43,271 million yen. Operating income was 5,081 million yen.

Health & Leisure Business

Severe circumstances continued to prevail in the Resort Hotels Division, as consumers saved their money amid persistent deflation, but customer footfall during the Golden Week holiday period rose, owing to our quality guest service aimed at encouraging repeat visits. In line with economic recovery in emerging countries, we also received many foreign guests. Overall, guest numbers were up year-on-year.

In the Fitness Clubs Division, we reopened NAS ANNEX, Style Fitness Club (Tokyo), in May 2010 after renovating the facilities, and opened NAS GINZA (Tokyo), our top-brand premium sport club, in June 2010 under a new concept that aims to offer first-class hospitality.

As a result, sales of this segment were 14,010 million yen. Operating loss was 537 million yen.

Other Businesses

In the Environment and Energy Business Division, we provided solutions to energy-related issues that our customers face, in areas such as LEDs and other high-efficiency lighting, air conditioning, solar power generation system, and energy management services. We also planned and implemented a next-generation CO_2 emission reduction model for convenience stores, which was proposed by us and certified by the Ministry of Land, Infrastructure, Transport and Tourism as meeting its standard as a model project for the reduction of CO_2 emissions in residential housing and other buildings.

In the City Hotels Division, we opened the Daiwa Roynet Hotel Okinawa Kencho-mae in Naha, Okinawa, giving us a total of 23 city hotels in 21 cities.

As a result, sales for this segment were 49,926 million yen. Operating income was 200 million yen.

(2) Qualitative Information Regarding Consolidated Financial Condition

Total assets as of June 30, 2010 decreased by 35,065 million yen from the 1,916,927 million yen recorded as of March 31, 2010, to 1,881,861 million yen. This is mainly attributable to a decrease in the cash and deposits as a result of a decrease in the notes and accounts payable-trade and income taxes paid, which exceeded increases in investment securities and inventories.

Total liabilities as of June 30, 2010 decreased by 33,100 million yen from the 1,299,157 million yen recorded as of March 31, 2010, to 1,266,056 million yen. This is mainly attributable to decreases in notes and accounts payable-trade, income taxes payable, and provision for bonuses due to the differences in a computation period, which exceeded the asset retirement obligation with an application for the "account standard for asset retirement obligations," and an increase in advances received on uncompleted construction contracts.

Net assets as of June 30, 2010 decreased by 1,964 million yen from the 617,769 million yen recorded as of March 31, 2010, to 615,804 million yen. This result principally reflected, despite of the posting of net income in the amount of 7,627 million yen for the quarter under review, the posting of the cash dividend paid for the previous fiscal year.

(3) Qualitative Information Regarding Consolidated Business Forecasts

No changes have been made to the forecasts for fiscal 2010 (ending March 31, 2011) issued at the time of the Group's Summary of Financial Results for the Fiscal Year Ended March 31, 2010, made on May 12, 2010.

2. Other Information

(1) Outline of Changes in Accounting Policies, Procedures and Methods of Presentation

- **Changes in matters related to accounting standards**

1. Application of Accounting Standard for Equity Method of Accounting for Investments and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

With effect from the first quarter under review, we applied the Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16, issued on March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (PITF No.24, issued on March 10, 2008).

No effects of this change on the financial statements are recorded.

2. Application of Accounting Standard for Asset Retirement Obligations

With effect from the first quarter under review, we applied the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No.18, issued on March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No.21, issued on March 31, 2008.)

As a result of this application, operating income and ordinary income decreased by 381 million yen, respectively, and income before income taxes and minority interests decreased by 3,186 million yen. The change in the asset retirement obligation amount resulting from the application of this accounting standard, etc. is 22,583 million yen.

- **Changes in methods of presentation**

Consolidated quarterly statements of income

We applied the Cabinet Office Ordinance partially revising rules for financial statements, etc. (Cabinet Office Ordinance No.5, issued on March 24, 2009), based on the Accounting Standard for Consolidated Financial Reporting (ASBJ Statement No. 22, issued on December 26, 2008). Accordingly, an item, “Income before minority interests” is presented for the first quarter under review.

3. Quarterly Consolidated Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	123,649	179,792
Notes receivable, accounts receivable from completed construction contracts and other	73,392	75,815
Short-term investment securities	6	6
Costs on uncompleted construction contracts	13,625	15,098
Real estate for sale	223,411	227,842
Real estate for sale in process	37,844	33,380
Land for development	3,761	3,761
Merchandise and finished goods	11,332	10,996
Work in process	6,206	2,758
Raw materials and supplies	6,401	6,165
Other	128,585	125,830
Allowance for doubtful accounts	(2,513)	(2,690)
Total current assets	625,702	678,757
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	616,523	594,317
Accumulated depreciation	(264,921)	(260,585)
Buildings and structures, net	351,602	333,731
Land	385,305	389,587
Other	143,771	143,371
Accumulated depreciation	(89,735)	(88,079)
Other, net	54,036	55,291
Total property, plant and equipment	790,944	778,610
Intangible assets	20,139	20,153
Investments and other assets		
Investment securities	109,501	104,588
Lease and guarantee deposits	190,845	190,024
Other	153,297	153,426
Allowance for doubtful accounts	(8,569)	(8,632)
Total investments and other assets	445,075	439,406
Total noncurrent assets	1,256,159	1,238,170
Total assets	1,881,861	1,916,927

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	89,505	113,807
Short-term loans payable	14,661	14,771
Current portion of long-term loans payable	2,918	2,901
Income taxes payable	1,369	24,037
Advances received on uncompleted construction contracts	37,534	27,403
Provision for bonuses	10,505	21,160
Provision for warranties for completed construction	6,169	6,769
Asset retirement obligations	1,487	—
Other	130,877	133,748
Total current liabilities	295,030	344,601
Noncurrent liabilities		
Bonds payable	105,300	105,300
Long-term loans payable	335,492	335,388
Long-term lease and guarantee deposited	225,315	226,322
Provision for retirement benefits	163,591	163,711
Asset retirement obligations	21,510	—
Other	119,818	123,834
Total noncurrent liabilities	971,026	954,556
Total liabilities	1,266,056	1,299,157
Net assets		
Shareholders' equity		
Capital stock	110,120	110,120
Capital surplus	226,824	226,824
Retained earnings	372,697	375,154
Treasury stock	(19,626)	(19,615)
Total shareholders' equity	690,015	692,484
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,678	6,696
Revaluation reserve for land	(77,350)	(77,593)
Foreign currency translation adjustment	(4,476)	(4,765)
Total valuation and translation adjustments	(75,148)	(75,662)
Minority interests	937	948
Total net assets	615,804	617,769
Total liabilities and net assets	1,881,861	1,916,927

(2) Consolidated quarterly statements of income

For the three months ended June 30, 2009 and 2010

(Millions of yen)

	Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009)	Three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)
Net sales	377,465	354,964
Cost of sales	304,803	280,629
Gross profit	72,662	74,334
Selling, general and administrative expenses	58,803	60,241
Operating income	13,858	14,093
Non-operating income		
Interest income	309	494
Dividends income	642	1,149
Equity in earnings of affiliates	—	269
Gain on settlement of derivatives	125	139
Gain on valuation of derivatives	546	345
Miscellaneous income	2,392	2,112
Total non-operating income	4,016	4,510
Non-operating expenses		
Interest expenses	1,457	2,010
Equity in losses of affiliates	4	—
Loss on settlement of derivateves	—	14
Loss on valuation of derivatives	655	443
Miscellaneous expenses	736	381
Total non-operating expenses	2,853	2,849
Ordinary income	15,020	15,753
Extraordinary income		
Gain on sales of noncurrent assets	24	24
Gain on sales of investment securities	—	41
Gain on amortization of prior service cost	204	—
Total extraordinary income	229	65
Extraordinary loss		
Loss on sales of noncurrent assets	7	1
Loss on retirement of noncurrent assets	56	75
Impairment loss	5	106
Loss on valuation of investment securities	359	183
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	2,804
Other	5	0
Total extraordinary losses	433	3,173
Income before income taxes and minority interests	14,817	12,646
Income taxes-current	1,269	1,131
Income taxes-deferred	5,510	3,894
Total income taxes	6,779	5,025
Income before minority interests	—	7,620
Minority interests in income (loss)	(26)	(6)
Net income	8,063	7,627

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009)	Three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	14,817	12,646
Depreciation and amortization	11,356	10,566
Increase (decrease) in provision for retirement benefits	(2,875)	(119)
Interest and dividends income	(951)	(1,643)
Interest expenses	1,457	2,010
Equity in (earnings) losses of affiliates	4	(269)
Loss (gain) on sales and retirement of noncurrent assets	38	53
Impairment loss	5	106
Loss (gain) on valuation of investment securities	359	183
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	2,804
Decrease (increase) in notes and accounts receivable-trade	(6,508)	2,423
Decrease (increase) in inventories	41,498	168
Increase (decrease) in advances received on uncompleted construction contracts	(16,211)	10,276
Increase (decrease) in notes and accounts payable-trade	(36,807)	(29,924)
Other, net	(5,395)	(6,956)
Subtotal	787	2,326
Interest and dividends income received	788	1,424
Interest expenses paid	(1,388)	(1,838)
Income taxes paid	(7,774)	(23,558)
Net cash provided by (used in) operating activities	(7,587)	(21,646)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(32,363)	(17,607)
Proceeds from sales of property, plant and equipment	129	34
Purchase of investment securities	(766)	(5,071)
Proceeds from sales and redemption of investment securities	25	359
Purchase of investments in subsidiaries	(50)	—
Payments for lease and guarantee deposits	(5,133)	(820)
Other, net	378	(184)
Net cash provided by (used in) investing activities	(37,780)	(23,289)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	3,563	(110)
Increase (decrease) in commercial papers	59,000	—
Proceeds from long-term loans payable	1,000	593
Repayment of long-term loans payable	(397)	(478)
Repayments of finance lease obligations	(132)	(224)
Purchase of treasury stock	(18)	(13)
Proceeds from sales of treasury stock	1	1
Cash dividends paid	(13,900)	(9,844)
Repayments of payables under fluidity lease receivables	(1,664)	(1,138)
Net cash provided by (used in) financing activities	47,451	(11,214)
Effect of exchange rate change on cash and cash equivalents	63	7
Net increase (decrease) in cash and cash equivalents	2,146	(56,143)
Cash and cash equivalents at beginning of period	105,381	179,743
Cash and cash equivalents at end of period	107,527	123,600

(4) Notes on Premise of Going Concern

No items to report.

(5) Segment Information

[Information by business segment]

The three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009)

	Residential Business (millions of yen)	Commercial Construction Business (millions of yen)	Resort Hotels and Sports Life Business (millions of yen)	Home Center Business (millions of yen)	Other Businesses (millions of yen)	Total (millions of yen)	Eliminations /Corporate (millions of yen)	Consolidated (millions of yen)
Sales								
(1) Sales to customers	215,358	115,046	13,270	15,786	18,004	377,465	—	377,465
(2) Inter-segment	479	2,973	6	395	11,973	15,827	(15,827)	—
Total	215,838	118,019	13,277	16,181	29,977	393,293	(15,827)	377,465
Operating income (loss)	6,166	13,217	(717)	797	(678)	18,785	(4,927)	13,858

[Segment Information]

1. Outline of reportable business segments during the quarter under review

The segments of the Group consist of those for which separate financial information is available within the Group's structural units. Segments are also subject to regular reviews as the Management determines the allocation of management resources and assesses the business performance.

The Daiwa House Group engages in a comprehensive business across a broad range of fields, including the construction of residential housing and commercial buildings. The Group established eight business segments, set up a comprehensive strategy for each business segment and operates based on its 2nd Medium-Term Management Plan, Challenge 2010, to enhance competitiveness with prompt decision-making and sophisticated expertise, integrating its value chain and sharing its customer base.

Accordingly, our business segments consist of different products and services, based on their business domains. Excluding the Other Business segment, there are seven segments: Single-Family Houses, Rental Housing, Condominiums, Existing Home Business, Commercial Facilities, Business and Corporate Facilities, and Health and Leisure segments.

In the Single-Family Houses segment, we engage in construction by order and subdivision of single-family houses. In Rental Housing segment, the Group conducts rental housing development, construction, management, operation, and real estate agency services. In the Condominium segment, we develop, subdivide, and manage condominiums. In the Existing Home Business segment, the Group engages in renovation and real estate agency services. The Commercial Facilities segment develops, builds, manages, and operates commercial facilities. The Business and Corporate Facilities segment develops and builds logistics, manufacturing facilities and medical and nursing facilities, and builds, manages, and operates temporary facilities. The Health and Leisure segment engages in the management and operation of resort hotels, golf courses, fitness clubs and nursing facilities.

2. Sales and operating income (loss) by reportable business segments

The three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)

(Millions of yen)

	Reportable Business Segments					
	Single-Family Houses	Rental Housing	Condominiums	Existing Home Business	Commercial Facilities	Business & Corporate Facilities
Sales						
(1) Customers	61,518	103,521	27,223	13,131	57,764	42,418
(2)Inter-segment	298	314	0	24	1,091	853
Total	61,816	103,836	27,223	13,156	58,855	43,271
Operating income (loss)	(524)	8,592	(594)	519	6,901	5,081

	Reportable Business Segments		Other Businesses (Note 1)	Subtotal	Adjustments (Note 2)	Amounts on the consolidated quarterly statements of income
	Health & Leisure	Total				
Sales						
(1) Customers	13,999	319,577	35,387	354,964	—	354,964
(2)Inter-segment	11	2,593	14,539	17,132	(17,132)	—
Total	14,010	322,170	49,926	372,097	(17,132)	354,964
Operating income (loss)	(537)	19,436	200	19,636	(5,543)	14,093

Notes:

1. Other Businesses include construction support, city hotels, overseas businesses and others.
2. 5,543 million yen in adjustments to operating income (loss) by business segment includes 397 million yen in elimination within business segments, 179 million yen in the amortization of goodwill and 5,325 million yen in corporate expenses not allocated to each business segment. Corporate expenses mainly consist of general and administrative expenses and experiment and research expenses not attributable to reportable business segments.
3. Operating income (loss) by business segment is adjusted to correspond to operating income in the consolidated quarterly statements of income.

(Additional Information)

Effective from the first quarter under review, the Group applied the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17, issued on March 27, 2009) and Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASJB Guidance No. 20, issued on March 21, 2008.)

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

No items to report.

Disclaimer:

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