Summary of Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2010
(From April 1, 2009 to December 31, 2009)

February 10, 2010

Name of Listed Company: Daiwa House Industry Co., Ltd.
Code No.: 1925
URL: http://www.daiwahouse.co.jp/
Listed Exchanges: First section of the Tokyo Stock Exchange; First section of the Osaka Securities Exchange
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Scheduled Date of Filing Quarterly Report: February 12, 2010

(Amounts below one million yen are omitted)
(The preparation of this report is not based on US GAAP.)

1. Consolidated Results of Operations for the Third Quarter of the Fiscal Year Ending March 31, 2010 (From April 1, 2009 to December 31, 2009)

(1) Consolidated Results of Operations for the first nine-month period (% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3rd quarter ended December 31, 2009	1,166,473	(4.7)	50,337	(4.2)	50,121	(2.8)	28,070	10.3
3rd quarter ended December 31, 2008	1,224,599	—	52,571	—	51,587	—	25,459	—

	Basic net income per share	Diluted net income per share
	Yen	Yen
3rd quarter ended December 31, 2009	48.47	—
3rd quarter ended December 31, 2008	43.95	—

(2) Consolidated Financial Position

	Total assets	Net assets	Net asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2009	1,842,022	625,236	33.9	1,078.02
March 31, 2009	1,810,573	607,427	33.5	1,047.50

Reference:
Net asset ratio = (Net assets – Minority interests)/Total assets × 100
(Net assets – Minority interests) is as follows: December 31, 2009: 624,295 million yen; March 31, 2009: 606,682 million yen

2. Dividends

	Dividend per share				
	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, 2009	—	0.00	—	24.00	24.00
Fiscal year ending March 31, 2010	—	0.00	—		
Fiscal year ending March 31, 2010 (forecasts)				17.00	17.00

Note: Revision of the dividend forecasts in the third quarter of the fiscal year ending March 31, 2010: None

3. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2010 (From April 1, 2009 to March 31, 2010)

(% 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
Fiscal year ending March 31, 2010	1,570,000	(7.2)	62,000	(15.7)	56,500	41.8	24,000	475.5	41.44

Note: Revision of the business forecasts in the third quarter of the fiscal year ending March 31, 2010: None

4. Others

(1) Changes in Significant Subsidiaries during the Period (Changes in specified subsidiaries associated with changes in the scope of consolidation): None

(2) Application of Simplified Accounting Methods and/or Accounting Methods Unique to the Preparation of the Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Policies, Procedures and Methods of Presentation for the Preparation of Consolidated Financial Statements (Items recorded under changes under Basic Significant Matters Regarding Preparation of Quarterly Consolidated Financial Statements)
1) Changes due to amendment of accounting standards: Yes
2) Changes due to reasons other than 1): None
Note: For details, please refer to "(4) Others" of "Qualitative Information and Financial Statements" on page 6.

(4) Number of Issued and Outstanding Shares (Common stock)
1) Number of shares at the end of the period (including treasury stock)
As of December 31, 2009: 599,921,851 shares
As of March 31, 2009: 599,921,851 shares
2) Number of treasury stock at the end of the period
As of December 31, 2009: 20,808,071 shares
As of March 31, 2009: 20,750,714 shares
3) Average number of shares during the first nine-month period
Period ended December 31, 2009: 579,144,903 shares
Period ended December 31, 2008: 579,227,399 shares

＊Remarks on appropriate use of forecast results of operations and other special matters

(Notes regarding forward-looking statements)

The above 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 operations. The Company'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 "3. Qualitative Information Regarding Consolidated Business Forecasts" of "Qualitative Information and Financial Statements" on page 6 for details.

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Consolidated Business Results

During the first nine months (April 1 to December 31) of fiscal 2009, the Japanese economy showed signs of a recovery in exports and industrial production, largely due to improvements in the economic situation in Asian countries, as well as the effects of the government's economic stimulus measures. Despite these positive factors, however, against the backdrop of declining corporate earnings, companies curbed capital investment, and unemployment remained at a high level.

In the housing industry, the Group's principle business field, some positive effects were seen from government measures such as revisions to the taxation system related to home acquisition and renovation, and subsidies for the introduction of photovoltaic power generation systems and ENE-FARM household-use fuel cell co-generation systems. These were exceeded by the negative factors of rising unemployment and deterioration in wage levels, as well as the sluggishness of the real estate market. As a result, the overall number of new housing construction starts was low. In the field of general-purpose construction, too, the entire industry suffered from difficult operating conditions during the reporting period, owing to the continued tendency of companies to scale back capital investment plans amid the economic downturn.

In these circumstances, the Daiwa House Group positioned still greater management efficiency as an urgent task, and worked to improve business performance through a focus on three policies – reorganizing the Group's core business structure, investing management resources in businesses in growing markets, and ensuring financial strength and enhancing profitability.

In particular, in our Residential Business, we took steps to supply the market with the new xevoFU and xevoKU models, environmentally friendly, comfortable homes with improved energy-saving and temperature-control features in our mainstay "xevo" series of single-family houses. We have also commenced sales of xevoEDDI, a "designer's eco-housing model" developed in collaboration with architect Edward Suzuki which integrates elements from traditional Japanese homes into a modern architectural design. We acquired certification for a number of our High Quality, Long-Term Housing Models and environmentally friendly house models which already meet government requirements, thereby contributing to our further market penetration in this field.

In low-rise rental housing models, we introduced the eco-friendly SÉJOUR ECOHA and the SÉJOUR WIT, a model which allows freedom of choice with regard to the floor plan. These are some examples of our efforts to strengthen marketing, to respond with greater flexibility to the requirements of landowners.

In addition, we set up a new department responsible for the environment and energy business, and opened 28 marketing offices throughout Japan. We also launched our newly-developed *reFbo* high-efficiency reflective panels, *reFbo Factory* reflective panels for high ceilings, and LED street lights, along with other products, and undertook aggressive sales promotion.

In the CSR field, Daiwa House employees visited elementary and middle schools as guest lecturers under our "D's School" program. Through such activities, Daiwa House, as a house builder, provides ongoing support for school education regarding housing and environment-related issues.

As a result of the above factors, net sales for the first nine months of fiscal 2009 came to 1,166,473 million yen on a consolidated basis, down 4.7% year-on-year. Ordinary income was 50,121 million yen, down 2.8% year-on-year, and net income amounted to 28,070 million yen, up 10.3% year-on-year.

Results by business segment are as follows.

Residential Business

In the Single-Family Houses Division, we have expanded our product lineup. Our “xevo” series now includes more environmentally friendly homes – the xevoFU, a house with a lightweight steel framework, and xevoKU, with a wooden framework. These models enable substantial reductions in heating and electricity expenses and CO_2 emissions through the inclusion of photovoltaic power generation systems and high-efficiency hot-water boilers as standard features. In addition, we have launched the new “xevoEDDI,” a “designer’s eco-housing model” which incorporates the “xevo” features into the EDDI’s House model, developed with Edward Suzuki and introduced in October 2002. “xevoEDDI,” visually unchanged from the original EDDI’s House, offers enhanced quality meeting “xevo” standards, increased space-saving urban-style floor plan options, and reduced maintenance costs.

Following the establishment in June 2009 of the government’s system for certification of High Quality, Long-Term Housing Models, we strengthened marketing activities, taking advantage of the government’s incentive program promoting home acquisitions. For example, we appeal to potential customers with the durability of models in our “xevo” series, which incorporate the government’s certification criteria as standard, and the available tax benefits. In addition, we are encouraging the widespread adoption of solar-power generation by taking advantage of government subsidies for photovoltaic power generation systems, and have achieved further reductions in CO_2 emissions.

In the Rental Housing Division, we introduced a new eco-friendly model SÉJOUR ECOHA, which offers a reduction in CO_2 emissions and promotes the popularization of energy-efficient rental housing. At the same time, we launched the SÉJOUR WIT, a model allowing freedom of choice with regard to the floor plan, thus responding to landowners’ needs with greater flexibility. This is a part of our measures to reorganize the mainstay products in the rental housing segment. Other measures include improvements in product quality, features and specifications, as well as an increase in the exterior design variations being offered. Daiwa House won the "2009 Global Warming Prevention Activity Award" from Japan's Ministry of the Environment, in recognition of its efforts to reduce CO_2 emissions in rental housing.

In the Condominiums Division, we worked to strengthen development of new condominium projects in response to the specific demand characteristics of each region of Japan, and expanded after-purchase support to maximize safety and address buyers’ concerns. We also continued providing services aimed at maintaining the asset value of real estate properties. For example, we have developed an online system that allows members of the public to view information such as housing performance evaluations and condominium management services.

In the Home Renovation Division, we actively marketed energy-saving, environmentally friendly renovation solutions, including through a nationwide marketing campaign. We improved this division’s performance by reinforcing our capabilities in marketing, design, and renovation work, and we expanded the coverage of our renovation services to include rental housing units in addition to our traditional target of single-family houses.

However, the division’s performance was adversely affected by the deterioration of the market environment. Consequently, sales of the Residential Business were 675,509 million yen, down 3.9% year-on-year, and operating income came to 24,986 million yen, up 2.8% year-on-year.

Commercial Construction Business

In the Commercial Facilities Division, the Group made use of planning and proposal-driven sales centered on road-side store development, leveraging its abundant land-related data and store opening support knowhow for tenant businesses. In November 2009 we opened the new large-scale shopping centers Foleo Sendai Miyanomori (Miyagi) and Foleo Hiroshima-Higashi (Hiroshima), while building a management and support system for the operation of these shopping centers.

In the Distribution, Medical/Nursing Care, and Corporate Facilities Division, we continued to undertake construction of large-scale logistics centers, production plants, and logistics facilities for foodstuff sector enterprises. We also made active use of proposal-based marketing for private housing-type nursing homes and rental houses for the aged, and provided support services for corporate customers for the construction of facilities for their marketing operations.

However, sales of the Commercial Construction Business declined 7.4% year-on-year to 350,073 million yen, due primarily to the general trend among companies to curb capital investment, while operating income decreased by 7.7% year-on-year to 40,395 million yen.

Resort Hotels and Sports Life Business

In the Resort Hotels Division, operations have been affected by the spread of the H1N1 influenza virus and the trend among consumers to cut back on expenditures amid the current economic downturn. Despite these negative factors, we made every effort to raise customer satisfaction levels by offering high-quality services, so as to increase the number of repeat guests. As a result, we registered a large number of guests during long holiday weekends and the summer vacation period.

In the Sports Life Division, we opened new sports facilities NAS Wakabadai (Tokyo) and NAS Fushimi-Momoyama (Kyoto). We also commenced other initiatives including new membership plans meeting diverse customer needs, to attract new members to our fitness clubs.

Despite these efforts, sales declined 8.1% year-on-year in this segment to 43,739 million yen. However, operating income came to 5 million yen, compared with an operating loss of 240 million yen in the same period of the previous year, thanks to aggressive cost-cutting efforts.

Home Center Business

In the Home Center Segment, in April 2009 we opened the Royal Kanamono Kitamoto (Saitama). Then, in October 2009 we opened the ROYMALL online shopping website, to supplement our current retail store sales channel. As part of a new product strategy, we have increased the number of products in our “RoyValue” private brand, meeting requirements for high quality and low prices, and have taken various steps to stimulate sales.

Sales of this segment came to 47,389 million yen, down 4.7% year-on-year, while operating income increased by 19.6% year-on-year to 1,359 million yen, due to a decrease in selling, general and administrative expenses.

Other Businesses

In the Housing Construction Material Manufacturing and Marketing Division, we expanded our lineup of storage units, and aggressively marketed products for housing manufacturers. We also made proposals for interior renovation services, primarily for large-scale multifunctional commercial facilities and hotels. Meanwhile, we strengthened our marketing capabilities through total interior coordination proposals by our own specialist staff, and took steps to cut manufacturing and logistics costs.

In the Logistics Division, we completed construction of the Machida Logistics Center (Tokyo) to attract new customers in May 2009, with the aim of expanding our “Asset-Type Third-Party Logistics” business. We also established an efficient joint delivery system with construction materials makers in some marketing areas to cut costs. In addition, we started up an eco-friendly logistics business, including a maintenance service involving the re-use of interior fixtures and facilities for multi-store operators, aiming to expand the total scale of these operations.

In the City Hotels Division, we opened the Daiwa Roynet Hotel Hachinohe (Aomori), the Daiwa Roynet Hotel Hakata-Gion (Fukuoka), the Daiwa Roynet Hotel Tsukuba (Ibaraki), the Daiwa Roynet Hotel Morioka (Iwate), the Daiwa Roynet Hotel Hiroshima (Hiroshima), and the Daiwa Roynet Hotel Yokohama-Koen (Kanagawa), bringing the total number of our city hotels to 22. Further measures include the acceleration of new hotel openings for the next fiscal year, and the expansion of our menu of special services for individual guest-club members in order to attract new customers.

As a result, sales recorded for this segment came to 98,811 million yen, down 7.8% year-on-year. Operating losses totaled 247 million yen, compared with operating income of 1,747 million yen in the same period of the previous term, due to the impact of expansion into new businesses.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets at the end of the nine-month reporting period stood at 1,842,022 million yen, representing an increase of 31,449 million yen, compared with the 1,810,573 million yen at the end of the previous fiscal year. The main contributing factors were an increase in noncurrent assets due to the acquisition of property, plant and equipment such as high-rise rental housing and large-scale multifunctional commercial facilities, and the inclusion of Cosmos Life Co., Ltd. within the scope of consolidation, which more than offset a decrease in current assets due to the disposal of real estate for sale and a decline in costs on uncompleted construction contracts.

Total liabilities at the end of the nine-month reporting period came to 1,216,786 million yen, representing an increase of 13,640 million yen, compared with the 1,203,145 million yen at the end of the previous fiscal year. This is primarily attributable to increases in noncurrent liabilities from the issuance of bonds by a special-purpose company that is a consolidated subsidiary of Daiwa House Industry, and fund procurement through long-term loans payable and the issuance of commercial paper, which exceeded declines in notes and accounts payable-trade, including accounts payable for completed construction contracts and advances received on uncompleted construction contacts.

Net assets at the end of the nine-month reporting period stood at 625,236 million yen, for an increase of 17,808 million yen, compared with 607,427 million yen at the end of the previous fiscal year. This is attributable to the posting of net income in the amount of 28,070 million yen as well as an increase in net valuation difference on available-for-sale securities due to a rise in the market prices of the securities in question as of the end of the reporting nine-month period compared with the previous fiscal year-end, which exceeded cash outflows for the payment of term-end dividends for the previous fiscal year.

3. Qualitative Information Regarding Consolidated Business Forecasts

Full-year consolidated business results forecasts for the year ending March 31, 2010 remain unchanged from the revised forecasts appearing in the “Summary of Financial Results for the Second Quarter of the Fiscal Year ending March 31, 2010,” released on November 10, 2009.

4. Others

(1) Changes in Significant Subsidiaries during the Reporting Period (changes in specified subsidiaries resulting in changes in the scope of consolidation): No items to report.

(2) Application of Simplified Accounting Methods and/or Accounting Methods Unique to the Preparation of Quarterly Consolidated Financial Statements: No items to report.

(3) Changes in Accounting Policies, Procedures and Methods of Presentation for the Preparation of Quarterly Consolidated Financial Statements

- Changes in accounting standards

Changes in accounting standards for recognition of construction revenues and cost of completed work

With regard to accounting standards employed for the recognition of revenues resulting from construction work undertaken for customers, we previously recognized the total lump-sum amount of the completed contract values at completion, using the completed-contract method. However, with effect from the first quarter of the fiscal year ending March 31, 2010, the Accounting Standards for Construction Contracts (ASBJ Statement No. 15, issued on December 27, 2007) and the Guidance on Application of Accounting Standards for Construction Contracts (ASBJ Guidance No. 18, issued on December 27, 2007) have been applied to construction contracts. The percentage-of-completion method is applied to construction contracts meeting the following criteria: construction had started within the reporting nine-month period (except for short-period work); and the percentage of construction already completed by the end of the reporting period can be estimated fairly reliably. (The estimation is based on the proportion of direct costs incurred for each work phase as compared with the estimated total cost for the entire contract.) Other than the above-mentioned construction contracts, the completed-contract method has been applied.

As a result of this change, net sales for the reporting first nine months increased by 46,242 million yen, while operating income, ordinary income, and income before income taxes and minority interests all increased by 9,468 million yen, compared with the application of the previous accounting standards.

The effects of this change on each business segment are indicated in the relevant sections.

5. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	End of the current 3rd quarter (as of December 31, 2009)	The previous fiscal year-end (as of March 31, 2009)
Assets		
Current assets		
Cash and deposits	117,307	105,840
Notes receivable, accounts receivable from completed construction contracts and other	73,007	51,445
Short-term investment securities	6	—
Costs on uncompleted construction contracts	21,674	57,444
Real estate for sale	223,888	263,444
Real estate for sale in process	42,042	46,962
Land for development	3,812	3,789
Merchandise and finished goods	11,854	11,622
Work in process	5,311	8,729
Raw materials and supplies	4,964	4,450
Other	109,413	108,800
Allowance for doubtful accounts	(1,190)	(1,342)
Total current assets	612,092	661,187
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	601,906	553,389
Accumulated depreciation	(255,903)	(237,715)
Buildings and structures, net	346,003	315,673
Land	381,062	356,002
Other	139,734	140,009
Accumulated depreciation	(87,336)	(82,732)
Other, net	52,398	57,277
Total property, plant and equipment	779,464	728,953
Intangible assets	20,880	13,176
Investments and other assets		
Investment securities	106,905	98,743
Lease and guarantee deposits	184,413	170,681
Other	146,986	146,555
Allowance for doubtful accounts	(8,719)	(8,725)
Total investments and other assets	429,585	407,255
Total noncurrent assets	1,229,930	1,149,385
Total assets	1,842,022	1,810,573

(Millions of yen)

	End of the current 3rd quarter (as of December 31, 2009)	The previous fiscal year-end (as of March 31, 2009)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	103,094	129,843
Short-term loans payable	19,636	16,407
Current portion of long-term loans payable	5,922	5,610
Commercial papers	63,000	—
Income taxes payable	6,771	6,962
Advances received on uncompleted construction contracts	33,086	61,054
Provision for bonuses	10,215	17,855
Provision for warranties for completed construction	6,653	6,895
Other	123,727	128,006
Total current liabilities	372,106	372,636
Noncurrent liabilities		
Bonds payable	4,500	—
Long-term loans payable	329,469	319,956
Long-term lease and guarantee deposited	224,065	217,860
Provision for retirement benefits	164,213	160,202
Other	122,430	132,489
Total noncurrent liabilities	844,679	830,509
Total liabilities	1,216,786	1,203,145
Net assets		
Shareholders' equity		
Capital stock	110,120	110,120
Capital surplus	226,824	226,824
Retained earnings	384,111	370,240
Treasury stock	(19,597)	(19,553)
Total shareholders' equity	701,459	687,632
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5,748	2,034
Revaluation reserve for land	(77,589)	(77,878)
Foreign currency translation adjustment	(5,323)	(5,105)
Total valuation and translation adjustments	(77,164)	(80,949)
Minority interests	941	744
Total net assets	625,236	607,427
Total liabilities and net assets	1,842,022	1,810,573

(2) Consolidated quarterly statements of income

(Millions of yen)

	Nine-month period of the previous fiscal year (From April 1, 2008 to December 31, 2008)	Nine-month period of the current fiscal year (From April 1, 2009 to December 31, 2009)
Net sales	1,224,599	1,166,473
Cost of sales	975,484	936,270
Gross profit	249,114	230,202
Selling, general and administrative expenses	196,543	179,864
Operating income	52,571	50,337
Non-operating income		
Interest income	1,087	996
Dividends income	1,283	1,051
Equity in earnings of affiliates	261	829
Gain on settlement of derivatives	806	375
Gain on valuation of derivatives	2,510	487
Miscellaneous income	4,143	4,746
Total non-operating income	10,093	8,487
Non-operating expenses		
Interest expenses	3,702	4,487
Provision of allowance for doubtful accounts	137	268
Loss on settlement of derivateves	431	—
Loss on valuation of derivatives	2,933	832
Miscellaneous expenses	3,872	3,115
Total non-operating expenses	11,077	8,704
Ordinary income	51,587	50,121
Extraordinary income		
Gain on sales of noncurrent assets	552	39
Gain on amortization of prior service cost	—	204
Other	2	—
Total extraordinary income	554	244
Extraordinary loss		
Loss on sales of noncurrent assets	261	61
Loss on retirement of noncurrent assets	1,141	452
Impairment loss	63	156
Loss on valuation of investment securities	6,817	434
Provision of allowance for doubtful accounts	316	—
Other	356	12
Total extraordinary losses	8,956	1,117
Income before income taxes and minority interests	43,185	49,248
Income taxes-current	16,748	17,388
Income taxes-deferred	1,376	3,772
Total income taxes	18,125	21,161
Minority interests in income (loss)	(399)	16
Net income	25,459	28,070

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Nine-month period of the previous fiscal year (From April 1, 2008 to December 31, 2008)	Nine-month period of the current fiscal year (From April 1, 2009 to December 31, 2009)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	43,185	49,248
Depreciation and amortization	28,644	32,239
Increase (decrease) in provision for retirement benefits	3,858	3,612
Interest and dividends income	(2,371)	(2,048)
Interest expenses	3,702	4,487
Equity in (earnings) losses of affiliates	(261)	(829)
Loss (gain) on sales and retirement of noncurrent assets	850	474
Impairment loss	63	156
Loss (gain) on valuation of investment securities	6,817	434
Decrease (increase) in notes and accounts receivable-trade	13,077	(20,063)
Decrease (increase) in inventories	12,530	75,555
Increase (decrease) in advances received on uncompleted construction contracts	17,286	(27,985)
Increase (decrease) in notes and accounts payable-trade	(28,456)	(31,598)
Other, net	(16,147)	(7,564)
Subtotal	82,780	76,118
Interest and dividends income received	1,886	1,531
Interest expenses paid	(2,654)	(3,764)
Income taxes paid	(40,637)	(17,678)
Net cash provided by (used in) operating activities	41,375	56,207
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(131,670)	(71,495)
Proceeds from sales of property, plant and equipment	1,082	192
Purchase of investment securities	(18,963)	(3,246)
Proceeds from sales and redemption of investment securities	57	452
Purchase of investments in subsidiaries	(10,613)	(85)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	595	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(149)	(13,323)
Payments for lease and guarantee deposits	(4,891)	(14,547)
Other, net	(4,357)	(461)
Net cash provided by (used in) investing activities	(168,910)	(102,515)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	12,708	3,228
Increase (decrease) in commercial papers	48,000	63,000
Proceeds from long-term loans payable	123,600	12,057
Repayment of long-term loans payable	(1,172)	(5,732)
Proceeds from issuance of bonds	—	4,500
Repayments of finance lease obligations	(117)	(496)
Purchase of treasury stock	(120)	(65)
Proceeds from sales of treasury stock	51	11
Cash dividends paid	(13,902)	(13,900)
Proceeds from fluidity of lease receivables	3,005	—
Repayments of payables under fluidity lease receivables	(4,858)	(4,425)
Net cash provided by (used in) financing activities	167,194	58,177
Effect of exchange rate change on cash and cash equivalents	—	(9)
Net increase (decrease) in cash and cash equivalents	39,659	11,860
Cash and cash equivalents at beginning of period	98,888	105,381
Cash and cash equivalents at end of period	138,548	117,242

(4) Notes on Premise of Going Concern

No items to report.

(5) Segment Information

[Information by business segment]

Consolidated performance for the previous first nine-month period (From April 1, 2008 to December 31, 2008)

	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	701,807	365,953	47,551	48,360	60,926	1,224,599	—	1,224,599
(2) Inter-segment sales or transfers	1,377	12,072	28	1,386	46,249	61,113	(61,113)	—
Total sales	703,185	378,025	47,580	49,746	107,175	1,285,712	(61,113)	1,224,599
Operating income (loss)	24,305	43,749	(240)	1,136	1,747	70,698	(18,126)	52,571

Consolidated performance for the current first nine-month period (From April 1, 2009 to December 31, 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	674,244	343,135	43,712	46,381	58,998	1,166,473	—	1,166,473
(2) Inter-segment sales or transfers	1,265	6,937	26	1,007	39,812	49,050	(49,050)	—
Total sales	675,509	350,073	43,739	47,389	98,811	1,215,523	(49,050)	1,166,473
Operating income (loss)	24,986	40,395	5	1,359	(247)	66,499	(16,161)	50,337

Notes:

1. Method of industry segmentation
   The Company has defined industry segments based on the currently adopted sales classifications: Residential Business, Commercial Construction Business, Resort Hotels and Sports Life Business, Home Center Business and Other Businesses.
2. Major business components of each industry segment
   [1] Residential Business
   Construction, subdivision and rental of single-family houses, residential complexes (including dormitories, corporate housing and apartments) and condominiums;
   Subdivision of real estate for residential use;
   Real estate agency services;
   Rental and management of residential complexes;
   Management of condominiums
   [2] Commercial Construction Business
   Construction, rental and management of commercial buildings such as distribution facilities, shops, offices and factories;
   Sales and rental of real estate for commercial use
   [3] Resort Hotels and Sports Life Business
   Operation of resort hotels, golf courses and sports facilities
   [4] Home Center Business
   Operation of home center business
   [5] Other Businesses
   Manufacture and sale of construction materials; logistics business; operation of city-type hotels; other

3. Change in accounting policies

Current consolidated performance for the first nine-month period (From April 1, 2009 to December 31, 2009)

As described in the "Changes in Accounting Policies, Procedures and Methods of Presentation for Preparation of Quarterly Consolidated Financial Statements," beginning the first quarter of the fiscal year ending March 31, 2010, the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, issued on December 27, 2007), and the "Guidance on Application of Accounting Standards for Construction Contracts (ASBJ Guidance No. 18, issued on December 27, 2007) have been applied for construction contracts.

As a result of this change, net sales for the reporting first nine months increased by 24,383 million yen for the Residential Business, by 21,825 million yen for the Commercial Construction Business, and by 33 million yen for the Other Businesses, and operating income increased by 5,702 million yen for the Residential Business, by 3,761 million yen for the Commercial Construction Business, and by 4 million yen for the Other Businesses, compared with the application of the previous accounting standards.

[Segment information by geographic region]

Consolidated performance for the previous first nine-month period (From April 1, 2008 to December 31, 2008)

Description has been omitted as the ratio of Japan to the total segment sales exceeded 90%.

Consolidated performance for the current first nine-month period (From April 1, 2009 to December 31, 2009)

Description has been omitted as the ratio of Japan to the total segment sales exceeded 90%.

[Overseas sales]

Consolidated performance for the previous first nine-month period (From April 1, 2008 to December 31, 2008)

Description has been omitted as the ratio of overseas sales to the consolidated net sales was below 10%.

Consolidated performance for the current first nine-month period (From April 1, 2009 to December 31, 2009)

Description has been omitted as the ratio of overseas sales to the consolidated net sales was below 10%.

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

No items to report.