Qualitative Information regarding Settlement of Accounts for the First Six Months

(1) Qualitative information regarding consolidated operating results

During the six months ended September 30, 2012 (from April 1, 2012 to September 30, 2012), Japanese companies faced significant country risks in their business activities to a greater degree than ever in recent years. Such risks included territorial disputes with neighboring countries and strikes and riots in emerging countries. In the Japanese economy, meanwhile, the outlook for consumption trends continued to be uncertain, mainly due to price hikes by some electric power companies and the passage of a bill for an increase in consumption tax. Amid this environment, the Group vigorously advanced its business activities by continuing the proactive opening of sales bases.

As a result, operating results for the six months ended September 30, 2012 consisted of net sales of 32,785 million yen, up 19.6% year on year, operating income of 1,307 million yen, up 90.2% year on year, ordinary income of 1,311 million yen, up 98.8% year on year, and net income of 401 million yen, up 39.9% year on year.

* In the Housing Sales Division, there is a tendency for there to be more final deliveries of homes in the latter half of the fiscal year. This seasonal factor causes the net sales and profit recorded in the first six months of a fiscal year to be slightly low compared with the latter half of the fiscal year.

Operating results by segment are as follows.

In addition to the operating income or loss of each segment, the Group also recorded 523 million yen as corporate expenses not attributable to any segment.

(CreCla Sales Division)

In the directly managed section, sales growth reached double figures with an increase of 10.8% year on year, in line with an increase in the number of customers. This was lower than expected, however, due to a delay in supplying extra employees to meet the customer increase, leading to loss of sales opportunities from increased demand in the summer and postponements of water server maintenance.

In the member store section, since sales promotion activities at member stores were covered by inventory that was on hand, sales of water servers to member stores were also lower than expected during the current period. Even so, the cumulative production volume of water products in this division as a whole has reached 8,800,000 bottles during the current period, up 15.4% year on year.

As a result, net sales in this division was 6,937 million yen, up 3.0% year on year and operating income was 353 million yen, up 0.2% year on year. Also during the current period, the Nagoya plant was established, becoming the first plant owned by the Company in the Tokai district.

(Rental Division)

In the Rental Division, for which the market is mature, vigorous moves were made to carry out acquisitions as a strategy for growth. The building maintenance company Earnest Corporation was acquired at the end of the previous fiscal year, and in the current period the trade rights to Duskin Co., Ltd.'s Gyoda office, which is a directly managed store, were transferred from Duskin to the Company. The subsequent combination of these operations with the business of the Company made a steady contribution to results in the current period, helping to achieve net sales of 5,907 million yen, up 9.0% year on year, and operating income of 712 million yen, up 8.3% year on year.

In addition, pest control devices showed steady increases in sales and profits partly due to effects of sales promotions from giving management personnel more hands-on sales roles.

(Construction Consulting Division)

Sales of mainstay know-how system products showed steady growth amid a gradual recovery in the number of housing construction starts. Furthermore, amid enhancement of follow-up training regarding know-how system products, the use of systems spurred further member building firms, and as a result sales of construction materials were generally as planned, particularly sales of solar energy systems to member building firms. Even so, this did not contribute to improved profitability because of continued sales promotion efforts through the introduction of new employees.

As a result of the above, net sales was 2,065 million yen, up 47.1% year on year, and operating income was 162 million yen, down 29.3% year on year.

(Housing Sales Division)

Despite continuing concerns about lateness in construction schedules in the Eastern Japan area in the current period, building deliveries progressed steadily mainly because of an operational efficiency review. Coupled with increased orders received on the back of demand associated with post-earthquake recovery, this resulted in net sales of 17,877 million yen, up 29.1% year on year. In terms of profit and loss, revenue structures at existing stores offset expenses from proactive store openings, and this resulted in a substantial improvement in operating income to 602 million yen compared with an operating loss of 34 million yen for the same period of the previous fiscal year. Regarding orders received, the order backlog as of September 30, 2012 was 1,434 buildings, compared with 1,420 buildings as of September 30, 2011.

During the second quarter, the following were newly opened: Takasaki branch, Nagoya Minami branch, Okayama branch, Kasukabe model display site, Kumagaya model display site, Hiratsuka model display site, Hadano model display site, Numazu model display site, Nishio model display site and Nobeoka model display site. This brought the number of stores to 44 branches and 24 model display sites.

While we intend to continue pushing forward with proactive store openings, we will also pay close attention to such developments as the effect of the consumption tax hike on consumption trends, and intend to carry out relocations and consolidations of existing stores accordingly.

Consolidated Financial Flash Report

1. Consolidated performance for the Year Ending March 31,2013
(from April 1, 2012 to September 30, 2012)

(1) Consolidated operating results

(Millions of yen, except per share amounts)

	Six months ended September 30		
	2011	**2012**	**Change**
Net sales	27,407	32,785	19.6%
Operating income	687	1,307	90.2%
Ordinary income	659	1,311	98.8%
Net income	287	401	39.9%
Net income per share	¥36.72	¥48.77	

(2) Consolidated financial position

	As of March 31,2012	**As of September 30,2012**
Total assets	25,817	27,465
Net assets	11,489	11,750
Equity ratio	44.5%	42.8%

(3) Consolidated cash flows

	Six months ended September 30	
	2011	**2012**
Cash flows from operating income	2,324	1,220
Cash flows from investing activities	(1,084)	(886)
Cash flows from financing activities	(232)	(280)
Cash and cash equivalents	3,912	5,895

2. Cash Dividends

	Year ending March 31	
	2012	**2013**
Interim	¥25.00	¥30.00
Year-end	¥27.00	¥30.00 *
Full year	¥52.00	¥60.00 *

*estimate

3. Projected consolidated performance for the Year Ending March 31,2013
(from April 1, 2012 to March 31, 2013)

	Year ending March 31		
	2012	**2013**	**Change**
Net sales	64,307	73,000	13.5%
Operating income	3,474	4,400	26.6%
Ordinary income	3,454	4,350	25.9%
Net income	1,700	2,100	23.5%
Net income per share	¥216.09	¥255.61	