Results Briefing for the Fiscal Year Ended March 31, 2010

Representative Executive Officer,
President and Group Chief Executive Officer: **Masaaki Tashiro**

Corporate Executive Vice President: **Tsukasa Kimura**

Executive Officer: **Eiji Ochiai**

May 19, 2010

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This document was prepared in English for conveniences purpose only. The original Japanese document shall take precedence in the event of any discrepancies arising from the translations or interpretations contained in this document.

The current plans, outlook, strategies, etc., of the Company contained in this document that are not historical fact are forward-looking statements regarding future performance, and are based on the judgment of the Company derived from the information currently available to the Company.

Accordingly, we ask that readers do not place undue reliance on these forward-looking statements only. Please be aware that actual performance may differ materially from these forward-looking statements due to various important factors arising from changes in the external environment and internal environment.

Factors that could cause results which differ from these forward-looking statements are contained in the "Risk Factors" section of both the Annual Securities Report the Company submits to the Director of the Kanto Local Finance Bureau and the Financial Results the Company submits to the Tokyo Stock Exchange, but they are not limited to only these factors.

Furthermore, the only purpose of this document is to provide information; it does not have the purpose of soliciting or recruiting investment in the securities issued by the Company.

◆ **Overview of Financial Results in Fiscal 2009**

◆ **Management Policies Going Forward**

◆ **Fiscal 2010 Performance Outlook**

*"Fiscal" used on the above chart represents the fiscal year ended March 31 of the following year.

Overview of Financial Results in Fiscal 2009

Overview of Financial Results in Fiscal 2009

Consolidated Statements of Operations

- The reforms in our earnings structure have proceeded well, enabling us to move from a large deficit in the previous fiscal year to a surplus in the current fiscal year.

(Billions of yen)

	Fiscal 2008	Fiscal 2009	Change
Net sales	351.6	318.3	(33.2)
Condominium sales	239.6	194.3	(45.3)
Gross profit	(6.6)	36.5	＋ 43.1
Gross profit for condominium sales	(15.1)	19.8	＋ 34.9
Gross profit margin for condominium sales	(6.3)%	10.2%	＋ 16.5pp
Selling, general and administrative expenses	37.4	27.4	(10.0)
Operating income	(44.0)	9.0	＋ 53.1
Operating margin	(12.5)%	2.9%	＋ 15.4pp
Other income	1.0	1.0	＋ 0.0
Other expenses	8.8	3.8	(5.0)
Ordinary income	(51.8)	6.3	＋ 58.2
Ordinary income to net sales ratio	(14.7)%	2.0%	＋ 16.7pp
Extraordinary income	2.2	0.2	(2.0)
Extraordinary loss	2.5	1.3	(1.1)
Income before income taxes and minority interest	(52.0)	5.2	＋ 57.2
Income taxes – current	1.1	1.0	(0.1)
Income taxes – deferred	3.1	(2.1)	(5.3)
Net income	(56.4)	6.3	＋ 62.7

Factors reducing net sales

- There was a fall in net sales in the real estate sales segment due to our response tailored to the trends and scale of the market.

Condominium sales

	Fiscal 2008	Fiscal 2009	Change
No. of units:	6,644 units	5,559 units	(1,085) units
Amount:	¥239.6 billion	¥194.3 billion	¥(45.3) billion
Unit price:	¥36.07 million	¥34.95 million	¥(1.12) million

Factors increasing operating income

- A large fall in valuation losses (¥43.4 billion ⇒ ¥6.7 billion)
- An improvement in the condominium profit margin, albeit from a low level last year
- In addition to the performance of OFC and J·COMS, which became consolidated subsidiaries, the strengthened profitability of Daikyo Astage also contributed
- Selling, general and administrative expenses, such as advertising expenses (down ¥6.0 billion), etc., were much lower

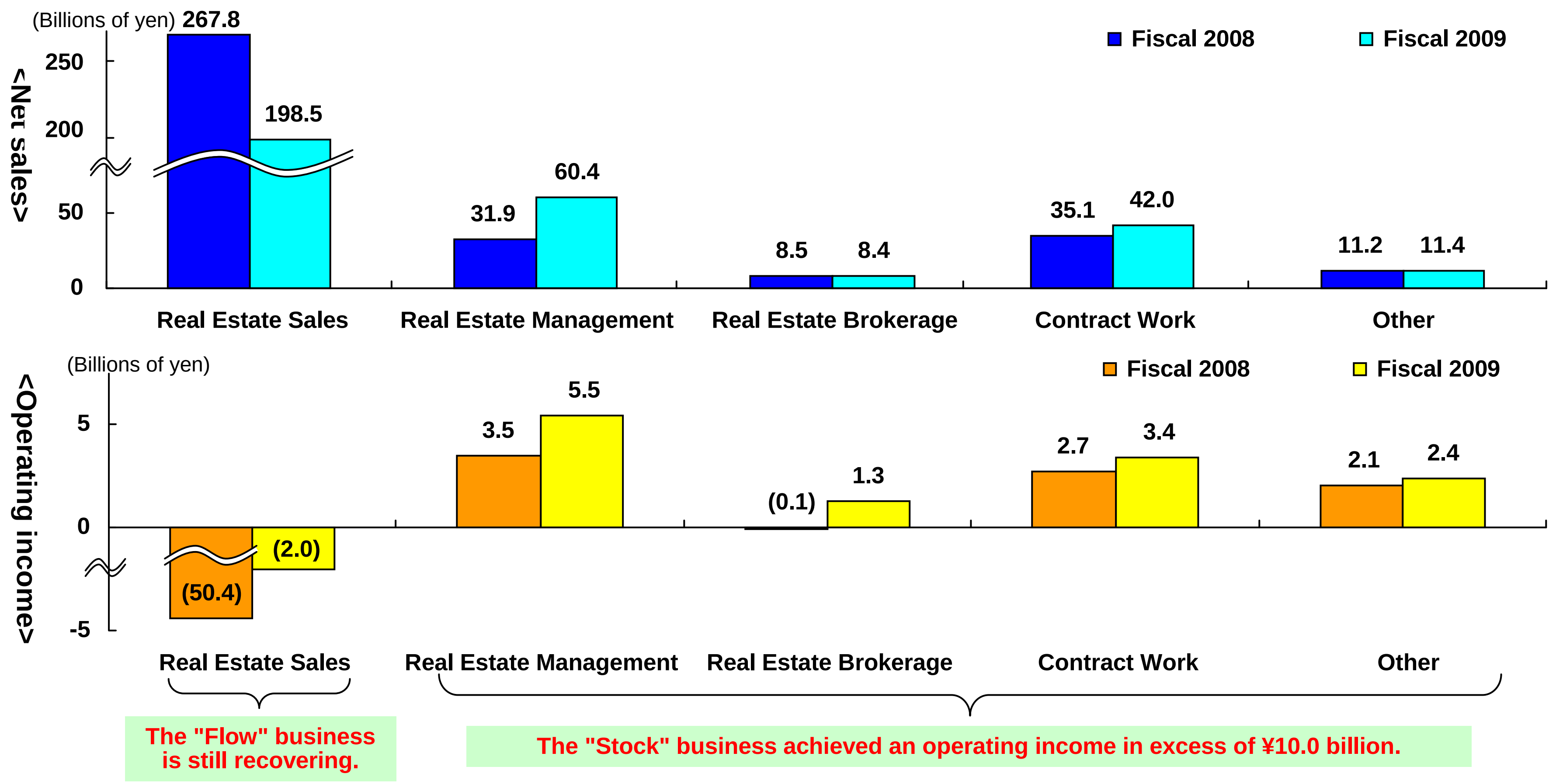
Note: OFC = ORIX Facilities Corporation

Note: J·COMS INCORPORATED changed its name to JAPAN LIVING COMMUNITY INC. on April 1, 2010.

Overview of Financial Results in Fiscal 2009

Segment Information

- There was a large fall in net sales in the real estate sales segment's "Flow" business. Nonetheless, net sales were higher than in our plan (¥195.0 billion, announced in November 2009). We recorded a write-down for inventory valuations (¥6.7 billion), while on the other hand income was higher than expected, so we recorded an operating loss of ¥2.0 billion.
- The "Stock" business, centered on the real estate management segment, achieved large increases in net sales and operating income, partly due to the contribution of the expanded scale of these businesses resulting from M&As.

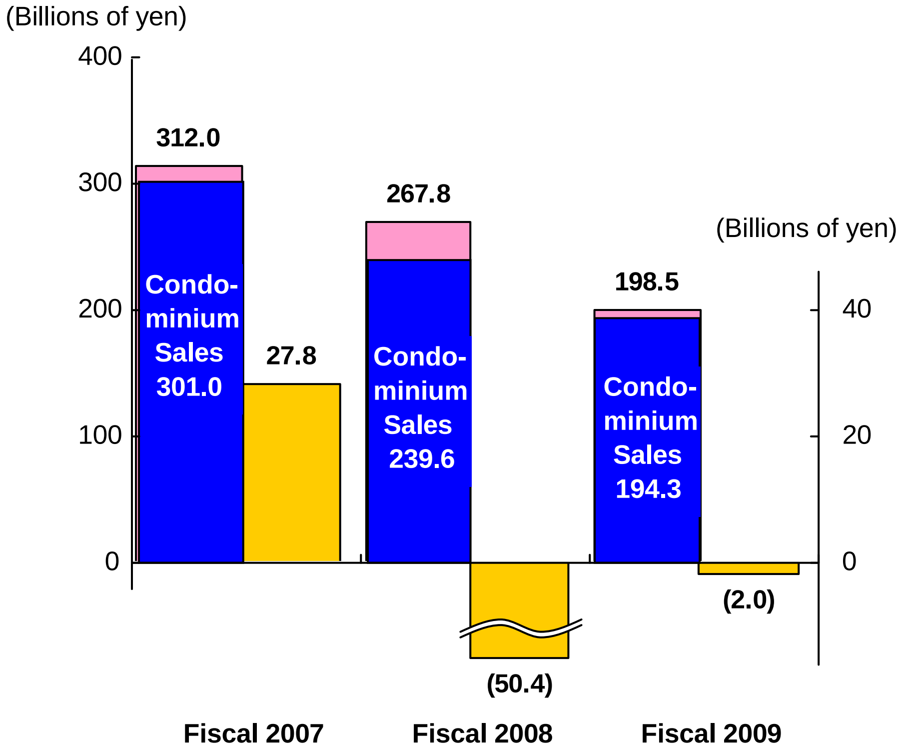


Real Estate Sales Segment (i)

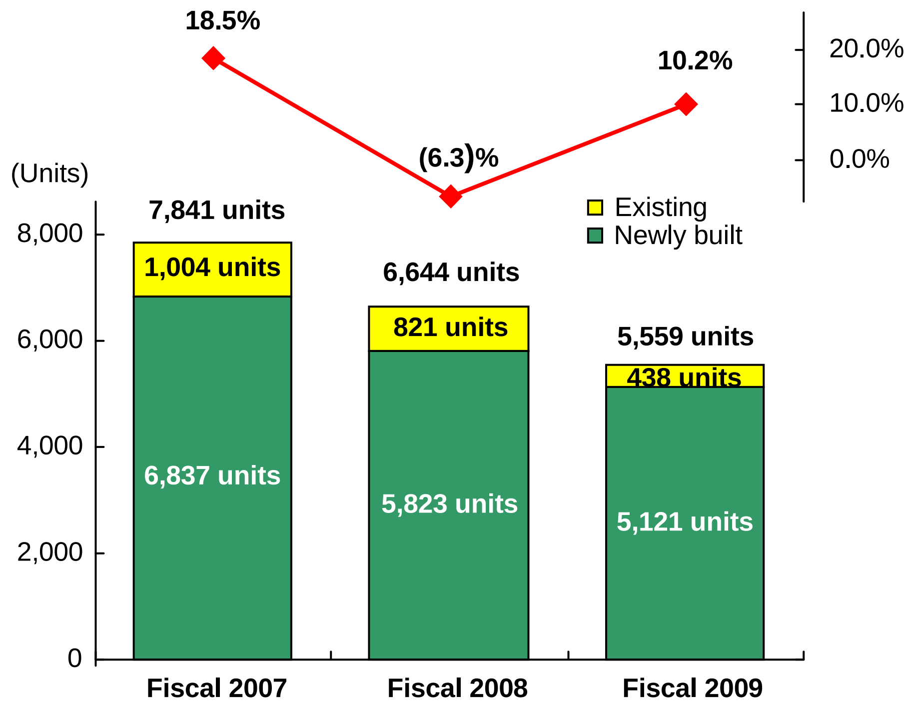
- Net sales were according to plan. Although operating loss achieved a major recovery, effects of the valuation losses recorded in past fiscal years remained so the profit margin is still recovering.

Net sales	¥198.5 billion (¥69.3 billion down from the previous fiscal year)	⇒	Fall in condominium sales due to our business development tailored to market trends Fall in sales of land and buildings
Operating income	¥(2.0) billion (¥48.3 billion better than in the previous fiscal year)	⇒	Recorded a write-down for inventory valuations of ¥6.7 billion

Net sales (left axis) and operating income (right axis)



Condominium units delivered and gross profit margin



* Combined number of newly built and existing condominium units delivered and the average gross profit margin

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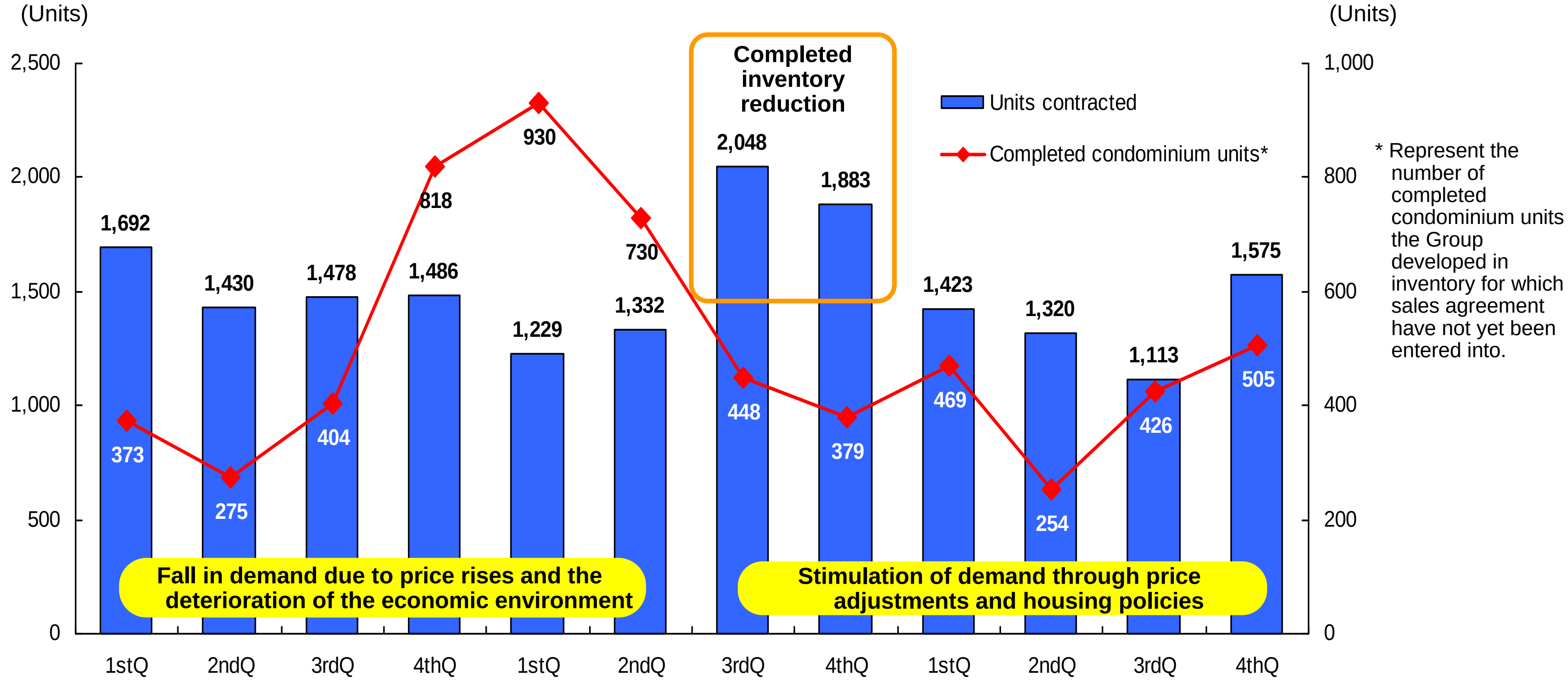
Real Estate Sales Segment (ii)

- **The number of Condominium sales agreements entered into performed well. 5,431 units ⇒ A shift from inventory property sales to newly supplied property sales.**
- **There was an increase in the completed condominium units in inventory. However if the purchased properties completed during the fiscal year are excluded, we still maintained a figure within the acceptable level.**

Number of condominium sales agreements entered into (left axis) and completed condominium units in inventory (right axis)



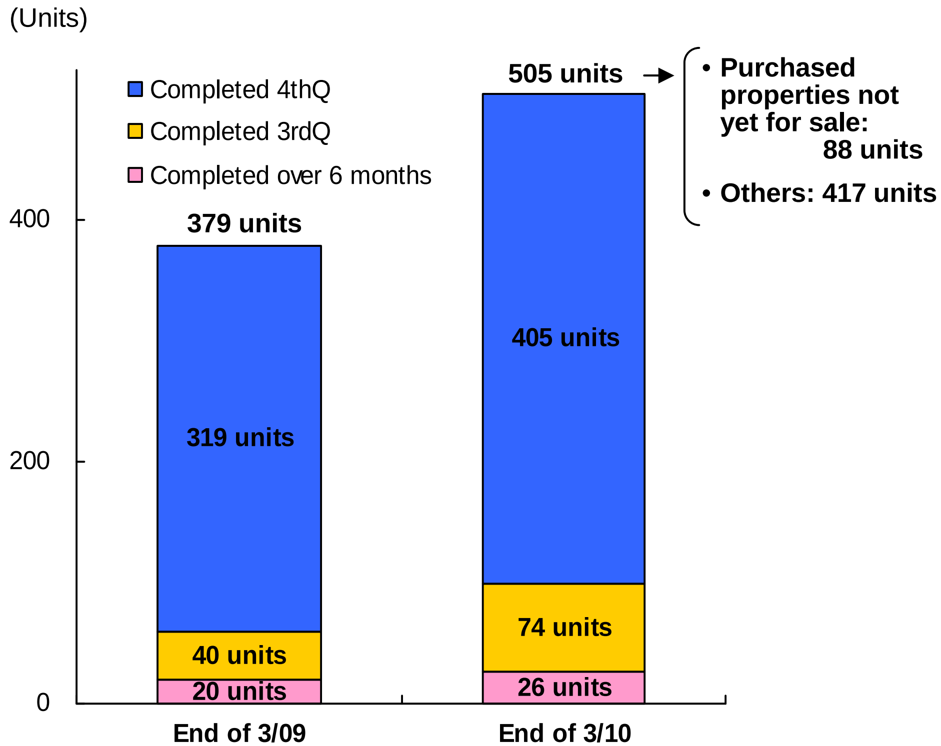
Fiscal 2007 (Full year : 6,086 units)	Fiscal 2008 (Full year : 6,492 units)	Fiscal 2009 (Full year : 5,431 units)

Real Estate Sales Segment (iii)

- **The majority of completed condominium units were properties completed in the fourth quarter, so they started to perform well, and the number of contracted sales also grew.**

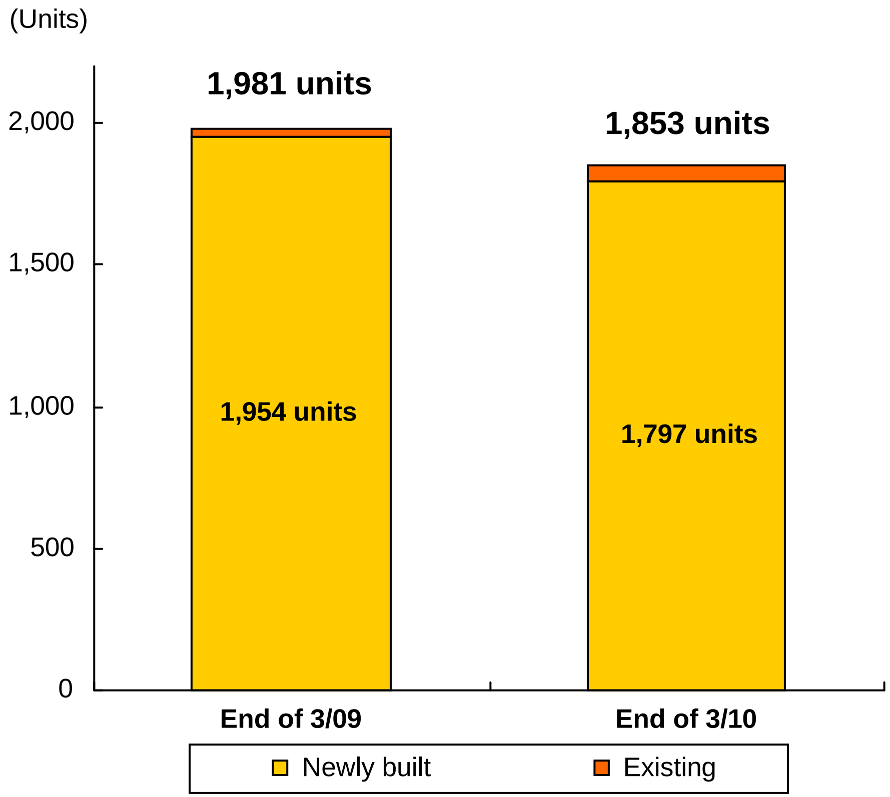
Completed condominium units	505 units (126 units higher than at the end of the previous fiscal year)	⇒	80% are properties completed in the fourth quarter
Amount of contracted sales	¥70.4 billion (¥7.6 billion lower than at the end of the previous fiscal year)	⇒	Achieved more than 40% of the Fiscal 2010 sales outlook

Breakdown of completed condominium units in inventory



＊ Shows the completed condominium units in inventory in the newly built condominium development and sales business

Number of contracted sales



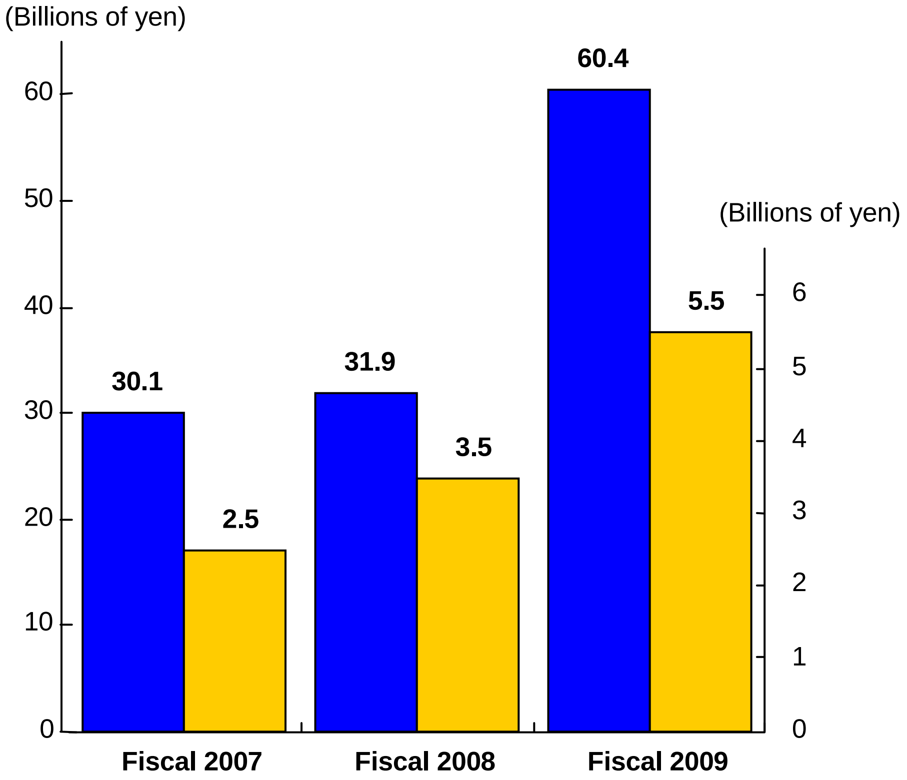
Real Estate Management Segment

- Both net sales and operating income increased. The performances of OFC and J·COMS and the higher number of units under the management of Daikyo Astage contributed to these results. We also managed to curtail selling, general and administrative expenses.

Net sales ¥60.4 billion (¥28.4 billion up from the previous fiscal year)

Operating income ¥5.5 billion (¥1.9 billion up from the previous fiscal year)

Net sales (left axis) and operating income (right axis)



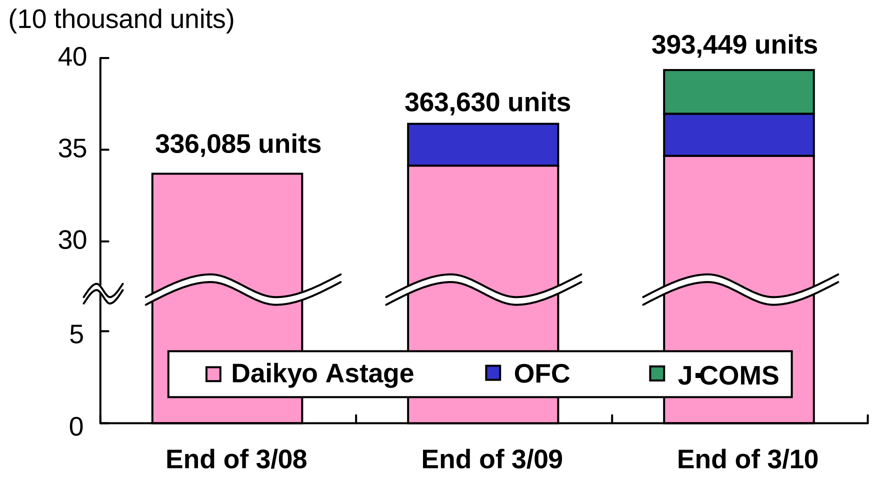
OFC and J·COMS' contributions to income

(Billions of yen)

	Fiscal 2009	
	Net sales	Operating income
OFC and J·COMS	25.6	1.5

＊ Before eliminations within the segment

Number of Condominium Units Managed



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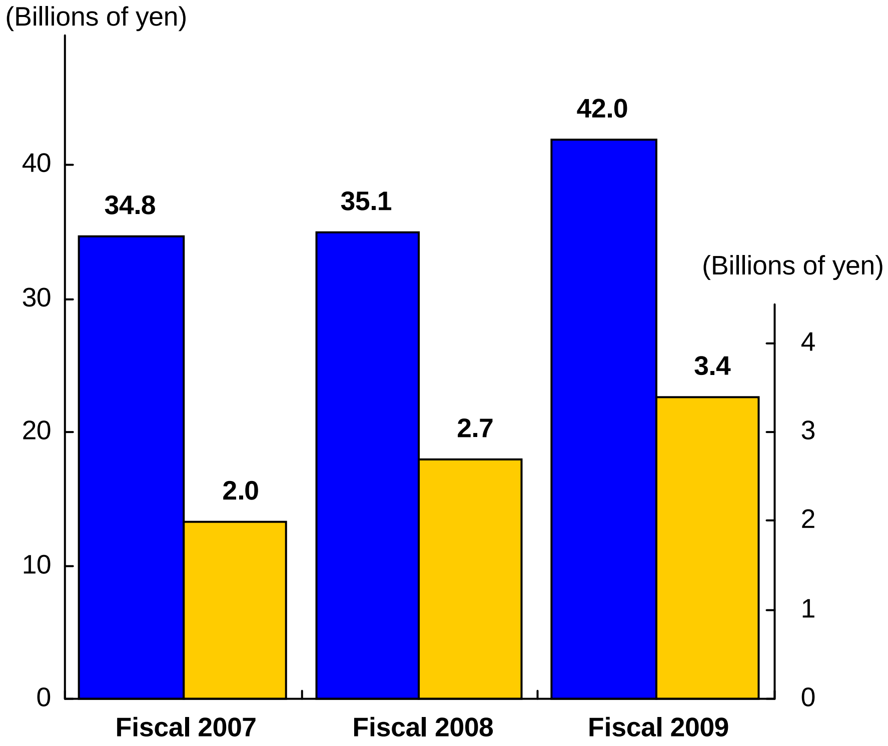
Contract Work Segment

- There was a solid performance in large-scale repair and maintenance work by Daikyo Astage. The performance of OFC and the benefits from our curtailment of selling, general and administrative expenses also contributed. As a result, both net sales and operating income increased.

Net sales ¥42.0 billion (¥6.8 billion up from the previous fiscal year)

Operating income ¥3.4 billion (¥0.6 billion up from the previous fiscal year)

Net sales (left axis) and operating income (right axis)



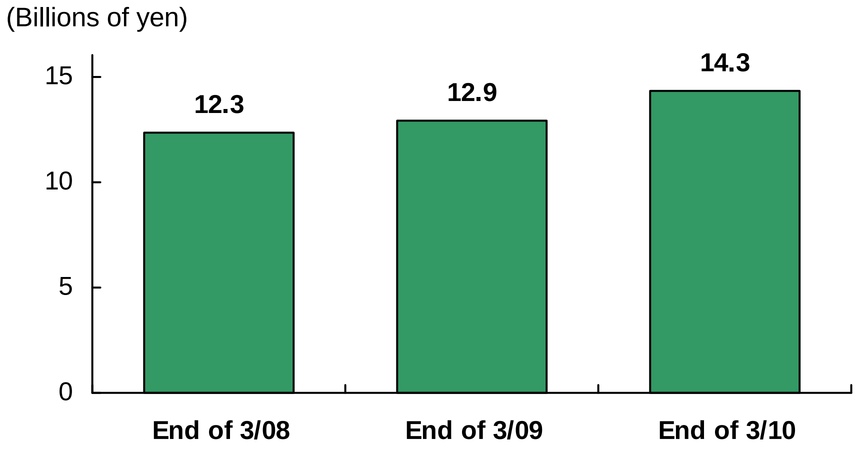
OFC and J·COMS' contributions to income

(Billions of yen)

	Fiscal 2009	
	Net sales	Operating income
OFC and J·COMS	8.1	0.2

＊Before eliminations within the segment

Volume of Contract Work Orders



Overview of Financial Results in Fiscal 2009 - Segment Information -

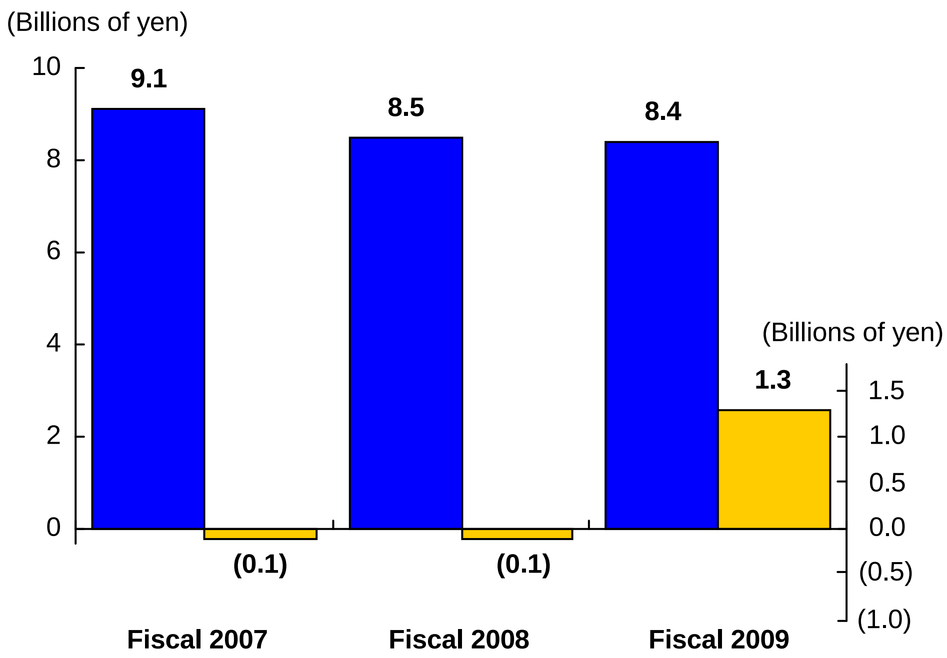
Real Estate Brokerage Segment

- **Although we closed stores and reduced personnel, we maintained sales at almost the same level as last year. Improved productivity and the curtailment of expenses enabled us to return to profitability in this segment.**

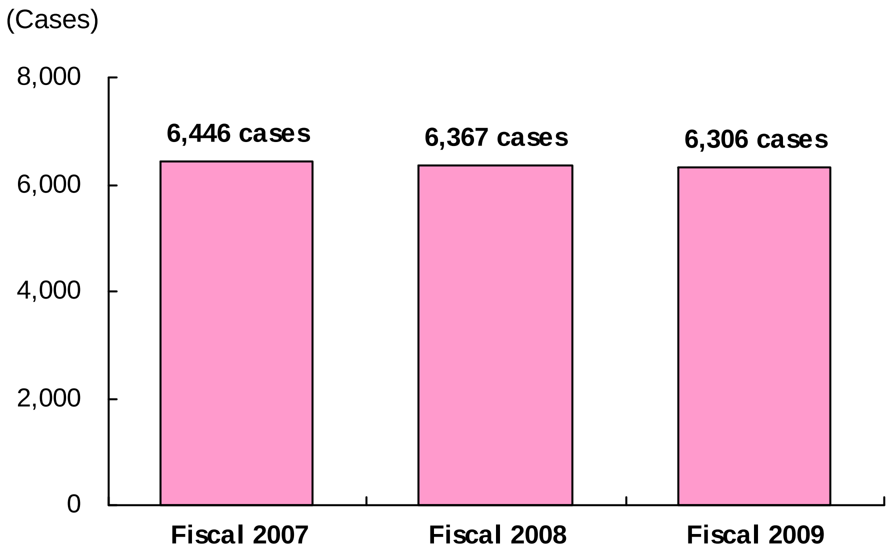
Net sales — **¥8.4 billion (¥0.08 billion down from the previous fiscal year)**

Operating income — **¥1.3 billion (¥1.5 billion up from the previous fiscal year)**

Net sales (left axis) and operating income (right axis)



Brokerage Cases Handled



	Fiscal 2007	Fiscal 2008	Fiscal 2009	Year-on-year
Turnover	¥155.2 billion	¥165.9 billion	¥166.6 billion	¥0.7 billion
Number of stores (end of fiscal year)	55 stores	41 stores	40 stores	(1) store

Store expansion period
⇒ Productivity deteriorated due to rapid expansion

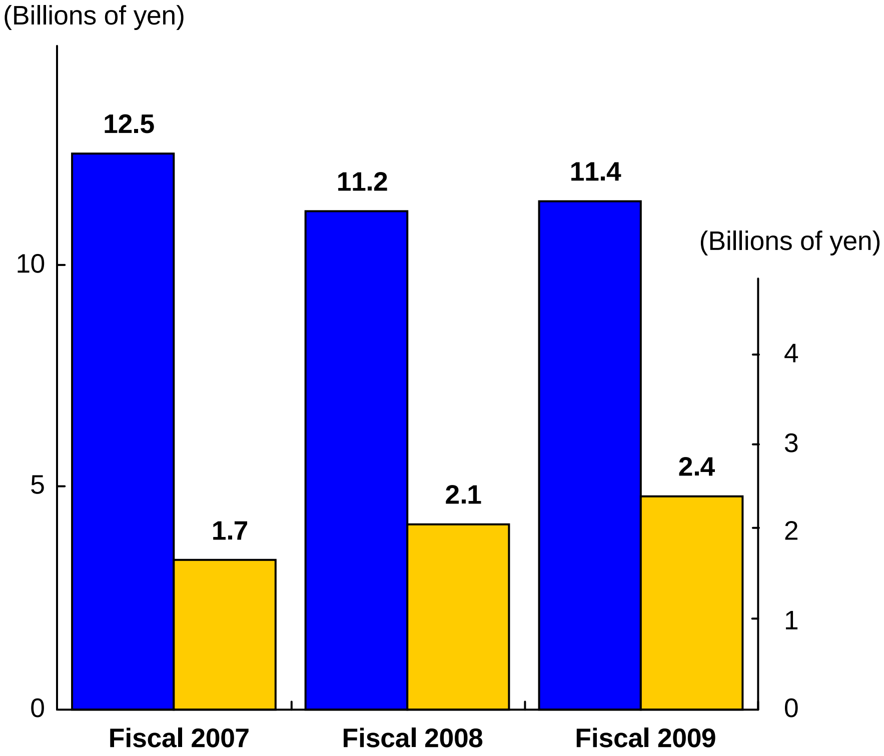
Business reconstruction
⇒ Productivity improved as we worked to strengthen our business structure

Other Segment

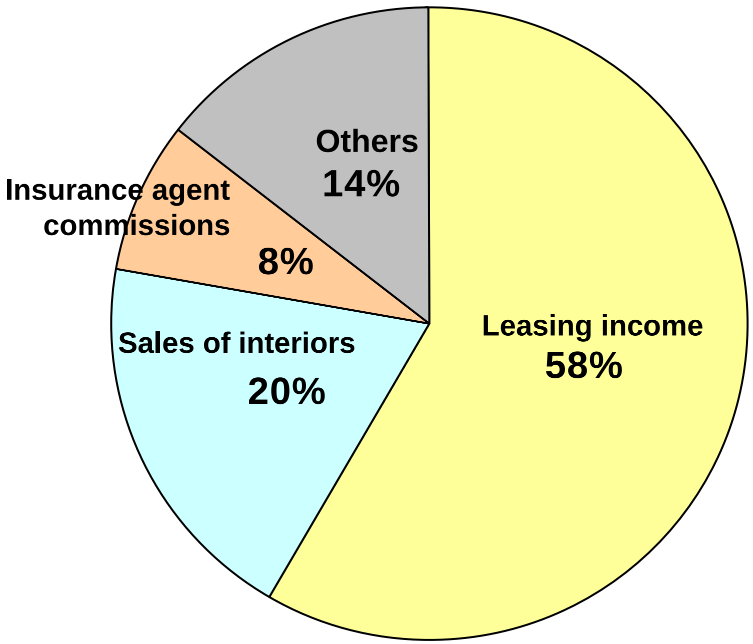
- Both net sales and operating income increased for sales of interiors; in addition, the performance of OFC contributed.

Net sales	¥11.4 billion (¥0.2 billion up from the previous fiscal year)
Operating income	¥2.4 billion (¥0.2 billion up from the previous fiscal year)

Net sales (left axis) and operating income (right axis)



Composition of Net Sales



Overview of Financial Results in Fiscal 2009

Consolidated Balance Sheets

- Inventories fell due to our careful selection of purchases.
- The shareholders' equity ratio achieved a major recovery, to 26.4%, due to our curtailment of interest-bearing debt and our building up of shareholders' equity.

(Billions of yen)

	End of 3/08	End of 3/09	End of 3/10	Change from previous fiscal year
Current assets	428.5	333.1	296.2	(36.8)
Cash and deposits	53.1	67.5	65.2	(2.3)
Inventories	349.6	241.0	207.5	(33.4)
Other current assets	25.7	24.5	23.4	(1.0)
Fixed assets	36.1	34.3	34.1	(0.2)
Property and equipment	17.8	12.7	12.3	(0.3)
Other fixed assets	18.3	21.6	21.8	＋ 0.1
Total assets	464.7	367.5	330.4	(37.0)
Liabilities	351.5	304.7	243.0	(61.6)
Notes payable, etc.	84.3	74.6	46.0	(28.5)
Interest-bearing debt	228.6	182.4	160.7	(21.6)
Other current liabilities	38.5	47.5	36.2	(11.3)
Net assets	113.2	62.8	87.3	＋ 24.5
Shareholders' equity	112.2	62.6	87.2	＋ 24.5
Valuation and translation adjustments	0.1	0.0	0.1	＋ 0.1
Share subscription rights	0.7	0.0	-	(0.0)
Total liabilities and net assets	464.7	367.5	330.4	(37.0)
Shareholders' equity ratio	24.2%	17.1%	26.4%	＋9.3pp

Breakdown in inventories
(from the end of the previous fiscal year)

• Real estate for sale	¥36.8 billion	down ¥11.4 billion
• Real estate for sale in progress	¥107.4 billion	up ¥1.8 billion
• Real estate for development projects	¥63.2 billion	down ¥23.8 billion

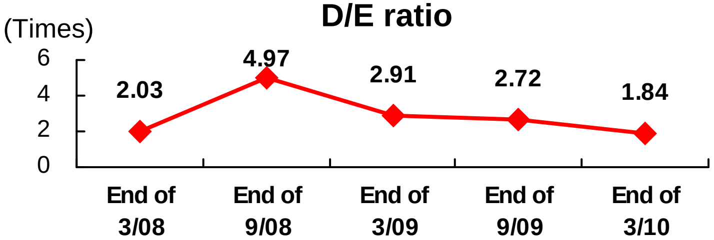
Major components of interest-bearing debt
(from the end of the previous fiscal year)

• Long-term debt	¥89.2 billion	up ¥21.3 billion
• Short-term borrowings	¥40.9 billion	down ¥30.2 billion
• Bonds	¥30.5 billion	down ¥12.8 billion

Shareholders' equity

Increased due to the issuance of new shares and the recording of net income

D/E ratio



Overview of Financial Results in Fiscal 2009

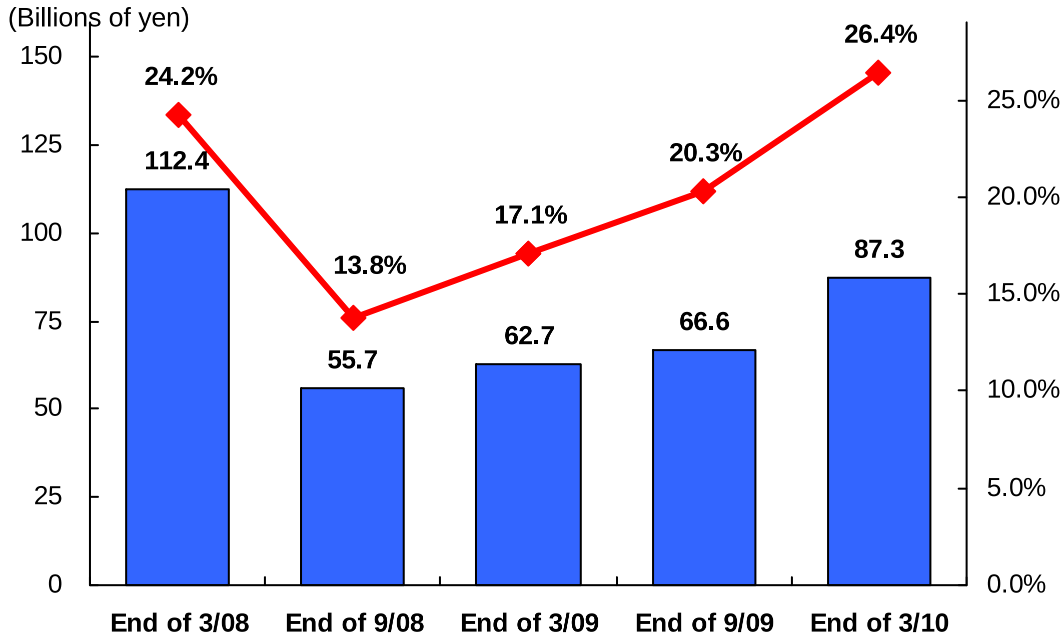
Capital Reinforcement

- We implemented a capital increase through a public offering (in January 2010) with the objective of securing flexible business funding for development and sale of condominiums and funding for the redemption of bonds.
  - ⇒ We are strengthening our financial foundation and aiming for a quick recovery of profits in the condominium development and sales business.

- **Number of issued shares**
  Common stock: 99,950,000 shares
- **Issue (sale) price**
  ¥192 per share
- **Paid-in amount**
  ¥182.256 per share
  Total: ¥18,216,487,200

- **Issued common stock**
  345,387,738 shares (end of 3/09)
  ⇒ 445,337,738 shares (end of 3/10)

Shareholders' Equity and Shareholders' Equity Ratio



Net income per share:	¥(164.87) (Fiscal 2008)	⇒	¥16.52 (Fiscal 2009)
Net assets per share:	¥79.81 (Fiscal 2008)	⇒	¥116.67 (Fiscal 2009)

Overview of Financial Results in Fiscal 2009

Consolidated Cash Flows

- We ensured sufficient levels of cash and deposits through our sound business development and our financing activities, which went according to plan.

Cash and cash equivalents at end of year: ¥65.2 billion (¥2.3 billion down from the previous fiscal year)

(Billions of yen)

	Fiscal 2008	Fiscal 2009	Change
Net cash provided by (used in) operating activities	48.8	1.9	(46.9)
Net cash provided by (used in) investing activities	14.0	(0.5)	(14.5)
Net cash provided by (used in) financing activities	(48.5)	(3.7)	44.7
Effect of exchange rate changes on cash and cash equivalents	(0.0)	0.0	0.0
Cash and cash equivalents at end of year	67.5	65.2	(2.3)

Decrease: Decrease of note settlements such as construction expenses, etc., and decrease of deposits for condominium sales

Increase: Decrease of net income before tax deductions and decrease of inventories

Decrease mainly due to the acquisition of J·COMS shares

Increase: Funds increased due to the issuance of shares, etc.

Decrease: Repayment of borrowings and redemption of corporate bonds

Management Policies Going Forward and Fiscal 2010 Performance Outlook

Fiscal 2009 Overview

- Finalize, to some extent, plans for how to respond to the rapidly changing market environment
- Promotion of the development of business structures aimed at profitability recovery and growth going forward

→

- Profitability recovery through expansion of the "Stock" business
- Start of our medium- to long-term growth strategy

Situation in Each Major Segment

Real Estate Sales

Our holding number of sales agreements entered into have performed well due to measures by governments, price and inventory adjustments, etc.

- However, profitability has not yet made a full-scale recovery, so we will continue policies aimed at achieving a quick recovery in profitability.

Real Estate Management

Implementation of a reorganization of the "Stock" business, including the two companies which were newly included in the Group.

- Construction of a strategy aimed at segment expansion and growth going forward; start developing business structures.

Real Estate Brokerage

Productivity and efficiency recovery after the closure consolidation of stores and optimization of personnel.

- Strengthening of business structures aimed at achieving growth while ensuring profitability at the same time.

Management Direction Going Forward

Social environment

- A society with a falling birthrate, aging and decreasing population
- Employment environment changes, income and savings rate decline

Lifestyles

- Maturation of society, diversification of values
- More sophisticated consumer needs, preference for "peace of mind" and "safety"

Economic environment

- Continued globalization
- Changes in housing policies ⇒ importance placed on stock

"Stock" and "Flow" Double-Pillar Style of Management

"Stock" business

- Aggressive expansion with stable growth as the pillar

"Flow" business

- Respond to environmental changes and operate the business more flexibly

Aim for continuous growth while at the same time establishing a stable earnings structure that places priority on "Stock"

Growth Strategy

Growth through expanding our real estate services business to achieve our vision of the “harmonious living environment.”

- Further strengthening of the competitiveness of our present businesses
- Convert to new business methods suited to the new business environment
- Achieve growth by identifying business opportunities, working in new sectors and expanding our business areas

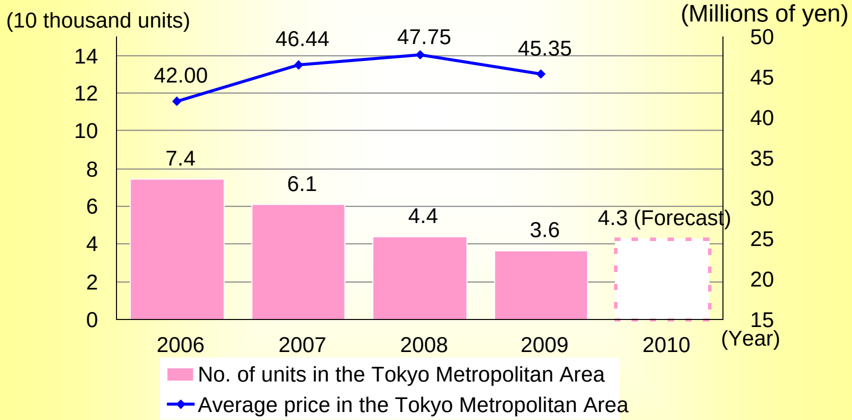
Integrated utilization of all the capabilities possessed by the Group

Real Estate Sales Segment (i)

Newly Built Condominium Market Trends

- **A full-scale recovery will take time**
- **Condominium supply and price trends**
  - **The supply of condominiums in the Tokyo Metropolitan Area has gone under 40,000 units for the first time in 17 years**
  - **Progress of inventory adjustments through price adjustments, etc.**

Condominium units supplied/average price in the Tokyo Metropolitan Area



Supply in 2010 is expected to be about 43,000 units

Source: Real Estate Economic Institute Co., Ltd.: "Trends in the Condominium Market in the Tokyo Metropolitan Area"

- **Unit price of construction**
  - **The unit price of construction began falling in the second half of the year before last (and has fallen just over 20% from its peak), and is currently leveling off**

Real Estate Sales Segment Policies

- **Consolidation and strengthening of management resources in the three major metropolitan areas in Japan**
- **Respond to diverse demand demographics**
  - **Demand expansion outside the family demographic, the main purchaser of our products**
- **Product planning utilizing Group know-how**
  - **Condominiums equipped with solar power generation systems**
- **Strengthening of efforts in the non-asset business**
  - **Expansion of contract operations including sales agencies, etc.**

The first condominium development in the Tokyo Metropolitan Area equipped with a solar power generation system that distributes electricity to each residential unit

LIONS TAMA-PLAZA UTSUKUSHIGAOKA TERRACE

Policies Going Forward and Fiscal 2010 Performance Outlook

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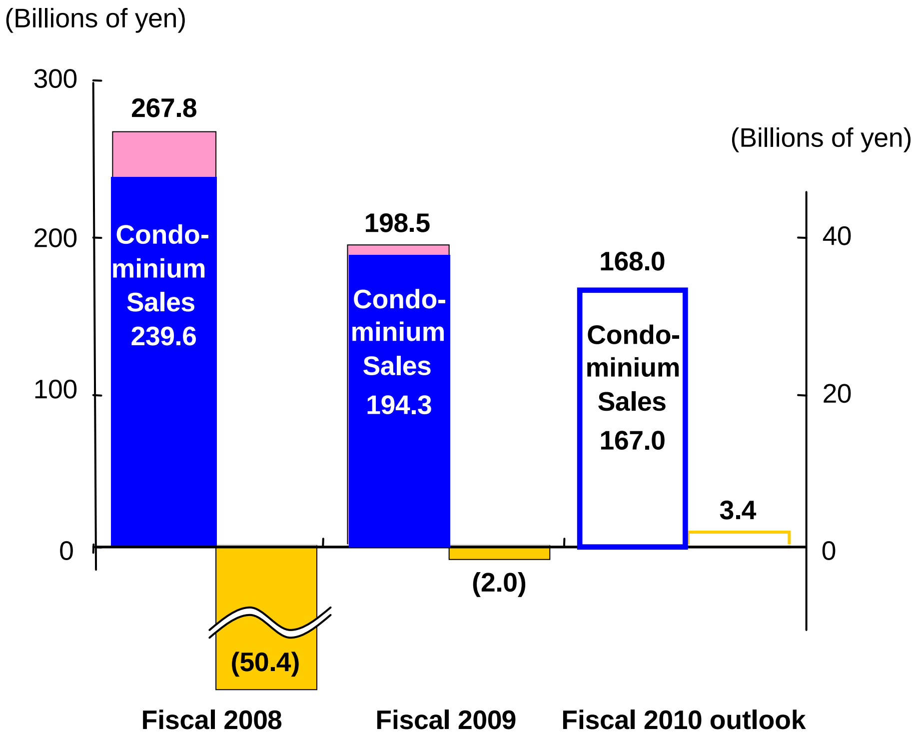
Real Estate Sales Segment (ii)

- Even if condominium sales decrease, we will ensure profits by improving our profit margin

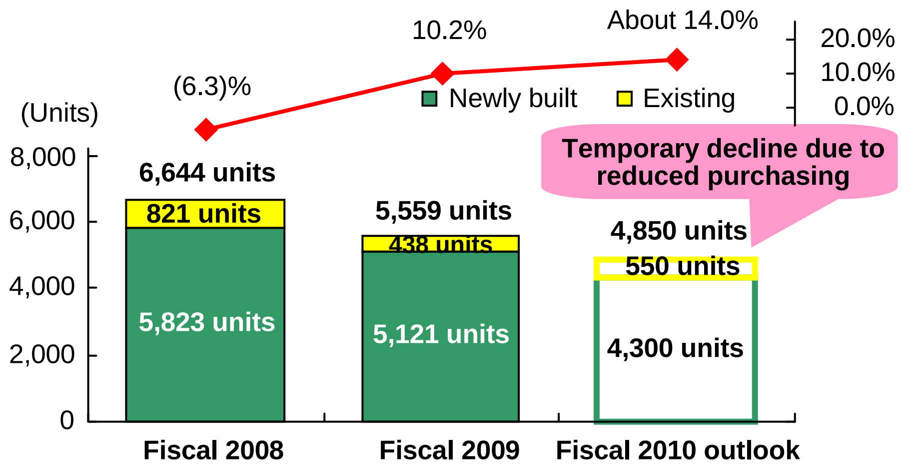
Net sales ¥168.0 billion (¥30.5 billion down from the previous fiscal year)

Operating income ¥3.4 billion (¥5.4 billion up from the previous fiscal year)

Net sales (left axis) and operating income (right axis)

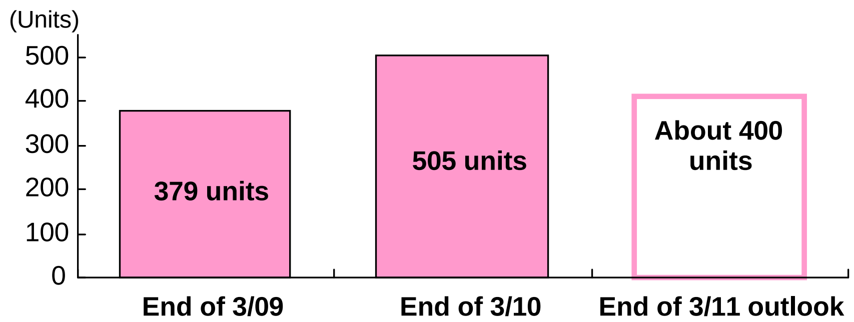


Condominium units delivered and gross profit margin



* Combined number of newly built and existing condominium units delivered and the average gross profit margin

Completed condominium units in inventory



Policies Going Forward and Fiscal 2010 Performance Outlook

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Real Estate Management Segment

Condominium Management Market Trends

- Toward an era with a stock in excess of 5 million units
- Changes in the needs of tenants
  - Increased demand for "comprehensive housing-related services," which include services for non-communal areas of condominiums
- More sophisticated needs to be met by management companies
  - More competition for contracts among management companies

Real Estate Management Segment Policies

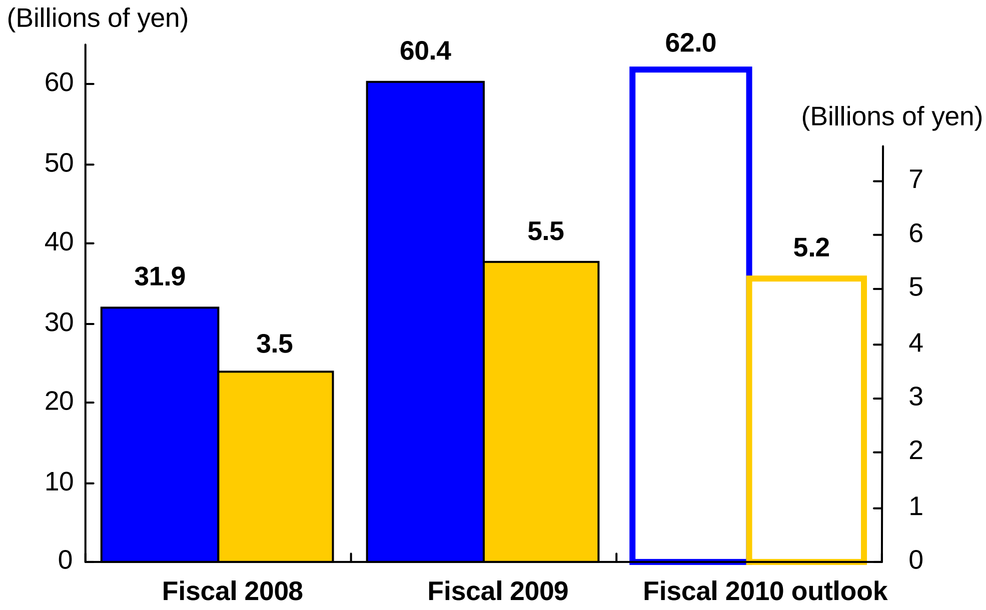
- **Expansion of segment scale (“Stock” business)**
  - Strengthening of contract sales to other companies
  - Continued efforts in the area of M&As, etc.
- **Enhancing service to individual condominium unit**
  - Expansion of sales of goods, etc., to tenants
  - Expansion of the added-value services business, including security, etc.

● The outlook is for a slight drop in operating income, due to our up-front investments for the building of business structures designed to achieve expansion of the segment.

- Increase in the number of personnel
- Development of systems for tenant services

Net sales	¥62.0 billion (¥1.5 billion up from the previous fiscal year)
Operating income	¥5.2 billion (¥0.3 billion down from the previous fiscal year)

Net sales (left axis) and operating income (right axis)



Policies Going Forward and Fiscal 2010 Performance Outlook

Contract Work Segment

Contract Work Market Trends

- Expansion phase of the large-scale repair and maintenance work market
  - Increase in the number of condominiums that will soon need large-scale repair and maintenance work (properties constructed during the mass building boom)

    There are more than 1 million condominium units that are 10 to 15 years old
- Increase in the number of aging condominiums
  - There are more than 800,000 condominium units that are at least 30 years old

Contract Work Segment Policies

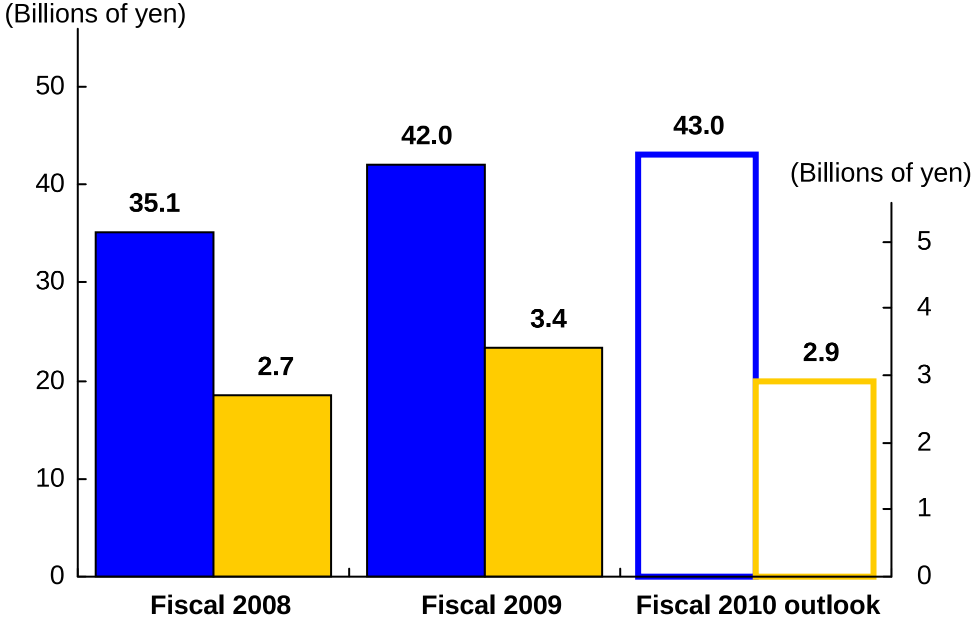
- Expansion of orders for large-scale repair and maintenance work, etc.
  - Strengthen tie-ups with management associations using proposal-type marketing
- Expansion of orders in the renovation business
  - Improvement of our success rate at identifying the needs of tenants in managed properties

    Enhancement and streamlining of product lineup

- The outlook is for a decrease in operating income, due to the increase in costs resulting from the increase in personnel for the expansion of large-scale repair and maintenance work, and due to the decrease in profits from the multi-story parking business.

Net sales	¥43.0 billion (¥0.9 billion up from the previous fiscal year)
Operating income	¥2.9 billion (¥0.5 billion down from the previous fiscal year)

Net sales (left axis) and operating income (right axis)

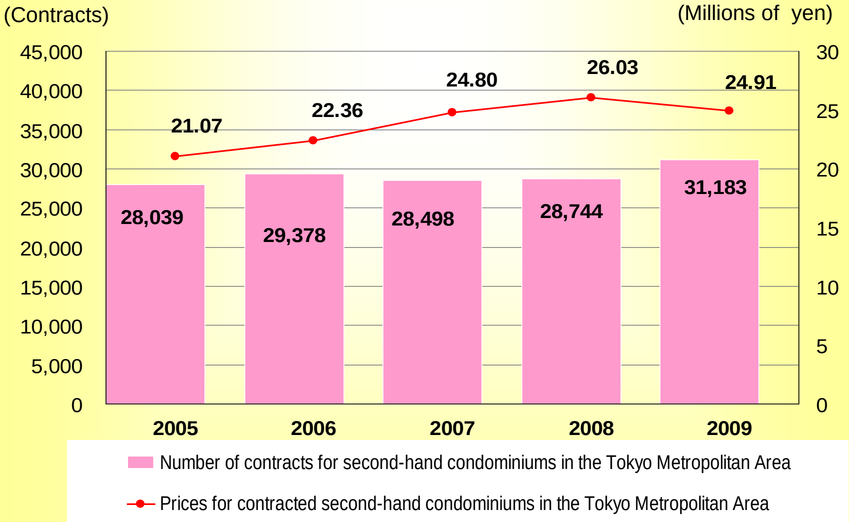


Real Estate Brokerage Segment

Existing Condominium Market Trends

- Expansion of existing condominium market
- Number of contracts and price trends for existing condominiums
  - The number of contracts for existing condominiums in the Tokyo Metropolitan Area has increased to more than 30,000 per year
  - The proportion of existing condominiums in the "under ¥30 million" price range is expanding

Number of contracts and contracted prices for existing condominiums in the Tokyo Metropolitan Area



Source: Real Estate Information Network for East Japan: "Trends in the Real Estate Transaction Market in the Tokyo Metropolitan Area (2009)"

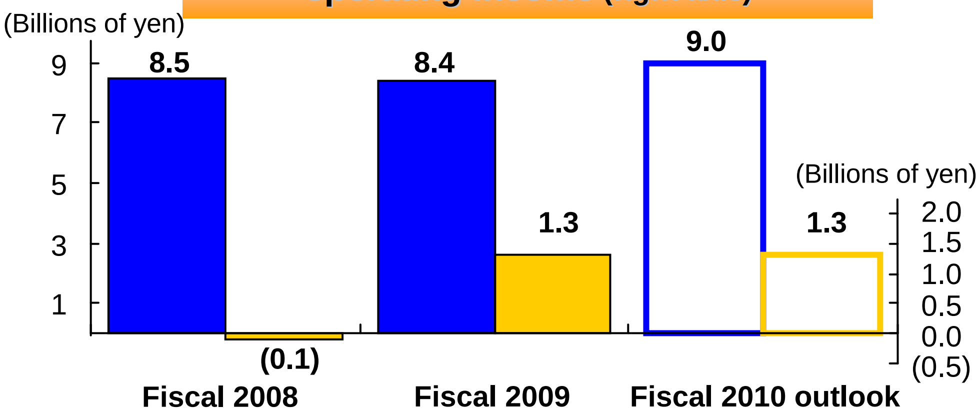
Real Estate Brokerage Segment Policies

- Expansion of business areas in the brokerage segment
  - Expansion into brokerage business areas other than condominiums
- Strengthening of the leasing management business
  - Expansion of leasing of individual units and the number of PM properties
  - Improvement in occupancy rates

- The outlook is for profits at the same level as in the previous fiscal year, because we have securing the personnel needed, systems for the strengthening of our business foundation and have completed infrastructure development.

Net sales	¥9.0 billion (¥0.5 billion up from the previous fiscal year)
Operating income	¥1.3 billion (¥0.08 billion down from the previous fiscal year)

Net sales (left axis) and operating income (right axis)



Fiscal 2010 Performance Outlook

DAIKYO

(Billions of yen)

Consolidated	Fiscal 2009 Result	Fiscal 2010 Forecast	Change
Net sales	318.3	290.0	(28.3)
Operating income	9.0	12.5	3.4
Ordinary income	6.3	8.0	1.6
Net income	6.3	7.0	0.6

(Billions of yen)

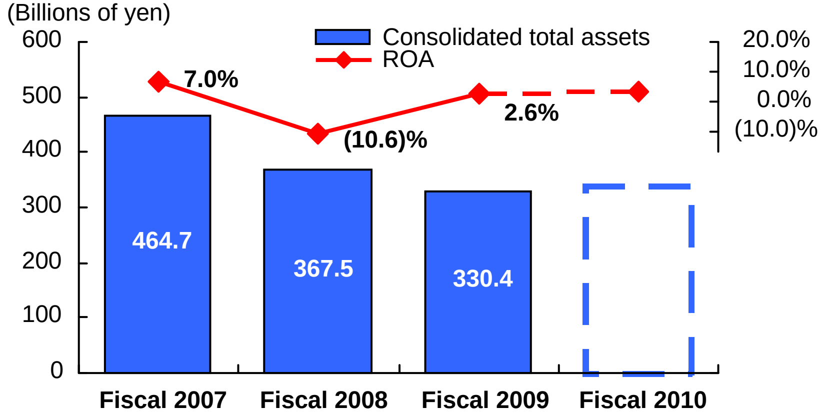
By segment	Fiscal 2009 Result		Fiscal 2010 Forecast		Change	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Real Estate Sales	198.5	(2.0)	168.0	3.4	(30.5)	5.4
Real Estate Management	60.4	5.5	62.0	5.2	1.5	(0.3)
Real Estate Brokerage	8.4	1.3	9.0	1.3	0.5	(0.0)
Contract Work	42.0	3.4	43.0	2.9	0.9	(0.5)
Other	11.4	2.4	10.0	1.8	(1.4)	(0.6)

Fiscal 2010 Performance Outlook

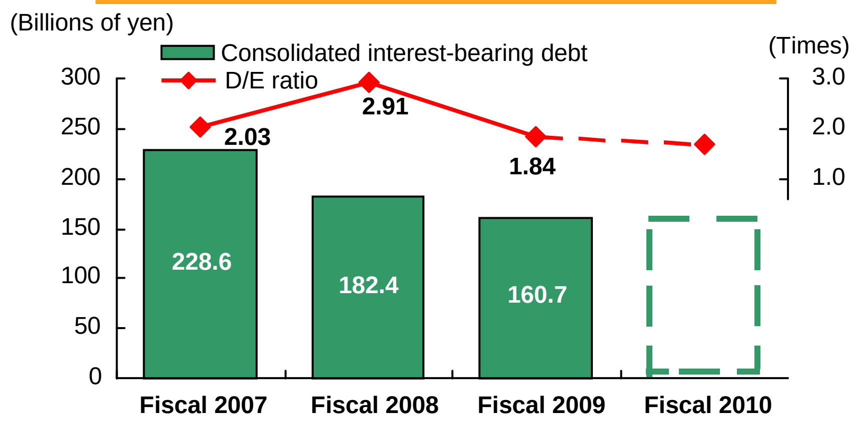
Financial Position

Working toward a strengthened financial foundation through the improvement of profitability

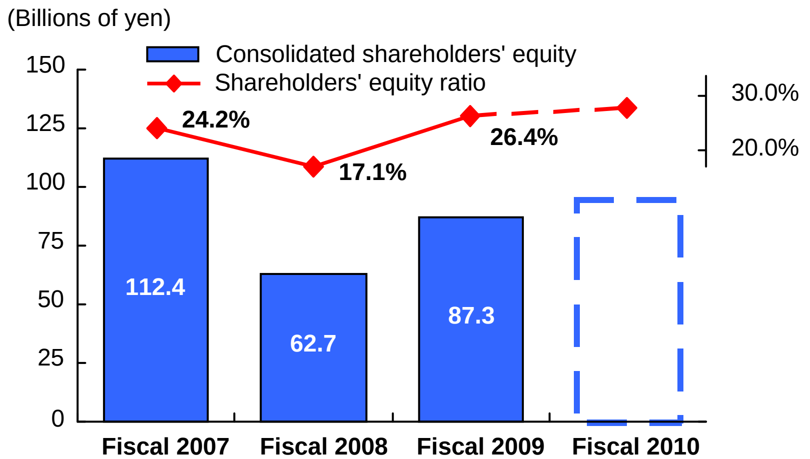
Consolidated total assets and ROA



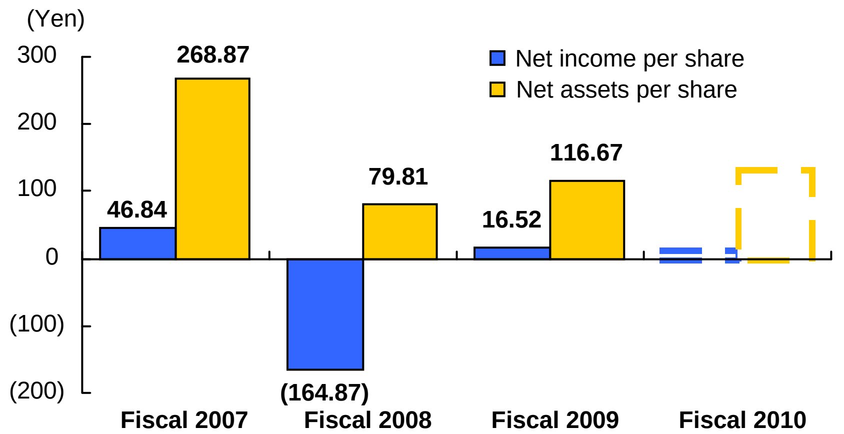
Consolidated interest-bearing debt and D/E ratio



Consolidated shareholders' equity and shareholders' equity ratio



Net income per share and net assets per share



Results Briefing for the Fiscal Year Ended March 31, 2010