

FACT SHEETS

For the First Six Months Ended September 30, 2012
(Unaudited)

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DAIKYO INCORPORATED

October 31, 2012

Consolidated Financial Results for the First Six Months Ended September 30, 2012

■ Consolidated Statements of Operations

	Apr-Sep 2011	Apr-Sep 2012	Year-on-year	Forecast	(Millions of yen)
				Apr 2012- Mar 2013	
Net sales	117,411	156,713	39,302	300,000	
Operating income	5,640	11,450	5,809	22,000	
Ordinary income	4,326	10,287	5,960	19,500	
Net income	9,193	7,314	△ 1,878	15,500	

Consolidated Financial Results Summary

During the six months ended September 30, 2012, net sales rose ¥39.3 billion year on year to ¥156.7 billion, operating income increased ¥5.8 billion to ¥11.4 billion, ordinary income grew ¥5.9 billion to ¥10.2 billion, and net income decreased ¥1.8 billion to ¥7.3 billion.

■ Results by Segment

Real Estate Development and Sales

Net sales	Six Months Ended	Six Months Ended	Year-on-year	Operating income	Six Months Ended	Six Months Ended	Year-on-year	(Millions of yen)
	Sep 30, 2011	Sep 30, 2012			Sep 30, 2011	Sep 30, 2012		
	55,028	87,181	+ 32,153		2,548	8,138	5,589	

In the Real estate development and sales segment, net sales rose ¥32.1 billion year on year to ¥87.1 billion and operating income was ¥8.1 billion, a year-on-year increase of ¥5.5 billion. This was owing to an increase in units sold by 838 units year on year to 2,225 units and a ¥33.6 billion year-on-year increase to ¥84.6 billion in mainstay condominium sales, reflecting a year-on-year increase in the number of properties completed and handed over.

The number and amount of contracted sales at the end of the second quarter were 1,593 units and ¥67.2 billion, respectively, marking respective decreases of 1,465 units and ¥56.4 billion compared with the end of the same period of the previous fiscal year.

Real Estate Management

Net sales	Six Months Ended	Six Months Ended	Year-on-year	Operating income	Six Months Ended	Six Months Ended	Year-on-year	(Millions of yen)
	Sep 30, 2011	Sep 30, 2012			Sep 30, 2011	Sep 30, 2012		
	52,590	59,823	7,233		3,801	4,071	270	

In the Real estate management segment, management income increased ¥2.7 billion year on year to ¥34.7 billion, owing to a significant year-on-year increase in the number of condominium units managed due to factors including the inclusion of the subsidiary Grand Amenity Ltd. in the scope of consolidation. In addition, contract work income increased year on year by ¥3.2 billion to ¥21.9 billion due to an increase in planned repair and maintenance work and small-scale repair and maintenance work on condominiums.

As a result of the above, net sales were ¥59.8 billion, up ¥7.2 billion year on year, and operating income was ¥4.0 billion, up ¥0.2 billion.

The number of condominium units managed increased 39,799 units to 440,787 units and the volume of contract work orders received at the end of the second quarter was ¥16.5 billion, a decrease of ¥32 million compared with the end of the same period of the previous fiscal year.

Real Estate Brokerage

Net sales	Six Months Ended	Six Months Ended	Year-on-year	Operating income	Six Months Ended	Six Months Ended	Year-on-year	(Millions of yen)
	Sep 30, 2011	Sep 30, 2012			Sep 30, 2011	Sep 30, 2012		
	9,106	10,528	1,421		89	282	193	

Although real estate brokerage income fell ¥0.2 billion year on year to ¥3.1 billion and income from leasing management declined ¥0.1 billion year on year to ¥2.1 billion, income from real estate sales increased ¥1.8 billion year on year to ¥5.0 billion due to an increase in units sold. As a result, segment net sales were ¥10.5 billion, up ¥1.4 million year on year, with an operating income of ¥0.2 billion (an increase of ¥0.1 billion at the end of the same period of the previous fiscal year).

Consolidated Statements of Operations

(Millions of yen)

6 Months	Apr-Sep 2008	Apr-Sep 2009	Apr-Sep 2010	Apr-Sep 2011	Apr-Sep 2012	Year-on-year	Forecast
Net sales	119,348	155,939	129,117	117,411	156,713	39,302	300,000
Gross profit	△ 17,450	19,153	18,604	16,980	25,100	8,120	
Selling, general and administrative expenses	16,528	13,794	12,514	11,339	13,650	2,310	
Operating income	△ 33,978	5,359	6,089	5,640	11,450	5,809	22,000
Operating margin	△ 28.5%	3.4%	4.7%	4.8%	7.3%	2.5pp	7.3%
Other income	417	620	357	322	287	△ 35	
Interest income	45	39	19	18	38	19	
Dividend income	26	24	21	13	14	1	
Other expenses	5,281	1,618	1,755	1,637	1,450	△ 186	
Interest expense	1,789	1,206	1,336	1,256	773	△ 482	
Ordinary income	△ 38,843	4,361	4,691	4,326	10,287	5,960	19,500
Ordinary income to net sales ratio	△ 32.5%	2.8%	3.6%	3.7%	6.6%	2.9pp	6.5%
Extraordinary income	-	197	134	2	-	△ 2	
Extraordinary loss	-	-	251	60	80	20	
Income before income taxes and minority	△ 38,843	4,559	4,574	4,269	10,206	5,936	
Income taxes - current	402	667	554	672	1,260	587	
Income taxes - deferred	4,775	16	708	△ 5,596	1,629	7,226	
Income before minority interests	-	-	3,311	9,193	7,316	△ 1,877	
Minority interests	-	-	-	-	1	1	
Net income	△ 44,021	3,875	3,311	9,193	7,314	△ 1,878	15,500

Retroactive treatment has been applied to the figures displayed for the six months ended September 30, 2012.

Consolidated Financial Position

(Millions of yen)

As of Sep 30	2008	2009	2010	2011	2012	Mar 31, 2012	Change from Mar 2012
Current assets	369,873	293,096	280,168	268,022	239,785	257,895	△ 18,109
Cash and deposits	24,903	53,704	59,801	81,481	110,798	97,679	13,119
Inventories	325,532	214,166	199,740	158,637	106,784	130,412	△ 23,628
Real estate for sale	53,676	22,325	31,328	15,425	21,522	20,843	678
Real estate for sale in progress	159,000	106,970	111,315	120,553	70,712	89,656	△ 18,944
Real estate for development projects	112,855	84,870	57,096	22,658	14,549	19,912	△ 5,362
Others	19,437	25,225	20,626	27,903	22,202	29,803	△ 7,600
Fixed assets	34,926	35,436	32,904	33,130	35,596	32,366	3,229
Property and equipment	17,758	12,723	12,081	12,241	12,226	12,151	75
Others	17,168	22,712	20,822	20,889	23,369	20,214	3,154
Total assets	404,799	328,532	313,072	301,152	275,381	290,261	△ 14,879
Liabilities	348,195	261,814	222,905	196,139	152,403	172,632	△ 20,228
Notes and accounts payable	37,815	40,987	26,825	25,184	39,726	40,599	△ 873
Interest-bearing debt	277,310	181,265	158,452	130,092	73,646	91,032	△ 17,385
Others	33,069	39,561	37,627	40,862	39,030	41,000	△ 1,969
Net assets	56,604	66,717	90,166	105,013	122,978	117,629	5,349
Shareholders' equity	55,653	66,555	90,147	104,947	122,924	117,540	5,383
Valuation and translation adjustments	127	110	19	66	31	88	△ 57
Share subscription rights	823	51	-	-	-	-	-
Minority interests	-	-	-	-	23	-	23
Total liabilities and net assets	404,799	328,532	313,072	301,152	275,381	290,261	△ 14,879

Shareholders' equity ratio*	13.8%	20.3%	28.8%	34.9%	44.6%	40.5%	4.1pp
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* Shareholders' equity ratio = (net assets - share subscription rights - minority interests) / total assets

Interest-bearing Debt

(Millions of yen)

As of Sep 30	2008	2009	2010	2011	2012	Mar 31, 2012	Change from Mar 2012
Short-term borrowings	129,726	55,711	52,735	47,991	25,734	24,121	1,612
Commercial paper	9,000	-	4,500	4,500	500	500	-
Bonds due within one year	-	30,300	-	18,000	5,000	10,000	△ 5,000
Bonds	45,000	13,000	18,000	5,000	-	-	-
Long-term borrowings	93,529	82,182	83,167	54,489	42,317	56,298	△ 13,981
Other interest-bearing debt	55	71	49	111	94	112	△ 17
Total interest-bearing debt	277,310	181,265	158,452	130,092	73,646	91,032	△ 17,385

Debt to equity ratio	4.97	2.72	1.76	1.24	0.60	0.77	△ 0.17
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Debt to equity ratio = interest-bearing debt / (net assets - share subscription rights - minority interests)

Results by Segment

(Millions of yen)							Forecast
6 Months		Apr-Sep 2009	Apr-Sep 2010	Apr-Sep 2011	Apr-Sep 2012	Year-on-year	Apr 2012- Mar 2013
Real Estate	Net sales	97,665	68,399	55,028	87,181	32,153	159,000
Development and Sales	Operating income	1,050	2,274	2,548	8,138	5,589	16,000
Real Estate	Net sales	48,195	49,893	52,590	59,823	7,233	119,000
Management	Operating income	4,615	3,712	3,801	4,071	270	8,600
Real Estate Brokerage	Net sales	9,666	9,773	9,106	10,528	1,421	24,000
	Operating income	516	566	89	282	193	800
Other	Net sales	1,627	2,099	1,664		Δ 1,664	
	Operating income	114	194	179		Δ 179	
Eliminations or	Net sales	Δ 1,215	Δ 1,048	Δ 978	Δ 819	158	Δ 2,000
Corporate	Operating income	Δ 937	Δ 658	Δ 978	Δ 1,042	Δ 63	Δ 3,400
Total	Net sales	155,939	129,117	117,411	156,713	39,302	300,000
	Operating income	5,359	6,089	5,640	11,450	5,809	22,000

Real Estate Development and Sales

Results of Condominium Development and Sales Business

(Millions of yen)

6 Months	Apr-Sep 2009	Apr-Sep 2010	Apr-Sep 2011	Apr-Sep 2012	Year-on-year
Condominium units delivered (units) (1)	2,481	1,834	1,387	2,225	838
Condominium sales (2)	95,437	65,080	50,975	84,620	33,645
Gross profit for condominium sales	10,035	9,550	8,234	16,101	7,866
Gross profit margin for condominium sales	10.5%	14.7%	16.2%	19.0%	2.8pp

Number of sales agreements entered into (units) (3)	2,578	2,702	1,642	1,540	Δ 102
Amount of net sales of condominium units for which sales agreements are entered into in each period	93,128	99,598	63,074	59,881	Δ 3,192

As of Sep 30	2009	2010	2011	2012	Change from Sep 2011
Number of contracted sales (units) (4)	2,052	2,678	3,058	1,593	Δ 1,465
Amount of contracted sales (5)	75,387	104,304	123,642	67,206	Δ 56,436
Completed condominium units in inventory (units) (6)	254	567	250	357	107
Book value of completed condominium units in inventory (7)	6,763	16,760	7,934	11,087	3,152

Mar 31, 2012	Change from Mar 2012
2,278	Δ 685
91,944	Δ 24,738
258	99
8,110	2,976

Notes:

- (1) Represents the number of condominium units delivered to customers.
- (2) Represents the amount of net sales of condominium units delivered to customers.
- (3) Represents the number of condominium units for which sales agreements are entered into in each period.
- (4) Represents the number of condominium units for which sales agreements have been entered into but have yet to be delivered.
- (5) Represents the amount of net sales of condominium units for which sales agreements have been entered into but have yet to be delivered.
- (6) Represents the number of completed condominium units the Group developed in inventory for which sales agreements have not yet been entered into.
- (7) Represents the book value of completed condominium units the Group developed in inventory for which sales agreements have not yet been entered into.

Real Estate Management

Breakdown of Net Sales

(Millions of yen)

6 Months	Apr-Sep 2009	Apr-Sep 2010	Apr-Sep 2011	Apr-Sep 2012	Year-on-year
Condominium Management			20,102	22,134	2,031
Building Management	29,702	31,273	11,873	12,621	747
Contract Work	16,168	16,651	18,712	21,987	3,274
Other	2,325	1,967	1,901	3,080	1,179
Total	48,195	49,893	52,590	59,823	7,233

Number of Condominium Units Managed

As of Sep 30	2009	2010	2011	2012	Change from Sep 2011
Number of condominium units managed (units)	389,353	396,816	400,988	440,787	39,799

Mar 31, 2012	Change from Mar 2012
408,184	32,603

Volume of Contract Work Orders

(Millions of yen)

As of Sep 30	2009	2010	2011	2012	Change from Sep 2011
Volume of Contract Work Orders	12,211	14,157	16,578	16,545	△ 32

Mar 31, 2012	Change from Mar 2012
14,961	1,584

Real Estate Brokerage

Breakdown of Net Sales

(Millions of yen)

6 Months	Apr-Sep 2009	Apr-Sep 2010	Apr-Sep 2011	Apr-Sep 2012	Year-on-year
Real estate brokerage	3,492	3,793	3,386	3,139	△ 247
Existing real estate sales	3,260	3,410	3,165	5,013	1,847
Existing condominium sales	2,786	3,061	2,387	4,775	2,388
Lease management	2,635	2,317	2,307	2,140	△ 166
Other	277	252	246	234	△ 12
Total	9,666	9,773	9,106	10,528	1,421

Amount of Brokerage Transactions

(Millions of yen)

6 Months	Apr-Sep 2009	Apr-Sep 2010	Apr-Sep 2011	Apr-Sep 2012	Year-on-year
Number of brokerage transactions	2,981	2,902	2,437	2,530	93
Total amount of transactions	76,744	114,256	76,439	75,500	△ 939

Consolidated Financial Results Summary

Consolidated net sales rose ¥3.0 billion or 1.0% year on year to ¥298.4 billion, operating income increased ¥8.1 billion or 60.2%, to ¥21.7 billion, and ordinary income grew ¥8.4 billion or 78.5%, to ¥19.2 billion. Net income increased ¥12.0 billion or 123.4% to ¥21.7 billion, reflecting ¥2.1 billion in proceeds from the sale of affiliate company shares, which resulted from the transfer of all shares in FUSO ENGINEERING INCORPORATED and was recorded as an extraordinary gain. The improvement in net income was also attributable to the recognition of deferred tax assets.

Consolidated Statements of Operations

(Millions of yen)

Forecast

Year ended Mar 31	2008	2009	2010	2011	2012	Year-on-year	2012.4-9	2013
Net sales	394,102	351,623	318,356	295,374	298,408	3,033	156,000	300,000
Gross profit	68,739	△ 6,612	36,527	39,415	46,423	7,007		
Selling, general and administrative expenses [SG&A]	37,621	37,463	27,428	25,817	24,642	△ 1,175		
Operating income	31,117	△ 44,075	9,098	13,597	21,781	8,183	10,500	22,000
Operating margin	7.9%	△ 12.5%	2.9%	4.6%	7.3%	2.7pp	6.7%	7.3%
Other income	1,428	1,037	1,064	864	791	△ 72		
Interest income	110	99	54	37	39	2		
Dividend income	88	27	26	43	17	△ 26		
Other expenses	4,846	8,807	3,803	3,683	3,332	△ 350		
Interest expense	3,443	3,655	2,610	2,694	2,379	△ 315		
Ordinary income	27,700	△ 51,845	6,359	10,779	19,240	8,461	9,500	19,500
Ordinary income to net sales ratio	7.0%	△ 14.7%	2.0%	3.6%	6.4%	2.8pp	6.1%	6.5%
Extraordinary income	60	2,286	248	229	2,178	1,949		
Extraordinary loss	217	2,505	1,389	360	140	△ 219		
Income before income taxes and minority interest	27,542	△ 52,064	5,218	10,647	21,278	10,630		
Income taxes - current	837	1,199	1,081	1,135	1,470	335		
Income taxes - deferred	10,238	3,149	△ 2,170	△ 240	△ 1,979	△ 1,738		
Income before minority interests	-	-	-	9,752	21,787	12,034		
Minority interests	210	-	-	-	-	-		
Net income	16,255	△ 56,414	6,307	9,752	21,787	12,034	6,500	15,500

Results by Segment

		(Millions of yen)				Forecast
	Year ended Mar 31	2010	2011	2012	Year-on-year	2013
Real Estate Development and Sales	Net sales	194,832	168,360	165,076	△ 3,284	159,000
	Operating income	285	6,616	15,787	9,171	16,000
Real Estate Management	Net sales	100,846	103,746	111,430	7,683	119,000
	Operating income	9,397	7,868	8,209	341	8,600
Real Estate Brokerage	Net sales	19,851	20,218	20,586	367	24,000
	Operating income	601	208	△ 450	△ 659	800
Other	Net sales	5,319	5,408	3,009	△ 2,399	/
	Operating income	506	480	329	△ 150	/
Eliminations or Corporate	Net sales	△ 2,493	△ 2,359	△ 1,693	666	△ 2,000
	Operating income	△ 1,692	△ 1,576	△ 2,094	△ 518	△ 3,400
Total	Net sales	318,356	295,374	298,408	3,033	300,000
	Operating income	9,098	13,597	21,781	8,183	22,000

Real Estate Development and Sales

	Year Ended Mar 31, 2012	Year-on-year		Year Ended Mar 31, 2012	Year-on-year	
Net sales	165,076	△ 3,284	Operating income	15,787	+ 9,171	(Millions of yen)

Segment net sales were ¥165.0 billion, down ¥3.2 billion compared with the previous fiscal year, owing to a decrease of 309 units in units sold to 4,153 units, and a decline of ¥4.1 billion to ¥158.0 billion in mainstay condominium sales, reflecting the Group's business plan, which included the handing over of fewer properties than in the previous fiscal year. Operating income increased sharply, growing ¥9.1 billion to ¥15.7 billion, reflecting year on year improvements in gross profit margins on condominium sales and cost reductions.

The number and amount of contracted condominium sales at the end of the fiscal year were 2,278 units and ¥91.9 billion, respectively. Although these two figures marked decreases of 525 units and ¥19.5 billion compared with the end of the previous fiscal year, they were above the corresponding targets. The number and book value of completed condominium units in inventory were 258 units and ¥8.1 billion, respectively, marking decreases of 99 units and ¥2.3 billion, compared with the end of the previous fiscal year.

Results of Condominium Development and Sales Business

(Millions of yen)

Year ended Mar 31	2010	2011	2012	Year-on-year
Condominium units delivered (units) (1)	5,186	4,462	4,153	△ 309
Condominium sales (2)	187,956	162,162	158,011	△ 4,151
Gross profit for condominium sales	19,038	22,603	28,698	6,094
Gross profit margin for condominium sales	10.1%	13.9%	18.2%	4.3pp
Number of sales agreements entered into (units) (3)	5,041	5,455	3,628	△ 1,827
Amount of net sales of condominium units for which sales agreements are entered into in each period	180,045	203,920	138,412	△ 65,508

As of Mar 31	2010	2011	2012	Change from 2011
Number of contracted sales (units) (4)	1,810	2,803	2,278	△ 525
Amount of contracted sales (5)	69,786	111,544	91,944	△ 19,599
Completed condominium units in inventory (units) (6)	505	357	258	△ 99
Book value of completed condominium units in inventory (7)	15,612	10,486	8,110	△ 2,375

Notes:

- (1) Represents the number of condominium units delivered to customers.
- (2) Represents the amount of net sales of condominium units delivered to customers.
- (3) Represents the number of condominium units for which sales agreements are entered into in each period.
- (4) Represents the number of condominium units for which sales agreements have been entered into but have yet to be delivered.
- (5) Represents the amount of net sales of condominium units for which sales agreements have been entered into but have yet to be delivered.
- (6) Represents the number of completed condominium units the Group developed in inventory for which sales agreements have not yet been entered into.
- (7) Represents the book value of completed condominium units the Group developed in inventory for which sales agreements have not yet been entered into.

Real Estate Management

	Year Ended Mar 31, 2012	Year-on-year	Year Ended Mar 31, 2012	Year-on-year	
Net sales	111,430	+ 7,683	Operating income	8,209	+ 341 (Millions of yen)

In the real estate management segment, management income increased ¥1.5 billion year on year to ¥63.9 billion, reflecting a higher number of condominium units managed, compared with the previous fiscal year, and steady progress in building management. In addition, income from contract work income grew ¥5.8 billion to ¥42.7 billion, owing to an increase in planned repair and maintenance work on condominiums.

As a result of the above, segment net sales were ¥111.4 billion, up ¥7.6 billion year on year, and operating income was ¥8.2 billion, up ¥0.3 billion. The volume of contract work orders received at the end the fiscal year was ¥14.9 billion, an increase of ¥2.4 billion compared with the end of the previous fiscal year.

Breakdown of Net Sales

(Millions of yen)

Year ended Mar 31	2010	2011	2012	Year-on-year
Condominium management, Building management	60,104	62,388	63,911	1,522
Contract work	36,037	36,920	42,759	5,839
Other	4,704	4,437	4,759	321

Number of Condominium Units Managed

As of Mar 31	2010	2011	2012	Change from 2011
Number of condominium units managed (units)	393,449	400,845	408,184	7,339

Volume of Contract Work Orders

(Millions of yen)

As of Mar 31	2010	2011	2012	Change from 2011
Volume of contract work orders	10,063	12,478	14,961	2,483

Real Estate Brokerage

	Year Ended Mar 31, 2012	Year-on-year		Year Ended Mar 31, 2012	Year-on-year	
Net sales	20,586	+ 367	Operating income	△ 450	△ 659	(Millions of yen)

In the real estate brokerage segment, real estate brokerage income fell ¥1.2 billion year on year to ¥6.2 billion, owing to a declining number of brokerage transactions and other factors, despite efforts to substantially restructure operations for future business expansion. Income from existing real estate sales rose ¥1.8 billion, to ¥9.3 billion, and income from leasing management decreased ¥0.1 billion, to ¥4.5 billion.

As a result, segment net sales were ¥20.5 billion, up ¥0.3 billion year on year. However, the segment posted an operating loss of ¥0.4 billion, a decline of ¥0.6 billion from the operating income recorded a year earlier.

The number of brokerage transactions was 4,854 transactions, worth a total amount of ¥182.4 billion, a decrease of 1,119 transactions and ¥20.8 billion compared with the same period of the previous fiscal year.

Breakdown of Net Sales

(Millions of yen)

Year ended Mar 31	2010	2011	2012	Year-on-year
Real estate brokerage	7,381	7,494	6,218	△ 1,275
Existing real estate sales	6,839	7,511	9,332	1,821
Existing condominium sales	6,346	7,123	6,000	△ 1,123
Lease management	5,129	4,731	4,581	△ 149
Other	500	480	452	△ 28

Amount of Brokerage Transactions

(Millions of yen)

Year ended Mar 31	2010	2011	2012	Year-on-year
Number of brokerage transactions	6,223	5,973	4,854	△ 1,119
Total amount of transactions	157,686	203,255	182,438	△ 20,817

Consolidated Balance Sheets

(Millions of yen)

As of Mar 31	2008	2009	2010	2011	2012	Change from 2011
Current assets	428,572	333,122	296,276	285,958	257,895	△ 28,063
Cash and deposits	53,162	67,591	65,259	92,548	97,679	5,130
Inventories	349,683	241,025	207,533	168,616	130,412	△ 38,203
Fixed assets	36,161	34,399	34,179	33,126	32,366	△ 760
Property and equipment	17,805	12,751	12,355	12,041	12,151	109
Total assets	464,733	367,521	330,456	319,085	290,261	△ 28,823
Liabilities	351,532	304,700	243,089	222,362	172,632	△ 49,730
Notes and accounts payable	84,318	74,659	46,097	38,845	40,599	1,754
Interest-bearing debt	228,648	182,449	160,760	140,304	91,032	△ 49,272
Net assets	113,201	62,820	87,367	96,723	117,629	20,906
Shareholders' equity	112,288	62,682	87,201	96,586	117,540	20,954
Valuation and translation adjustments	197	54	165	136	88	△ 47
Share subscription rights	716	83	—	—	—	—
Total liabilities and net assets	464,733	367,521	330,456	319,085	290,261	△ 28,823
Shareholders' equity ratio*	24.2%	17.1%	26.4%	30.3%	40.5%	10.2pp

* Shareholders' equity ratio = (net assets - share subscription rights - minority interests)/ total assets

Inventories

(Millions of yen)

As of Mar 31	2008	2009	2010	2011	2012	Change from 2011
Real estate for sale	65,818	48,308	36,835	27,752	20,843	△ 6,908
Completed condominium units*	27,637	13,655	15,612	10,486	8,110	△ 2,375
Real estate for sale in progress	152,612	105,588	107,414	108,700	89,656	△ 19,043
Real estate for development projects	131,252	87,129	63,284	32,163	19,912	△ 12,250
Total inventories	349,683	241,025	207,533	168,616	130,412	△ 38,203

* Represents the book value of completed condominium units the Group developed in inventory for which sales agreements have not yet been entered into.

Assets, Capital Expenditures, Depreciation

(Millions of yen)

As of Mar 31	2008	2009	2010	2011	2012	Change from 2011
Assets	464,733	367,521	330,456	319,085	290,261	△ 28,823
Capital expenditures	604	566	407	1,102	1,275	172
Depreciation	614	583	557	554	640	86

Interest-bearing Debt

(Millions of yen)

As of Mar 31	2008	2009	2010	2011	2012	Change from 2011
Short-term borrowings	55,903	71,163	40,949	40,411	24,121	△ 16,289
Commercial paper	3,000	-	-	4,000	500	△ 3,500
Bonds due within one year	-	12,300	17,500	13,000	10,000	△ 3,000
Bonds	45,000	31,000	13,000	10,000	-	△ 10,000
Long-term borrowings	124,745	67,911	89,253	72,786	56,298	△ 16,487
Other interest-bearing debt	-	75	57	107	112	4
Total interest-bearing debt	228,648	182,449	160,760	140,304	91,032	△ 49,272

Interest expense	3,443	3,655	2,610	2,694	2,379	△ 315
Net interest income	△ 3,319	△ 3,528	△ 2,529	△ 2,687	△ 2,322	365
Debt to equity ratio	2.03	2.91	1.84	1.45	0.77	△ 0.68

* Net interest income = interest income + dividend income - interest expense - bond issue cost

Debt to equity ratio = interest-bearing debt / (net assets - share subscription rights - minority interests)

Consolidated Statements of Cash Flows

(Millions of yen)

Year ended Mar 31	2008	2009	2010	2011	2012	Year-on-year
Net cash provided by (used in) operating activities	△ 42,111	48,899	1,913	48,416	56,666	8,249
Net cash provided by (used in) investing activities	802	14,055	△ 540	△ 152	1,608	1,761
Net cash provided by (used in) financing activities	37,292	△ 48,502	△ 3,708	△ 20,971	△ 50,150	△ 29,179
Effect of exchange rate changes on cash and cash equivalents	3	△ 37	2	△ 2	△ 3	△ 0
Cash and cash equivalents at end of year	53,162	67,577	65,245	92,534	100,654	8,120

Financial Data

(Millions of yen)

Year ended/ as of Mar 31	2008	2009	2010	2011	2012
EBITDA	32,102	△ 43,086	10,478	14,979	23,249
Net income per share (yen)	46.84	△ 164.87	16.52	20.18	47.43
Fully diluted net income per share (yen)	29.76	–	8.21	11.45	25.59
Ordinary income to net sales ratio	7.0%	△ 14.7%	2.0%	3.6%	6.4%
ROE Return on equity	16.3%	△ 64.4%	8.4%	10.6%	20.3%
ROA Return on assets	7.0%	△ 10.6%	2.6%	4.2%	7.1%
Shareholders' equity ratio	24.2%	17.1%	26.4%	30.3%	40.5%
Net assets per share (yen)	268.87	79.81	116.67	136.78	184.10
ICR Interest coverage ratio (times)	–	13.4	0.7	18.0	23.8

* EBITDA = operating income + depreciation + depreciation for goodwill

ROE = net income / average of (net assets - share subscription rights - minority interests) at the beginning and at the end of the period

ROA = operating income / average of total assets at the beginning and at the end of the period

Shareholders' equity ratio = (net assets - share subscription rights - minority interests) / total assets

ICR = operating cash flow / interest payments

Overview of Preferred Stock (As of Mar 31, 2012)

	Class 1	Class 2	Class 4	Class 7	Class 8
Amount of issue	¥4.0 billion	¥4.5 billion	¥7.5 billion	¥10.0 billion	¥9,439 million
Number of shares issued	10 million shares	11.25 million shares	18.75 million shares	25 million shares	23,598,144 shares
Issued price	¥400	¥400	¥400	¥400	¥400
Shareholder	ORIX Corporation	ORIX Corporation	ORIX Corporation	ORIX Corporation	ORIX Corporation
Preferred dividends					
Cap price	¥40	¥40	¥40	¥40	¥40
Amount of preferred dividends	¥400 x (JY TIBOR + 1.75%)	¥400 x (JY TIBOR + 1.75%)	¥400x(JY TIBOR + 1.75%)	¥400x(JY TIBOR + 2.00%)	¥400x(JY TIBOR + 2.00%)
Participating/cumulative	Non-participating/ non-cumulative	Non-participating/ non-cumulative	Non-participating/ non-cumulative	Non-participating/ non-cumulative	Non-participating/ non-cumulative
Right to receive residual assets upon liquidation	¥400	¥400	¥400	¥400	¥400
Voting rights	No voting right	No voting right	No voting right	No voting right	No voting right
Revival clause	When preferred dividends are not possible	No revival clause	No revival clause	No revival clause	No revival clause
Stock splits/ Reverse stock splits	No stock splits, no reverse stock splits	No stock splits, no reverse stock splits	No stock splits, no reverse stock splits	No stock splits, no reverse stock splits	No stock splits, no reverse stock splits
Conversion at holders' option					
Initial conversion price	¥444.0	¥79.1	¥79.1	¥101.0	¥64.0
Revision of conversion price	Downward revision	Downward revision	Downward revision	Downward revision	Downward revision
	At market price every year on Oct 1 from 2008 onwards	At market price every year on Oct 1 from 2008 onwards	At market price every year on Oct 1 from 2010 onwards	At market price every year on Apr 1 from 2011 onwards	At market price every year on Apr 1 from 2011 onwards
Adjustment of conversion price	Conversion price is adjusted in the specific situations	Conversion price is adjusted in the specific situations	Conversion price is adjusted in the specific situations	Conversion price is adjusted in the specific situations	Conversion price is adjusted in the specific situations
Floor price	¥351.6	¥63.3	¥55.4	¥80.8 (80% of the initial conversion price)	¥51.2 (80% of the initial conversion price)
Conversion period	18 years from Oct 1, 2007	18 years from Oct 1, 2007	20 years from Oct 1, 2009	20 years from Apr 1, 2011	20 years from Apr 1, 2011
Conversion at company's initiative					
Maturity date of conversion at company's initiative	Oct 1, 2025	Oct 1, 2025	Oct 1, 2029	Apr 1, 2031	Apr 1, 2031
Conversion price	Average of closing prices for 30 consecutive trading	Average of closing prices for 30 consecutive trading	Average of closing prices for 30 consecutive trading	Average of closing prices for 30 consecutive trading	Average of closing prices for 30 consecutive trading
Floor price	¥355.2	¥69.8	¥61.1	¥80.8	¥51.2
Ranking between each class	Pari passu	Pari passu	Pari passu	Pari passu	Pari passu

*For each class of preferred stock, JY TIBOR generally means Japanese Yen Tokyo Inter-Bank Offered Rate for one-year as at the first day of each fiscal year publicized by Japanese Bankers Association (*zenginkyo*).

**For Classes 1,2, and 4 preferred stock, TIBOR or the figure used in lieu of this is calculated to the 4th decimal after whole percentages, and rounded to the 3rd decimal. For Class 7 and Class 8 preferred stock, TIBOR or the figure used in lieu of this is calculated to the 2nd decimal after whole percentages, and rounded to the 1st decimal.

***The average of closing prices for 30 consecutive trading days, which is used as the conversion price, is the average of closing prices for 30 consecutive trading days beginning on the 45th trading day before the maturity date of conversion at the company's initiative.

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

1. Condominium Developer Ranking Based on Number of Condominium Units Supplied

(1) Nationwide

Ranking	2010			2011		
	Company name	Units supplied	(%) Share	Company name	Units supplied	(%) Share
1	DAIKYO INC.	5,307	6.3	MITSUBISHI JISHO RESIDENCE CO., LTD.	5,331	6.2
2	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	5,037	5.9	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	5,034	5.8
3	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	5,036	5.9	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	4,980	5.8
4	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	4,727	5.6	DAIKYO INC.	4,291	5.0
5	TOWA REAL ESTATE DEVELOPMENT CO., LTD.	3,380	4.0	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	2,995	3.5
6	DAIWA HOUSE INDUSTRY CO., LTD.	2,411	2.8	DAIWA HOUSE INDUSTRY CO., LTD.	2,638	3.0
7	MITSUBISHI ESTATE CO., LTD.	2,044	2.4	TOKYU LAND CORPORATION.	2,247	2.6
8	ORIX REAL ESTATE CORPORATION.	2,042	2.4	PRESSANCE CORPORATION CO., LTD.	1,985	2.3
9	TOKYU LAND CORPORATION.	1,877	2.2	KINTETSU REAL ESTATE CO., LTD	1,825	2.1
10	TOKYO TATEMONO CO., LTD.	1,744	2.1	ANABUKI KOSAN INC.	1,772	2.0
	Subtotal	33,605	39.7	Subtotal	33,098	38.2
	Total	84,701	100.0	Total	86,582	100.0

Source: THE JAPAN REAL ESTATE ECONOMIC INSTITUTE CO., LTD.

(2) Tokyo Metropolitan Area (Tokyo, Kanagawa, Saitama, and Chiba)

Ranking	2010			2011		
	Company name	Units supplied	(%) Share	Company name	Units supplied	(%) Share
1	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	3,652	8.2	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	4,043	9.1
2	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	3,567	8.0	MITSUBISHI JISHO RESIDENCE CO., LTD.	4,037	9.1
3	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	3,087	6.9	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	3,678	8.3
4	DAIKYO INC.	2,833	6.4	DAIKYO INC.	2,803	6.3
5	TOWA REAL ESTATE DEVELOPMENT CO., LTD.	2,169	4.9	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	1,649	3.7
6	MITSUBISHI ESTATE CO., LTD.	1,923	4.3	TAKARA LEBEN CO.,LTD.	1,252	2.8
7	TOKYO TATEMONO CO., LTD.	1,379	3.1	YURAKU REAL ESTATE CO., LTD.	1,244	2.8
8	COSMOS INITIA CO., LTD.	1,328	3.0	COSMOS INITIA CO., LTD.	1,239	2.8
9	ORIX REAL ESTATE CORPORATION.	1,304	2.9	NICE CORPORATION	1,027	2.3
10	YURAKU REAL ESTATE CO., LTD.	1,123	2.5	ITOCHU PROPERTY DEVELOPMENT. LTD.	976	2.2
	Subtotal	22,365	50.2	Subtotal	21,948	49.3
	Total	44,535	100.0	Total	44,499	100.0

Source: THE JAPAN REAL ESTATE ECONOMIC INSTITUTE CO., LTD.

(3) Osaka Metropolitan Area (Osaka, Hyogo, Kyoto, Nara, Shiga, and Wakayama)

Ranking	2010			2011		
	Company name	Units supplied	(%) Share	Company name	Units supplied	(%) Share
1	PRESSANCE CORPORATION CO., LTD.	1,251	5.8	PRESSANCE CORPORATION CO., LTD.	1,293	6.4
2	DAIKYO INC.	1,022	4.7	TOKYU LAND CORPORATION.	1,044	5.2
3	WADAKOHSAN CO., LTD.	929	4.3	KINTETSU REAL ESTATE CO., LTD	1,026	5.1
4	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	915	4.2	HANKYU REALTY CO.,LTD.	1,002	5.0
5	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	899	4.1	MITSUBISHI JISHO RESIDENCE CO., LTD.	869	4.3
6	KINTETSU REAL ESTATE CO., LTD	829	3.8	NIHON ESLEAD CORPORATION	838	4.1
7	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	789	3.6	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	776	3.8
8	HANKYU REALTY CO.,LTD.	749	3.4	NISSHO ESTEM CO.,LTD.	765	3.8
9	TOWA REAL ESTATE DEVELOPMENT CO., LTD.	747	3.4	WADAKOHSAN CO., LTD.	670	3.3
10	ORIX REAL ESTATE CORPORATION.	738	3.4	ORIX REAL ESTATE CORPORATION.	630	3.1
	Subtotal	8,868	40.8	Subtotal	8,913	44.1
	Total	21,716	100.0	Total	20,219	100.0

Source: THE JAPAN REAL ESTATE ECONOMIC INSTITUTE CO., LTD.

(4) Nagoya Metropolitan Area (Aichi, Mie, Gifu)

Ranking	2010			2011		
	Company name	Units supplied	(%) Share	Company name	Units supplied	(%) Share
1	DAIKYO INC.	584	12.0	DAIKYO INC.	541	10.0
2	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	348	7.1	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	478	8.8
3	MEITETSU REAL ESTATE DEVELOPMENT CO., LTD.	325	6.7	KINTETSU REAL ESTATE CO., LTD	283	5.2
4	SANKO REAL ESTATE CO., LTD	320	6.6	SANKO REAL ESTATE CO., LTD	279	5.2
5	TOWA REAL ESTATE DEVELOPMENT CO., LTD.	299	6.1	HASEKO CORPORATION	230	4.3
6	KINTETSU REAL ESTATE CO., LTD	245	5.0	DAIWA HOUSE INDUSTRY CO., LTD.	227	4.2
7	FUJIKEN CO.,LTD.	242	5.0	MITSUBISHI JISHO RESIDENCE CO., LTD.	189	3.5
8	SEKISUI HOUSE, LTD.	242	5.0	YAHAGI JISYO CO., LTD.	185	3.4
9	YAHAGI JISYO CO., LTD.	183	3.7	OKURA CO, LTD.	176	3.3
10	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	152	3.1	SEKISUI HOUSE, LTD.	168	3.1
	Subtotal	2,940	60.2	Subtotal	2,756	51.0
	Total	4,884	100.0	Total	5,403	100.0

Source: DG COMMUNICATIONS, INC.

Starting this fiscal year, there have been changes in figures due to changes in the aggregation method of the party to which the resources are submitted.

* Companies for those name in English were not available are stated in Romanized spelling of oblique type.

2. Condominium Management Company Ranking Based on Number of Condominium Units under Management

Company Ranking (units)				
Ranking	As of Mar 31, 2011		As of Mar 31, 2012	
	Company name	Condominium units under management	Company name	Condominium units under management
1	NIHON HOUSING CO., LTD.	364,364	NIHON HOUSING CO., LTD.	375,412
2	DAIKYO ASTAGE INC.	352,690	DAIKYO ASTAGE INC.	356,377
3	TOKYU COMMUNITY CORP.	292,626	TOKYU COMMUNITY CORP.	295,789
4	HASEKO COMMUNITY INC.	221,135	HASEKO COMMUNITY INC.	231,297
5	MITSUI FUDOSAN HOUSING SERVICE CO., LTD.	169,464	MITSUI FUDOSAN HOUSING SERVICE CO., LTD.	173,496
6	MITSUBISHI JISHO COMMUNITY CO., LTD.	164,731	MITSUBISHI JISHO COMMUNITY CO., LTD.	167,525
7	"NIHON SOGO JYUSEIKATSU KABUSHIKIGAISSYA"	163,418	"NIHON SOGO JYUSEIKATSU KABUSHIKIGAISSYA"	163,031
8	SUMITOMO FUDOSAN TATEMONO SERVICE CO., LTD.	155,016	"KABUSHIKIGAISSYA GOJINSYA KEIKAKU KENNKYUJYO"	157,709
9	"KABUSHIKIGAISSYA GOJINSYA KEIKAKU KENNKYUJYO"	147,311	SUMITOMO FUDOSAN TATEMONO SERVICE CO., LTD.	157,309
10	DAIWA LIFE NEXT CO.,LTD.	131,907	DAIWA LIFE NEXT CO.,LTD.	136,710

Group Ranking (units)				
Ranking	As of Mar 31, 2011		As of Mar 31, 2012	
	Company name	Condominium units under management	Company name	Condominium units under management
1	DAIKYO GROUP	400,845	DAIKYO GROUP	408,184
2	NIHON HOUSING GROUP	368,458	NIHON HOUSING GROUP	379,081
3	TOKYU COMMUNITY GROUP	301,633	TOKYU COMMUNITY GROUP	304,708
4	HASEKO COMMUNITY GROUP	270,838	DAIWA HOUSE GROUP	282,698
5	MITSUI FUDOSAN HOUSING SERVICE GROUP	217,222	HASEKO COMMUNITY GROUP	282,042
6	DAIWA HOUSE GROUP	203,536	MITSUI FUDOSAN HOUSING SERVICE GROUP	221,910
7	MITSUBISHI ESTATE GROUP	168,006	"GOJINSYA KEIKAKU KENNKYUJYO" GROUP	173,225
8	"GOJINSYA KEIKAKU KENNKYUJYO" GROUP	167,684	MITSUBISHI ESTATE GROUP	170,820
9	"NIHON SOGO JYUSEIKATSU KABUSHIKIGAISSYA"	163,418	"NIHON SOGO JYUSEIKATSU KABUSHIKIGAISSYA"	163,031
10	SUMITOMO FUDOSAN TATEMONO SERVICE CO., LTD.	155,016	SUMITOMO FUDOSAN TATEMONO SERVICE CO., LTD.	157,309
Breakdown of DAIKYO GROUP (参考)				
	DAIKYO ASTAGE INC.	352,690	DAIKYO ASTAGE INC.	356,377
	JAPAN LIVING COMMUNITY CO., LTD.	48,155	JAPAN LIVING COMMUNITY CO., LTD.	51,807
	DAIKYO GROUP total	400,845	DAIKYO GROUP total	408,184

Source: MANSION KANRI SHIMBUN

* Companies for those name in English were not available are stated in Romanized spelling of oblique type

3.Performances of Major Brokerage Companies

For the year ended Mar 31, 2012				
Company name	Commissions (Millions of yen)	Number of brokerage transactions	Total amount of transactions (Millions of yen)	Number of brokerage offices
MITSUI FUDOSAN REALTY CO., LTD.	59,836	36,071	1,132,134	260
SUMITOMO REAL ESTATE SALES CO., LTD.	45,967	31,443	892,760	246
TOKYU LIVABLE INC.	30,161	14,912	668,878	121
NOMURA REAL ESTATE GROUP	16,376	5,762	452,950	46
MITSUBISHI UFJ REAL ESTATE SERVICES CO., LTD.	10,946	4,994	293,753	41
MIZUHO TRUST REALTY COMPANY LTD.	8,894	3,786	246,788	49
SUMISHIN REALTY CO., LTD.	8,312	5,209	206,835	65
MITSUBISHI REAL ESTATE SERVICES. CO., LTD.	7,452	1,632	416,056	12
DAIKYO GROUP	6,218	4,854	182,438	39
TAISEI-YURAKU REAL ESTATE CO., LTD.	5,203	3,540	117,344	37

For the year ended Mar 31, 2011				
Company name	Commissions (Millions of yen)	Number of brokerage transactions	Total amount of transactions (Millions of yen)	Number of brokerage offices
MITSUI REAL ESTATE SALES NETWORK	58,461	35,753	1,140,158	255
SUMITOMO REAL ESTATE SALES CO., LTD.	43,332	31,293	834,559	243
TOKYU LIVABLE INC.	29,325	15,139	651,724	115
NOMURA REAL ESTATE GROUP	15,658	5,774	425,274	42
MITSUBISHI UFJ REAL ESTATE SERVICES CO., LTD.	10,449	4,824	281,401	41
MIZUHO TRUST REALTY COMPANY LTD.	8,931	3,888	211,895	53
SUMISHIN REALTY CO., LTD.	8,221	5,126	218,196	65
MITSUBISHI REAL ESTATE SERVICES. CO., LTD.	7,775	1,828	332,738	12
DAIKYO GROUP	7,494	5,973	203,255	40
YURAKU REAL ESTATE GROUP	5,217	3,804	116,844	38

Source: Shukan Jutaku Shinbun