Qualitative Information regarding Settlement of Accounts for the First Three Months

(1) Qualitative information regarding consolidated operating results

During the three months ended June 30, 2012 (from April 1, 2012 to June 30, 2012), the Japanese economy followed a gradual path of recovery on the back of demand associated with post-earthquake recovery. However, future prospects are uncertain, mainly due to downside risks from the unpredictable debt crisis in Europe, the protracted appreciation of the yen, and the electric power crunch in Japan. Under these conditions, the Group worked to strengthen its sales bases as a step towards achievement of its medium-term targets and pushed forward with proactive business activities. As a result, operating results for the three months ended June 30, 2012 consisted of net sales of 13,627 million yen, up 29.5% year on year, an operating loss of 68 million yen, compared with an operating loss of 355 million yen for the same period of the previous fiscal year, and an ordinary loss of 63 million yen, compared with an ordinary loss of 366 million yen for the same period of the previous fiscal year. In addition, there was a net loss of 810 million yen, compared with a 578 million yen loss for the same period of the previous fiscal year, owing to the recording in extraordinary loss of a service payment to the founder of 500 million yen.

Operating results by segment are as follows.

In addition to the operating income or loss of each segment, the Group also recorded 271 million yen as corporate expenses not attributable to any segment.

(CreCla Sales Division)

In the directly managed section, sales grew by 15.6% year on year in line with an increase in the number of customers in the previous fiscal year. Sales for member stores, however, were somewhat weak, while on an overall basis the extent of consumption by customers was lower than anticipated because temperatures in May and June were below expectations. As a result, net sales in this division was 3,301 million yen, up 4.8% year on year. Looking at profitability, operating income was 65 million yen, down 56.2% year on year, partly because of continued proactive investment into sales promotion and marketing.

The number of customer acquisitions made through sales promotion activities in the three months under review has progressed in line with the planned target.

In addition, Hachioji sales office, Koto sales office, Kawagoe sales office and Kawaguchi sales office were newly opened.

(Rental Division)

Net sales in the Rental Division was 2,889 million yen, up 8.4% year on year, due in part to contributions from Earnest Corporation, which was acquired at the end of the previous fiscal year,

and Duskin Co., Ltd.'s Gyoda office, which was acquired in the three months under review. However, operating income was 291 million yen, down 3.9% year on year, with the burden of amortization of goodwill. Regarding mainstay dust control products, although the trend of cost cutting by companies continued in the commercial market, the number of customers exceeded expectations thanks to the effects of a sales promotion campaign at the beginning of the period.
Pest control devices also performed favorably.

(Construction Consulting Division)
Amid a gradual recovery in the number of the housing construction starts, there were positive developments in orders received from building firms, and sales of mainstay know-how system products showed steady growth as a result. Furthermore, carrying out a review of the contents of training for know-how system products, as well as follow-up enhancements, has promoted the use of systems and helped to spur further member building firms.
Sales of solar energy systems performed as expected, boosted mainly by proposals to previous customers of member building firms.
As a result of the above, the Construction Consulting Division posted a 43.4% year-on-year increase in net sales to 899 million yen. However, operating income was 44 million yen, down 47.5% year on year, owing to increases in costs including provision of allowance for doubtful accounts.

(Housing Sales Division)
In this division, as of the end of the previous fiscal year the order backlog stood at 1,187 buildings, while net sales was 6,538 million yen, up 60.3% year on year. In terms of profit and loss, although this division tends to post an operating loss in the first quarter because of the usual concentration of hand-overs around the fiscal year-end, the significant increase in revenue caused operating loss to improve from 636 million yen in the same period of the previous fiscal year to 198 million yen.
Regarding orders received, the order backlog as of June 30, 2012 was 1,401 buildings, compared with 1,334 buildings as of June 30, 2011.
In addition, the following were newly opened: Takasaki-higashi model display site, Ota model display site, Abiko model display site, Nobeoka model display site, and Omiya center. This brought the number of stores to 41 branches and 19 model display sites.
Some of our existing stores have now been open for ten years, and the accumulated number of buildings hand-overs carried out by this business has exceeded 12,000 buildings. As a result, we will consider establishing a home refurbishment business as an extension of the follow-up maintenance we provide.

Consolidated Financial Flash Report

1.First Three Months of Fiscal Year Ending March 31,2013
(from April 1, 2012 to June 30, 2012)

(1) Consolidated operating results

(Millions of yen, except per share amounts)

	Three months ended June 30		
	2011	**2012**	**Change**
Net sales	10,524	13,627	29.5%
Operating income	(355)	(68)	-
Ordinary income	(366)	(63)	-
Net income	(578)	(810)	-
Net income per share	(¥74.12)	(¥98.53)	

(2) Consolidated financial position

	June 30		
	2011	**2012**	March 31,2012
Total assets	21,519	25,738	25,817
Net assets	8,787	10,478	11,489
Equity ratio	40.8%	40.7%	44.5%

2. Cash Dividends

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

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

	Six months ending September 30		
	2011	**2012**	**Change**
Net sales	27,407	31,000	13.1%
Operating income	687	1,100	60.0%
Ordinary income	659	1,090	65.3%
Net income	287	320	11.4%
Net income per share	¥36.72	¥38.95	

	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	