Translation

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Notice Regarding Difference Between Forecasts and Actual Results for the First Half of the Fiscal Year Ending March 31, 2015, and Revision of Full-Year Forecasts

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Stock Code: 3291
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The full-year forecasts for the fiscal year ending March 31, 2015 (April 1, 2014 to March 31, 2015) announced on May 15, 2014 have been revised downwards reflecting the recent lower developments in business. The details are as follows.

1. Difference between forecasts and actual results for the first half (April 1, 2014 to September 30, 2014)

(millions of yen otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	EPS
Forecasts announced on May 15 (A)	557,000	33,600	31,600	18,000	62.42 yen
Actual results (B)	543,959	24,454	22,623	12,376	42.92 yen
Change (B-A)	△13,040	△9,145	△8,976	△5,623	—
Change (%)	△2.3	△27.2	△28.4	△31.2	—

Note: We do not show a Year-on-Year change. Reason a) IGHD was established on the 1st of November, 2013, b) the fiscal year ended March, 2014 of the acquiring firm Hajime Construction was an irregular accounting period of 14 months as the firm changed its accounting period.

2. Revision of the full-year forecasts (April 1, 2014 to March 31, 2015)

(millions of yen otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	EPS
Previous forecasts as of May 15, 2014 (A)	1,230,000	81,900	78,000	44,700	155.00 yen
Revised forecasts as of Nov 11, 2014 (B)	1,179,000	47,400	43,800	23,500	81.49yen
Change (B-A)	△51,000	△34,500	△34,200	△21,200	—
Change (%)	△4.2	△42.1	△43.9	△47.4	—

3. Reasons for the difference and revision

With respect to the business performance for the first half of the fiscal year ending March 31, 2015, net sales were almost in line with the forecasts. However profits were behind the forecasts. Reason: a) the consumption tax hike badly affected the consumers' appetite to purchase houses, making the consumers stay on the side lines or remain hesitant, b) a serious price competition was caused by oversupply of the houses, c) real-estate business was in difficulties as it was next to impossible to pass on price increase to the consumers as tax-exclusive system to compensate for the price hike caused by the consumption tax hike was not approved.

As for full-year forecasts, we revise downwards the forecasts announced on 15 May, 2014 as the gross profit margin is expected to fall. Reason: a) the disposable income level of our main customers has not been improved yet, b) we have been trying hard to sell the unsold properties as soon as possible and replace them with the new ones in some oversupply areas.

No change in cash dividents forecasts, announced on May 15, 2014.

※Since the forecast of financial results has been prepared based on the information currently available to us, we caution investors that various risks and uncertainties could cause the actual results to differ materially from the forecast.