



First Quarter Fiscal Year Ending March 31, 2011 Consolidated Earnings Announcement (Japanese GAAP)

August 9, 2010

Company Name: **Hoosiers Corporation**

Stock Code: 8907

Representative:(Title) CEO and President

Contact: (Title) General Manager, Administration Division

Listed market: Tokyo Stock Exchange First Section

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Scheduled date to file Quarterly Report: August 10, 2010

Scheduled date to commence dividend payment: -

Preparation of supplementary information of quarterly financial results : No

Holding of quarterly financial results briefing : Yes (for institutional investors, analysts and financial institutions, in Japanese)

(Figures are rounded down to the nearest million yen)

1. 1st Quarter FY3/11 Consolidated Earnings (April 1, 2010 to June 30, 2010)

(1) Consolidated Earnings (Cumulative)

(% indicates changes from the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	% yy	Million yen	% yy	Million yen	% yy	Million yen	% yy
1 st Quarter FY3/11	3,702	-38.5	1,836	864.5	1,739	—	1,730	—
1 st Quarter FY3/10	6,022	-15.7	190	59.0	37	—	22	—

	EPS	Diluted EPS
	Yen	Yen
1 st Quarter FY3/11	5,484.04	—
1 st Quarter FY3/10	70.57	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Book Value per Share
	Million yen	Million yen	%	Yen
1 st Quarter FY3/11	20,818	4,441	21.3	14,074.93
FY3/10	20,713	2,710	13.1	8,590.89

(Reference) Shareholders' equity: 1st Quarter FY3/11 ¥4,441 million FY3/10 ¥2,710 million

2. Dividends

(Recorded date)	Dividend per Share				
	End of 1 st Quarter	End of 2 nd Quarter	End of 3 rd Quarter	End of Period	Annual
	Yen	Yen	Yen	Yen	Yen
FY3/10	—	0.00	—	0.00	0.00
FY3/11	—				
FY3/11 (Forecast)		0.00	—	0.00	0.00

(Note) Changes to the dividend forecast during the current quarter: No

3. Consolidated Earnings Projections for Fiscal Year March 2011 (From April 1, 2010 to March 31, 2011)

(% indicates changes from the relevant corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim (Cumulative)	3,700	-76.2	1,500	96.8	1,300	189.4	1,280	179.5	4,056.33
Full year	8,000	-75.6	2,000	41.8	1,500	75.6	1,460	17.7	4,626.75

(Note) Changes to the consolidated earnings projections during current quarter: No

4. Others (For details, please refer to P4 (Attached materials) 2. Others)

(1) Changes in important subsidiaries during the quarter under review: No

(Note) Changes in specified subsidiaries which accompany a change in the scope of consolidation

(2) Adoption of the simplified method in accounting methods and the unique accounting method for quarterly financial statements: No

(Note) Adoption or otherwise of the simplified method in accounting methods and the unique accounting method in the preparation of quarterly consolidated financial statements

(3) Changes in principles, procedures and method of statement of accounting procedures in preparation of consolidated quarterly financial statements

1) Changes arising from revisions in accounting standards: Yes

2) Changes arising from other reasons: No

(Note) Changes in principles, procedures and method of statement of accounting procedures in preparation of consolidated quarterly financial statements as stated in “Changes in Important Items Fundamental to the Preparation of Quarterly Consolidated Financial Statements”

(4) Outstanding shares (Common stock)

1) Number of outstanding shares at end of period
(Including treasury shares)

1 st Quarter FY3/11	326,115 shares	FY ended March 2010	326,115 shares
1 st Quarter FY3/11	10,559 shares	FY ended March 2010	10,559 shares
1 st Quarter FY3/11	315,556 shares	1 st Quarter FY3/10	315,556 shares

2) Number of outstanding treasury shares at end of period

3) Average number of shares during the period
(Quarterly cumulative period)

*** Statement regarding the state of implementation of quarterly review procedures**

This quarterly consolidated earnings announcement is exempt from the quarterly review procedures stipulated under the Financial Instruments and Exchange Act. Review procedures of the quarterly financial statements as stipulated under the Financial Instruments and Exchange Act has not been completed at the time of disclosure of this quarterly consolidated earnings announcement.

*** Explanatory statement regarding the proper use of financial forecasts and other notes**

All projections provided in this document are based on certain reasonable assumptions and beliefs in light of information currently available. Actual results may differ from our projections due to various unforeseen reasons.

1. [Qualitative Information • Financial Statements, etc]

(1) Qualitative information concerning the status of consolidated financial results

During the first quarter of the fiscal year ending March 2011 (From April 1, 2010 to June 30, 2010), with respect to our real estate sales business, the Hoosiers Group recorded net sales and operating income of ¥3,512 million and ¥1,806 million, respectively, by sales and delivery of 129 new condominiums and others, and other income which mainly consists of sales of other real estate, income from loan applications and contract income from the consigned sales business. With regard to our real estate management business, we recorded net sales of ¥190 million (excluding inter-segment sales or transfer) and operating income of ¥28 million, derived from management income of condominiums and other income centering on insurance agency and life related services.

In the main business of the Hoosiers Group, our real estate sales business, our practice is to book sales upon delivery to our customers, not at conclusion of the contract, which tends to cause a deviation in quarterly sales figures depending on the timing of delivery.

(2) Qualitative information concerning shifts in consolidated financial position

As of the end of the first quarter of the fiscal year ending March 2011, our total assets, total liabilities, and net assets stood at ¥20,818 million, ¥16,377 million and ¥4,441 million, respectively, mainly due to reduced assets reflecting sales of inventory assets, as well as reduced liabilities owing to commission income and the repayment of loans payable.

Furthermore, as of the end of the first quarter of the fiscal year ending March 2011, our cash and cash equivalents increased by ¥1,014 million to a balance of ¥4,668 million, as increased net cash provided by operating activities due to the increase in income before income taxes and sales of inventory assets, etc., exceeded reduced net cash used in financing activities, mainly due to repayment of debts.

(3) Qualitative information regarding performance forecast

In connection with the business performance forecasts for the fiscal year ending March 2011, results for the first quarter of the fiscal year under review were essentially in line with plans. Taking into consideration that the Group's operating environment is basically within the bounds of initial assumptions, interim (cumulative) and full fiscal year projections announced on May 14, 2010 remain unchanged.

2. Others

(1) Changes in important subsidiaries during the period:

There is no corresponding item.

(2) Adoption of the simplified method in accounting methods and the unique accounting method for quarterly financial statements:

There is no corresponding item.

(3) Changes in principles, procedures and method of statement of accounting procedures in preparation of consolidated quarterly financial statements:

Changes in items relating to accounting treatment standards

Effective from the first quarter of the fiscal year ending March 2011, the Company has adopted the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ) Statement No. 18, released on March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, released on March 31, 2008).

There was no material impact on operating income, ordinary income and income before income taxes and minority interests as a result of adopting the aforementioned standard and guidance.

(4) Important matters concerning the premise of going concern

The Hoosiers Group experienced a substantial reduction in its net assets and cash reserves compared with the fiscal year ended March 31, 2009 due largely to the effects of the decline in sales prices of condominiums and the going price of projected properties for development as a result of deterioration in the real estate market.

Under these circumstances, we have received the cooperation of financial institutions to postpone the dates of loan repayment in accordance with our business plan. This is despite the commencement of work following delays in our business plan for projected properties for development in the previous fiscal year through to the first quarter of the fiscal year under review.

In light of this situation, while a significant question has arisen in regard to the premise of the Company as a going concern, we have determined that there is no major uncertainty concerning the premise of the Company as a going concern.

The Hoosiers Group is engaged in the following endeavors to solve the current situation.

We have worked to improve our earning capacity while experiencing robust sales of self-developed properties and properties under consignment. This was largely on the basis of efforts to boost contracts of the sales consignment business which take full advantage of the Group's strengths, including sales prowess that consistently pursue an "understanding of the market" as well as an "appropriate understanding of customer needs," and our solution planning and proposal capabilities. As a result, net assets and cash reserves in the first quarter of the fiscal year ending March 2011. Looking ahead, we will continue to reinforce sales by harnessing the power of our sales and marketing capabilities.

In addition, with regard to properties under our possession, we are reviewing our business plan, carefully distinguishing between properties to develop by ourselves and properties to sell. We have pursued the sale of properties at appropriate prices enabling us to make progress in the reduction of both inventory assets and debt. In connection with delays in the development of our own properties, we have received the understanding of financial institutions based on our revised business plan. We are endeavoring to advance the development of properties for delivery in the next fiscal year and beyond. From the next business term, we are currently compiling plans to make specific inroads into achieving our earnings plan, recovering funds and addressing our debt repayment plan.

Furthermore, we will strive to build a stable earnings base and enhance profitability by increasing contracts of the sales consignment business and procuring sites for new business use.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheet

(Units: ¥1,000)

	End of the Current 1st Quarter (June 30, 2010)	End of Previous Fiscal Year (March 31, 2010)
Assets		
Current assets		
Cash and deposits	4,668,936	3,654,031
Accounts receivable-trade	15,484	30,609
Real estate for sale	261,198	777,233
Real estate for sale in process	13,005,861	13,448,872
Prepaid expenses	88,629	49,456
Deferred tax assets	421,575	425,321
Other	77,230	66,199
Allowance for doubtful accounts	-10,064	-14,143
Total current assets	<u>18,528,852</u>	<u>18,437,581</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	920,363	913,837
Machinery, equipment and vehicles, net	8,590	4,126
Tools, furniture and fixtures, net	11,054	12,231
Land	870,011	870,011
Total property, plant and equipment	<u>1,810,020</u>	<u>1,800,206</u>
Intangible assets	60,101	65,776
Investments and other assets		
Investment securities	3,000	3,000
Investments in capital of subsidiaries and affiliates	200,000	200,000
Deferred tax assets	20	20
Other	217,856	208,268
Allowance for doubtful accounts	-942	-996
Total investments and other assets	<u>419,934</u>	<u>410,292</u>
Total noncurrent assets	<u>2,290,057</u>	<u>2,276,275</u>
Total assets	<u>20,818,909</u>	<u>20,713,856</u>

(Units: ¥1,000)

	End of the Current 1st Quarter (June 30, 2010)	End of Previous Fiscal Year (March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	155,081	204,806
Short-term loans payable	8,126,200	10,059,600
Current portion of long-term loans payable	3,430,000	3,430,000
Income taxes payable	15,794	50,515
Advances received	150,879	284,700
Deposits received	184,698	213,244
Provision for bonuses	11,650	24,258
Other	215,514	523,036
Total current liabilities	12,289,818	14,790,162
Noncurrent liabilities		
Long-term loans payable	4,043,000	3,188,000
Asset retirement obligations	15,624	—
Other	29,037	24,787
Total noncurrent liabilities	4,087,662	3,212,787
Total liabilities	16,377,481	18,002,949
Net assets		
Shareholders' equity		
Capital stock	2,400,240	2,400,240
Retained earnings	2,772,252	1,041,732
Treasury stock	-731,065	-731,065
Total shareholders' equity	4,441,427	2,710,907
Total net assets	4,441,427	2,710,907
Total liabilities and net assets	20,818,909	20,713,856

(2) Consolidated Quarterly Income Statement (Cumulative)

(Units: ¥1,000)

	Previous 1st Quarter (From April 1, 2009 to June 30, 2009)	Current 1st Quarter (From April 1, 2010 to June 30, 2010)
Net sales	6,022,910	3,702,768
Cost of sales	5,001,720	1,536,029
Gross profit	1,021,189	2,166,739
Selling, general and administrative expenses	830,824	330,677
Operating income	190,364	1,836,061
Non-operating income		
Interest income	74	54
Dividends income	90	—
Contract cancellations	3,610	—
Commission fee	6,949	1,556
Other	2,261	1,833
Total non-operating income	12,985	3,445
Non-operating expenses		
Interest expenses	163,010	98,312
Commission fee	1,969	963
Other	586	610
Total non-operating expenses	165,565	99,886
Ordinary income	37,784	1,739,620
Extraordinary income		
Reversal of allowance for doubtful accounts	—	4,132
Total extraordinary income	—	4,132
Extraordinary loss		
Loss on sales of noncurrent assets	199	—
Total extraordinary losses	199	—
Income before income taxes and minority interests	37,585	1,743,753
Income taxes-current	13,052	9,486
Income taxes-deferred	2,265	3,746
Total income taxes	15,317	13,232
Income before minority interests	—	1,730,520
Net income	22,267	1,730,520

(3) Consolidated Quarterly Cash Flow Statement

(Units: ¥1,000)

	Previous 1st Quarter (From April 1, 2009 to June 30, 2009)	Current 1st Quarter (From April 1, 2010 to June 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	37,585	1,743,753
Depreciation and amortization	29,635	16,765
Increase (decrease) in allowance for doubtful accounts	379	-4,132
Increase (decrease) in provision for bonuses	—	-12,608
Interest and dividends income	-164	-144
Interest expenses	163,010	98,312
Decrease (increase) in notes and accounts receivable-trade	-24,479	15,125
Decrease (increase) in investment securities for sale	30,000	—
Decrease (increase) in inventories	3,353,957	956,157
Decrease (increase) in advance payments	—	-6,750
Decrease (increase) in prepaid expenses	36,374	-40,512
Increase (decrease) in notes and accounts payable-trade	-3,012,181	-49,724
Decrease (increase) in consumption taxes refund receivable	79,071	84
Increase (decrease) in accrued consumption taxes	77,947	-257,716
Increase (decrease) in advances received	190,028	-133,820
Increase (decrease) in deposits received	-133,602	-28,546
Other, net	-55,006	-63,356
Subtotal	772,555	2,232,885
Interest and dividends income received	149	144
Interest expenses paid	-142,330	-96,973
Income taxes paid	-30,105	-42,437
Net cash provided by (used in) operating activities	600,270	2,093,620
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	60,005	—
Purchase of property, plant and equipment	-365	—
Proceeds from sales of property, plant and equipment	100	—
Other, net	140	107
Net cash provided by (used in) investing activities	59,881	107
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-1,120,000	-1,933,400
Proceeds from long-term loans payable	—	855,000
Repayment of long-term loans payable	-1,419	—
Cash dividends paid	-441	-237
Other, net	—	-184
Net cash provided by (used in) financing activities	-1,121,860	-1,078,822
Net increase (decrease) in cash and cash equivalents	-461,708	1,014,904
Cash and cash equivalents at beginning of period	1,930,377	3,654,031
Cash and cash equivalents at end of period	1,468,669	4,668,936

(4) Segment Information**(Business Segment Information)**

Previous First Quarter Consolidated Cumulative Period (From April 1, 2009 to June 30, 2009)

(Units: ¥1,000)

	Real Estate Sales	Real Estate Management	Investment	Total	Eliminations	Consolidated
Net Sales	5,821,044	189,158	12,753	6,022,956	(46)	6,022,910
Operating Income or Operating Loss (-)	172,135	34,132	-17,403	188,864	1,500	190,364

Current First Quarter Consolidated Cumulative Period (From April 1, 2010 to June 30, 2010)

(Units: ¥1,000)

	Reporting Segments			Adjustment	Amount Reported on Quarterly Consolidated Statement of Income
	Real Estate Sales	Real Estate Management	Total		
Net Sales					
(1) Sales to external customers	3,512,436	190,332	3,702,768	—	3,702,768
(2) Intersegment sales and transfers	—	1,350	1,350	-1,350	—
Total	3,512,436	191,682	3,704,118	-1,350	3,702,768
Segment Operating Income	1,806,086	28,475	1,834,561	1,500	1,836,061

4. Other Information

(1) Record of Sales

(Units: ¥1,000)

	1st Quarter FY3/11 (From April 1, 2010 to June 30, 2010)	Year-on-Year % Change
Item	Value	
(I) Real Estate Sales		
(1) New Condominium Sales		
a. Real Estate Sales	1,899,202	—
b. Sales Commissions	871,525	—
(2) Other Related Business	741,708	—
Total Real Estate Sales	3,512,436	—
(II) Real Estate Management		
(1) Condominium Management	164,743	—
(2) Other Income	25,588	—
Total Real Estate Management	190,332	—
Total Sales	3,702,768	—

(2) Real Estate Sales Information

Item	1st Quarter FY3/11 (From April 1, 2010 to June 30, 2010)							
	Outstanding Contracts at Term Start	Units Blocks Value	New Contracts Signed during Term	Units Blocks Value (YY Change)	Unit Delivered during Term	Units Blocks Value (YY Change)	Outstanding Contracts at Term End	Units Blocks Value (YY Change)
Real Estate Sales	84 1 3,025,152	Units Blocks (¥ 1,000)	175 2 5,555,022	Units Blocks (¥ 1,000) (53.4%)	129 2 4,157,940	Units Blocks (¥ 1,000) (52.9%)	130 1 4,422,235	Units Blocks (¥ 1,000) (42.9%)