

Results Briefing for the Second Quarter (First Six Months) Ended September 30, 2014

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This document was prepared in English for convenience purposes 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 facts 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 the Annual Securities Report the Company submits to the Director of the Kanto Local Finance Bureau, 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.

Consolidated Statements of Operations (Summary)



Operating results

Main factors behind decreases in net sales and operating income

- Net sales decreased, partially due to a year-on-year downturn in the number of scheduled condominium unit completions in mainstay condominium sales.
- Operating income decreased due to the net sales decrease.

Factors behind decrease in net income

- Net income decreased due to a gain on negative goodwill was recorded in the same period of the previous fiscal year.

(Billions of yen)	1H of Fiscal 2013	1H of Fiscal 2014	Change
	(A)	(B)	(B) - (A)
Net sales	154.9	126.3	(28.6)
Gross profit	22.5	15.7	(6.8)
(Gross profit margin)	14.6%	12.5%	(2.1 pp)
Selling, general and administrative expenses	16.1	14.8	(1.3)
Operating income	6.3	0.9	(5.4)
(Operating income margin)	4.1%	0.8%	(3.3 pp)
Other income	0.3	0.2	(0.1)
Other expenses	0.9	0.8	(0.1)
Ordinary income	5.7	0.4	(5.3)
(Ordinary income margin)	3.7%	0.3%	(3.4 pp)
Extraordinary income	11.3	0.0	(11.3)
Extraordinary loss	2.2	0.1	(2.0)
Income taxes—current	1.7	0.8	(0.8)
Income taxes—deferred	1.5	(1.9)	(3.4)
Net income	11.6	1.3	(10.2)

Note: In accordance with changes in accounting policies effective beginning with the first quarter of the current fiscal year, figures indicated for the first half of the fiscal year ended March 31, 2014 have been retroactively adjusted.

Performance by Segment

Operating results

(Billions of yen)		1H of Fiscal 2013	1H of Fiscal 2014	Change
Real estate development and sales	Net sales	66.3	35.8	(30.4)
	Operating income	2.0	(1.2)	(3.3)
Real estate management	Net sales	74.3	74.2	(0.0)
	Operating income	4.7	3.1	(1.6)
Real estate brokerage	Net sales	16.3	17.6	1.2
	Operating income	1.1	0.6	(0.4)
Eliminations or corporate assets/expenses	Net sales	(2.0)	(1.4)	0.6
	Operating income	(1.6)	(1.6)	0.0
Total	Net sales	154.9	126.3	(28.6)
	Operating income	6.3	0.9	(5.4)

Real estate development and sales

- The number of condominiums sold decreased tied to fewer scheduled units completed compared with the same period of the previous fiscal year.

Real estate management

- Although management income increased, there was a decrease in sales from small-scale construction work, which has relatively short construction periods.
- Personnel costs and other operating expenses brought on by structural enhancements aimed at improving the quality of our services increased.

Real estate brokerage

- A higher number of pre-existing condominium units were delivered, despite a lower number of brokerage transactions handled.
- The Company carried out personnel increases and other measures in line with further expansion of the store network.

Note: In accordance with the accounting policy changes that took effect in the first quarter of the current fiscal year, with regard to the first half of the fiscal year ended March 31, 2014, the presented figures for real estate development and sales, real estate management, eliminations or corporate assets/expenses, and operating income under "Total" are retroactively adjusted.

Consolidated Balance Sheet (Summary)



(Billions of yen)	As of Mar. 31, 2014	As of Sep. 30, 2014	Change
Assets	297.8	275.3	(22.4)
Current assets	246.7	224.9	(21.7)
(Main breakdown)			
Cash and deposits	96.6	78.7	(17.8)
Inventories	101.4	112.6	11.2
Property and equipment	51.0	50.3	(0.6)
Liabilities	152.8	130.6	(22.2)
Current liabilities	88.0	80.2	(7.8)
Long-term liabilities	64.7	50.3	(14.3)
Interest-bearing debt	63.6	58.8	(4.8)
Net assets	144.9	144.7	(0.2)
Shareholders' equity	145.7	145.2	(0.5)
Retained earnings	67.8	67.2	(0.5)
Total liabilities and net assets	297.8	275.3	(22.4)

Operating results

Assets

- Cash and deposits decreased from the end of the previous fiscal year due to a decline in funds, partially resulting from lower accounts payable and repayments of long-term borrowings.
- Inventories increased from the end of the previous fiscal year, partially as a result of increased purchases of condominiums for sale.

Liabilities

- Liabilities decreased from the end of the previous fiscal year, partially due to a decrease in notes and accounts payable—trade and interest-bearing debt.

Net assets

- Net assets decreased from the end of the previous fiscal year, reflecting a decrease in retained earnings due to distribution of dividend of surplus despite posting net income.

Note: In accordance with changes in accounting policies effective beginning with the first quarter of the current fiscal year, figures indicated for operating results as of March 31, 2014 have been retroactively adjusted.

Segment Information: Real Estate Development and Sales



(Billions of yen)	1H of Fiscal 2013	1H of Fiscal 2014	Change
Net sales	66.3	35.8	(30.4)
Existing real estate sales	63.1	32.0	(31.1)
Condominiums	61.1	29.3	(31.7)
Other	3.1	3.7	0.6
Operating income	2.0	(1.2)	(3.3)

Condominium Business

(Billions of yen)	1H of Fiscal 2013	1H of Fiscal 2014	Change
Condominium units delivered	1,788 units	935 units	(853) units
Net sales	61.1	29.3	(31.7)
Gross profit	12.4	7.0	(5.3)
(Gross profit margin)	20.4%	24.2%	3.8 pp
Number of sales agreements entered into (units)	1,946 units	1,379 units	(567) units
Net sales of condominium units for which sales agreements are entered into in each period	68.4	50.2	(18.1)

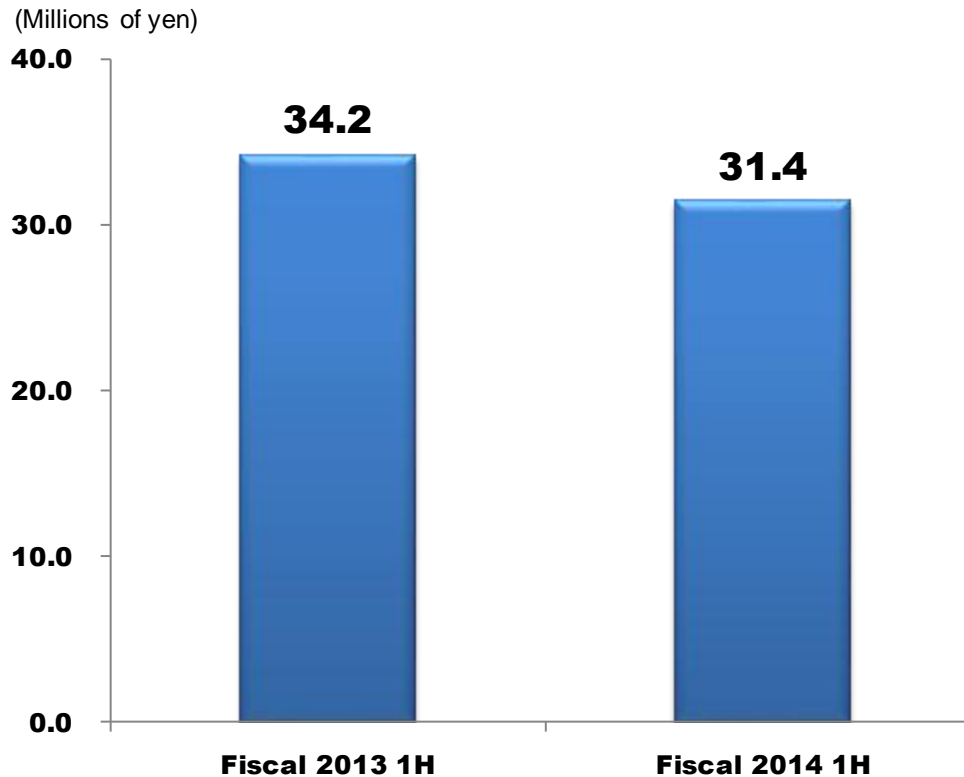
(Billions of yen)	As of Sep. 30, 2013	As of Sep. 30, 2014	Change
Contracted sales (units)	3,036 units	2,761 units	(275) units
Value of contracted sales (Billions of yen)	106.8	103.0	(3.8)
Completed units in inventory	130 units	165 units	35 units
Completed amount in inventory (Billions of yen)	3.8	5.0	1.1

Note: In accordance with changes in accounting policies effective beginning with the first quarter of the current fiscal year, figures indicated for the first half of the fiscal year ended March 31, 2014 have been retroactively adjusted.

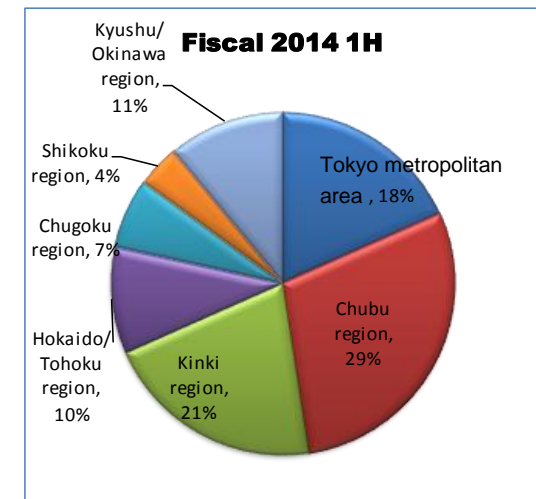
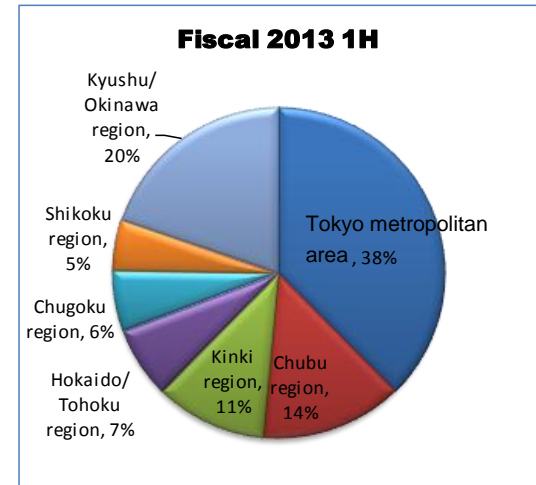
Real Estate Development and Sales

The full-year forecast for unit sales prices is on par with the previous year although unit prices in the first half decreased due to a lower ratio of sales in the Tokyo metropolitan area.

Unit Sales Price

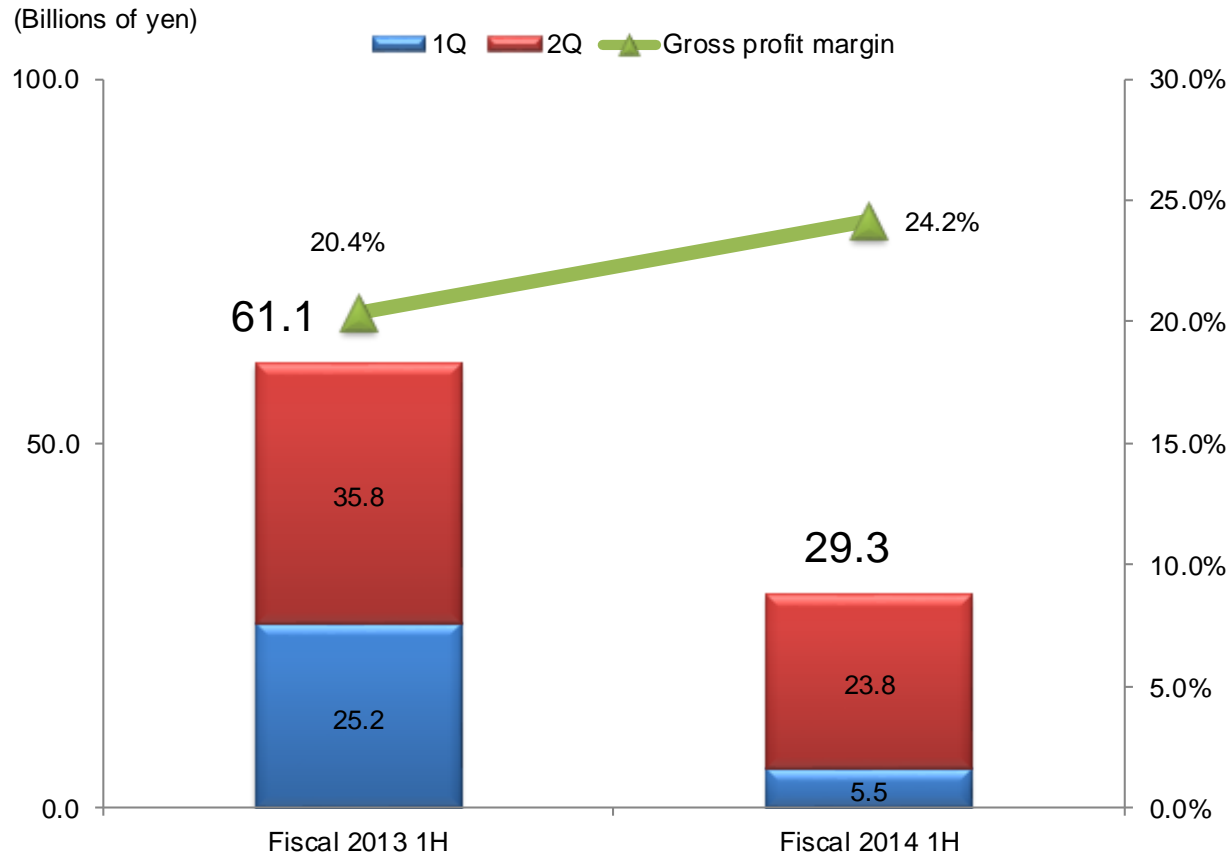


Ratio of sales by region
(Based on number of units delivered)



Real Estate Development and Sales

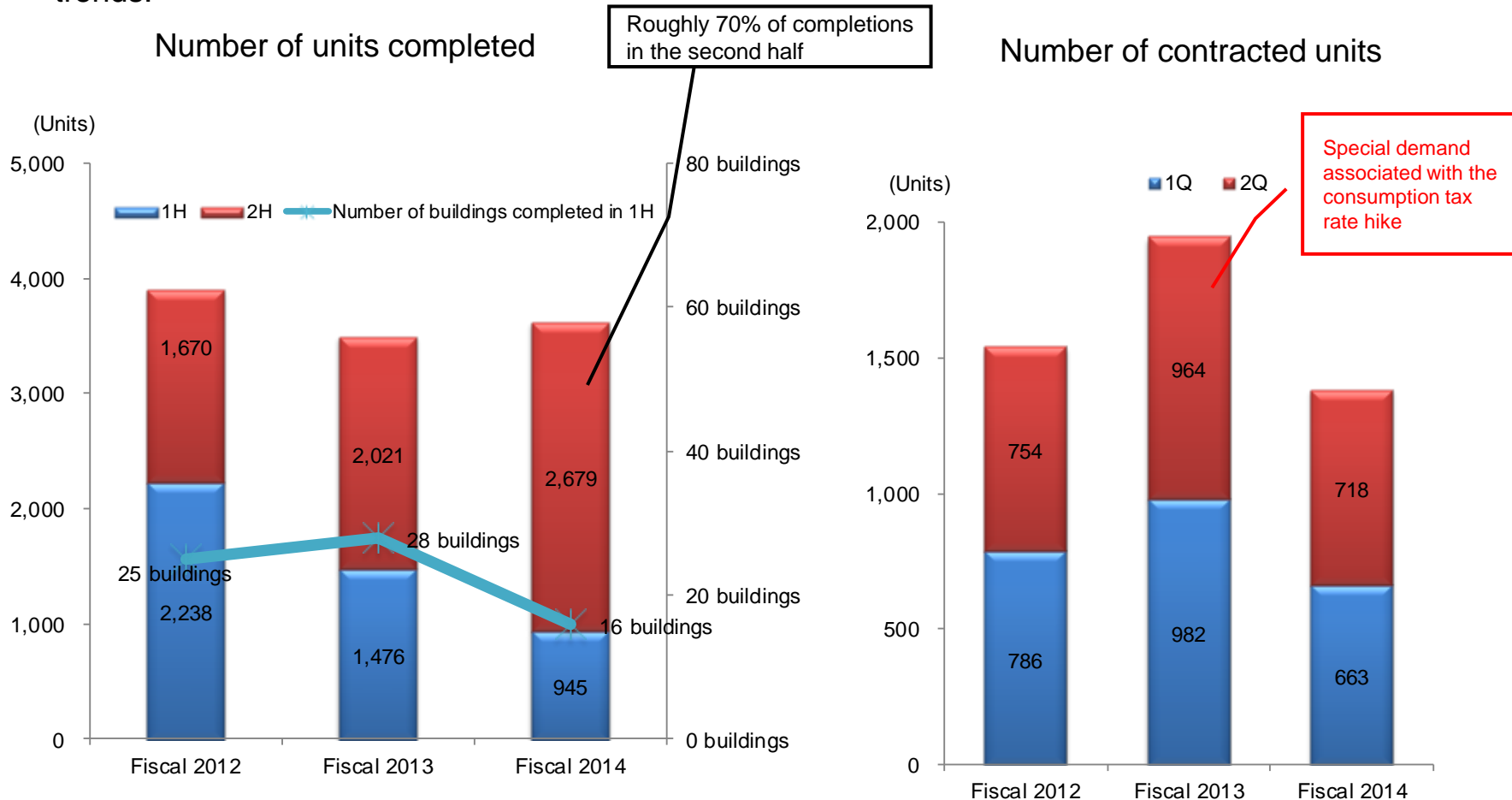
Gross profit margin for condominium sales greatly exceeded the level achieved in the same period of the previous fiscal year.



Note: In accordance with changes in accounting policies effective beginning with the first quarter of the current fiscal year, figures indicated for the first half of the fiscal year ended March 31, 2014 have been retroactively adjusted.

Real Estate Development and Sales

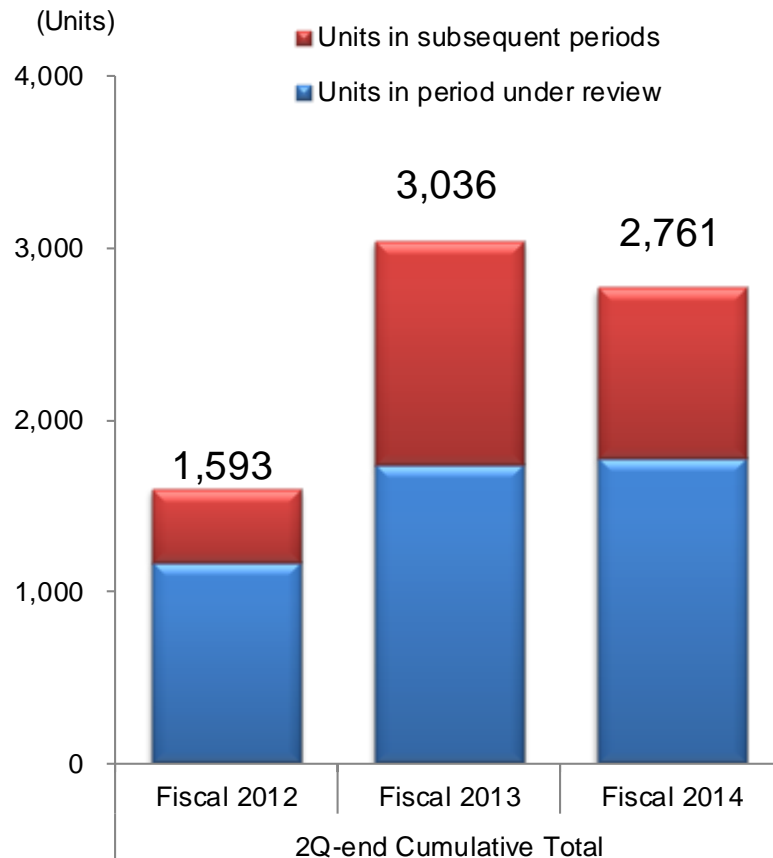
There was a decrease in the number of contracted units, in part given that numbers of scheduled completions of condominium units in recent years have been lower in the first half, and also as a result of sales activities that placed top priority on securing profits while focusing on customer trends.



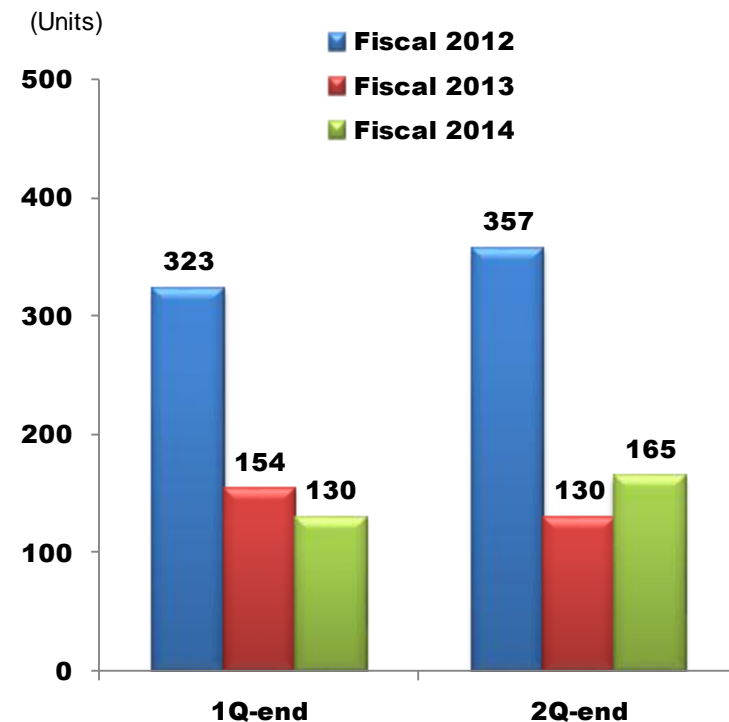
Real Estate Development and Sales

Secured a constant level of contracted sales, while also maintaining a low level of completed units in inventory.

Contracted sales (units)



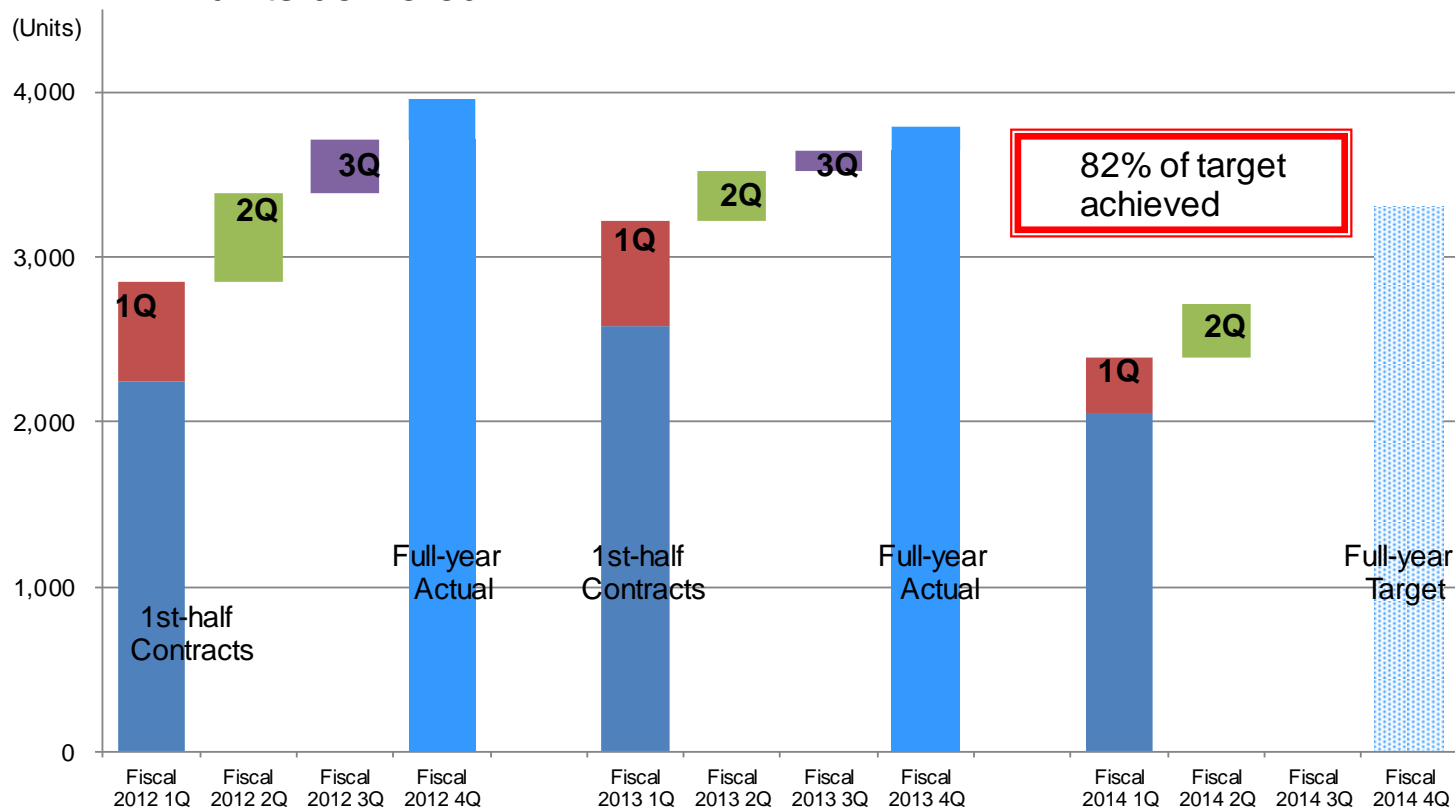
Completed units in inventory



Real Estate Development and Sales

Attained 82% of the full-year target, thereby progressing largely as expected.

Quarterly actuals and full-year forecast for number of condominium units delivered



Plans for New Condominium Construction Business

1. Acquisition of land

- Ensure that purchases will satisfy targeted profit margin.
- Thoroughly evaluate past purchases, roadside land prices, the supply and demand balance, and other factors, and eliminate price competition.
- Carry out flexible business expansion including regional areas other than Japan's three major metropolitan areas.

2. Sales, etc.

- Make profitability a top priority.
- Build a sales strategy to secure sufficient earnings.
- Take the right steps to generate stable revenues and earnings in light of business climate projections and other factors.

3. Construction

- Take steps to avert assumed risks, such as construction delays, added costs and other risks.
- Deploy measures to swiftly address risks in keeping with our Customer First commitment.
- Reinforce collaborative efforts of Daikyo and Anabuki to procure premium-quality properties at reasonable prices, while slashing costs.

Segment Information: Real Estate Management



(Billions of yen)	1H of Fiscal 2013	1H of Fiscal 2014	Change
Net sales	74.3	74.2	(0.0)
Property management commissions	39.7	40.4	0.6
Condominium management	26.4	26.6	0.1
Building management	13.3	13.8	0.5
Contract work	29.8	29.5	(0.3)
Other	4.7	4.2	(0.4)
Operating income	4.7	3.1	(1.6)

Number of condominium units under management			
	As of Sep. 30, 2013	As of Sep. 30, 2014	Change
Number of condominium units under management	513,794 units	520,340 units	6,546 units

Number of buildings under management			
	As of Sep. 30, 2013	As of Sep. 30, 2014	Change
Number of buildings under management	5,843 units	5,903 units	60 units

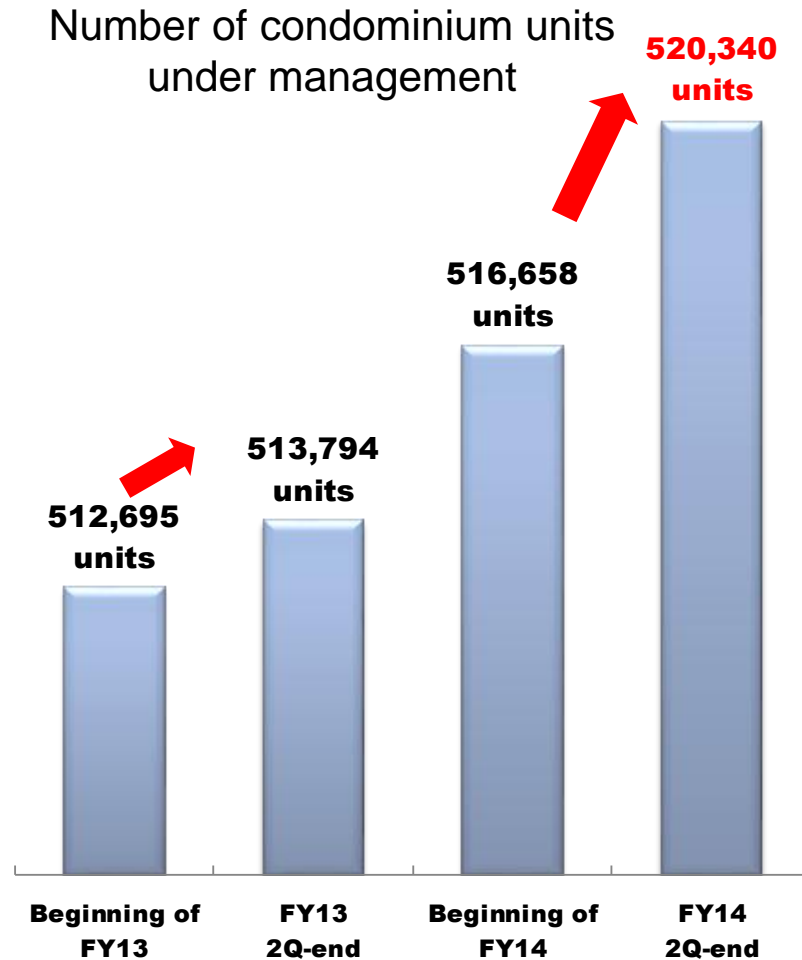
Volume of contract work orders			
(Billions of yen)	As of Sep. 30, 2013	As of Sep. 30, 2014	Change
Volume of contract work orders	37.1	23.9	(13.1)

Note: In accordance with changes in accounting policies effective beginning with the first quarter of the current fiscal year, operating income for the first half of the fiscal year ended March 31, 2014 has been retroactively adjusted.

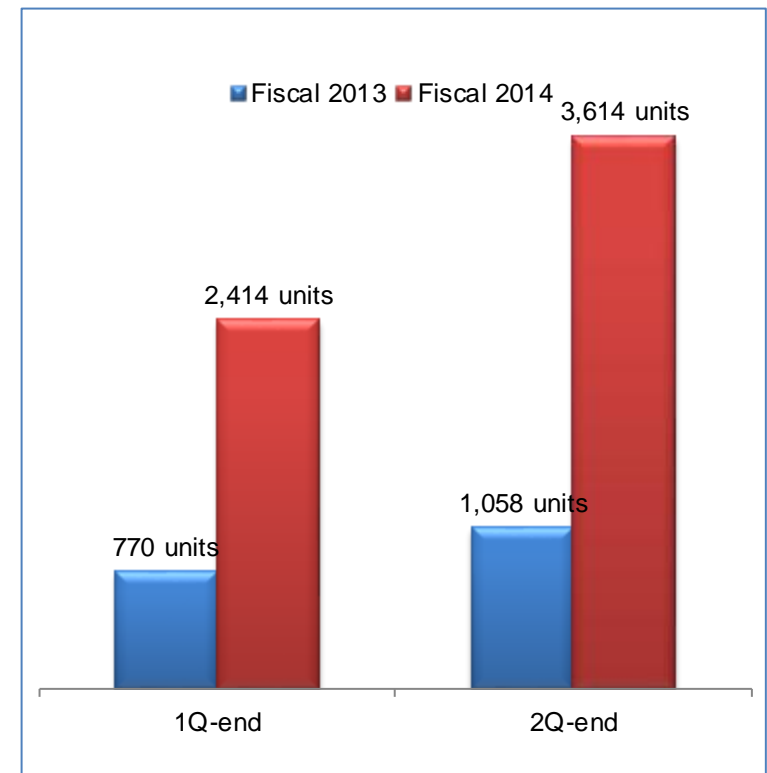
Real Estate Management

Properties under management: Condominiums

The number of condominium units under management exceeded 520,000 units for the first time ever.



Increases due to switch-over initiatives



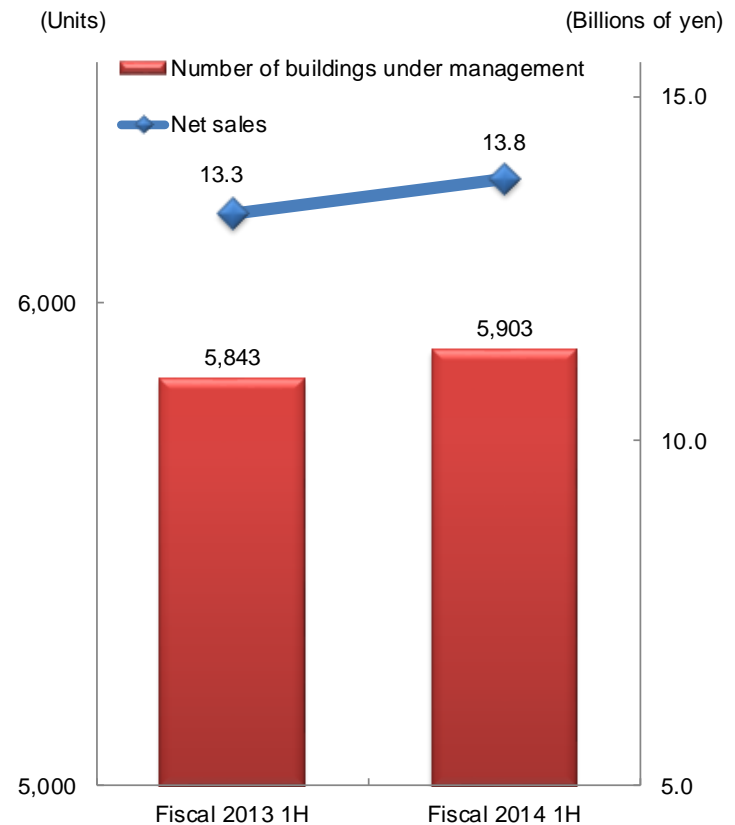
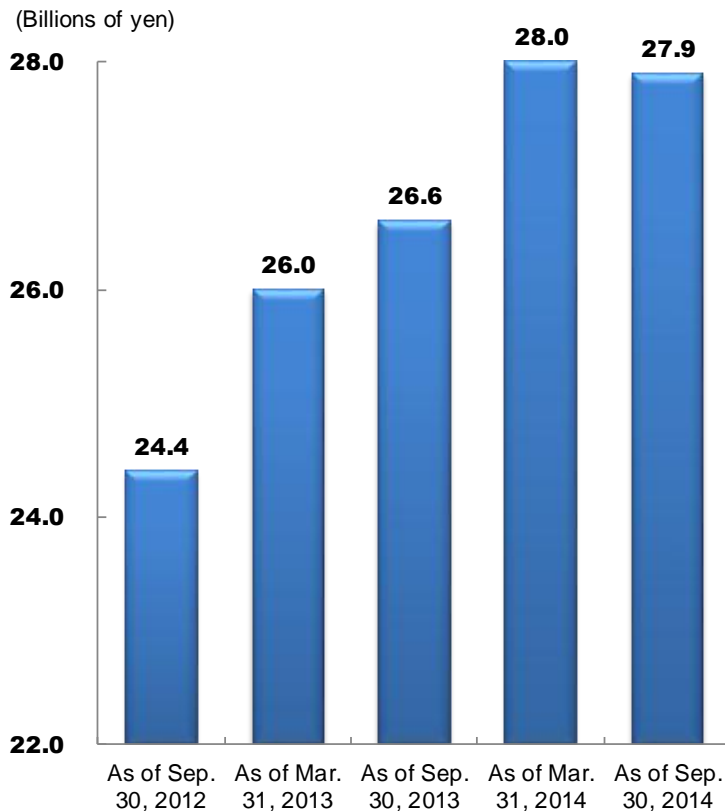
Real Estate Management

Properties under management: Buildings

Firm results for number of buildings under management and net sales, despite sluggish results from annual contracted sales.

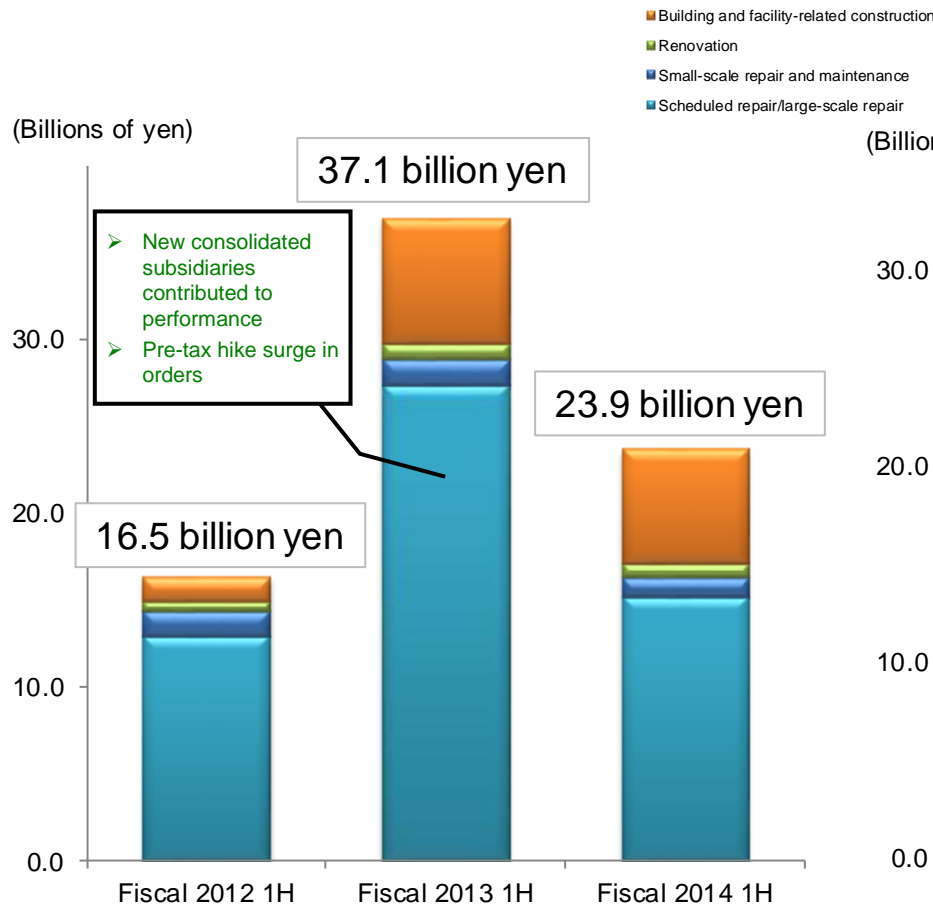
Change in annual contracted sales

Number of buildings under management, net sales

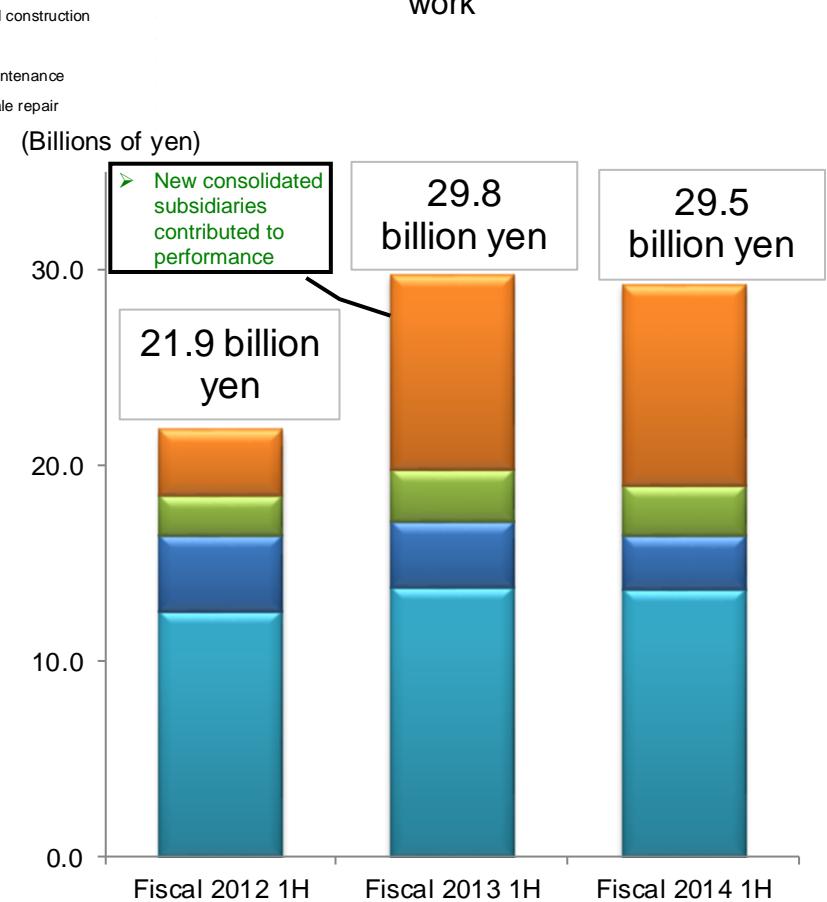


Contract work: The increase in the consumption tax rate had an impact on the results.

Volume of contract work orders



Revenue from contracted construction work



Segment Information: Real Estate Brokerage



(Billions of yen)	1H of Fiscal 2013	1H of Fiscal 2014	Change
Net sales	16.3	17.6	1.2
Real estate brokerage (Trading and brokerage)	3.8	3.4	(0.3)
Existing real estate sales	7.2	8.9	1.6
Lease management	4.6	4.7	0.0
Other	0.5	0.5	(0.0)
Operating income	1.1	0.6	(0.4)

Real estate trading and brokerage

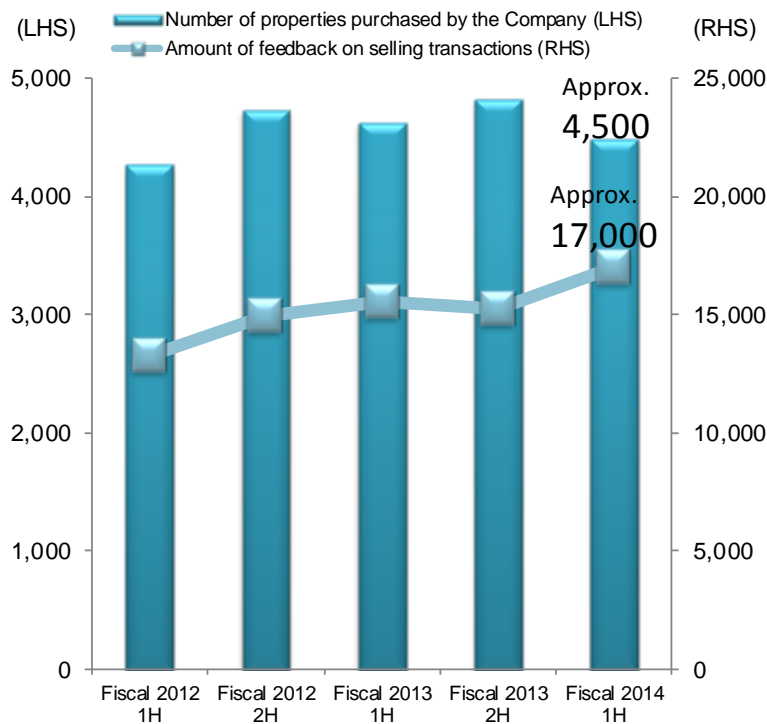
	As of Sep. 30, 2013	As of Sep. 30, 2014	Change
Number of brokerage transactions	3,328	3,196	(132)
Value of brokerage transactions (Billions of yen)	78.2	86.8	8.6

Real estate sales

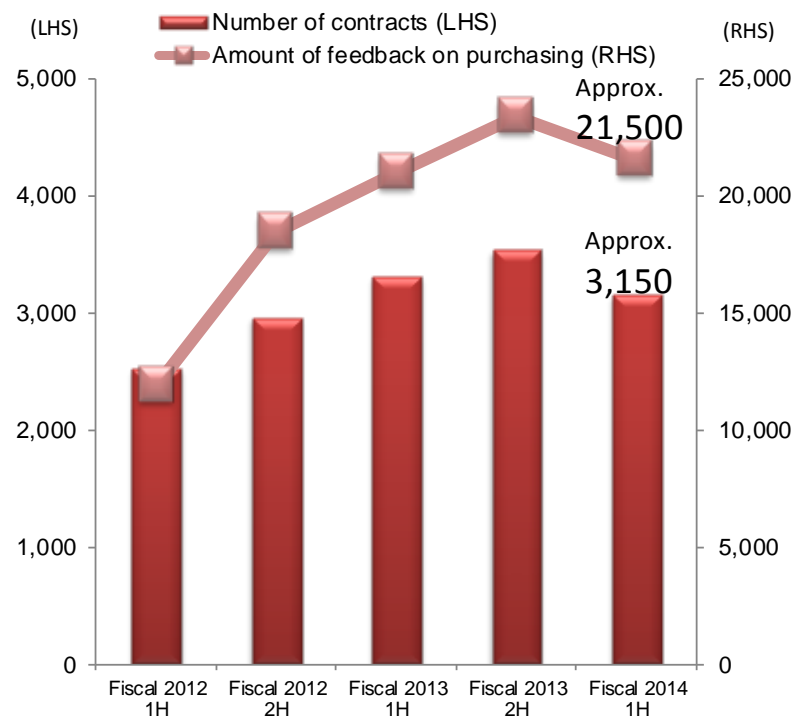
	As of Sep. 30, 2013	As of Sep. 30, 2014	Change
Number of existing condominium units delivered	356 units	417 units	61 units

Trading and brokerage: Constant sales and purchase levels attained.

Amount of feedback on selling transactions and properties purchased



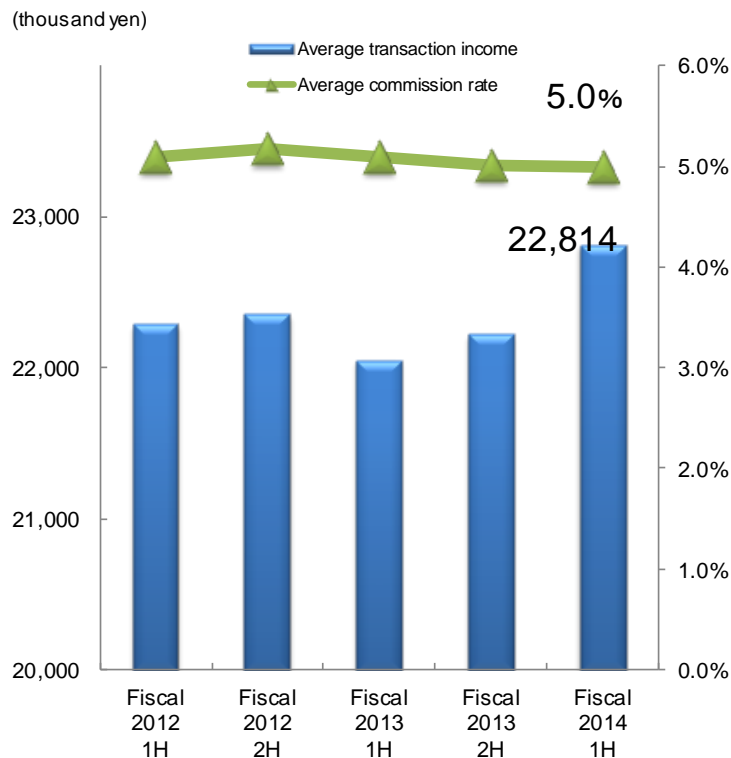
Amount of feedback on purchasing transactions and contracts



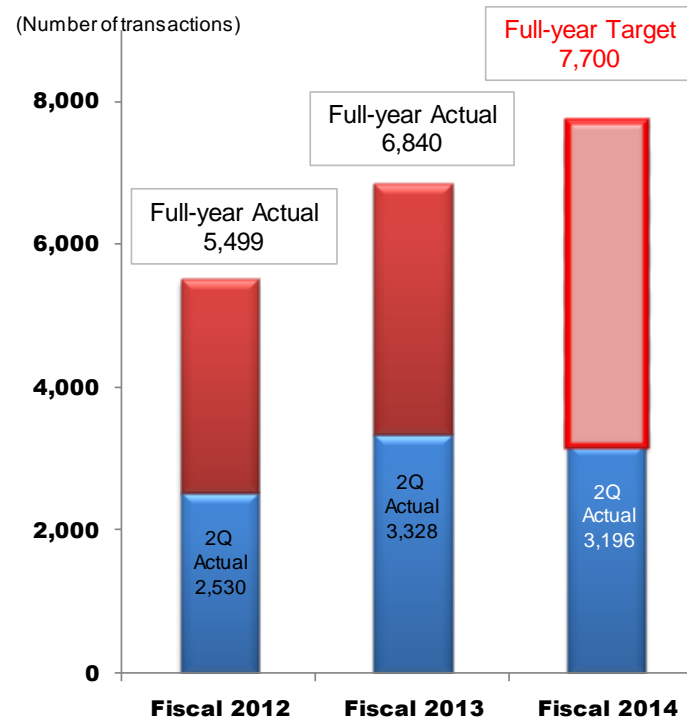
Real Estate Brokerage

Trading and brokerage: Compared with the same period in the previous fiscal year when the market was strong, the number of brokerage transactions decreased slightly.

Average transaction income and average commission rate



Number of brokerage transactions

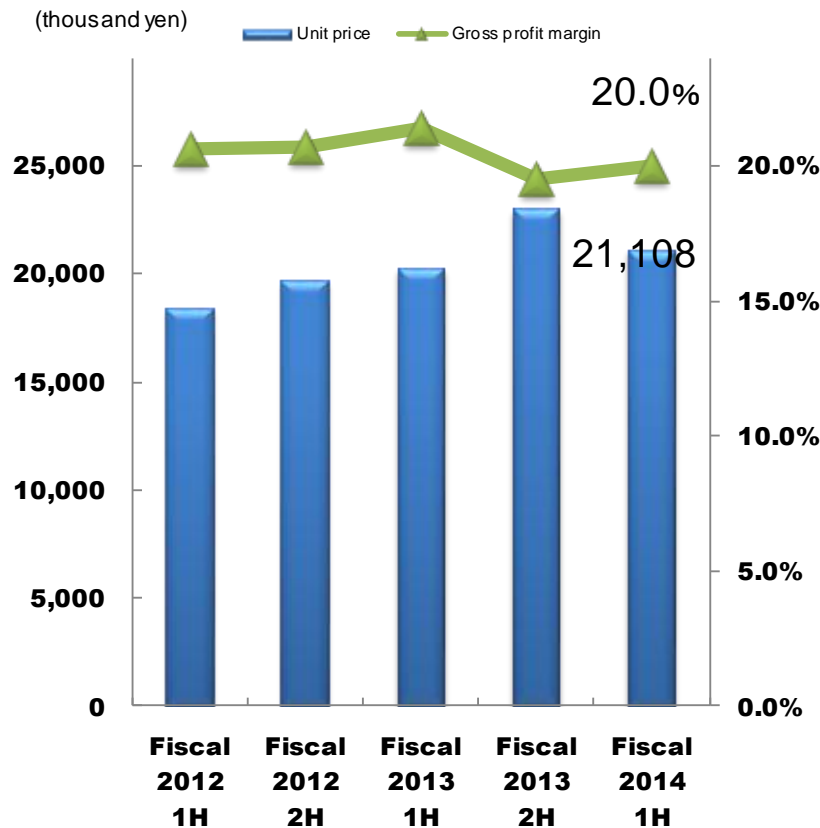


Note: The above refers to condominium transactions only.

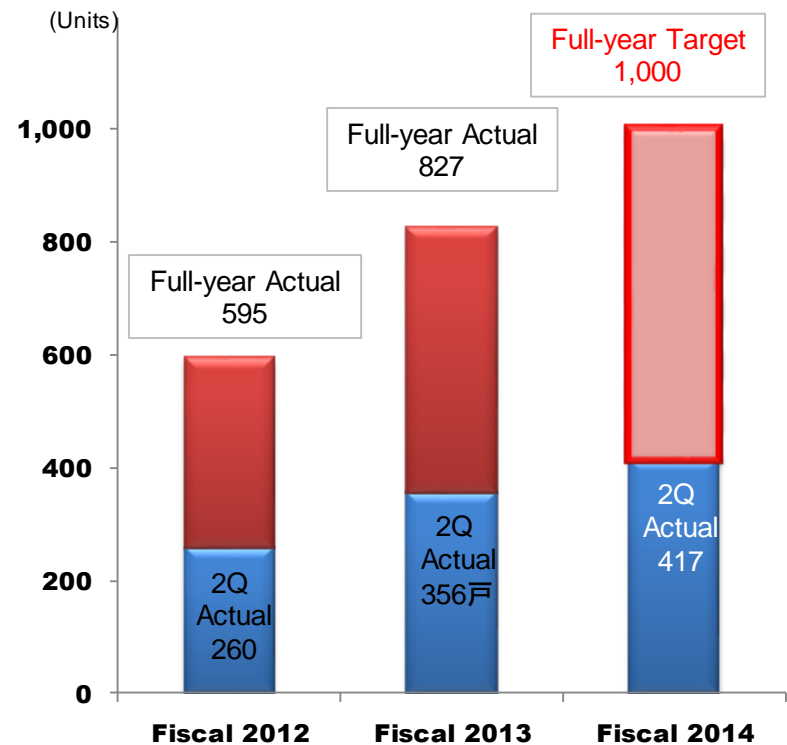
Real Estate Brokerage

Existing real estate sales:
Strong unit sales of Existing condominiums.

Unit price of existing condominiums
and gross profit margin



Number of existing
condominium units sold



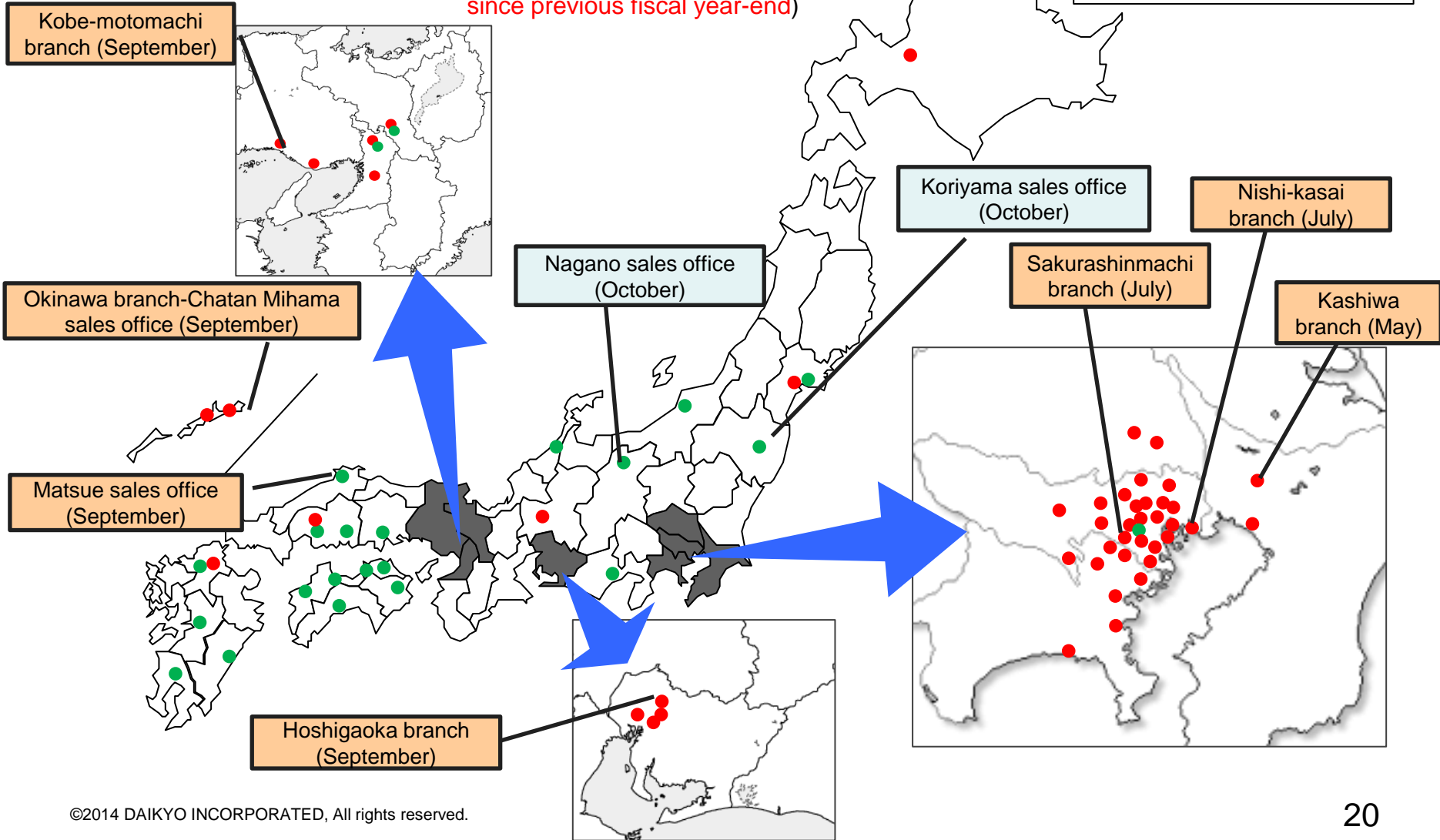
Real Estate Brokerage

Status of store openings

As of October 2014

70 stores (8 additional stores since previous fiscal year-end)

- DAIKYO REALDO
- Anabuki Real Estate Center



Performance Outlook for Fiscal 2014

(Billions of yen)	1H of Fiscal 2014 Result	Fiscal 2014 Forecast
Net sales	126.3	330.0
Operating income	0.9	19.0
Ordinary income	0.4	17.8
Net income	1.3	13.5

(Billions of yen)		1H of Fiscal 2014 Result	Fiscal 2014 Forecast
Real estate development and sales	Net sales	35.8	129.0
	Operating income	(1.2)	10.2
Real estate management	Net sales	74.2	164.0
	Operating income	3.1	9.2
Real estate brokerage	Net sales	17.6	40.5
	Operating income	0.6	2.7
Eliminations or corporate assets/expenses	Net sales	(1.4)	(3.5)
	Operating income	(1.6)	(3.1)
Total	Net sales	126.3	330.0
	Operating income	0.9	19.0

