

FACT SHEETS

For the Three Months Ended June 30, 2014
(Unaudited)

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DAIKYO INCORPORATED

August 6, 2014

Consolidated Financial Results for the Three Months Ended June 30, 2014

Consolidated Statements of Operations

	Apr-Jun 2012	Apr-Jun 2013	Year-on-year	Forecast Apr 2014-Mar 2015	(Millions of yen)
Net sales	68,812	48,252	Δ 20,560	330,000	
Operating income	1,283	Δ 2,926	Δ 4,210	19,000	
Ordinary income	1,079	Δ 3,164	Δ 4,243	17,800	
Net income	8,899	Δ 2,167	Δ 11,066	13,500	

Retroactive treatment has been applied to the figures displayed for the three months ended June 30, 2014

Consolidated Financial Results Summary

During the three months ended June 30, 2014, net sales declined ¥20.5 billion, year on year, to ¥48.2 billion owing in part to plans for fewer scheduled unit completions in condominium sales compared to the same period of the previous fiscal year. Meanwhile, the Company posted an operating loss of ¥2.9 billion compared with operating income of ¥1.2 billion in the first three months of the previous fiscal year, an ordinary loss of ¥3.1 billion compared with ordinary income of ¥1.0 billion in the same period of the previous fiscal year, and a net loss of ¥2.1 billion compared with net income of ¥8.8 billion in the same period of the previous fiscal year, due to factors including the posting of negative goodwill in that period.

Additionally, the Company has initiated changes to accounting policies effective beginning with the first quarter of the current fiscal year. As such, those changes have been retrospectively applied to figures in this report for the first quarter of the previous fiscal year.

Results by Segment

Real Estate Development and Sales

Net sales	Three Months Ended	Three Months Ended	Year-on-year	Operating income	Three Months Ended	Three Months Ended	Year-on-year	(Millions of yen)
	Jun 30, 2013	Jun 30, 2014			Jun 30, 2013	Jun 30, 2014		
	28,513	7,633	Δ 20,880		Δ 38	Δ 3,023	Δ 2,985	

Condominium sales declined ¥19.7 billion year on year to ¥5.5 billion, reflecting a decrease to 200 units sold, or 501 fewer units than in the same period of the previous fiscal year, due to plans for fewer properties completed and handed over than in the same period of the previous fiscal year. As a result, net sales in the real estate development and sales segment declined by ¥20.8 billion year on year to ¥7.6 billion, accompanied by an operating loss of ¥3.0 billion, compared with an operating loss of ¥38 million in the same period of the previous fiscal year.

The number and amount of contracted sales at the end of the first quarter of the current fiscal year were 2,780 units and ¥101.5 billion, respectively, marking respective decreases of 379 units and ¥5.5 billion compared with the end of the same period of the previous fiscal year.

Real Estate Management

Net sales	Three Months Ended	Three Months Ended	Year-on-year	Operating income	Three Months Ended	Three Months Ended	Year-on-year	(Millions of yen)
	Jun 30, 2013	Jun 30, 2014			Jun 30, 2013	Jun 30, 2014		
	33,521	32,948	Δ 572		1,599	870	Δ 728	

In the real estate management segment, despite strong results with respect to management income, which increased ¥3.0 billion year on year to ¥20.0 billion, contract work income decreased by ¥8.7 billion to ¥10.9 billion, partly reflecting a drop in demand after the last-minute surge ahead of the consumption tax hike. As a result, net sales were ¥32.9 billion, down ¥5.7 billion year on year, and operating income was ¥8.7 billion, down ¥7.2 billion year on year.

The number of condominium units managed increased 6,160 units to 518,737 units and the volume of contract work orders received at the end of the first quarter was ¥26.4 billion, an increase of ¥1.1 billion compared with the end of the same period of the previous fiscal year.

Real Estate Brokerage

Net sales	Three Months Ended	Three Months Ended	Year-on-year	Operating income	Three Months Ended	Three Months Ended	Year-on-year	(Millions of yen)
	Jun 30, 2013	Jun 30, 2014			Jun 30, 2013	Jun 30, 2014		
	7,882	8,353	471		550	127	Δ 423	

Despite a year-on-year decline in real estate brokerage income of ¥2.9 billion to ¥1.6 billion, total net sales in the real estate brokerage segment increased ¥4.7 billion year on year to ¥8.3 billion owing to a year-on-year increase in existing real estate sales of ¥8.3 billion to ¥4.0 billion. However, operating income decreased ¥4.2 billion to ¥1.2 billion partly as a result of building up the

Consolidated Statements of Operations

(Millions of yen)

	3 Months	Apr-Jun 2010	Apr-Jun 2011	Apr-Jun 2012	Apr-Jun 2013	Apr-Jun 2014	Year-on-year	Forecast
								Apr 2014- Mar 2015
Net sales		51,626	47,031	65,684	68,812	48,252	Δ 20,560	330,000
Gross profit		7,481	8,309	11,321	9,500	4,448	Δ 5,052	
Selling, general and administrative expenses [SG&A]		6,052	5,413	6,479	8,216	7,374	Δ 841	
Operating income		1,428	2,896	4,841	1,283	Δ 2,926	Δ 4,210	19,000
Operating margin		2.8%	6.2%	7.4%	1.9%	Δ6.1%	Δ 8.0pp	5.8%
Other income		196	157	148	296	131	Δ 165	
Interest income		9	9	15	7	9	1	
Dividend income		20	13	14	11	11	0	
Other expenses		794	816	621	500	369	Δ 131	
Interest expense		650	622	428	239	185	Δ 54	
Ordinary income		829	2,237	4,368	1,079	Δ 3,164	Δ 4,243	17,800
Ordinary income to net sales ratio		1.6%	4.8%	6.7%	1.6%	Δ6.6%	Δ 8.2pp	5.4%
Extraordinary income		140	-	-	11,389	39	Δ 11,349	
Extraordinary loss		241	9	47	2,190	32	Δ 2,157	
Income before income taxes and minority		728	2,228	4,321	10,278	Δ 3,157	Δ 13,435	
Income taxes - current		217	240	436	503	156	Δ 347	
Income taxes - deferred		460	Δ 1,748	740	874	Δ 1,147	Δ 2,021	
Income before minority interests		50	3,736	3,144	8,899	Δ 2,166	Δ 11,066	
Minority interests		-	-	0	0	0	Δ 0	
Net income		50	3,736	3,143	8,899	Δ 2,167	Δ 11,066	13,500

Retroactive treatment has been applied to the figures displayed for the three months ended June 30, 2014

Consolidated Financial Position

(Millions of yen)

	As of Jun 30	2010	2011	2012	2013	2014	Mar 31, 2014	Change from Mar 2014
Current assets		284,470	268,208	250,489	240,898	224,371	246,755	Δ 22,383
Cash and deposits		52,580	73,446	98,586	88,961	79,786	96,622	Δ 16,836
Inventories		208,388	169,491	124,509	122,810	112,433	101,421	11,012
Real estate for sale		26,442	17,974	18,825	14,237	14,662	15,018	Δ 356
Real estate for sale in progress		119,121	130,952	83,992	87,344	87,521	78,611	8,909
Real estate for development projects		62,824	20,564	21,691	21,227	10,249	7,790	2,458
Others		23,502	25,270	27,394	29,127	32,151	48,711	Δ 16,559
Fixed assets		33,337	32,944	35,747	51,468	50,413	51,057	Δ 644
Property and equipment		12,278	12,256	12,151	18,266	17,920	17,966	Δ 46
Others		21,059	20,688	23,595	33,201	32,492	33,091	Δ 598
Total assets		317,808	301,153	286,237	292,367	274,785	297,812	Δ 23,027
Liabilities		230,885	201,566	167,398	158,246	133,723	152,826	Δ 19,103
Notes and accounts payable		32,869	27,796	37,005	25,864	21,524	30,103	Δ 8,579
Interest-bearing debt		161,856	133,868	91,273	72,486	61,135	63,646	Δ 2,510
Others		36,159	39,901	39,119	59,895	51,062	59,076	Δ 8,013
Net assets		86,923	99,586	118,838	134,120	141,062	144,986	Δ 3,924
Shareholders' equity		86,886	99,488	118,754	133,906	141,683	145,785	Δ 4,102
Valuation and translation adjustments		36	97	61	189	Δ 648	Δ 826	177
Minority interests		-	-	22	25	28	27	0
Total liabilities and net assets		317,808	301,153	286,237	292,367	274,785	297,812	Δ 23,027

Retroactive treatment has been applied to the figures displayed for the three months ended June 30, 2014 and the year ended March 31, 2014

Shareholders' equity ratio*	27.4%	33.1%	41.5%	45.9%	51.3%	48.7%	2.6pp
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* Shareholders' equity ratio = (net assets - share subscription rights - minority interests)/ total assets

Interest-bearing Debt

(Millions of yen)

	As of Jun 30	2010	2011	2012	2013	2014	Mar 31, 2014	Change from Mar 2014
Short-term borrowings		39,445	42,737	25,112	17,831	23,630	20,166	3,463
Commercial paper		-	4,000	4,500	-	-	-	-
Bonds due within one year		17,500	13,000	10,000	-	-	-	-
Bonds		13,000	10,000	-	7,000	7,000	7,000	-
Long-term borrowings		91,857	64,012	51,557	47,557	30,450	36,417	Δ 5,967
Other interest-bearing debt		53	119	103	96	55	62	Δ 6
Total interest-bearing debt		161,856	133,868	91,273	72,486	61,135	63,646	Δ 2,510

Debt to equity ratio	1.86	1.34	0.768	0.54	0.43	0.44	Δ 0.01
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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
3 Months		Apr-Jun 2010	Apr-Jun 2011	Apr-Jun 2012	Apr-Jun 2013	Apr-Jun 2014	Year-on-year	Apr 2014- Mar 2015
Real Estate Development and Sales	Net sales	22,579	18,668	33,520	28,513	7,633	Δ 20,880	129,000
	Operating income	Δ 189	1,984	3,829	Δ 38	Δ 3,076	Δ 3,037	10,200
Real Estate Management	Net sales	24,317	24,162	27,594	33,521	32,948	Δ 572	164,000
	Operating income	1,800	1,476	1,563	1,599	870	Δ 728	9,200
Real Estate Brokerage	Net sales	4,321	4,003	4,817	7,882	8,353	471	40,500
	Operating income	199	Δ 91	Δ 31	550	127	Δ 423	2,700
Other	Net sales	791	693	/	/	/	/	/
	Operating income	41	65	/	/	/	/	/
Eliminations or Corporate	Net sales	Δ 382	Δ 496	Δ 248	Δ 1,104	Δ 682	421	Δ 3,500
	Operating income	Δ 423	Δ 538	Δ 519	Δ 827	Δ 848	Δ 20	Δ 3,100
Total	Net sales	51,626	47,031	65,684	68,812	48,252	Δ 20,560	330,000
	Operating income	1,428	2,896	4,841	1,283	Δ 2,926	Δ 4,210	19,000

Retroactive treatment has been applied to the figures displayed for the three months ended June 30, 2014

Real Estate Development and Sales

Results of Condominium Development and Sales Business

		(Millions of yen)					
3 Months		Apr-Jun 2010	Apr-Jun 2011	Apr-Jun 2012	Apr-Jun 2013	Apr-Jun 2014	Year-on-year
Condominium units delivered (units) (1)		627	512	798	701	200	Δ 501
Condominium sales (2)		21,540	18,126	32,846	25,265	5,545	Δ 19,720
Gross profit for condominium sales		3,264	4,588	7,786	5,226	1,185	Δ 4,041
Gross profit margin for condominium sales		15.2%	25.3%	23.7%	20.7%	21.4%	0.7pp

Number of sales agreements entered into (units) (3)	1,570	815	786	982	663	Δ 319
Amount of net sales of condominium units for which sales agreements are entered into in each period	57,300	30,764	31,374	32,962	25,055	Δ 7,906

As of Jun 30	2010	2011	2012	2013	2014	Change from Jun 2013	Mar 31, 2014	Change from Mar 2014
Number of contracted sales (units) (4)	2,753	3,106	2,266	3,159	2,780	Δ 379	2,317	463
Amount of contracted sales (5)	105,546	124,182	90,472	107,177	101,590	Δ 5,587	82,080	19,510
Completed condominium units in inventory (units) (6)	343	234	323	154	130	Δ 24	159	Δ 29
Book value of completed condominium units in inventory (7)	11,138	7,063	10,170	4,578	3,646	Δ 932	4,571	Δ 925

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)

3 Months	Apr-Jun 2010	Apr-Jun 2011	Apr-Jun 2012	Apr-Jun 2013	Apr-Jun 2014	Year-on-year
Condominium management	15,519	10,042	10,975	13,193	13,235	41
Building management		5,826	6,227	6,567	6,834	267
Contract work	8,118	7,473	9,072	11,814	10,942	△ 872
Other	679	820	1,319	1,945	1,935	△ 9
Total	24,317	24,162	27,594	33,521	32,948	△ 572

Number of Condominium Units Managed

As of Jun 30	2010	2011	2012	2013	2014	Change from Jun 2013	Mar 31, 2014	Change from Mar 2014
Number of condominium units managed (units)	394,404	399,528	437,467	512,577	518,737	6,160	516,658	2,079
Number of condominium associations	7,161	7,228	7,956	9,222	9,323	101	9,305	18

Sales of Contract Work

(Millions of yen)

3 Months	Apr-Jun 2010	Apr-Jun 2011	Apr-Jun 2012	Apr-Jun 2013	Apr-Jun 2014	Year-on-year
Contract work	8,118	7,473	9,072	11,814	10,942	△ 872
Condominium-related	5,500	5,326	6,476	5,795	6,315	520
Building-related	1,843	1,556	1,494	4,710	3,365	△ 1,345
Remodeling and Others	775	590	1,101	1,308	1,261	△ 47

Volume of Contract Work Orders

(Millions of yen)

As of Jun 30	2010	2011	2012	2013	2014	Change from Jun 2013	Mar 31, 2014	Change from Mar 2014
Volume of contract Work orders	11,628	15,785	18,134	25,271	26,417	1,146	23,666	2,751
Condominium-related	10,138	14,573	16,474	18,725	17,928	△ 796	16,395	1,533
Building-related	1,096	718	1,054	5,730	7,725	1,994	6,590	1,135
Remodeling and Others	394	494	605	814	763	△ 51	680	82

Real Estate Brokerage

Breakdown of Net Sales

(Millions of yen)

3 Months	Apr-Jun 2010	Apr-Jun 2011	Apr-Jun 2012	Apr-Jun 2013	Apr-Jun 2014	Year-on-year
Real estate brokerage	1,931	1,591	1,567	1,909	1,615	△ 293
Existing real estate sales	1,104	1,125	2,053	3,265	4,098	832
Lease management	1,151	1,170	1,081	2,368	2,360	△ 8
Other	133	115	115	338	279	△ 59
Total	4,321	4,003	4,817	7,882	8,353	471

Amount of Brokerage Transactions

(Millions of yen)

3 Months	Apr-Jun 2009	Apr-Jun 2010	Apr-Jun 2011	Apr-Jun 2012	Apr-Jun 2013	Year-on-year
Number of brokerage transactions	1,432	1,386	1,264	1,703	1,665	△ 38
Condominium	1,357	1,347	1,194	1,590	1,540	△ 50
Total amount of transactions	57,064	35,773	29,309	41,003	38,290	△ 2,712
Condominiums	29,242	28,861	26,837	35,521	34,588	△ 933
Commission rate	3.4%	4.4%	5.0%	4.9%	5.0%	0.1pp
Condominium	4.9%	5.3%	5.1%	5.1%	5.0%	△ 0.1pp

Results of Existing real estate sales (Condominium)

(Millions of yen)

3 Months	Apr-Jun 2010	Apr-Jun 2011	Apr-Jun 2012	Apr-Jun 2013	Apr-Jun 2014	Year-on-year
Condominium units delivered (units) (1)	72	56	117	165	192	27
Condominium sales (2)	1,104	984	2,053	3,229	4,088	859
Gross profit for condominium sales	233	220	405	735	784	49
Gross profit margin for condominium sales	21.1%	22.4%	19.8%	22.8%	19.2%	△ 3.6pp

Number of sales agreements entered into (units) (3)	75	55	125	155	211	56
Amount of net sales of condominium units for which sales agreements are entered into in each period	1,219	970	2,267	3,013	4,500	1,487

Number of Leasing Management Units

As of Jun 30	2010	2011	2012	2013	2014	Change from Jun 2013	Mar 31, 2014	Change from Mar 2014
Number of Leasing Management Units	26,466	26,768	25,953	36,460	36,703	243	36,668	35

Number of Brokerage Offices

As of Jun 30	2010	2011	2012	2013	2014	Change from Jun 2013	Mar 31, 2014	Change from Mar 2014
Number of brokerage offices	40	40	39	61	63	2	62	1

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.

FACT SHEETS

For the Year Ended March 31, 2014
(Unaudited)

(Millions of yen)

Consolidated Statements of Operations

Year ended Mar 31	2010	2011	2012	2013	2014	Year-on-year	Forecast 2015
Net sales	318,356	295,374	298,696	302,610	333,813	31,202	330,000
Gross profit	36,527	39,415	46,711	48,635	48,605	△ 29	
Selling, general and administrative expenses [SG&A]	27,428	25,817	24,642	26,533	30,476	3,942	
Operating income	9,098	13,597	22,069	22,101	18,128	△ 3,972	19,000
Operating margin	2.9%	4.6%	7.4%	7.3%	5.4%	△ 1.9pp	5.8%
Other income	1,064	864	503	701	696	△ 5	
Interest income	54	37	55	171	97	△ 73	
Dividend income	26	43	17	21	20	△ 0	
Other expenses	3,803	3,683	3,332	2,532	1,959	△ 573	
Interest expense	2,610	2,694	2,494	1,444	912	△ 532	
Ordinary income	6,359	10,779	19,240	20,270	16,865	△ 3,405	17,800
Ordinary income to net sales ratio	2.0%	3.6%	6.4%	6.7%	5.1%	△ 1.6pp	5.4%
Extraordinary income	248	229	2,178	605	11,694	11,089	
Extraordinary loss	1,389	360	140	765	2,597	1,832	
Income before income taxes and minority interest	5,218	10,647	21,278	20,111	25,963	5,852	
Income taxes - current	1,081	1,135	1,470	2,562	7,424	4,862	
Income taxes - deferred	△ 2,170	△ 240	△ 1,979	2,011	△ 3,294	△ 5,305	
Income before minority interests	-	9,752	21,787	15,537	21,832	6,295	
Minority interests	-	-	-	2	2	0	
Net income	6,307	9,752	21,787	15,535	21,829	6,294	13,500

Retroactive treatment has been applied to the figures displayed for the year ended March 31, 2012.

Consolidated Financial Position

(Millions of yen)

As of Mar 31	2010	2011	2012	2013	2014	Change from 2013
Current assets	296,276	285,958	257,895	236,152	251,770	15,617
Cash and deposits	65,259	92,548	97,679	116,033	96,622	△ 19,411
Inventories	207,533	168,616	130,412	94,559	105,283	10,723
Real estate for sale	36,835	27,752	20,843	20,836	15,289	△ 5,547
Real estate for sale in progress	107,414	108,700	89,656	57,021	82,138	25,116
Real estate for development projects	63,284	32,163	19,912	16,701	7,855	△ 8,845
Others	23,483	24,793	29,803	25,559	49,865	24,306
Fixed assets	34,179	33,126	32,366	39,289	51,049	11,760
Property and equipment	12,355	12,041	12,151	15,878	17,966	2,088
Others	21,824	21,084	20,214	23,411	33,083	9,671
Total assets	330,456	319,085	290,261	275,442	302,820	27,378
Liabilities	243,089	222,362	172,632	144,127	152,826	8,698
Notes and accounts payable	46,097	38,845	40,599	33,949	30,103	△ 3,845
Interest-bearing debt	160,760	140,304	91,032	69,164	63,646	△ 5,517
Others	36,231	43,211	41,000	41,014	59,076	18,062
Net assets	87,367	96,723	117,629	131,314	149,994	18,679
Shareholders' equity	87,201	96,586	117,540	131,142	150,793	19,651
Valuation and translation adjustments	165	136	88	147	△ 826	△ 974
Share subscription rights	-	-	-	-	-	-
Minority interests	-	-	-	24	27	2
Total liabilities and net assets	330,456	319,085	290,261	275,442	302,820	27,378

Shareholders' equity ratio*	26.4%	30.3%	40.5%	47.7%	49.5%	1.8pp
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* Shareholders' equity ratio = (net assets - share subscription rights - minority interests) / total assets

Interest-bearing Debt

(Millions of yen)

As of Mar 31	2010	2011	2012	2013	2014	Change from 2013
Short-term borrowings	40,949	40,411	24,121	19,903	20,166	262
Commercial paper	-	4,000	500	-	-	-
Bonds due within one year	17,500	13,000	10,000	-	-	-
Bonds	13,000	10,000	-	7,000	7,000	-
Long-term borrowings	89,253	72,786	56,298	42,180	36,417	△ 5,763
Other interest-bearing debt	57	107	112	79	62	△ 16
Total interest-bearing debt	160,760	140,304	91,032	69,164	63,646	△ 5,517
Debt to equity ratio	1.84	1.45	0.774	0.53	0.42	△ 0.11

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

Assets, Capital Expenditures, Depreciation

(Millions of yen)

Year ended Mar 31	2010	2011	2012	2013	2014	Year-on-year
Assets	330,456	319,085	290,261	275,442	302,820	27,378
Capital expenditures	407	1,102	1,275	5,641	2,020	△ 3,621
Depreciation	557	554	640	851	1,595	744

Consolidated Statements of Cash Flows

(Millions of yen)

Year ended Mar 31	2010	2011	2012	2013	2014	Year-on-year
Net cash provided by (used in) operating activities	1,913	48,416	56,666	46,523	20,220	△ 26,303
Net cash provided by (used in) investing activities	△ 540	△ 152	1,608	△ 6,586	△ 25,560	△ 18,973
Net cash provided by (used in) financing activities	△ 3,708	△ 20,971	△ 50,150	△ 24,905	△ 14,069	10,835
Effect of exchange rate changes on cash and cash equivalents	2	△ 2	△ 3	19	59	40
Cash and cash equivalents at end of year	65,245	92,534	100,654	115,706	96,413	△ 19,292

Financial Data

(Millions of yen)

Year ended Mar 31	2010	2011	2012	2013	2014
EBITDA	10,478	14,979	23,537	23,874	20,787
Net income per share (yen)	16.52	20.18	47.43	33.25	45.50
Fully diluted net income per share (yen)	8.21	11.45	25.59	18.24	25.64
Ordinary income to net sales ratio	2.0%	3.6%	6.4%	6.7%	5.1%
ROE	8.4%	10.6%	20.3%	12.5%	15.5%
ROA	2.6%	4.2%	7.2%	7.8%	6.3%
Shareholders' equity ratio	26.4%	30.3%	40.5%	47.7%	0.495%
Net assets per share (yen)	116.67	136.78	184.10	214.99	173.65
ICR (times)	0.7	18.0	23.8	32.9	21.8

* 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

Results by Segment

DAIKYO INCORPORATED

May 13, 2014

Year ended Mar 31		(Millions of yen)						Forecast
		2010	2011	2012	2013	2014	Year-on-year	2015
Real Estate Development and Sales	Net sales	194,832	168,360	165,362	158,899	142,765	Δ 16,133	129,000
	Operating income	285	6,616	16,073	14,923	9,182	Δ 5,740	10,200
Real Estate Management	Net sales	100,846	103,746	111,430	122,620	158,257	35,636	164,000
	Operating income	9,397	7,868	8,209	8,317	9,690	1,372	9,200
Real Estate Brokerage	Net sales	19,851	20,218	20,588	23,183	36,632	13,449	40,500
	Operating income	601	208	Δ 448	1,223	2,388	1,164	2,700
Other	Net sales	5,319	5,408	3,009	/	/	/	/
	Operating income	506	480	329	/	/	/	/
Eliminations or Corporate	Net sales	Δ 2,493	Δ 2,359	Δ 1,693	Δ 2,092	Δ 3,841	Δ 1,749	Δ 3,500
	Operating income	Δ 1,692	Δ 1,576	Δ 2,094	Δ 2,362	Δ 3,132	Δ 769	Δ 3,100
Total	Net sales	318,356	295,374	298,696	302,610	333,813	31,202	330,000
	Operating income	9,098	13,597	22,069	22,101	18,128	Δ 3,972	19,000

Retroactive treatment has been applied to the figures displayed for the year ended March 31, 2012.

Real Estate Development and Sales

Results of Condominium Development and Sales Business

(Millions of yen)

	2010	2011	2012	2013	2014	Year-on-year
Condominium units delivered (units) (1)	5,186	4,462	4,153	3,961	3,790	Δ 171
Condominium sales (2)	187,956	162,162	158,011	152,749	132,103	Δ 20,646
Gross profit for condominium sales	19,038	22,603	28,698	28,678	24,339	Δ 4,338
Gross profit margin for condominium sales	10.1%	13.9%	18.2%	18.8%	18.4%	Δ 0.4pp

Number of sales agreements entered into (units) (3)	5,041	5,455	3,628	3,295	3,229	Δ 66
Amount of net sales of condominium units for which sales agreements are entered into in each period	180,045	203,920	138,412	125,895	114,702	Δ 11,192

As of Mar 31	2010	2011	2012	2013	2014	Change from 2013
Number of contracted sales (units) (4)	1,810	2,803	2,278	1,612	2,317	705
Amount of contracted sales (5)	69,786	111,544	91,944	65,090	82,080	16,990
Completed condominium units in inventory (units) (6)	505	357	258	253	159	Δ 94
Book value of completed condominium units in inventory (7)	15,612	10,486	8,110	7,675	4,821	Δ 2,853

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)

Year ended Mar 31	2010	2011	2012	2013	2014	Year-on-year
Condominium management	60,104	62,388	40,124	44,285	52,925	8,640
Building management			23,786	25,757	27,199	1,441
Contract work	36,037	36,920	42,759	46,923	67,972	21,048
Other	4,704	4,437	4,759	5,654	10,160	4,505
Total	100,846	103,746	111,430	122,620	158,257	35,636

Number of Condominium Units Managed

As of Mar 31	2010	2011	2012	2013	2014	Change from 2013
Number of condominium units managed (units)	393,449	400,845	408,184	443,471	516,658	73,187

Volume of Contract Work Orders

(Millions of yen)

	2010	2011	2012	2013	2014	Change from 2013
Volume of contract work orders	10,063	12,478	14,961	15,753	23,666	7,912

Real Estate Brokerage

Breakdown of Net Sales

(Millions of yen)

Year ended Mar 31	2010	2011	2012	2013	2014	Year-on-year
Real estate brokerage	7,381	7,494	6,218	6,599	7,987	1,388
Existing real estate sales	6,839	7,511	9,332	11,779	18,086	6,306
Existing condominium sales	6,346	7,123	6,000	11,355	18,010	6,655
Lease management	5,129	4,731	4,581	4,336	9,447	5,110
Other	500	480	454	467	1,111	643
Total	19,851	20,218	20,588	23,183	36,632	13,449

Amount of Brokerage Transactions

(Millions of yen)

Year ended Mar 31	2010	2011	2012	2013	2014	Year-on-year
Number of brokerage transactions	6,223	5,973	4,854	5,499	6,840	1,341
Total amount of transactions	157,686	203,255	182,438	187,673	163,900	△ 23,772

Reference Data

Reference Data

Overview of Preferred Stock (As of Mar 31, 2014)

	Class 1
Amount of issue	¥4.0 billion
Number of shares issued	10 million shares
Issued price	¥400
Shareholder	ORIX Corporation
Preferred dividends	
Cap price	¥40
Amount of preferred dividends	¥400 x (JY TIBOR + 1.75%)
Participating/cumulative	Non-participating/ non-cumulative
Right to receive residual assets upon liquidation	¥400
Voting rights	No voting right
Revival clause	When preferred dividends are not possible
Stock splits/ Reverse stock splits	No stock splits, no reverse stock splits
Conversion at holders' option	
Initial conversion price	¥444.0
Revision of conversion price	Downward revision
	At market price every year on Oct 1 from 2008 onwards
Adjustment of conversion price	Conversion price is adjusted in the specific situations
Floor price	¥351.6
Conversion period	18 years from Oct 1, 2007
Conversion at company's initiative	
Maturity date of conversion at company's initiative	Oct 1, 2025
Conversion price	Average of closing prices for 30 consecutive trading
Floor price	¥355.2
Ranking between each class	Pari passu

*For the 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, TIBOR or the figure used in lieu of this is calculated to the 4th decimal after whole percentages, and rounded to the 3rd decimal. 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	2012			2013		
	Company name	Units supplied	(%) Share	Company name	Units supplied	(%) Share
1	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	6,181	6.6	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	7,476	7.1
2	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	5,138	5.5	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	6,517	6.2
3	MITSUBISHI JISHO RESIDENCE CO., LTD.	4,975	5.3	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	5,879	5.6
4	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	4,209	4.5	MITSUBISHI JISHO RESIDENCE CO., LTD.	5,599	5.3
5	DAIWA HOUSE INDUSTRY CO., LTD.	3,176	3.4	DAIKYO INC.	2,913	2.8
6	DAIKYO INC.	3,130	3.3	DAIWA HOUSE INDUSTRY CO., LTD.	2,905	2.8
7	ANABUKI KOSAN INC.	2,103	2.2	PRESSANCE CORPORATION CO., LTD.	2,328	2.2
8	PRESSANCE CORPORATION CO., LTD.	2,066	2.2	TOKYU LAND CORPORATION.	2,211	2.1
9	KINTETSU REAL ESTATE CO., LTD	2,032	2.2	NIPPON STEEL KOWA REAL ESTATE CO.,LTD.	2,130	2.0
10	TOKYU LAND CORPORATION.	1,765	1.9	TAKARA LEBEN CO.,LTD.	1,705	1.6
	Subtotal	34,775	37.0	Subtotal	39,663	37.7
	Total	93,861	100.0	Total	105,282	100.0

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

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

Ranking	2012			2013		
	Company name	Units supplied	(%) Share	Company name	Units supplied	(%) Share
1	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	4,437	9.7	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	6,042	10.7
2	MITSUBISHI JISHO RESIDENCE CO., LTD.	4,206	9.2	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	5,097	9.0
3	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	4,128	9.1	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	4,607	8.2
4	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	3,091	6.8	MITSUBISHI JISHO RESIDENCE CO., LTD.	4,442	7.9
5	DAIKYO INC.	1,958	4.3	NIPPON STEEL KOWA REAL ESTATE CO.,LTD.	1,613	2.9
6	TOKYO TATEMONO CO., LTD.	1,544	3.4	DAIKYO INC.	1,590	2.8
7	TAKARA LEBEN CO.,LTD.	1,339	2.9	TOKYU LAND CORPORATION.	1,561	2.8
8	COSMOS INITIA CO., LTD.	922	2.0	TOKYO TATEMONO CO., LTD.	1,492	2.6
9	GOLDCREST CO., LTD.	913	2.0	SUMITOMO CORPORATION	1,181	2.1
10	TAISEI-YURAKU REAL ESTATE CO.,LTD.	863	1.9	TAISEI-YURAKU REAL ESTATE CO.,LTD.	1,175	2.1
	Subtotal	23,401	51.3	Subtotal	28,800	51.0
	Total	45,602	100.0	Total	56,478	100.0

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

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

Ranking	2012			2013		
	Company name	Units supplied	(%) Share	Company name	Units supplied	(%) Share
1	PRESSANCE CORPORATION CO., LTD.	1,486	6.4	PRESSANCE CORPORATION CO., LTD.	1,458	5.9
2	KINTETSU REAL ESTATE CO., LTD	1,357	5.8	NIHON ESLEAD CORPORATION	1,224	5.0
3	HANKYU REALTY CO.,LTD.	1,176	5.1	HANKYU REALTY CO.,LTD.	1,045	4.2
4	NIHON ESLEAD CORPORATION	1,096	4.7	KINTETSU REAL ESTATE CO., LTD	982	4.0
5	TOKYU LAND CORPORATION.	1,047	4.5	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	940	3.8
6	NOMURA REAL ESTATE DEVELOPMENT	1,012	4.3	WADAKOHSAN CO., LTD.	890	3.6
7	DAIWA HOUSE INDUSTRY CO., LTD.	833	3.6	NOMURA REAL ESTATE DEVELOPMENT CO.,	833	3.4
8	WADAKOHSAN CO., LTD.	830	3.6	NISSHO ESTEM Co.,Ltd.	812	3.3
9	ORIX REAL ESTATE CORPORATION.	754	3.2	SUMITOMO REALTY & DEVELOPMENT CO.,	787	3.2
10	KEIHAN DENTETSU REALESTATE CO., LTD.	751	3.2	MITSUBISHI JISHO RESIDENCE CO., LTD.	665	2.7
	Subtotal	10,342	44.5	Subtotal	9,636	39.0
	Total	23,266	100.0	Total	24,691	100.0

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

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

Ranking	2012			2013		
	Company name	Units supplied	(%) Share	Company name	Units supplied	(%) Share
1	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	422	7.8	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	449	7.4
2	DAIKYO INC.	283	5.2	DAIKYO INC.	370	6.1
3	HASEKO CORPORATION	255	4.7	YAHAGI JISYO CO., LTD.	353	5.8
4	YAHAGI JISYO CO., LTD.	205	3.8	KINTETSU REAL ESTATE CO., LTD	271	4.4
5	IWAKURA GOLDEN HOME.	179	3.3	SANKO REAL ESTATE CO., LTD	203	3.3
6	KINTETSU REAL ESTATE CO., LTD	162	3.0	<i>MARUMI FUDOSAN</i>	172	2.8
7	TOKYO NISSHO ESTEM	158	2.9	TOKYO NISSHO ESTEM	155	2.5
8	MARIMO CO., LTD.	148	2.7	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	139	2.3
9	MEITETSU REAL ESTATE DEVELOPMENT	136	2.5	SEKISUI HOUSE, LTD.	135	2.2
10	SEKISUI HOUSE, LTD.	132	2.4	MITSUBISHI JISHO RESIDENCE CO., LTD.	133	2.2
	Subtotal	2,080	38.2	Subtotal	2,380	39.0
	Total	5,439	100.0	Total	6,104	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, 2013		As of Mar 31, 2014	
	Company name	Condominium units under management	Company name	Condominium units under management
1	DAIKYO ASTAGE INC.	415,249	DAIKYO ASTAGE INC.	416,963
2	NIHON HOUSING CO., LTD.	387,607	NIHON HOUSING CO., LTD.	396,177
3	TOKYU COMMUNITY CORP.	298,227	TOKYU COMMUNITY CORP.	305,219
4	HASEKO COMMUNITY INC.	238,222	HASEKO COMMUNITY INC.	249,397
5	mitsui fudosan housing service co., ltd.	178,268	mitsui fudosan residential service co., ltd.	185,828
6	mitsubishi jisho community co., ltd.	171,809	mitsubishi jisho community co., ltd.	178,118
7	sumitomo fudosan tatemono service co., ltd.	166,333	"KABUSHIKIGAISYA GOJINSYA KEIKAKU KENNKYUJYO"	174,622
8	"KABUSHIKIGAISYA GOJINSYA KEIKAKU KENNKYUJYO"	165,634	sumitomo fudosan tatemono service co., ltd.	169,543
9	"NIHON SOGO JYUSEIKATSU KABUSHIKIGAISYA"	162,516	"NIHON SOGO JYUSEIKATSU KABUSHIKIGAISYA"	158,045
10	DAIWA LIFE NEXT CO.,LTD.	141,535	DAIWA LIFE NEXT CO.,LTD.	147,487

Group Ranking (units)

Ranking	As of Mar 31, 2013		As of Mar 31, 2014	
	Company name	Condominium units under management	Company name	Condominium units under management
1	DAIKYO GROUP	512,695	DAIKYO GROUP	516,658
2	TOKYU COMMUNITY GROUP	465,328	TOKYU COMMUNITY GROUP	478,506
3	NIHON HOUSING CO., LTD.	387,607	NIHON HOUSING GROUP	397,024
4	DAIWA HOUSE GROUP	295,002	DAIWA HOUSE GROUP	309,330
5	HASEKO COMMUNITY GROUP	290,161	HASEKO COMMUNITY GROUP	303,260
6	mitsui fudosan housing service group	228,549	mitsui fudosan residential service group	238,027
7	mitsubishi estate group	181,081	mitsubishi estate group	192,731
8	"GOJINSYA KEIKAKU KENNKYUJYO" GROUP	175,088	"GOJINSYA KEIKAKU KENNKYUJYO" GROUP	180,820
9	sumitomo fudosan tatemono service co., ltd.	166,333	sumitomo fudosan tatemono service co., ltd.	169,543
10	"NIHON SOGO JYUSEIKATSU KABUSHIKIGAISYA"	162,516	"NIHON SOGO JYUSEIKATSU KABUSHIKIGAISYA"	158,045

Breakdown of DAIKYO GROUP		Breakdown of DAIKYO GROUP	
DAIKYO ASTAGE INC.	415,249	DAIKYO ASTAGE INC.	416,963
ANABUKI COMMUNITY INC.	69,224	ANABUKI COMMUNITY INC.	70,872
GRAND AMENITY, LTD	28,222	GRAND AMENITY, LTD	28,823
DAIKYO GROUP total	512,695	DAIKYO GROUP total	516,658

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, 2014				
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.	74,657	42,550	1,401,741	273
sumitomo real estate sales co., ltd.	52,666	35,455	987,799	251
tokyu livable inc.	40,096	19,435	911,544	138
nomura real estate group	24,520	7,437	672,774	60
sumitomo mitsui trust realty co., ltd.	15,114	7,029	357,674	71
mitsubishi ufj real estate services co., ltd.	13,965	5,949	410,265	41
mitsubishi real estate services group	10,578	3,052	391,032	26
mizuho trust realty company ltd.	10,103	4,062	247,445	45
DAIKYO GROUP	7,987	6,840	163,900	62
taisei-yuraku real estate sales group	6,546	4,269	149,074	37

For the year ended Mar 31, 2013				
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.	66,172	39,384	1,268,242	267
sumitomo real estate sales co., ltd.	46,836	33,180	858,924	249
tokyu livable inc.	33,782	16,616	733,216	126
nomura real estate group	19,217	6,494	540,698	53
sumitomo mitsui trust realty co., ltd.	12,349	6,543	348,980	69
mitsubishi ufj real estate services co., ltd.	12,253	5,482	345,387	41
mizuho trust realty company ltd.	9,543	3,858	239,138	45
mitsubishi real estate services co., ltd.	7,680	1,646	307,640	11
DAIKYO GROUP	6,599	5,499	187,673	39
taisei-yuraku real estate sales group	5,373	3,794	124,646	37