

## Summary of Consolidated Financial Results For the Second Quarter Ended September 30, 2015

DAIKYO INCORPORATED (the “Company”) announces financial results for the second quarter ended September 30, 2015. For more details, please refer to Consolidated Financial Results for the Second Quarter Ended September 30, 2015 and Fact Sheets.

### ■ Consolidated Statements of Operations

	2014	2015	Change	(Millions of yen) Forecast 2016
Six months ended September 30				
Net sales	<b>126,369</b>	<b>169,500</b>	<b>43,131</b>	<b>335,000</b>
Operating income	<b>957</b>	<b>10,798</b>	<b>9,841</b>	<b>18,000</b>
Ordinary income	<b>417</b>	<b>10,414</b>	<b>9,997</b>	<b>17,000</b>
Profit attributable to owners of parent	<b>1,383</b>	<b>6,976</b>	<b>5,592</b>	<b>12,500</b>

### Consolidated Financial Results Summary

During the six months ended September 30, 2015, net sales increased ¥43,131 million, or 34.1% year on year, to ¥169,500 million, operating income increased ¥9,841 million to ¥10,798 million compared with ¥957 million in the same period of the previous fiscal year, and ordinary income increased ¥9,997 million to ¥10,414 million compared with ¥417 million in the same period of the previous fiscal year. Profit attributable to owners of parent increased ¥5,592 million, or 404.1% year on year, to ¥6,976 million.

These figures are partially attributable to increases in both revenues and income in the real estate development and sales segment due to factors such as greater numbers of properties completed in condominium sales, and are also attributable to increases in both revenues and income achieved by the real estate management and the real estate brokerage segments.

### ■ Results by Segment

#### Real Estate Development and Sales

	Net sales			Operating income			(Millions of yen)
Six months ended	2014	2015	Year-on-year	2014	2015	Year-on-year	
September 30	<b>35,821</b>	<b>69,844</b>	<b>34,023</b>	<b>Δ 1,239</b>	<b>6,327</b>	<b>7,567</b>	

#### Segment Summary

- In condominium sales, the number of contracted units decreased by 150 year on year to 1,229 units, while units sold increased by 637 to 1,572 units. Consequently, net sales increased ¥30,368 million year on year to ¥59,716 million.
- The gross profit margin for condominium sales was 23.3%, for a decrease of 0.9 percentage point year on year, but an increase of 1.9 percentage points in comparison with the three months ended June 30, 2015.
- As a result, net sales and operating income increased by ¥34,023 million and ¥7,567 million year on year, respectively. These results are attributable to a higher number of condominium units being made available for sale in the segment's condominium sales operations compared with the previous year, amid the segment's efforts to carry out sales activities that placed top priority on securing appropriate profits while paying close attention to market trends.
- The number of completed but unsold condominiums was 523 units as of the end of the second quarter (compared with 540 units as of the end of the previous fiscal year).
- Progress made in contracts has remained strong, with the figure as of the end of the second quarter of the current fiscal year amounting to 80% of the full-year condominium sales forecast.

## Real Estate Management

Six months ended September 30	Net sales			Operating income			(Millions of yen)
	2014	2015	Year-on-year	2014	2015	Year-on-year	
	<b>71,601</b>	<b>75,970</b>	<b>4,368</b>	<b>3,235</b>	<b>4,219</b>	<b>984</b>	

### Segment Summary

- Management income increased ¥1,313 million year on year, due to gains in numbers of condominium units managed and management contracts for buildings and other facilities.
- Despite a decrease in planned repair and maintenance work on condominiums, contract work income increased by ¥2,495 million year on year due to the segment's greater volume of small-scale contract jobs and more work related to buildings and facilities.
- As a result, net sales and operating income increased by ¥4,368 million and ¥984 million year on year, respectively.
- The number of condominium units managed was 528,530 units as of the end of the second quarter (compared with 526,131 units as of the end of the previous fiscal year).
- The amount of contract work orders received as of the end of the second quarter was ¥32,843 million.

## Real Estate Brokerage

Six months ended September 30	Net sales			Operating income			(Millions of yen)
	2014	2015	Year-on-year	2014	2015	Year-on-year	
	<b>20,336</b>	<b>26,251</b>	<b>5,914</b>	<b>568</b>	<b>1,835</b>	<b>1,266</b>	

### Segment Summary

- Real estate brokerage income increased ¥531 million year on year, amid a year-on-year increase of 67 in the number of brokerage transactions.
- Real estate sales increased ¥4,679 million year on year, mainly due to an increase of 154 units in numbers of renovated condominiums sold.
- As a result, net sales increased ¥5,914 million year on year, while operating income increased ¥1,266 million.
- There were 3,263 brokerage transactions during the second quarter, and sales of 571 renovated condominium units.
- The number of brokerage offices was 65 as of the end of the second quarter (against 70 offices as of the end of the previous fiscal year).

In accordance with changes to the management structure, Daikyo Reform-Design Incorporated has been shifted to the real estate brokerage segment beginning with the first quarter of the current fiscal year, from the previous real estate management segment. Accompanying this change, segment information for the second quarter of the current fiscal year has been prepared pursuant to the reporting segment classification subsequent to the changes.

## ■ Regarding consolidated performance forecast

There are no changes from the consolidated performance forecast announced in May 2015.