

Results Briefing for the Second Quarter (First Six Months) Ended September 30, 2015

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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)



(Billions of yen)	1H of Fiscal 2014	1H of Fiscal 2015	Change
	(A)	(B)	(B) – (A)
Net sales	126.3	169.5	43.1
Gross profit	15.7	25.8	10.1
(Gross profit margin)	12.5%	15.3%	2.8pp
Selling, general and administrative expenses	14.8	15.0	0.2
Operating income	0.9	10.7	9.8
(Operating income margin)	0.8%	6.4%	5.6pp
Other income	0.2	0.2	0.0
Other expenses	0.8	0.6	△ 0.1
Ordinary income	0.4	10.4	9.9
(Ordinary income margin)	0.3%	6.1%	5.8pp
Extraordinary income	0.0	0.0	△ 0.0
Extraordinary loss	0.1	0.0	△ 0.1
Income taxes—current	0.8	2.2	1.4
Income taxes—deferred	△ 1.9	1.1	3.0
Profit attributable to owners of parent	1.3	6.9	5.5

Operating results

Main factors behind increases in net sales and operating income

- Net sales increased, partially due to a year-on-year gain in the number of scheduled condominium unit completions in mainstay condominium sales.
- Operating income, ordinary income and net income all increased due to revenue gains combined with improved profitability this fiscal year in comparison with the prior fiscal year, when the company took steps that included optimizing personnel allocations and reinforcing the workforce with new employees.

Performance by Segment

(Billions of yen)		1H of Fiscal 2014	1H of Fiscal 2015	Change
Real estate development and sales	Net sales	35.8	69.8	34.0
	Operating income	△ 1.2	6.3	7.5
Real estate management	Net sales	71.6	75.9	4.3
	Operating income	3.2	4.2	0.9
Real estate brokerage	Net sales	20.3	26.2	5.9
	Operating income	0.5	1.8	1.2
Eliminations or corporate assets/expenses	Net sales	△ 1.3	△ 2.5	△ 1.1
	Operating income	△ 1.6	△ 1.5	0.0
Total	Net sales	126.3	169.5	43.1
	Operating income	0.9	10.7	9.8

Operating results

Real estate development and sales

- Condominium sales increased significantly in terms of both units sold and sales value due to a higher number of condominium unit completions compared with the same period of the previous fiscal year.

Real estate management

- Management income increased, while revenue from contract work also made gains, in part due to an upturn in sales for building and facility-related work.

Real estate brokerage

- The number of brokerage transactions handled and the number of existing condominium units delivered both increased.

* Figures presented for the first half of the fiscal year ended March 31, 2015 have been revised in accordance with the change in segment classifications.

Consolidated Balance Sheet (Summary)



(Billions of yen)	As of Mar. 31, 2015	As of Sep. 30, 2015	Change
Assets	324.6	282.9	△ 41.6
Current assets	275.3	233.5	△ 41.7
(Main breakdown)			
Cash and deposits	96.5	94.5	△ 1.9
Inventories	113.6	108.8	△ 4.8
Property and equipment	49.2	49.4	0.1
Liabilities	168.1	121.9	△ 46.1
Current liabilities	118.5	66.4	△ 52.1
Long-term liabilities	49.5	55.5	5.9
Interest-bearing debt	57.3	51.8	△ 5.5
Net assets	156.4	161.0	4.5
Shareholders' equity	156.0	160.3	4.3
Retained earnings	78.0	82.4	4.3
Total liabilities and net assets	324.6	282.9	△ 41.6

Operating results

Assets

- Cash and deposits decreased from the end of the previous fiscal year due to a decline in funds, partially resulting from decreases in deposits payable and accounts payable.
- Inventories decreased from the end of the previous fiscal year, partially as a result of a decline in real estate for sale in progress.

Liabilities

- Liabilities decreased from the end of the previous fiscal year, partially due to lower amounts for deposits payable, notes and accounts payable–trade, and interest-bearing debt.

Net assets

- Net assets increased from the end of the previous fiscal year as a result of having posted an increase in net income, and despite a decrease in retained earnings due to distributions of dividend of surplus.

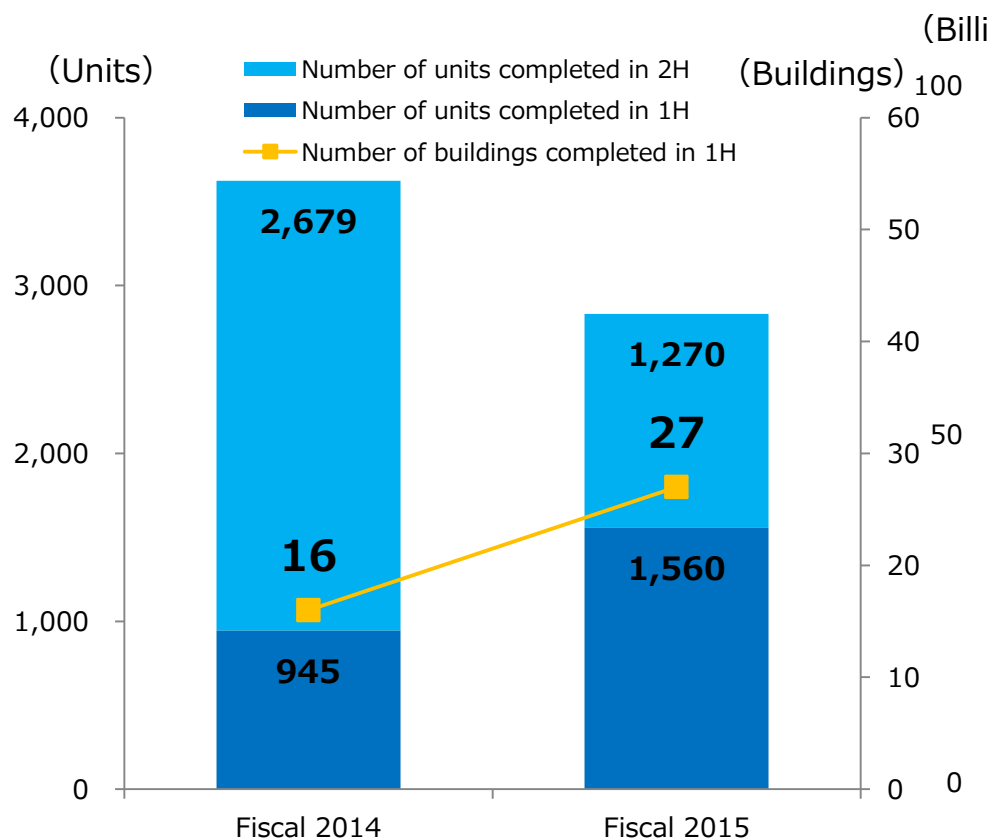
Segment Information: Real Estate Development and Sales

(Billions of yen)	1H of Fiscal 2014	1H of Fiscal 2015	Change
Net sales	35.8	69.8	34.0
Real estate sales	32.0	66.6	34.5
Condominiums	29.3	59.7	30.3
Other	3.7	3.2	△ 0.5
Operating income	△ 1.2	6.3	7.5
Condominium Business			
(Billions of yen)	1H of Fiscal 2014	1H of Fiscal 2015	Change
Condominium units delivered	935	1,572	637
Net sales	29.3	59.7	30.3
Gross profit for condominiums	7.0	13.9	6.8
(Gross profit margin)	24.2%	23.3%	△ 0.9pp
Number of sales agreements entered into (units)	1,379	1,229	△ 150
Net sales of condominium units for which sales agreements are entered into in each period	50.2	44.4	△ 5.7
(Billions of yen)	As of Sep. 30, 2014	As of Sep. 30, 2015	Change
Contracted sales (units)	2,761	1,682	△ 1,079
Value of contracted sales	103.0	60.8	△ 42.1
Completed units in inventory	165	523	358
Completed amount in inventory	5.0	14.9	9.9

Real Estate Development and Sales

- Condominium sales increased substantially and the gross profit margin on condominium sales remained at high levels

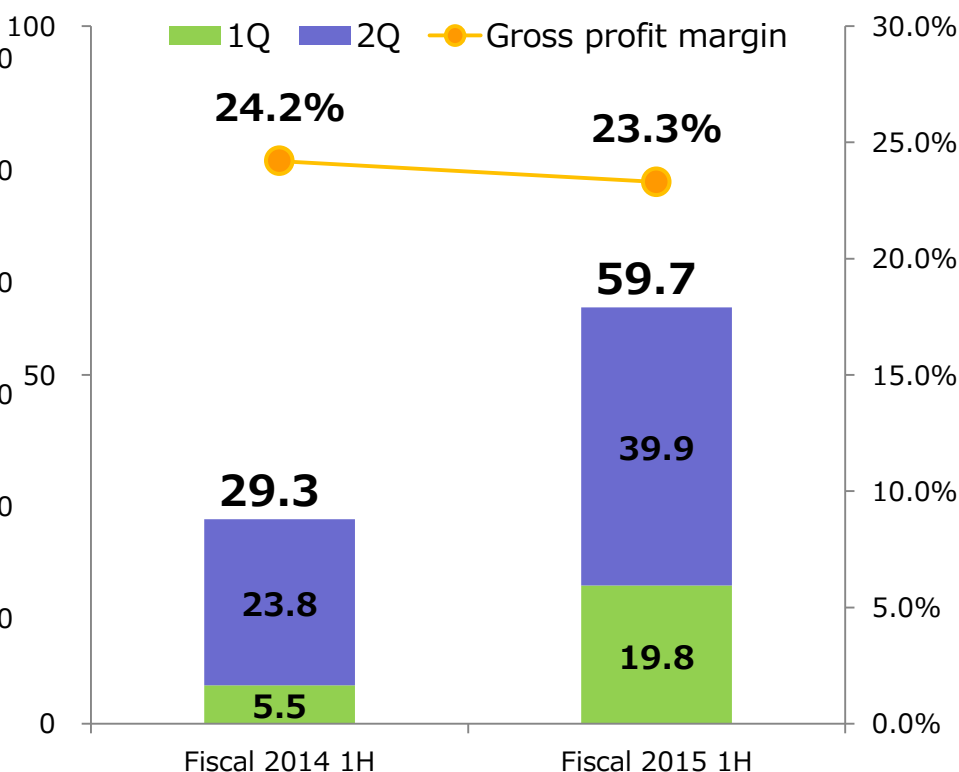
Numbers of units completed and numbers of buildings completed*



* Number of scheduled completions in the second half of fiscal 2015

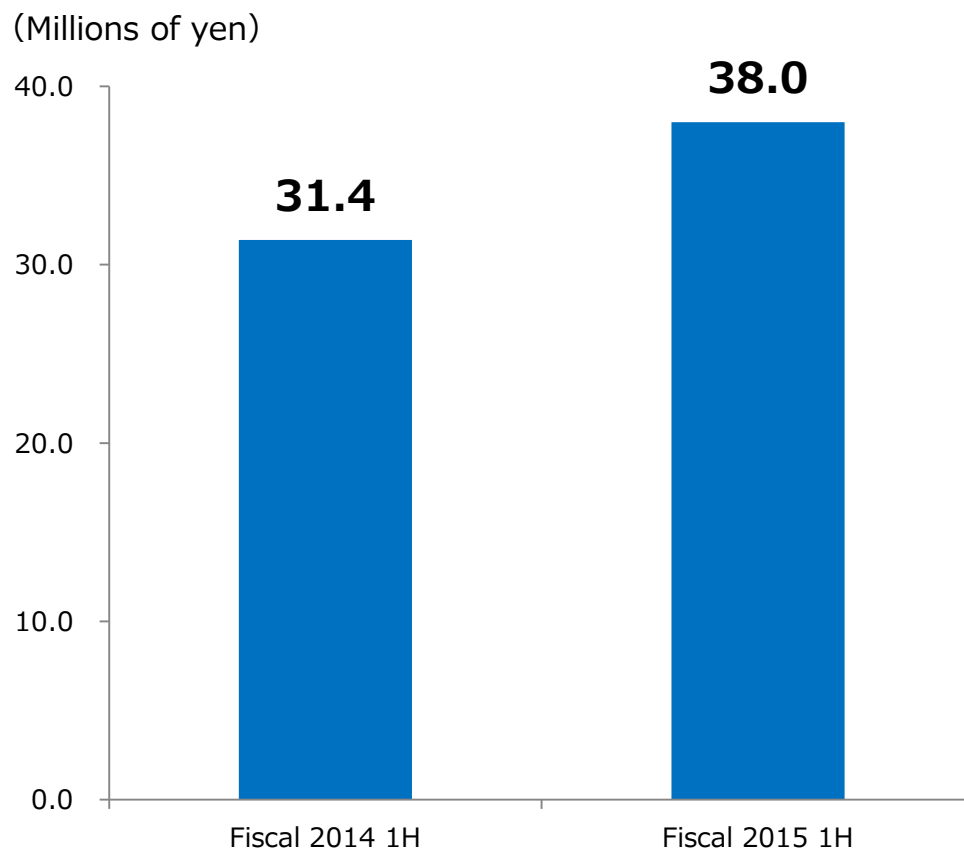
Condominium sales and gross profit margin

(Billions of yen)



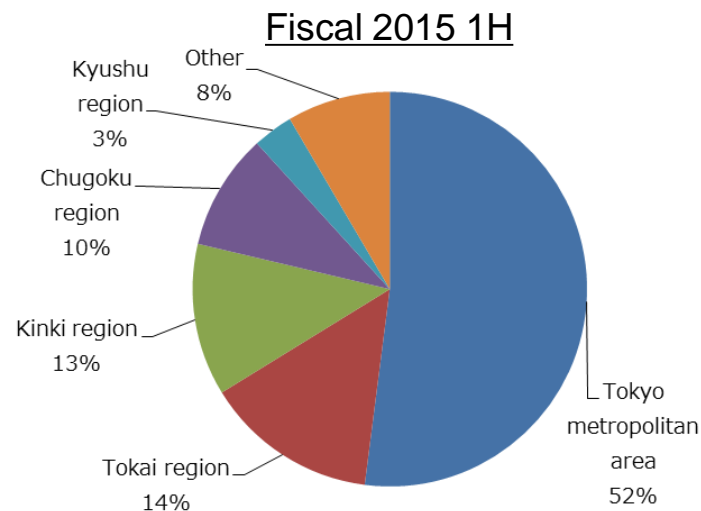
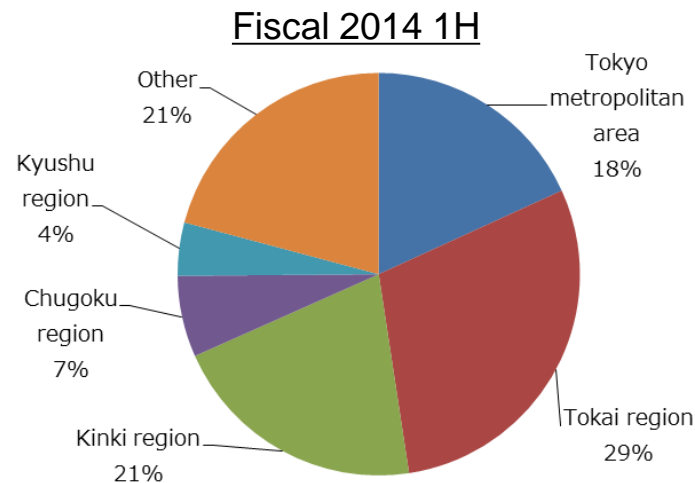
- Condominium unit sales prices increased in line with a higher ratio of sales made in the Tokyo metropolitan area.

Unit Sales Price



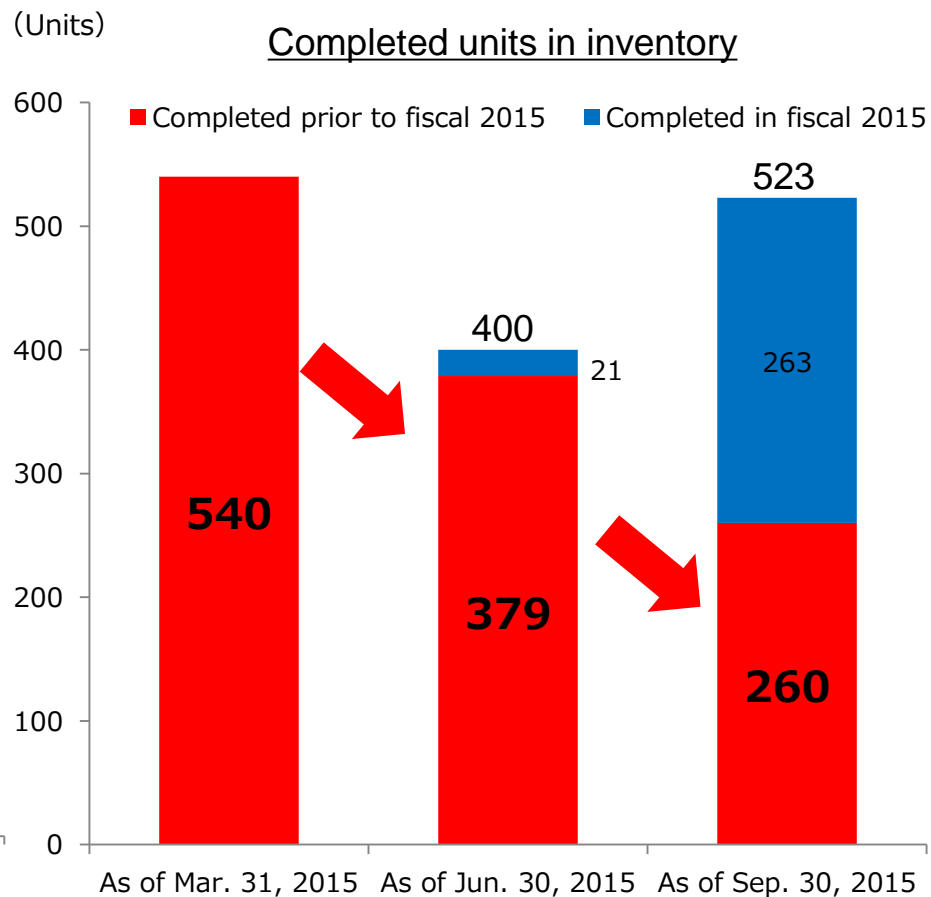
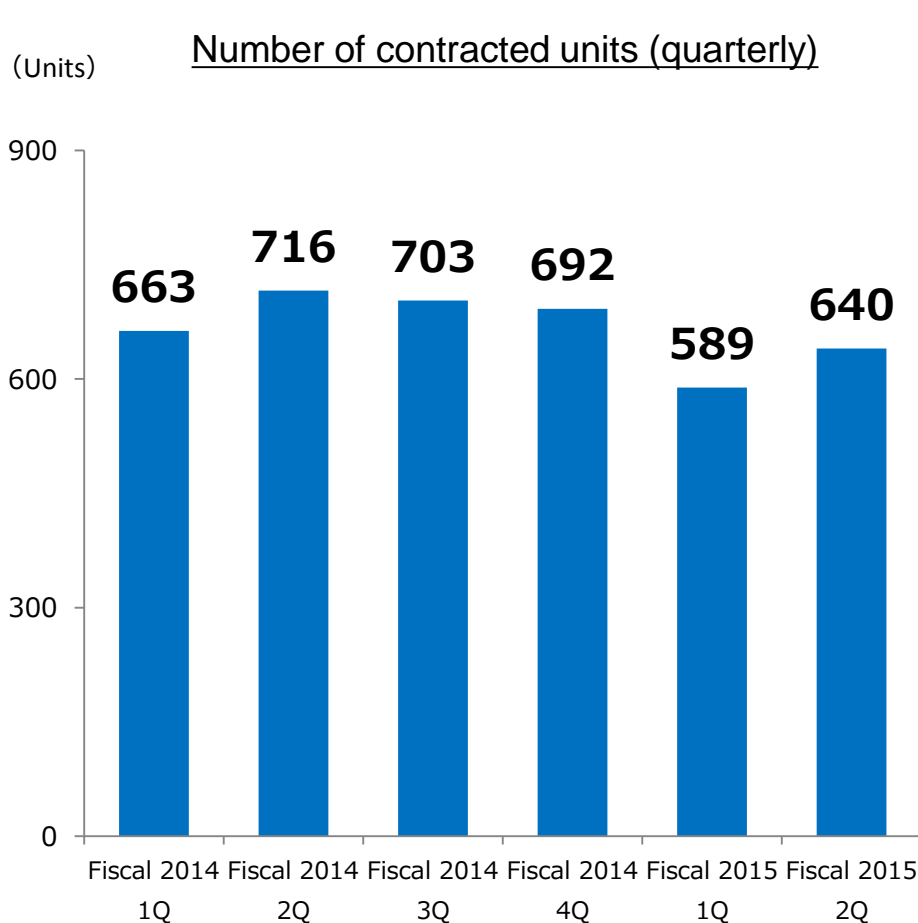
Ratio of sales by region

(Based on number of units delivered)



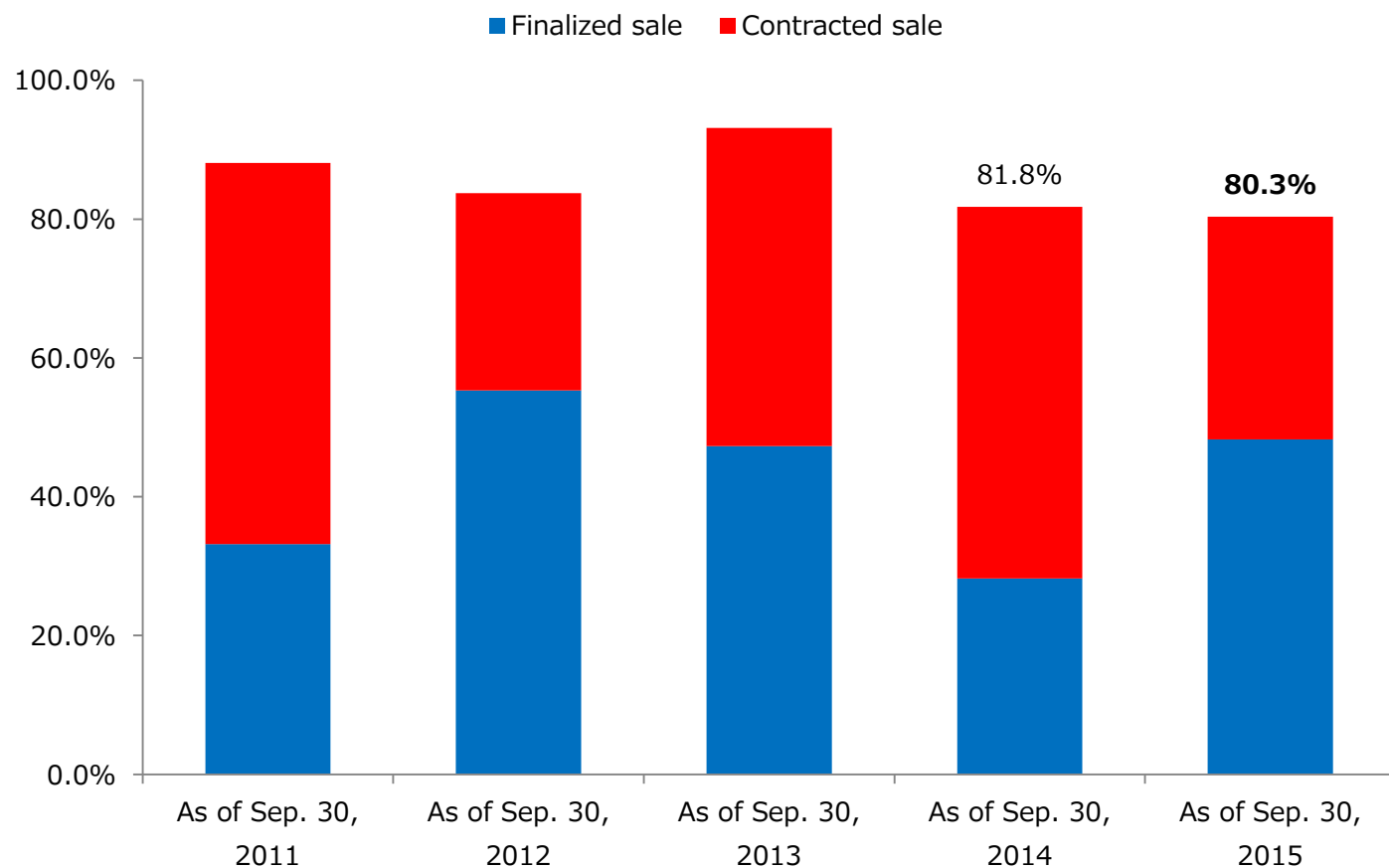
Real Estate Development and Sales

- Top priority was placed on securing profits while focusing on market and customer trends, and consistent numbers of contracted units were posted.
- Completed units in inventory since before the prior fiscal year have been steadily decreasing.



- Some 80% of the full-year target was attained, maintaining progress largely as expected.

Progress made as of the first half against the full-year forecast for number of units sold



Progress Made with the Medium- to Long-range Strategy

- Investments are being diversified by leveraging real estate information.

Details	No. of investments	Sales forecast*
Redevelopment and rebuilding projects	3	Approx. ¥22.0 billion
Brokerage and resale Incl. resale and brokerage of commercial land	5	Approx. ¥6.5 billion, of which ¥5.7 billion was actual first half results
Income-generating real estate Ownership of rental apartments and condominiums, and sales after boosting values	7	Approx. ¥3.0 billion
Effective land use Business proposals for restoring idle land held by corporations	2	Approx. ¥3.0 billion

* Incl. amounts for next fiscal year and beyond

Segment Information: Real Estate Management

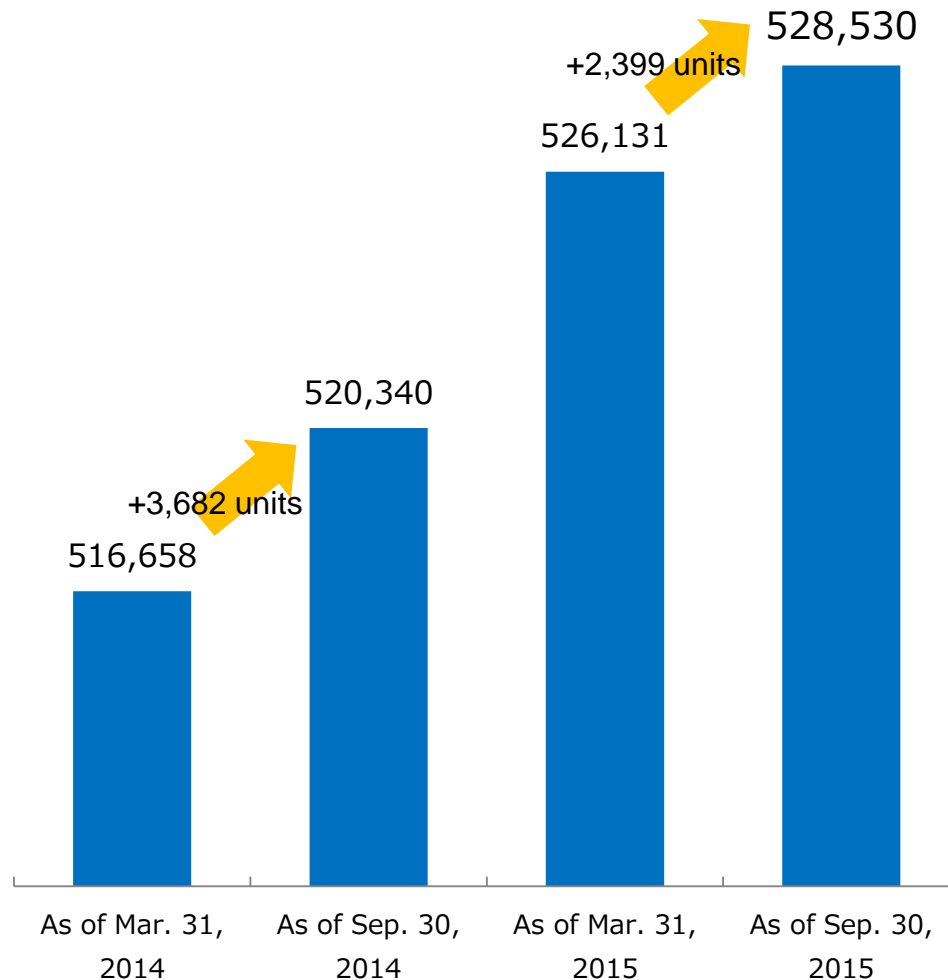


(Billions of yen)	1H of Fiscal 2014	1H of Fiscal 2015	Change
Net sales	71.6	75.9	4.3
Property management commissions	40.4	41.7	1.3
Condominium management	26.6	27.1	0.4
Building management	13.8	14.6	0.8
Contract work	27.3	29.8	2.4
Other	3.7	4.3	0.5
Operating income	3.2	4.2	0.9
Number of condominium units under management			
	As of Sep. 30, 2014	As of Sep. 30, 2015	Change
Number of condominium units under management	520,340	528,530	8,190
Number of buildings under management			
	As of Sep. 30, 2014	As of Sep. 30, 2015	Change
Number of buildings under management	5,904	6,087	183
Volume of contract work orders			
(Billions of yen)	As of Sep. 30, 2014	As of Sep. 30, 2015	Change
Volume of contract work orders	23.2	32.8	9.6

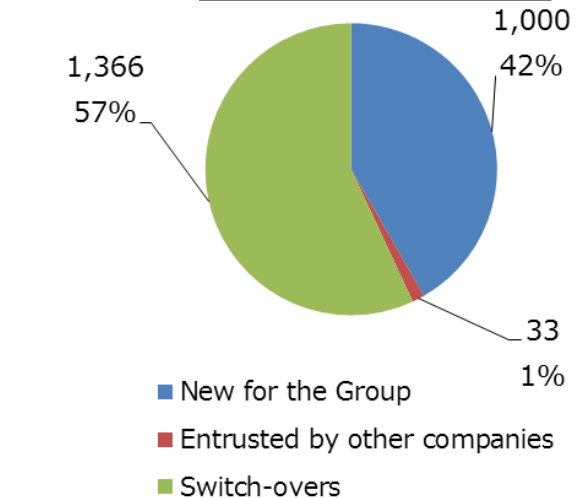
Real Estate Management Segment – Condominium Management

- Numbers of condominium units managed have been increasing steadily, and the prospect of 530,000 units is now in view.

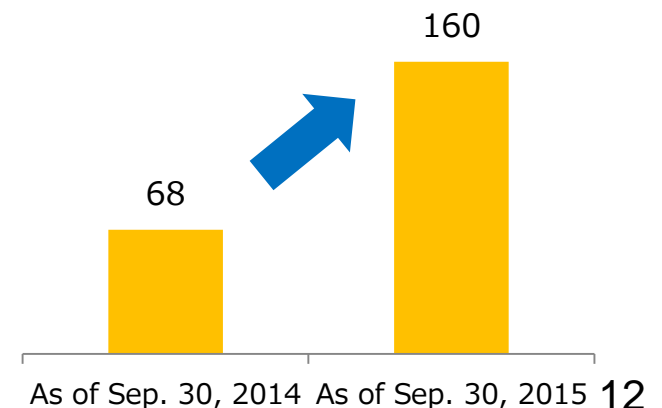
Number of condominium units under management



Breakdown of increases as of the end of 2Q fiscal 2015



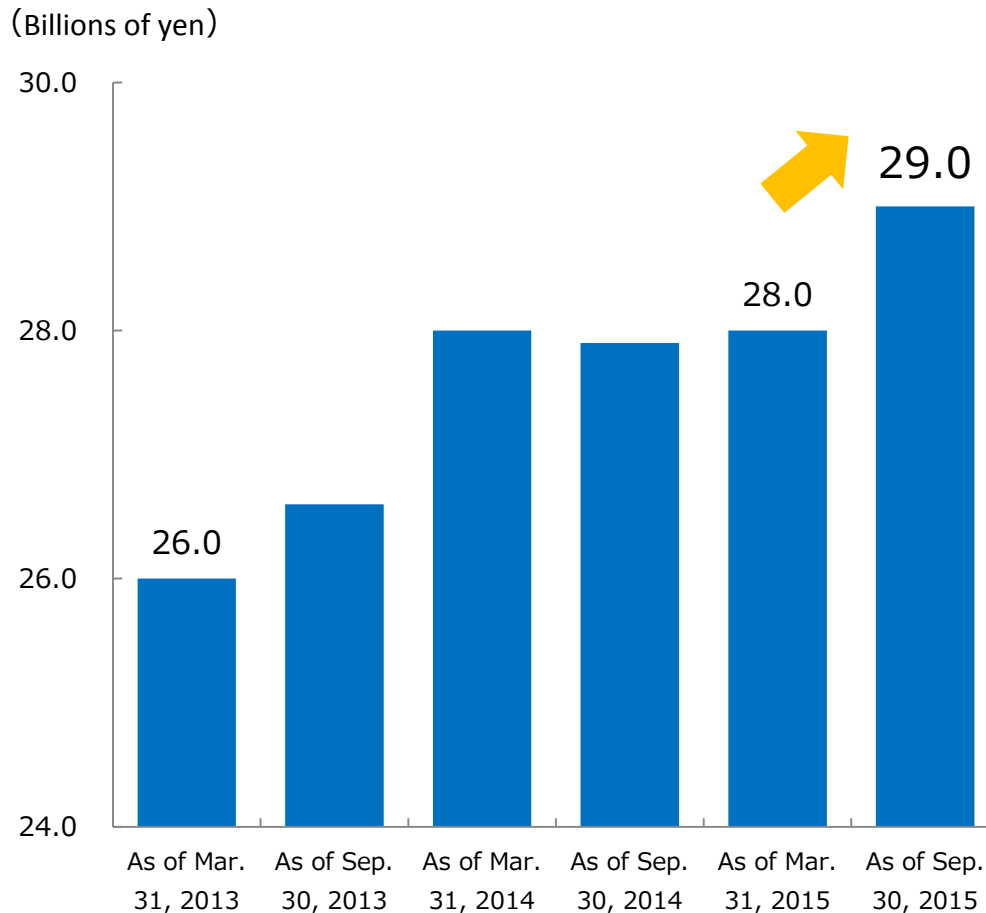
Number of acquired units under partial management



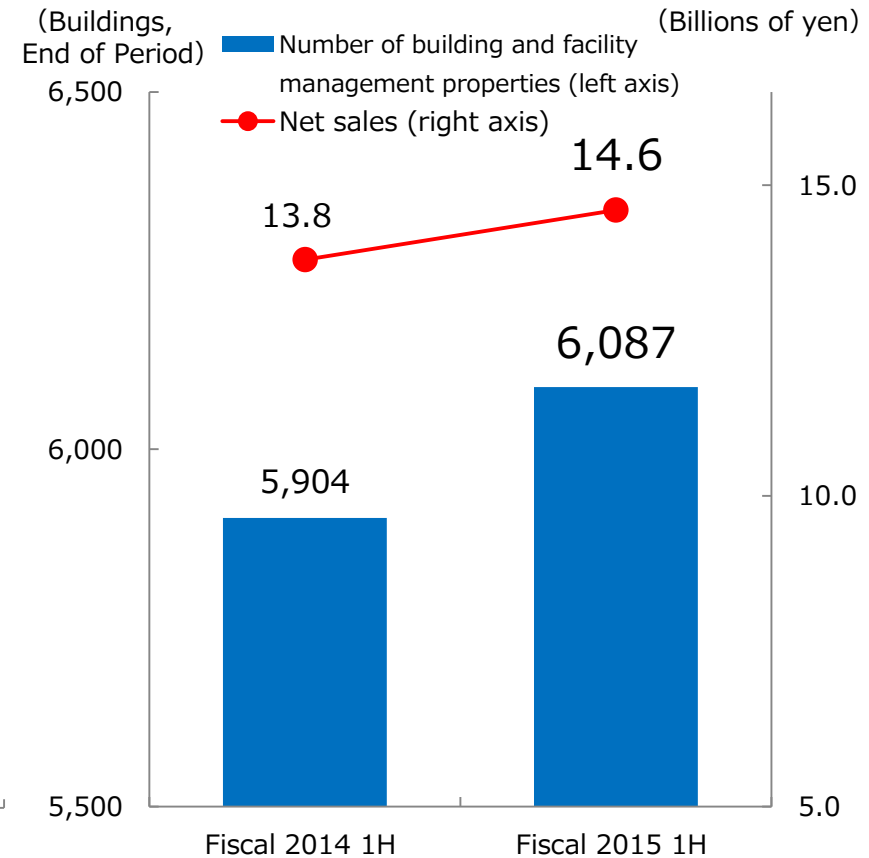
Real Estate Management Segment – Building and Facility Management

- The balance of annual contracts for building and facility management increased primarily in the realm of medical and social welfare facilities, and revenues have also held firm.

Balance of annual contracts



Number of building and facility management properties and net sales



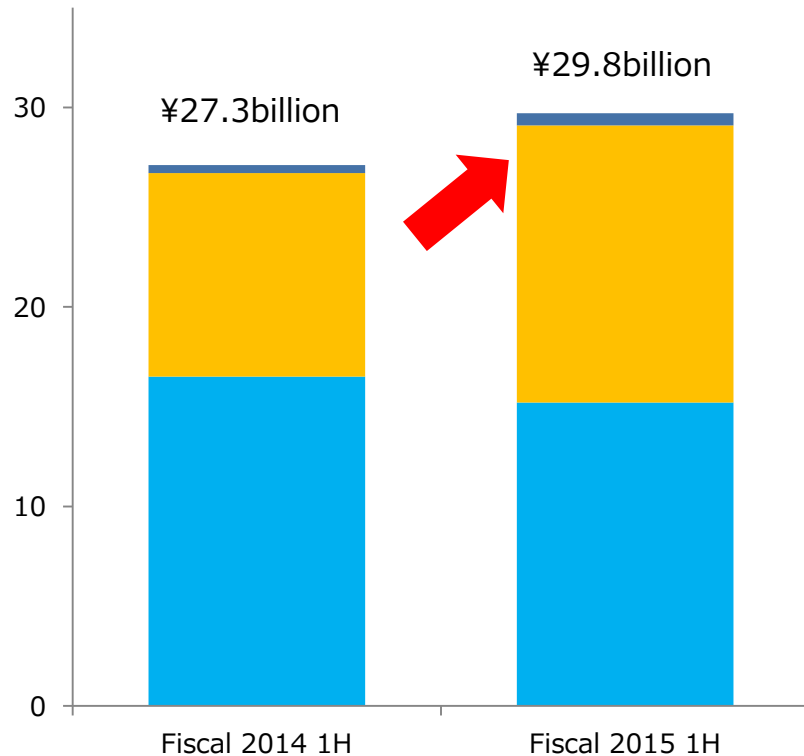
Real Estate Management Segment – Contract Work

- Large-scale solar energy projects were a driver of business results.

Revenue from contract work

(Billions of yen)

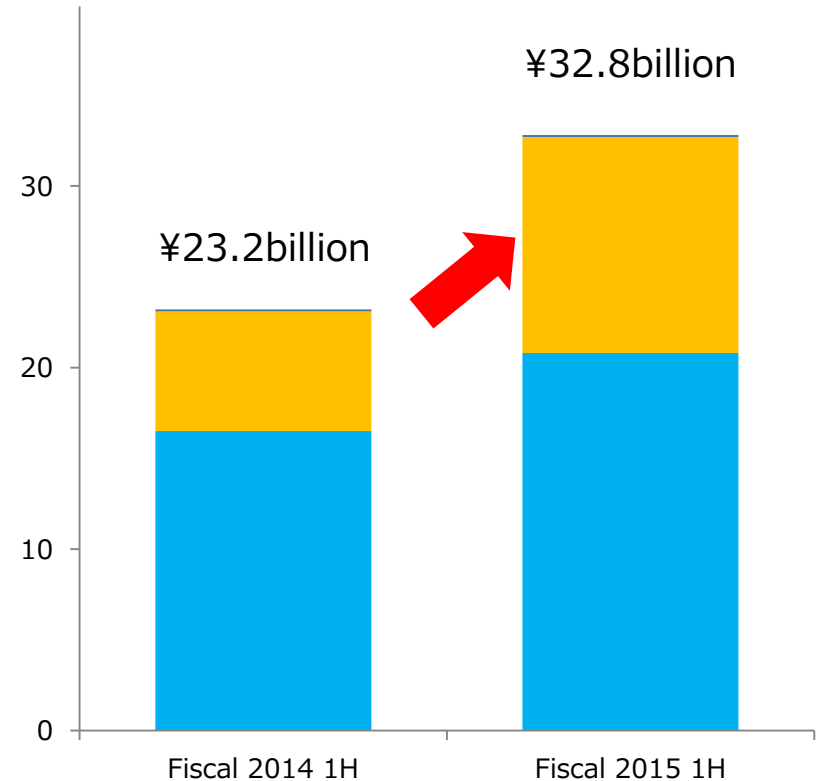
■ Condominium ■ Building and facilities ■ Other



Volume of contract work orders

(Billions of yen)

■ Condominium ■ Building and facilities ■ Other



Segment Information: Real Estate Brokerage

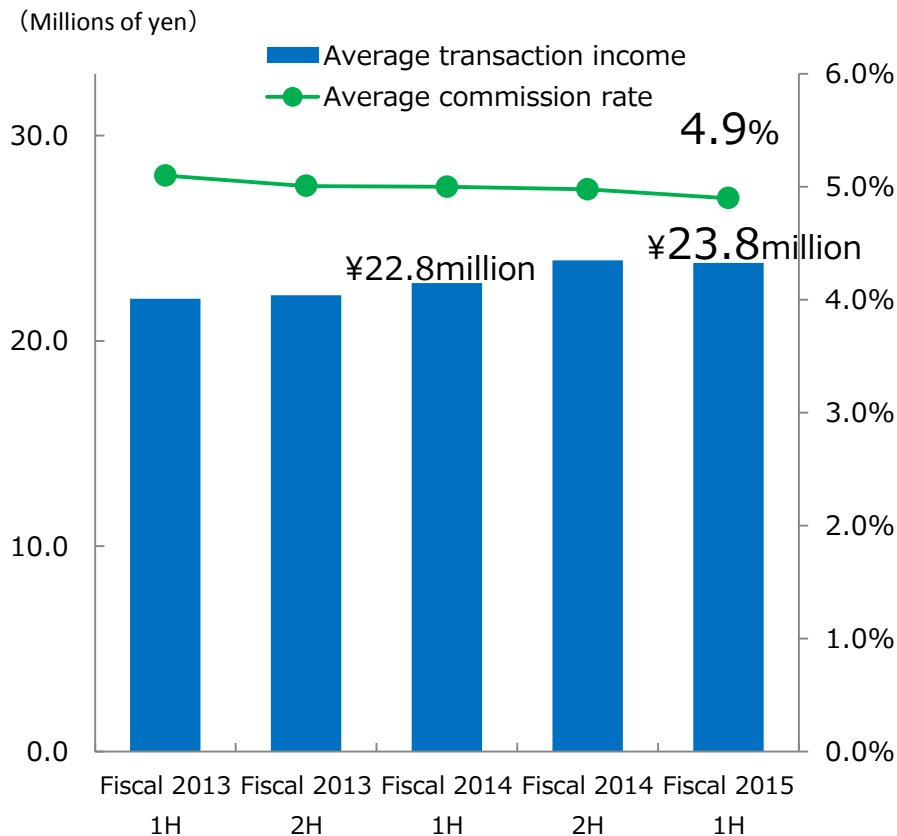


(Billions of yen)	1H of Fiscal 2014	1H of Fiscal 2015	Change
Net sales	20.3	26.2	5.9
Real estate brokerage (Trading and brokerage)	3.4	3.9	0.5
Existing real estate sales	8.9	13.6	4.6
Lease management	4.7	4.8	0.1
Other	3.2	3.8	0.6
Operating income	0.5	1.8	1.2
Real estate trading and brokerage			
(Billions of yen)	1H of Fiscal 2014	1H of Fiscal 2015	Change
Number of brokerage transactions	3,196	3,263	67
Value of brokerage transactions	86.8	78.9	△ 7.9
Existing real estate sales			
	1H of Fiscal 2014	1H of Fiscal 2015	Change
Number of condominium units delivered	417	571	154

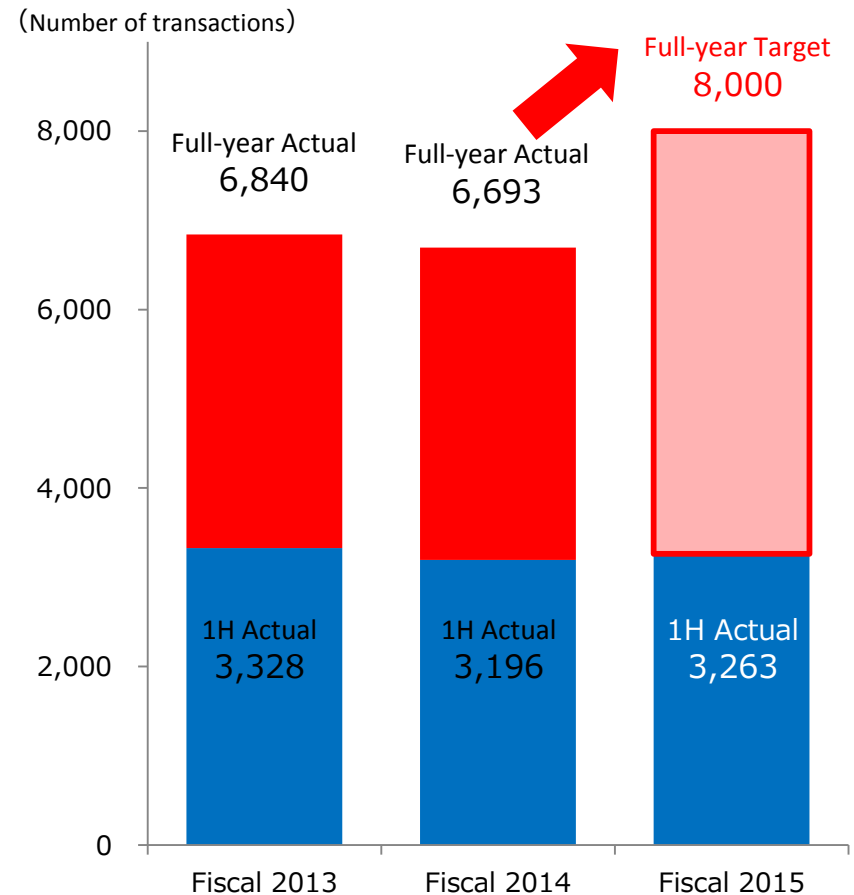
Real Estate Brokerage Segment – Real Estate Brokerage

- The average commission rate held at around 5.0%.
- Average transaction income was on par with that of the second half of fiscal 2014, and 4% higher than that of the first half of fiscal 2014.

Average transaction income and average commission rate*



Number of brokerage transactions

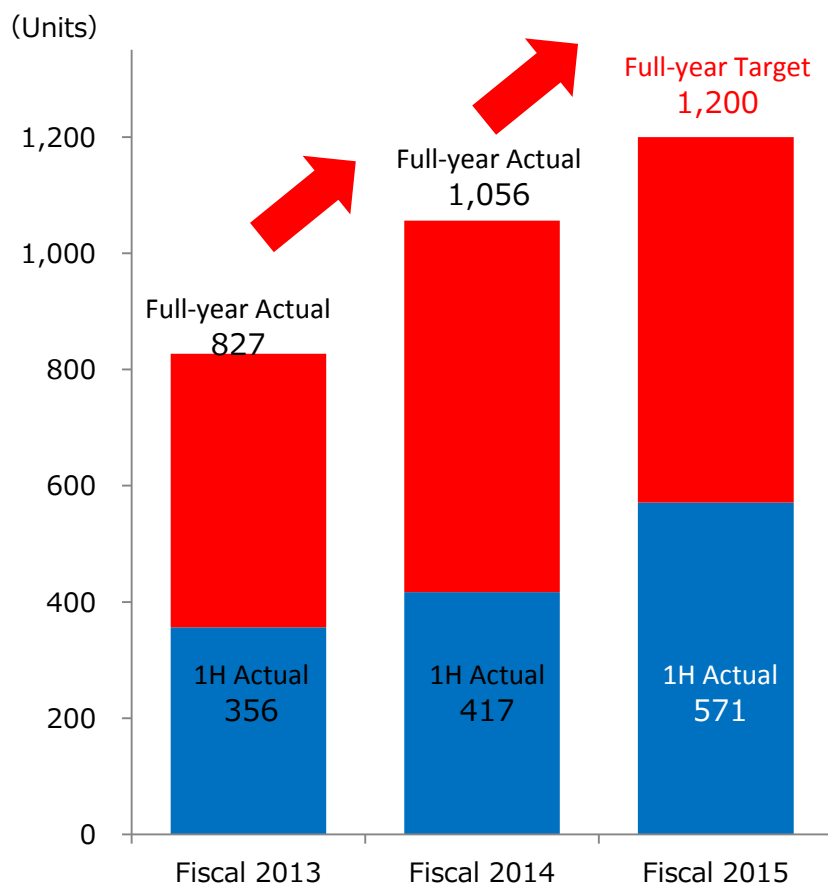


* Refers to condominium transactions only, out of all brokerage transactions

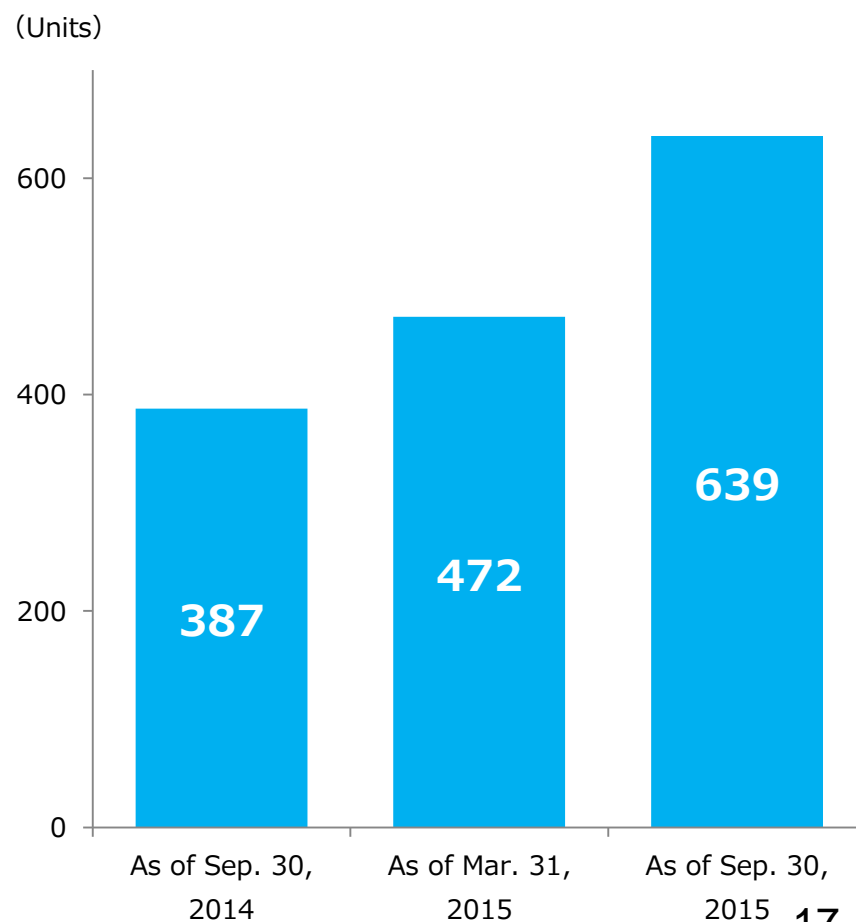
Real Estate Brokerage Segment – Existing Real Estate Sales

- Unit sales of existing condominiums were strong.
- Inventory of units for sale in the second half was also secured.

Number of existing condominium units sold



Condominium inventory



Performance Outlook for Fiscal 2015

(Billions of yen)	1H of Fiscal 2015 Result	Fiscal 2015 Forecast
Net sales	169.5	335.0
Operating income	10.7	18.0
Ordinary income	10.4	17.0
Profit attributable to owners of parent	6.9	12.5

(Billions of yen)		1H of Fiscal 2015 Result	Fiscal 2015 Forecast
Real estate development and sales	Net sales	69.8	130.0
	Operating income	6.3	8.9
Real estate management	Net sales	75.9	161.0
	Operating income	4.2	9.2
Real estate brokerage	Net sales	26.2	49.0
	Operating income	1.8	3.2
Eliminations or corporate assets/expenses	Net sales	△ 2.5	△ 5.0
	Operating income	△ 1.5	△ 3.3
Total	Net sales	169.5	335.0
	Operating income	10.7	18.0

