

# FACT SHEETS

**For the Six Months Ended September 30, 2016**

(Unaudited)

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DAIKYO INCORPORATED

October 26, 2016

### Consolidated Statements of Operations

							(Millions of yen)	Forecast
6 Months	Apr-Sep 2012	Apr-Sep 2013	Apr-Sep 2014	Apr-Sep 2015	Apr-Sep 2016	Year-on-year	Apr 2016- Mar 2017	
Net sales	156,777	154,988	126,369	169,500	146,628	Δ 22,872	340,000	
Gross profit	25,164	22,565	15,759	25,890	20,960	Δ 4,930		
Selling, general and administrative expenses [SG&A]	13,650	16,194	14,801	15,091	14,367	Δ 723		
Operating income	11,514	6,370	957	10,798	6,592	Δ 4,206	20,000	
Operating margin	7.3%	4.1%	0.8%	6.4%	4.5%	Δ 1.9pp	5.9%	
Other income	223	374	280	284	318	33		
Interest income	39	22	31	50	27	Δ 23		
Dividend income	14	12	12	14	20	6		
Other expenses	1,450	992	820	669	578	Δ 90		
Interest expense	821	479	363	247	143	Δ 103		
Ordinary income	10,287	5,752	417	10,414	6,332	Δ 4,082	19,000	
Ordinary income to net sales ratio	6.6%	3.7%	0.3%	6.1%	4.3%	Δ 1.8pp	5.6%	
Extraordinary income	-	11,390	39	27	-	Δ 27		
Extraordinary loss	80	2,237	140	39	31	Δ 7		
Income before income taxes and minority interests	10,206	14,905	316	10,402	6,300	Δ 4,101		
Income taxes - current	1,260	1,732	871	2,276	1,594	Δ 682		
Income taxes - deferred	1,629	1,535	Δ 1,939	1,149	704	Δ 444		
Net income	7,316	11,637	1,385	6,976	4,001	Δ 2,975		
Net income attributable to noncontrolling interests	1	1	1	-	-	-		
Profit attributable to owners of parent	7,314	11,636	1,383	6,976	4,001	Δ 2,975	14,000	

Retroactive treatment has been applied to the figures displayed for the six months ended September 30, 2013

### Consolidated Financial Position

						(Millions of yen)	Mar 31, 2016	Change from Mar 2016
As of Sep 30	2012	2013	2014	2015	2016			
<b>Current assets</b>	<b>239,785</b>	<b>238,023</b>	<b>224,984</b>	<b>233,531</b>	<b>216,354</b>		<b>226,557</b>	<b>Δ 10,203</b>
Cash and deposits	110,798	94,207	78,779	94,598	74,823		87,343	Δ 12,520
Inventories	106,784	119,431	112,670	108,802	112,554		104,972	7,582
Real estate for sale	21,522	13,664	21,313	42,340	37,100		38,909	Δ 1,809
Real estate for sale in progress	70,712	88,364	82,284	50,421	59,297		48,227	11,070
Real estate for development projects	14,549	17,401	9,073	16,040	16,156		17,834	Δ 1,678
Others	22,202	24,384	33,533	30,130	28,976		34,241	Δ 5,265
<b>Fixed assets</b>	<b>35,596</b>	<b>51,360</b>	<b>50,367</b>	<b>49,413</b>	<b>46,393</b>		<b>48,036</b>	<b>Δ 1,642</b>
Property and equipment	12,226	18,211	17,987	18,523	18,388		18,480	Δ 91
Others	23,369	33,148	32,379	30,889	28,004		29,555	Δ 1,551
<b>Total assets</b>	<b>275,381</b>	<b>289,384</b>	<b>275,351</b>	<b>282,944</b>	<b>262,748</b>		<b>274,594</b>	<b>Δ 11,845</b>
<b>Liabilities</b>	<b>152,403</b>	<b>152,373</b>	<b>130,621</b>	<b>121,937</b>	<b>95,224</b>		<b>108,503</b>	<b>Δ 13,278</b>
Notes and accounts payable	39,726	23,860	20,905	21,601	14,677		17,767	Δ 3,089
Interest-bearing debt	73,646	69,049	58,822	51,823	34,860		38,484	Δ 3,624
Others	39,030	59,463	50,893	48,512	45,686		52,251	Δ 6,564
<b>Net assets</b>	<b>122,978</b>	<b>137,010</b>	<b>144,730</b>	<b>161,007</b>	<b>167,523</b>		<b>166,090</b>	<b>1,432</b>
Shareholders' equity	122,924	136,636	145,232	160,373	167,421		166,022	1,399
Valuation and translation adjustments	31	348	Δ 531	634	101		68	33
Minority interests	23	26	28	-	-		-	-
<b>Total liabilities and net assets</b>	<b>275,381</b>	<b>289,384</b>	<b>275,351</b>	<b>282,944</b>	<b>262,748</b>		<b>274,594</b>	<b>Δ 11,845</b>
<b>Shareholders' equity ratio*</b>	<b>44.6%</b>	<b>47.3%</b>	<b>52.6%</b>	<b>56.9%</b>	<b>63.8%</b>		<b>60.5%</b>	<b>3.3pp</b>

Retroactive treatment has been applied to the figures displayed for as of September 30, 2013.

\* Shareholders' equity ratio = (net assets - share subscription rights - minority interests) / total assets

### Interest-bearing Debt

						(Millions of yen)	Mar 31, 2016	Change from Mar 2016
As of Sep 30	2012	2013	2014	2015	2016			
Short-term borrowings	25,734	24,367	28,867	10,380	11,909		10,110	1,799
Commercial paper	500	-	-	-	-		-	-
Bonds due within one year	5,000	-	-	5,000	-		-	-
Bonds	-	7,000	7,000	2,000	2,000		2,000	-
Long-term borrowings	42,317	37,603	22,906	34,421	20,942		26,361	Δ 5,419
Other interest-bearing debt	94	79	49	22	9		13	Δ 4
<b>Total interest-bearing debt</b>	<b>73,646</b>	<b>69,049</b>	<b>58,822</b>	<b>51,823</b>	<b>34,860</b>		<b>38,484</b>	<b>Δ 3,624</b>
<b>Debt to equity ratio*</b>	<b>0.60</b>	<b>0.50</b>	<b>0.41</b>	<b>0.32</b>	<b>0.21</b>		<b>0.23</b>	<b>Δ 0.02</b>

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

## Results by Segment

(Millions of yen)

6 Months		Apr-Sep 2012	Apr-Sep 2013	Apr-Sep 2014	Apr-Sep 2015	Apr-Sep 2016	Year-on-year	Forecast Apr 2016- Mar 2017
Real Estate Management	Net sales	59,823	74,377	71,601	75,970	75,597	Δ 372	170,000
	Operating income	4,071	4,792	3,235	4,219	4,320	100	10,400
Real Estate Brokerage	Net sales	10,534	16,397	20,336	26,251	28,833	2,582	66,000
	Operating income	288	1,118	568	1,835	1,138	Δ 696	4,600
Real Estate Development and Sales	Net sales	87,239	66,310	35,821	69,844	44,339	Δ 25,505	107,000
	Operating income	8,196	2,077	Δ 1,239	6,327	2,362	Δ 3,965	7,800
Eliminations or Corporate	Net sales	Δ 819	Δ 2,097	Δ 1,389	Δ 2,564	Δ 2,141	423	Δ 3,000
	Operating income	Δ 1,042	Δ 1,618	Δ 1,606	Δ 1,583	Δ 1,229	354	Δ 2,800
Total	Net sales	156,777	154,988	126,369	169,500	146,628	Δ 22,872	340,000
	Operating income	11,514	6,370	957	10,798	6,592	Δ 4,206	20,000

Retroactive treatment has been applied to the figures displayed for the six months ended September 30, 2013

In accordance with the change in segment classification, the above change has been reflected in the figures in the six months ended September 30, 2014.

## Real Estate Management

### Breakdown of Net Sales

(Millions of yen)

6 Months	Apr-Sep 2012	Apr-Sep 2013	Apr-Sep 2014	Apr-Sep 2015	Apr-Sep 2016	Year-on-year
Condominium management	22,134	26,479	26,656	27,118	27,140	22
Building and facility management	12,621	13,306	13,824	14,676	15,198	522
Contract work	21,987	29,877	27,345	29,841	29,168	Δ 672
Other	3,080	4,714	3,775	4,334	4,089	Δ 244
Total	59,823	74,377	71,601	75,970	75,597	Δ 372

In accordance with the change in segment classification, the above change has been reflected in the figures in the six months ended September 30, 2014.

### Number of Condominium Units Managed

As of Sep 30	2012	2013	2014	2015	2016	Change from Sep 2015	Mar 31, 2016	Change from Mar 2016
Number of condominium units managed	440,787	513,794	520,340	528,530	529,587	1,057	530,095	Δ 508
Number of condominium associations	7,985	9,245	9,353	9,482	9,506	24	9,510	Δ 4

### Sales of Contract Work

(Millions of yen)

6 Months	Apr-Sep 2012	Apr-Sep 2013	Apr-Sep 2014	Apr-Sep 2015	Apr-Sep 2016	Year-on-year
Contract work	21,987	29,877	27,345	29,841	29,168	Δ 672
Condominium-related	16,524	17,186	16,567	15,224	19,014	3,790
Building and facility-related	3,306	9,955	10,289	13,947	9,343	Δ 4,603
Others	2,155	2,735	488	669	810	140

In accordance with the change in segment classification, the above change has been reflected in the figures in the six months ended September 30, 2014.

### Volume of Contract Work Orders

(Millions of yen)

As of Sep 30	2012	2013	2014	2015	2016	Change from Sep 2015	Mar 31, 2016	Change from Mar 2016
Volume of contract Work orders	16,545	37,124	23,220	32,843	35,745	2,902	25,050	10,695
Condominium-related	14,383	28,930	16,421	20,753	27,857	7,103	19,020	8,837
Building and facility-related	1,476	7,221	6,689	11,970	7,743	Δ 4,226	5,915	1,827
Others	686	971	109	119	144	25	113	31

In accordance with the change in segment classification, the above change has been reflected in the figures as of September 30, 2014.

**Real Estate Brokerage**

**Breakdown of Net Sales**

(Millions of yen)

6 Months	Apr-Sep 2012	Apr-Sep 2013	Apr-Sep 2014	Apr-Sep 2015	Apr-Sep 2016	Year-on-year
Real estate brokerage	3,139	3,827	3,460	3,991	4,030	39
Existing real estate sales	5,013	7,279	8,923	13,602	16,215	2,612
Lease management	2,140	4,699	4,718	4,819	4,874	55
Other	240	590	3,234	3,838	3,713	Δ 124
Contract work	-	-	2,362	2,426	2,543	116
Total	10,534	16,397	20,336	26,251	28,833	2,582

In accordance with the change in segment classification, the above change has been reflected in the figures in the six months ended September 30, 2014.

**Amount of Brokerage Transactions**

(Millions of yen)

6 Months	Apr-Sep 2012	Apr-Sep 2013	Apr-Sep 2014	Apr-Sep 2015	Apr-Sep 2016	Year-on-year
Number of brokerage transactions	2,530	3,328	3,196	3,263	3,394	131
Condominium	2,406	3,109	2,972	3,039	3,195	156
Total amount of transactions	75,500	78,209	86,887	78,932	82,844	3,911
Condominium	53,622	68,559	67,802	72,294	77,022	4,728
Commission rate	4.0%	4.9%	4.2%	4.9%	4.8%	Δ 0.1p
Condominium	5.1%	5.1%	5.0%	4.9%	4.8%	Δ 0.1p

**Results of Existing real estate sales (Condominium)**

(Millions of yen)

6 Months	Apr-Sep 2012	Apr-Sep 2013	Apr-Sep 2014	Apr-Sep 2015	Apr-Sep 2016	Year-on-year
Condominium units delivered (units) (1)	260	356	417	571	655	84
Condominium sales (2)	4,775	7,203	8,802	13,356	16,049	2,693
Gross profit for condominium sales	982	1,541	1,761	2,499	2,614	114
Gross profit margin for condominium sales	20.6%	21.4%	20.0%	18.7%	16.3%	Δ 2.4pp

Number of sales agreements entered into (units) (3)	275	382	455	573	664	91
Amount of net sales of condominium units for which sales agreements are entered into in each period	5,312	7,927	9,816	13,645	16,787	3,142

As of Sep 30	2012	2013	2014	2015	2016	Change from Sep 2015	Mar 31, 2016	Change from Mar 2016
Inventories (units)	148	291	501	771	983	212	875	108

**Number of Leasing Management Units**

As of Sep 30	2012	2013	2014	2015	2016	Change from Sep 2015	Mar 31, 2016	Change from Mar 2016
Number of leasing management units	25,915	36,608	37,151	37,198	37,167	Δ 31	37,232	Δ 65

**Volume of Contract Work (Remodeling) Orders**

(Millions of yen)

As of Sep 30	2012	2013	2014	2015	2016	Change from Sep 2015	Mar 31, 2016	Change from Mar 2016
Contract work (remodeling)	-	-	732	1,066	1,045	Δ 20	1,124	Δ 79

**Number of Brokerage Offices**

As of Sep 30	2012	2013	2014	2015	2016	Change from Sep 2015	Mar 31, 2016	Change from Mar 2016
Number of brokerage offices	39	61	68	64	70	6	67	3

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.

**Real Estate Development and Sales**

**Results of Condominium Development and Sales Business**

(Millions of yen)

6 Months	Apr-Sep 2012	Apr-Sep 2013	Apr-Sep 2014	Apr-Sep 2015	Apr-Sep 2016	Year-on-year
Condominium units delivered (units) (1)	2,225	1,788	935	1,572	1,019	△ 553
Condominium sales (2)	84,620	61,125	29,348	59,716	39,526	△ 20,190
Gross profit for condominium sales	16,101	12,443	7,091	13,937	9,781	△ 4,155
Gross profit margin for condominium	19.0%	20.4%	24.2%	23.3%	24.7%	1.4pp

Gross profit for the six months ended September 30, 2013 and later excludes the effect of indirect expenses in accordance with the change in accountprocessing.

Number of sales agreements entered into (units) (3)	1,540	1,946	1,379	1,229	1,022	△ 208
Amount of net sales of condominium units for which sales agreements are entered into in each period	59,881	68,473	50,274	44,480	36,237	△ 8,243

(Millions of yen)

As of Sep 30	2012	2013	2014	2015	2016	Change from Sep 2015	Mar 31, 2016	Change from Mar 2016
Number of contracted sales (units) (4)	1,593	3,036	2,761	1,682	1,523	△ 159	1,520	3
Amount of contracted sales (5)	67,206	106,829	103,006	60,862	52,076	△ 8,785	55,366	△ 3,289
Completed condominium units in inventory (units) (6)	357	130	165	523	394	△ 129	450	△ 56
Book value of completed condominium units in inventory (7)	11,087	3,892	5,013	14,921	11,399	△ 3,522	12,969	△ 1,570

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.

# **FACT SHEETS**

**For the Year Ended March 31, 2016**

(Unaudited)

(Millions of yen)

### Consolidated Statements of Operations

Year ended Mar 31	2012	2013	2014	2015	2016	Year-on-year	Forecast 2017
Net sales	298,696	302,610	333,813	317,154	334,853	17,699	340,000
Gross profit	46,711	48,635	49,388	48,209	48,042	△ 166	
Selling, general and administrative expenses [SG&A]	24,642	26,533	32,478	30,084	29,723	△ 360	
Operating income	22,069	22,101	16,910	18,124	18,318	194	20,000
Operating margin	7.4%	7.3%	5.1%	5.7%	5.5%	△ 0.2pp	5.9%
Other income	503	701	696	484	547	62	
Interest income	55	171	97	70	98	27	
Dividend income	17	21	20	20	24	3	
Other expenses	3,332	2,532	1,959	1,906	1,772	△ 133	
Interest expense	2,494	1,444	912	665	475	△ 189	
Ordinary income	19,240	20,270	15,646	16,703	17,093	390	19,000
Ordinary income to net sales ratio	6.4%	6.7%	4.7%	5.3%	5.1%	△ 0.2pp	5.6%
Extraordinary income	2,178	605	11,694	104	63	△ 40	
Extraordinary loss	140	765	2,597	187	153	△ 34	
Income before income taxes	21,278	20,111	24,744	16,619	17,003	383	
Income taxes - current	1,470	2,562	7,424	2,835	4,507	1,671	
Income taxes - deferred	△ 1,979	2,011	△ 3,473	1,627	△ 132	△ 1,760	
Net income	21,787	15,537	20,792	12,155	12,628	472	
Net income attributable to noncontrolling interests	-	2	2	1	-	△ 1	
Profit attributable to owners of parent	21,787	15,535	20,790	12,154	12,628	473	14,000

Retroactive treatment has been applied to the figures displayed for the year ended March 31, 2012 and 2014.

### Consolidated Financial Position

(Millions of yen)

As of Mar 31	2012	2013	2014	2015	2016	Change from 2015
Current assets	257,895	236,152	246,755	275,319	226,557	△ 48,761
Cash and deposits	97,679	116,033	96,622	96,540	87,343	△ 9,196
Inventories	130,412	94,559	101,421	113,678	104,972	△ 8,706
Real estate for sale	20,843	20,836	15,018	39,609	38,909	△ 699
Real estate for sale in progress	89,656	57,021	78,611	60,628	48,227	△ 12,400
Real estate for development projects	19,912	16,701	7,790	13,440	17,834	4,394
Others	29,803	25,559	48,711	65,100	34,241	△ 30,859
Fixed assets	32,366	39,289	51,057	49,290	48,036	△ 1,254
Property and equipment	12,151	15,878	17,966	17,826	18,480	653
Others	20,214	23,411	33,091	31,463	29,555	△ 1,907
Total assets	290,261	275,442	297,812	324,610	274,594	△ 50,016
Liabilities	172,632	144,127	152,826	168,121	108,503	△ 59,618
Notes and accounts payable	40,599	33,949	30,103	36,180	17,767	△ 18,413
Interest-bearing debt	91,032	69,164	63,646	57,324	38,484	△ 18,839
Others	41,000	41,014	59,076	74,616	52,251	△ 22,365
Net assets	117,629	131,314	144,986	156,488	166,090	9,602
Shareholders' equity	117,540	131,142	145,785	156,001	166,022	10,020
Valuation and translation adjustments	88	147	△ 826	487	68	△ 418
Noncontrolling interests	-	24	27	-	-	-
Total liabilities and net assets	290,261	275,442	297,812	324,610	274,594	△ 50,016

Retroactive treatment has been applied to the figures displayed for as of March 31, 2014.

Shareholders' equity ratio*	40.5%	47.7%	48.7%	48.2%	60.5%	12.3pp
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\* Shareholders' equity ratio = (net assets - share subscription rights - noncontrolling interests) / total assets

### Interest-bearing Debt

(Millions of yen)

As of Mar 31	2012	2013	2014	2015	2016	Change from 2015
Short-term borrowings	24,121	19,903	20,166	22,417	10,110	△ 12,307
Commercial paper	500	-	-	-	-	-
Bonds due within one year	10,000	-	-	5,000	-	△ 5,000
Bonds	-	7,000	7,000	2,000	2,000	-
Long-term borrowings	56,298	42,180	36,417	27,870	26,361	△ 1,509
Other interest-bearing debt	112	79	62	37	13	△ 23
Total interest-bearing debt	91,032	69,164	63,646	57,324	38,484	△ 18,839
Debt to equity ratio*	0.77	0.53	0.44	0.37	0.23	△ 0.14

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

**Assets, Capital Expenditures, Depreciation**

(Millions of yen)

As of Mar 31	2012	2013	2014	2015	2016	Change from 2015
Assets	290,261	275,442	297,812	324,610	274,594	△ 50,016
Capital expenditures	1,275	5,641	2,020	1,336	1,691	355
Depreciation	640	851	1,595	1,811	1,885	73

Capital investment includes intangible fixed assets.

Retroactive treatment has been applied to the figures displayed for as of March 31, 2014.

**Consolidated Statements of Cash Flows**

(Millions of yen)

Year ended Mar 31	2012	2013	2014	2015	2016	Year-on-year
Net cash provided by (used in) operating activities	56,666	46,523	20,220	20,079	△ 11,330	△ 31,409
Net cash provided by (used in) investing activities	1,608	△ 6,586	△ 25,560	△ 11,034	18,683	29,717
Net cash provided by (used in) financing activities	△ 50,150	△ 24,905	△ 14,069	△ 8,994	△ 21,500	△ 12,506
Effect of exchange rate changes on cash and cash equivalents	△ 3	19	59	61	△ 49	△ 111
Cash and cash equivalents at end of year	100,654	115,706	96,413	96,526	82,329	△ 14,196

**Financial Data**

(Millions of yen)

As of Mar 31	2012	2013	2014	2015	2016
EBITDA	23,537	23,874	19,568	20,999	21,268
Net income per share (yen)	47.43	33.25	43.32	14.37	14.94
Fully diluted net income per share (yen)	25.59	18.24	24.42	14.27	14.83
Ordinary income to net sales ratio	6.4%	6.7%	4.7%	5.3%	5.1%
ROE	20.3%	12.5%	15.3%	8.0%	7.8%
ROA	7.2%	7.8%	5.9%	5.8%	6.1%
Shareholders' equity ratio	40.5%	47.7%	48.7%	48.2%	60.5%
Net assets per share (yen)	184.10	214.99	167.69	181.42	192.86
ICR (times)	23.8	32.9	21.8	30.0	-

Retroactive treatment has been applied to the figures displayed for as of March 31, 2012 and 2014.

\* EBITDA = operating income + depreciation + depreciation for goodwill

ROE = net income / average of (net assets - share subscription rights - noncontrolling 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 - noncontrolling interests) / total assets

ICR = operating cash flow / interest payments



## Results by Segment

(Millions of yen)

Year ended Mar 31		2012	2013	2014	2015	2016	Year-on-year	Forecast
								2017
Real Estate Development and Sales	Net sales	165,362	158,899	142,765	120,712	122,211	1,498	107,000
	Operating income	16,073	14,923	7,863	10,121	8,667	△ 1,454	7,800
Real Estate Management	Net sales	111,430	122,620	158,257	151,246	162,821	11,574	170,000
	Operating income	8,209	8,317	9,724	8,218	9,664	1,445	10,400
Real Estate Brokerage	Net sales	20,588	23,183	36,632	48,492	54,904	6,411	66,000
	Operating income	△ 448	1,223	2,388	2,938	3,233	294	4,600
Other	Net sales	3,009						
	Operating income	329						
Eliminations or Corporate	Net sales	△ 1,693	△ 2,092	△ 3,841	△ 3,298	△ 5,083	△ 1,785	△ 3,000
	Operating income	△ 2,094	△ 2,362	△ 3,065	△ 3,154	△ 3,246	△ 91	△ 2,800
Total	Net sales	298,696	302,610	333,813	317,154	334,853	17,699	340,000
	Operating income	22,069	22,101	16,910	18,124	18,318	194	20,000

Retroactive treatment has been applied to the figures displayed for the year ended March 31, 2012 and 2014.

In accordance with the change in segment classification, the above change has been reflected in the figures in the year ended March 31, 2015.

## Real Estate Development and Sales

### Results of Condominium Development and Sales Business

(Millions of yen)

Year ended Mar 31	2012	2013	2014	2015	2016	Year-on-year
Condominium units delivered (units) (1)	4,153	3,961	3,790	3,066	2,980	△ 86
Condominium sales (2)	158,011	152,749	132,103	106,695	108,074	1,378
Gross profit for condominium sales	28,698	28,678	28,078	26,383	24,745	△ 1,637
Gross profit margin for condominium	18.2%	18.8%	21.3%	24.7%	22.9%	△ 1.8pp

Gross profit for the year ended March 31, 2014 and later excludes the effect of indirect expenses in accordance with the change in account processing.

Number of sales agreements entered into (units) (3)	3,628	3,295	3,229	2,774	2,475	△ 299
Amount of net sales of condominium units for which sales agreements are entered into in each period	138,412	125,895	114,702	100,713	87,342	△ 13,371

(Millions of yen)

As of Mar 31	2012	2013	2014	2015	2016	Change from 2015
Number of contracted sales (units) (4)	2,278	1,612	2,317	2,025	1,520	△ 505
Amount of contracted sales (5)	91,944	65,090	82,080	76,098	55,366	△ 20,732
Completed condominium units in inventory (units) (6)	258	253	159	540	450	△ 90
Book value of completed condominium units in inventory (7)	8,110	7,675	4,571	15,290	12,969	△ 2,321

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	2012	2013	2014	2015	2016	Year-on-year
Condominium management	40,124	44,285	52,925	53,198	54,062	863
Building and facility management	23,786	25,757	27,199	28,478	30,030	1,551
Contract work	42,759	46,923	67,972	61,273	69,609	8,335
Other	4,759	5,654	10,160	8,296	9,120	823
<b>Total</b>	<b>111,430</b>	<b>122,620</b>	<b>158,257</b>	<b>151,246</b>	<b>162,821</b>	<b>11,574</b>

In accordance with the change in segment classification, the above change has been reflected in the figures in the year ended March 31, 2015.

**Number of Condominium Units Managed**

As of Mar 31	2012	2013	2014	2015	2016	Change from 2015
Number of condominium units managed	408,184	443,471	516,658	526,131	530,095	3,964
Number of condominium associations	7,322	8,012	9,305	9,436	9,510	74

**Sales of Contract Work**

(Millions of yen)

Year ended Mar 31	2012	2013	2014	2015	2016	Year-on-year
Contract work	42,759	46,923	67,972	61,273	69,609	8,335
Condominium-related	32,101	33,625	39,177	37,544	37,862	318
Building and facility-related	7,237	8,674	22,445	22,618	30,325	7,706
Others	3,420	4,623	6,349	1,110	1,421	310

In accordance with the change in segment classification, the above change has been reflected in the figures in the year ended March 31, 2015.

**Volume of Contract Work Orders**

(Millions of yen)

As of Mar 31	2012	2013	2014	2015	2016	Change from 2015
Volume of contract work orders	14,961	15,753	23,666	30,492	25,050	△ 5,442
Condominium-related	13,823	12,731	16,378	16,097	19,020	2,923
Building and facility-related	538	2,333	6,607	14,299	5,915	△ 8,384
Others	600	688	680	95	113	18

In accordance with the change in segment classification, the above change has been reflected in the figures as of March 31, 2015.

**Real Estate Brokerage**

**Breakdown of Net Sales**

(Millions of yen)

Year ended Mar 31	2012	2013	2014	2015	2016	Year-on-year
Real estate brokerage	6,218	6,599	7,987	7,453	7,840	386
Existing real estate sales	9,332	11,779	18,086	23,750	30,058	6,307
Lease management	4,581	4,336	9,447	9,567	9,787	219
Other	454	467	1,111	7,720	7,218	△ 502
Contract work	-	-	-	5,112	4,745	△ 367
Total	20,588	23,183	36,632	48,492	54,904	6,411

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

In accordance with the change in segment classification, the above change has been reflected in the figures in the year ended March 31, 2015.

**Amount of Brokerage Transactions**

(Millions of yen)

Year ended Mar 31	2012	2013	2014	2015	2016	Year-on-year
Number of brokerage transactions	4,854	5,499	6,840	6,693	6,564	△ 129
Condominium	4,656	5,239	6,432	6,232	6,142	△ 90
Total amount of transactions	182,438	187,673	163,900	171,189	161,688	△ 9,501
Condominium	106,954	116,948	142,401	145,804	147,451	1,646
Commission rate	3.4%	3.5%	4.7%	4.6%	4.9%	0.3pp
Condominium	5.1%	5.2%	5.0%	5.0%	4.9%	△ 0.1pp

**Results of Existing real estate sales (Condominium)**

(Millions of yen)

Year ended Mar 31	2012	2013	2014	2015	2016	Year-on-year
Condominium units delivered (units) (1)	322	595	827	1,056	1,236	180
Condominium sales (2)	6,000	11,355	18,010	23,476	29,418	5,941
Gross profit for condominium sales	1,219	2,345	3,651	4,760	5,298	537
Gross profit margin for condominium sales	20.3%	20.7%	20.3%	20.3%	18.0%	△ 2.3pp

Number of sales agreements entered into (units) (3)	334	626	830	1,110	1,250	140
Amount of net sales of condominium units for which sales agreements are entered into in each period	6,187	12,196	18,012	24,789	29,652	4,863

**Number of Leasing Management Units**

As of Mar 31	2012	2013	2014	2015	2016	Change from 2015
Number of leasing management units	26,245	25,641	36,668	37,214	37,232	18

**Volume of Contract Work (Remodeling) Orders**

(Millions of yen)

As of Mar 31	2012	2013	2014	2015	2016	Change from 2015
Contract work (remodeling)	-	-	-	973	1,124	150

**Number of Brokerage Offices**

As of Mar 31	2012	2013	2014	2015	2016	Change from 2015
Number of brokerage offices	39	39	62	70	67	△ 3

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.

# Reference Data

Reference Data

Overview of Preferred Stock (As of Mar 31, 2016)

	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 each 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 JBA TIBOR Administration.

\*\*For Class 1 preferred stock, TIBOR or the figure used in lieu of this is calculated to the 4th decimal after whole percentages, and rounded to the 3rd 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.

1. Condominium Developer Ranking Based on Number of Condominium Units Supplied

(1) Nationwide

Ranking	2014			2015		
	Company name	Units supplied	(%) Share	Company name	Units supplied	(%) Share
1	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	6,308	7.6	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	5,398	6.9
2	MITSUBISHI JISHO RESIDENCE CO., LTD.	5,300	6.4	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	4,556	5.8
3	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	4,818	5.8	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	4,308	5.5
4	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	4,638	5.6	MITSUBISHI JISHO RESIDENCE CO., LTD.	4,005	5.1
5	TOKYU LAND CORPORATION.	2,550	3.1	DAIWA HOUSE INDUSTRY CO., LTD.	2,770	3.5
6	DAIWA HOUSE INDUSTRY CO., LTD.	2,289	2.8	PRESSANCE CORPORATION CO., LTD.	2,512	3.2
7	PRESSANCE CORPORATION CO., LTD.	2,273	2.7	TOKYU LAND CORPORATION.	1,838	2.4
8	<b>DAIKYO INC.</b>	<b>2,018</b>	<b>2.4</b>	TOKYO TATEMONO CO., LTD.	1,501	1.9
9	TAKARA LEBEN CO.,LTD.	1,551	1.9	<b>DAIKYO INC.</b>	<b>1,440</b>	<b>1.8</b>
10	MEITETSU REAL ESTATE DEVELOPMENT CO.LTD.	1,474	1.8	TAKARA LEBEN CO.,LTD.	1,399	1.8
	Subtotal	33,219	39.9	Subtotal	29,727	38.1
	Total	83,205	100.0	Total	78,089	100.0

ANABUKI CONSTRUCTION INC.	882
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ANABUKI CONSTRUCTION INC.	905
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(2) Tokyo Metropolitan Area (Tokyo, Kanagawa, Saitama, and Chiba )

Ranking	2014			2015		
	Company name	Units supplied	(%) Share	Company name	Units supplied	(%) Share
1	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	5,190	11.6	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	4,076	10.1
2	MITSUBISHI JISHO RESIDENCE CO., LTD.	4,354	9.7	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	3,478	8.6
3	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	3,664	8.2	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	3,216	8.0
4	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	3,598	8.0	MITSUBISHI JISHO RESIDENCE CO., LTD.	3,132	7.7
5	TOKYU LAND CORPORATION.	1,542	3.4	TOKYO TATEMONO CO., LTD.	1,326	3.3
6	HAJIME CONSTRUCTION CO.,LTD.	1,330	3.0	DAIWA HOUSE INDUSTRY CO., LTD.	1,178	2.9
7	<b>DAIKYO INC.</b>	<b>1,065</b>	<b>2.4</b>	TAISEI-YURAKU REAL ESTATE CO.,LTD.	1,141	2.8
8	TAISEI-YURAKU REAL ESTATE CO.,LTD.	977	2.2	HAJIME CONSTRUCTION CO.,LTD.	1,013	2.5
9	TAKARA LEBEN CO.,LTD.	931	2.1	TOKYU LAND CORPORATION.	1,012	2.5
10	NIPPON STEEL KOWA REAL ESTATE CO.,LTD.	885	2.0	ARNEST ONE CORPORATION	886	2.2
	Subtotal	23,536	52.4	Subtotal	20,458	50.6
	Total	44,913	100.0	Total	40,449	100.0

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

Ranking	2014			2015		
	Company name	Units supplied	(%) Share	Company name	Units supplied	(%) Share
1	PRESSANCE CORPORATION CO., LTD.	1,445	7.7	PRESSANCE CORPORATION CO., LTD.	1,669	8.8
2	HANKYU REALTY CO.,LTD.	929	4.9	NIHON ESLEAD CORPORATION	1,377	7.3
3	NIHON ESLEAD CORPORATION	902	4.8	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	915	4.8
4	TOKYU LAND CORPORATION.	841	4.5	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	856	4.5
5	KINTETSU REAL ESTATE CO., LTD	816	4.3	WADAKOHSAN CO., LTD.	838	4.4
6	WADAKOHSAN CO., LTD.	769	4.1	KINTETSU REAL ESTATE CO., LTD	775	4.1
7	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	761	4.0	NISSHO ESTEM Co.,Ltd.	709	3.7
8	SUMITOMO REALTY & DEVELOPMENT CO., LTD.	677	3.6	TOKYU LAND CORPORATION.	659	3.5
9	NISSHO ESTEM Co.,Ltd.	582	3.1	MITSUBISHI JISHO RESIDENCE CO., LTD.	610	3.2
10	MITSUI FUDOSAN RESIDENTIAL CO., LTD.	572	3.0	HANKYU REALTY CO.,LTD.	595	3.1
	Subtotal	8,294	44.1	Subtotal	9,003	47.6
	Total	18,814	100.0	Total	18,930	100.0

(4) The Other Areas

Ranking	2014			2015		
	Company name	Units supplied	(%) Share	Company name	Units supplied	(%) Share
1	DAIWA HOUSE INDUSTRY CO., LTD.	1,146	5.9	ANABUKI KOSAN INC.	1,000	5.3
2	ANABUKI KOSAN INC.	1,010	5.2	DAIWA HOUSE INDUSTRY CO., LTD.	998	5.3
3	DAIICHI KOUTSU SANGYO CO.,LTD.	802	4.1	<b>ANABUKI CONSTRUCTION INC.</b>	<b>876</b>	<b>4.7</b>
4	<b>ANABUKI CONSTRUCTION INC.</b>	<b>778</b>	<b>4.0</b>	PRESSANCE CORPORATION CO., LTD.	791	4.2
5	PRESSANCE CORPORATION CO., LTD.	706	3.6	TAKARA LEBEN CO.,LTD.	762	4.1
6	EN CO.,LTD.	680	3.5	KYUSHU RAILWAY COMPANY	756	4.0
7	TAKARA LEBEN CO.,LTD.	620	3.2	MARIMO CO., LTD.	596	3.2
8	<b>DAIKYO INC.</b>	<b>587</b>	<b>3.0</b>	<b>DAIKYO INC.</b>	<b>530</b>	<b>2.8</b>
9	SHINWA REAL ESTATE CO., LTD.	543	2.8	NOMURA REAL ESTATE DEVELOPMENT CO., LTD.	484	2.6
10	MITSUBISHI JISHO RESIDENCE CO., LTD.	494	2.5	SEKISUI HOUSE, LTD.	427	2.3
	Subtotal	7,366	37.8	Subtotal	7,220	38.6
	Total	19,478	100.0	Total	18,710	100.0

Source: REAL ESTATE ECONOMIC INSTITUTE CO., LTD.

2. Condominium Management Company Ranking Based on Number of Condominium Units under Management

Company Ranking		(units)			(units)
Ranking	As of Mar 31, 2015		As of Mar 31, 2016		Condominium units under management
	Company name	Condominium units under management	Company name	Condominium units under management	
1	DAIKYO ASTAGE INC.	424,717	DAIKYO ASTAGE INC.	426,482	
2	NIHON HOUSING CO., LTD.	410,948	NIHON HOUSING CO., LTD.	425,026	
3	TOKYU COMMUNITY CORP.	318,263	TOKYU COMMUNITY CORP.	324,421	
4	HASEKO COMMUNITY INC.	253,620	DAIKYO COMMUNITY INC.	297,657	
5	DAIWA LIFE NEXT CO.,LTD.	240,250	HASEKO COMMUNITY INC.	260,572	
6	MITSUI FUDOSAN RESIDENTIAL SERVICE CO., LTD.	191,171	DAIWA LIFE NEXT CO.,LTD.	249,018	
7	DAIKYO COMMUNITY CO., LTD.	182,897	MITSUI FUDOSAN RESIDENTIAL SERVICE CO., LTD.	197,308	
8	"KABUSHIKIGAISSYA GOJINSYA KEIKAKU KENNKYUJYO"	182,326	"KABUSHIKIGAISSYA GOJINSYA KEIKAKU KENNKYUJYO"	188,400	
9	SUMITOMO FUDOSAN TATEMONO SERVICE CO., LTD.	173,396	SUMITOMO FUDOSAN TATEMONO SERVICE CO., LTD.	179,640	
10	JS Corporation	155,721	JS Corporation	158,676	

Group Ranking		(units)			(units)
Ranking	As of Mar 31, 2015		As of Mar 31, 2016		Condominium units under management
	Company name	Condominium units under management	Company name	Condominium units under management	
1	DAIKYO GROUP	526,131	DAIKYO GROUP	530,095	
2	TOKYU COMMUNITY GROUP	494,020	TOKYU COMMUNITY GROUP	504,442	
3	NIHON HOUSING CO., LTD.	411,795	NIHON HOUSING GROUP	425,873	
4	DAIWA HOUSE GROUP	320,489	HASEKO COMMUNITY GROUP	361,204	
5	MITSUBISHI ESTATE GROUP	310,309	DAIWA HOUSE GROUP	332,300	
6	HASEKO COMMUNITY GROUP	309,302	MITSUBISHI ESTATE GROUP	315,782	
7	MITSUI FUDOSAN RESIDENTIAL SERVICE GROUP	244,494	MITSUI FUDOSAN RESIDENTIAL SERVICE GROUP	251,874	
8	"GOJINSYA KEIKAKU KENNKYUJYO" GROUP	202,587	"GOJINSYA KEIKAKU KENNKYUJYO" GROUP	209,289	
9	SUMITOMO FUDOSAN TATEMONO SERVICE CO., LTD.	173,396	SUMITOMO FUDOSAN TATEMONO SERVICE CO., LTD.	179,640	
10	JS Corporation	155,721	JS Corporation	158,676	

Breakdown of DAIKYO GROUP		Breakdown of DAIKYO GROUP	
DAIKYO ASTAGE INC.	424,717	DAIKYO ASTAGE INC.	426,482
ANABUKI COMMUNITY INC.	101,414	ANABUKI COMMUNITY INC.	103,613
DAIKYO GROUP total	526,131	DAIKYO GROUP total	530,095

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, 2016				
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.	75,609	37,827	1,424,320	275
TOKYU LIVABLE INC.	48,379	21,939	1,211,565	158
SUMITOMO REAL ESTATE SALES CO., LTD.	56,303	35,987	1,065,654	257
NOMURA REAL ESTATE GROUP	28,028	7,710	713,574	72
MIZUHO REALTY CO., LTD.	13,568	4,151	512,471	45
DAIKYO GROUP	7,840	6,564	161,688	67
MITSUBISHI UFJ REAL ESTATE SERVICES CO., LTD.	17,351	6,081	441,752	43
SUMITOMO MITSUI TRUST REALTY CO., LTD.	17,100	7,208	419,121	71
MITSUBISHI REAL ESTATE SERVICES GROUP	7,534	1,278	195,137	9
TAISEI-YURAKU REAL ESTATE SALES GROUP	6,749	4,221	147,688	37

For the year ended Mar 31, 2015				
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.	70,750	37,156	1,273,153	275
SUMITOMO REAL ESTATE SALES CO., LTD.	54,311	33,968	1,065,681	255
TOKYU LIVABLE INC.	41,546	19,568	1,010,828	150
NOMURA REAL ESTATE GROUP	25,833	7,174	710,980	66
SUMITOMO MITSUI TRUST REALTY CO., LTD.	15,538	6,803	406,291	74
MITSUBISHI UFJ REAL ESTATE SERVICES CO., LTD.	14,170	5,718	386,937	43
MIZUHO TRUST REALTY COMPANY LTD.	11,037	3,872	282,120	45
MITSUBISHI REAL ESTATE SERVICES GROUP	9,996	2,661	675,788	25
FUKUYA-K Corporation	8,186	9,416	174,172	94
DAIKYO GROUP	7,453	6,693	171,189	70

### 4.Acquisition and resale of pre-owned homes / Ranking of units sold

For the year ended Mar 31, 2016				
Ranking	Company name	Units sold	Net sales (Billions of yen)	Percentage of condominium units
1	KATITAS CO., LTD.	3,034	39.1	5%
2	FUJI CORPORATION LIMITED	1,518	26.45	80%
3	INTELLEX	1,393	32.63	100%
4	DAIKYO GROUP	1,236	29.42	100%
5	TOTAL ESTATE, LTD.	860	26.0	100%
6	E'GRAND Co.,LTD.	850	16.83	70%
7	REPRICE C.,LTD.	726	11.8	70%
8	FJNEXT CO., LTD.	702	-	100%
9	HASEKO REAL ESTATE INC.	586	12.9	100%
10	STAR MICA CO., LTD.	540	13.13	100%

For the year ended Mar 31, 2015				
Ranking	Company name	Units sold	Net sales (Billions of yen)	Percentage of condominium units
1	KATITAS CO., LTD.	3,001	38.40	1%
2	FUJI CORPORATION LIMITED	1,361	22.6	70%
3	DAIKYO GROUP	1,056	23.48	100%
4	INTELLEX	1,037	22.59	100%
5	E'GRAND CO.,LTD.	817	15.4	70%
6	TOTAL ESTATE, LTD.	700	20.0	100%
7	FJNEXT CO., LTD.	670	-	100%
8	REPRICE C.,LTD.	453	7.53	30%
9	HASEKO REAL ESTATE INC.	423	9.21	100%
10	MUGEN ESTATE CO., LTD.	409	10.1	100%

Source: The Remodeling Business Journal