

**Financial Results for First Quarter of Fiscal Year Ending
March 31, 2014
(Based on Japanese GAAP)
(Translation of Japanese Flash Report, Released on August 7, 2013)**

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*Amounts under one million yen have been rounded down.

1. Consolidated Performance in First Quarter of Fiscal Year Ending March 31, 2014

(1) Operating results

*Percentage figures shown under sales, operating income, ordinary income, and net income columns indicate year-on-year changes for those items.

(Millions of yen, except for per share figures)

	Net Sales	Operating Income	Ordinary Income
1st Quarter of FY ending March 31, 2014	¥2,270 (7.5%)	¥278 (-35.7%)	¥255(-38.7%)
1st Quarter of FY ended March 31, 2013	¥2,111 (-0.4%)	¥433 (119.3%)	¥ 417(140.1%)

	Net Income	Net Income per Share (Yen)	Fully Diluted Net Income per Share(Yen)
1st Quarter of FY ending March 31, 2014	¥252 (-38.1%)	¥591.64	—
1st Quarter of FY ended March 31, 2013	¥408 (213.5%)	¥1,100.68	¥1,100.57

(2) Financial Position (at end of the term)

(Millions of yen, except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)
1 st Quarter of FY ending March 31, 2014	¥21,490	¥14,451	67.2%
FY ended March 31, 2013	¥21,265	¥14,561	68.5%

Reference) Equity at term-end: 1st Quarter of FY ending March 31, 2014 (as of December 31, 2013): ¥14,451 million
 FY ended March 31, 2013 (as of March 31, 2013): ¥14,561 million

2. Cash Dividends

(Yen)

	Cash Dividends per Share				
	1st quarter period	2nd quarter period	3rd quarter period	Year end	Annual total
FY ended March 31, 2013	-	¥0.00	-	¥850.00	¥850.00
FY ending March 31, 2014	-				
FY ending March 31, 2014 (Projections)		¥0.00	-	¥850.00	¥850.00

Note: Changes from the latest released dividend forecasts: No

3. Projections for Consolidated Performance in the Fiscal Year Ending March 31, 2014

(From April 1, 2013 to March 31, 2014) *Percentage figures are indicated year-on year changes for those items.

(Millions of yen, except for per share figures)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)	Net Income (Loss) per Share (Yen)
FY ending March 31, 2014	¥16,000 (51.2%)	¥2,950 (36.8%)	¥2,800 (37.3%)	¥2,600 (4.7%)	¥6,081.08

Note: Changes from the latest released performance: No

Reference: Overview of Non-consolidated Performance

(1) Significant changes in scope of consolidation during the period (change of specified subsidiaries that lead to a change in the scope of consolidation): None

New Companies: -- Company (Company Name)

Excluded Companies: -- Company (Company Name)

(2) Application of accounting methods which are exceptional for quarterly consolidated financial statement: None

(3) Changes in accounting policies, accounting estimates and restatement of corrections

1) Changes caused by revision of accounting standards: None

2) Changes other than those included in 1): None

3) Changes in accounting estimates: None

4) Restatement of corrections: None

(4) Number of shares issued and outstanding (common shares)

1) Number of shares issued and outstanding at the end of the period (including treasury stock):

June 2013: 427,555 shares March 2013: 427,555 shares

2) Number of treasury stock at the end of period:

June 2013: — shares March 2013: — shares

3) Weighted average number of shares for the second quarter period (July 1 – September 30):

June 2013: 427,555 shares June 2012: 371,495 shares

※Disclosure concerning status of implementation of quarterly review procedure

This quarterly financial results report is exempt from the quarterly review procedure based on the Financial Instruments and Exchange Law. At the time of disclosure of this quarterly financial results report, such review procedure for quarterly reports based on the Financial Instruments and Exchange Law had been under development.

※Appropriate use of projections for performance, other notes

The projections for performance in this report contain forward-looking statements based on information available to the Company at the date of publication, and on certain set assumptions that have been deemed reasonable. Actual earnings may vary greatly in accordance with a wide range of factors. Refer to Item 3, “Qualitative information on consolidated earnings forecasts” on page 4.

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1. Qualitative Information Concerning Consolidated Business Performance for the Quarter Under Review

(1) Qualitative information on consolidated operating results

In the first quarter of this consolidated fiscal year, the Japanese economy showed improvements in production and personal consumption, due to the economic measures and drastic monetary easing of the Japanese government and the Bank of Japan, etc. and the expectations toward economic recovery are being intensified.

In the real estate industry, the supply of large office buildings that peaked in 2012 has settled down, putting a brake on vacancy rates and decreases in rent for the office building market in Tokyo. In the real estate investment market, there has been clear signs of recovery for the market with an increase in real estate investment needs for the wealthy and active trading, on the background of hopes that easing of monetary policy will lead to an influx of capital into real estate.

In this circumstance, the Group continued to improve approaches to building owners in central Tokyo. By responding to a wide variety of issues building owners face with property, from rental negotiations to sales, construction and revitalization, the Company worked on creating a range of business opportunities. In the replanning business, we have actively promoted the procurement of real estate, in order to meet the needs in the vibrant real estate investment market.

As a result, our operating results for the first quarter of fiscal year ending March 2014 were as follows:

Sales of ¥2,270 million (up by 7.5% from the same period of the previous fiscal year), operating income of ¥278 million (down by 35.7%), and ordinary income of ¥255 million (down by 38.7%). Net income was ¥252 million (down by 38.1%).

The performance of each segment is as follows. The business segment titled “Construction Planning Business” in the category of “Others” was renamed “Construction Solution Business” in the first quarter of this consolidated fiscal year in response to the change of the name for internal administration. We changed the name only, and segment categories, etc. were not changed.

Real Estate Revitalization

As for the replanning business, we sold 3 buildings, by attracting tenants and revising commercialization processes, including renovation. Part of real estate sale was postponed till the second quarter or the following period, in order to concentrate on procurement activities, grasp the trend of the recovering market, and conduct more effective sales activities. As a result, sales were nearly equal to the sales for the same period of the previous year, while income decreased slightly. Although income declined as from the same period of the previous fiscal year, the segment profit margin for the first quarter of this consolidated fiscal year was as high as 20.7%, indicating that this business is healthy and future sales plans are promising.

As for the rental building business, we sold one building for rent in September of the previous consolidated fiscal year, but the income from rents of replanning real estate increased. Consequently, sales and income increased from the same period of the previous fiscal year.

As a result of the above activities, sales were ¥1,501 million (up by 11.6% from the same period of the previous fiscal year) and segment income was ¥380 million (down by 10.7%).

Real Estate Brokerage

In our sales brokerage business, we strengthened our efforts to take on property introductions from internal departments and financial institutions, etc. In view of the recovery of the real estate investment market, etc., we have been working to increase the number and amount of transactions. However, sales and income decreased from the same period of the previous fiscal year.

In the rental brokerage business, we continued to focus our efforts on building owners. Although both sales and income decreased from the same period of the previous fiscal year, we put our efforts into resolving the various concerns held by owners regarding building management by cooperating with internal departments. In addition, we contribute to the expansion of the entire group's businesses, by introducing our own properties and the replanning properties that is undergoing commercialization for tenants.

As a result of the above activities, sales were ¥288 million (down by 9.2% from the same period of the previous fiscal year) and segment income was ¥239 million (down by 12.8%).

Property Management

In the property management business, we aimed to create business opportunities from taking on the sales, construction, and revitalization needs arising from administrative tasks, and put our efforts in increasing the number of rental properties. Also, adding to the increase in rental operations, we put our efforts into increasing the occupancy rate of rental properties as well as preventing vacancies by aiming to increase customer satisfaction through smooth tenant communications. As a result, both sales and income increased from the same period of the previous fiscal year.

As for the building maintenance business, we reconstructed the business foundation and improved the earning structure in cooperation with the property management business section, but sales and income declined from the same period of the previous fiscal year.

As a result of the above activities, sales were ¥272 million (down by 5.0% from the same period of the previous fiscal year) and segment income was ¥112 million (up by 2.5%).

Other Businesses

As for the construction solution business, we increased the number of transactions steadily in collaboration with related divisions such as intermediate businesses, and sales increased significantly. As for income, we did not receive orders for large-scale construction management like the first quarter of the previous consolidated fiscal year, and so income was approximately equal to that for the same period of the previous fiscal year.

In the delinquent rent guarantee business, adding to the existing service menu, we focused on digging up potential needs of customers through proposing new product plans. As a result, both sales and income increased from the same period of the previous fiscal year.

As a result of the above activities, sales were ¥208 million (up by 27.9% from the same period of the previous fiscal year), and segment income was ¥77 million (down by 5.3%).

(2) Qualitative information on consolidated financial position

At the end of the first quarter of this consolidated fiscal year, total assets were 21,490 million yen (1.1% increase compared with the end of the previous consolidated fiscal year), and liabilities were 7,039 million yen (5.0% increase). The main reason for the increase in total assets was that there was a 900 million yen increase in inventory assets, despite a 205 million yen decrease in cash and deposits, a 66 million yen decrease in accounts receivable-trade, a 226 million yen decrease in advance payments, which is included in the “others” section of current assets, and a 85 million yen decrease in investment securities, which is included in the “others” section of investments and other assets, etc. The main reason for the increase in liabilities was a long-term loans payable increased by 397 million yen and short-term loans payable increased by 70 million yen, although accounts payable-trade decreased by 108 million yen.

Net assets were 14,451 million yen (0.8% decrease). The main reason for the decrease in net assets was 363 million yen in payments of year-end dividends, although a quarterly net income of 252 million yen was posted.

(3) Qualitative information on consolidated earnings forecasts

As for the results for the term ending March 2014, the forecasted values announced on May 10, 2013 have not been revised.

2. Summary Information (Notes)

(1) Significant changes in scope of consolidation during the period

Not applicable.

(2) Application of accounting methods which are exceptional for quarterly consolidated financial statements

Not applicable.

(3) Changes to accounting policies/ changes to accounting estimates/ restatements

Not applicable.

3. Consolidated Financial Statements

*Amounts under one thousand yen have been rounded down.

(1) Quarterly Consolidated Balance Sheets

	(Thousands of yen)	
	FY ended March 31, 2013 (as of March 31, 2013)	End of 1Q of FY ending March 31, 2014 (as of June 30, 2013)
ASSETS		
Current assets		
Cash and deposits	11,008,528	10,802,685
Accounts receivable-trade	324,426	258,247
Real estate for sale	589,712	2,214,065
Real estate for sale in process	5,834,510	5,110,429
Supplies	916	967
Deferred tax assets	481,722	474,902
Other	640,490	333,844
Allowance for doubtful accounts	△6,347	△3,817
Total current assets	18,873,960	19,191,326
Noncurrent assets		
Property, plant and equipment		
Buildings, net	447,273	441,749
Land	1,167,307	1,167,307
Other, net	13,038	13,093
Total property, plant and equipment	1,627,618	1,622,150
Intangible assets		
Goodwill	396,068	383,660
Other	2,993	2,911
Total intangible assets	399,062	386,571
Investments and other assets		
Deferred tax assets		406
Other	371,415	296,716
Allowance for doubtful accounts	△6,417	△6,457
Total investments and other assets	364,997	290,665
Total noncurrent assets	2,391,678	2,299,387
Total assets	21,265,638	21,490,713

	FY ended March 31, 2013 (as of March 31, 2013)	(Thousands of yen) End of 1Q of FY ending March 31, 2014 (as of June 31, 2013)
LIABILITIES		
Current liabilities		
Accounts payable-trade	380,782	272,400
Short-term loans payable	130,000	200,000
Current portion of long-term loans payable	274,320	281,320
Income taxes payable	114,639	32,969
Provision for bonuses	90,555	46,427
Provision for directors' bonuses	15,000	3,750
Construction warranty reserve	26,955	36,800
Provision for loss on guarantees for rent	2,700	2,800
Provision for office transfer expenses	3,140	4,158
Other	808,943	905,254
Total current liabilities	1,847,036	1,785,879
Noncurrent liabilities		
Long-term loans payable	4,246,860	4,644,780
Deferred tax liabilities	30,646	
Other	579,691	608,393
Total noncurrent liabilities	4,857,197	5,253,173
Total liabilities	6,704,234	7,039,052
NET ASSETS		
Shareholders' equity		
Capital stock	8,387,211	8,387,211
Capital surplus	2,871,767	2,871,767
Retained earnings	3,301,465	3,191,006
Total shareholders' equity	14,560,445	14,449,985
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,606	2,019
Foreign currency translation adjustment	△1,647	△344
Total accumulated other comprehensive income	959	1,675
Total net assets	14,561,404	14,451,661
Total liabilities and net assets	21,265,638	21,490,713

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of comprehensive income

Quarterly Consolidated Statements of Income

	(Thousands of yen)	
	1Q of FY ended March 31, 2013 (April 1-June 30, 2013)	1Q of FY ending March 31, 2014 (April 1-June 30, 2013)
Net sales	2,111,909	2,270,265
Cost of sales	1,159,070	1,399,396
Gross profit	952,838	870,869
Selling, general and administrative expenses	519,560	592,443
Operating income	433,278	278,425
Non-operating income		
Interest income	399	548
Dividends income	243	243
Interest on refund		1,818
Subsidy income	845	
Other	233	92
Total non-operating income	1,721	2,703
Non-operating expenses		
Interest expenses	15,412	23,554
Other	2,498	2,052
Total non-operating expenses	17,911	25,606
Ordinary income	417,088	255,521
Extraordinary loss		
Loss on sales of noncurrent assets	73	
Loss on valuation of membership	26	
Provision for loss office transfer expenses		2,006
Total extraordinary losses	99	2,006
Income before income taxes and minority interests	416,989	253,515
Income taxes-current	30,241	24,461
Income taxes-deferred	△22,149	△23,908
Total income taxes	8,092	553
Income before minority interests	408,897	252,962
Net income	408,897	252,962

Quarterly Consolidated Statements of comprehensive income

	(Thousands of yen)	
	1Q of FY ended March 31, 2013 (April 1-June 30, 2012)	1Q of FY ending March 31, 2014 (April 1-June 30, 2013)
Consolidated quarterly statements of comprehensive income		
Income before minority interests	408,897	252,962
Other comprehensive income		
Valuation difference on available-for-sale securities	△58	△586
Foreign currency translation adjustment		1,302
Total other comprehensive income	△58	715
Comprehensive income	<u>408,839</u>	<u>253,678</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	408,839	253,678

(3) Notes to quarterly financial statements

(Notes regarding the conditions of going business)

Not applicable.

(Notes in the case of major changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

I First Quarter of Fiscal Year Ended March 31, 2013 (April 1, 2012 – June 30, 2012)

1. Information concerning sales and income or loss amount by reporting segment

(Thousands of yen)

	Reporting segment				Other business (Note 1)	Total	Adjustment amounts (Note 2)	Quarterly consolidated income/loss statement amount (Note 3)
	Real Estate Revitalization	Real Estate Brokerage	Property Management	Total				
Sales	1,345,223	317,557	286,477	1,949,259	162,650	2,111,909	—	2,111,909
Segment income (loss)	426,050	274,594	110,148	810,793	82,350	893,143	(459,864)	433,278

Notes: 1. The classification "other business" refers to business segments that are not included in reporting segments, and includes construction solution business and delinquent rent guarantee business, etc.

2. The segment income adjustments amount, -459,864 thousand yen, includes -475,108 thousand yen in company-wide expenses that are not allocated to reporting segments and 15,243 thousand yen in adjustment amounts for interest expense. The company-wide expenses are mainly selling, general and administrative expenses that are not allocated to reporting segments.

3. Segment income (loss) is adjusted with operating incomes calculated in consolidated quarterly statements of income.

2. Information on impairment of non-current assets and goodwill etc. for each reporting segment

Not applicable.

II First Quarter of Fiscal Year Ending March 31, 2014 (April 1, 2013 – June 30, 2013)

1. Information concerning sales and income or loss amount by reporting segment

(Thousands of yen)

	Reporting segment				Other business (Note 1)	Total	Adjustment amounts (Note 2)	Quarterly consolidated income/loss statement amount (Note 3)
	Real Estate Revitalization	Real Estate Brokerage	Property Management	Total				
Sales	1,501,776	288,466	272,019	2,062,262	208,003	2,270,265	—	2,270,265
Segment income(loss)	380,530	239,323	112,920	732,774	77,992	810,767	(532,342)	278,425

Notes: 1. The classification "other business" refers to business segments that are not included in reporting segments, and includes construction solution business and delinquent rent guarantee business, etc. The former "construction planning business" has been renamed as "construction solution business" from the first quarter of this fiscal year in response to the change of the name for internal administration. This change has no influence on the segment information.

2. The segment income adjustments amount, -532,342 thousand yen, includes -555,896 thousand yen in company-wide expenses that are not allocated to reporting segments and 23,554 thousand yen in adjustment amounts for interest expense. The company-wide expenses are mainly selling, general and administrative expenses that are not allocated to reporting segments.

3. Segment income (loss) is adjusted with operating incomes calculated in consolidated quarterly statements of income.

2. Information on impairment of non-current assets and goodwill etc. for each reporting segment

Not applicable.