

**Financial Results for Second Quarter of Fiscal Year
Ending March 31, 2015
(Based on Japanese GAAP)
(Translation of Japanese Flash Report, Released on August 6, 2013)**

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*Amounts under one million yen have been rounded down.

1. Consolidated Performance in Second Quarter of Fiscal Year Ending March 31, 2015

(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
2nd Quarter of FY ending March 31, 2015	¥11,870 (67.5%)	¥3,012 (45.1%)	¥2,879(42.5%)
2nd Quarter of FY ended March 31, 2014	¥7,086 (70.0%)	¥2,075 (148.7%)	¥2,012(154.1%)

(Note) Comprehensive income, 2nd quarter of FY ending March 2015: ¥2,662 million (42.3%), 2nd quarter of FY ended March 2014: ¥1,871 million (80.0%)

	Net Income	Net Income per Share (Yen)	Fully Diluted Net Income per Share(Yen)
2nd Quarter of FY ending March 31, 2015	¥2,660 (42.2%)	¥62.21	—
2nd Quarter of FY ended March 31, 2014	¥1,870 (80.0%)	¥43.74	—

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

(Millions of yen, except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)
2nd Quarter of FY ending March 31, 2015	¥37,156	¥20,555	54.6%
FY ended March 31, 2014	¥33,910	¥18,469	53.7%

(Note) Equity at term-end: 2nd Quarter of FY ending March 31, 2015 (as of September 30, 2014): ¥20,305 million
 FY ended March 31, 2014 (as of March 31, 2013): ¥18,219 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, 2014	-	¥0.00	-	¥13.50	¥13.50
FY ending March 31, 2015	-	¥0.00			
FY ending March 31, 2015 (Projections)			-	¥14.00	¥14.00

(Note) Changes from the latest released dividend forecasts:None

3. Projections for Consolidated Performance in the Fiscal Year Ending March 31, 2015

(From April 1, 2014 to March 31, 2015) *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, 2015	¥26,000 (46.3%)	¥5,000 (10.3%)	¥4,600 (6.0%)	¥4,300 (7.0%)	¥100.57

(Note) Changes from the latest released performance:None

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):

September 2014: 42,755,500 shares March 2014: 42,755,500 shares

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

September 2014: 143 shares March 2014: 100 shares

3) Weighted average number of shares for the first quarter period (April 1 – June 30):

September 2014: 42,755,380 shares September 2013: 42,755,500 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 5.

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

(1) Qualitative information on consolidated operating results

In this consolidated second quarter period, the Japanese economy was on a gentle recovery trend, partially because of the effects of weak yen and the financial measures implemented from last year by the government and the Bank of Japan for getting out of deflation, though it was seen in slightly slowness to recover from tumble by the reaction of last minute surge in demand with the consumption tax increase.

In the real estate industry, due to the aggressive demand for expansion from businesses, the vacancy rate in the urban office building market continued to improve, with rents beginning to slowly increase as well. The real estate investment market is thriving with new investment funds from foreign investors in Asia, etc. in addition to domestic investors. Especially, the investment needs for central Tokyo real estate are growing steadily, as the infrastructure development for the Tokyo Olympics is expected.

In this situation, our corporate group has kept specializing in the utilization and distribution of small and medium-sized office buildings in the urban center of Tokyo, and engaged in solving real estate-related troubles of building owners. We have created a variety of earning opportunities by providing each client with one-stop integrated services, including brokerage for sale and purchase, finding tenants, building management, maintenance, construction planning for everything from minor reforms to major renewals, inheritance and tax advice, and delinquent rent guarantees.

Furthermore, by combining and linking together this variety of specialized services, we have worked on real estate revitalization with high added value. We have accumulated renovation know-how and experience especially for office buildings in the 5 central cities of Tokyo (Chiyoda, Chuo, Minato, Shinjuku, and Shibuya Wards), by combining our local knowledge and ability to find tenants with optimization of the purpose to please the local community, maximization of the attractiveness of each building, and renewal of real estate while emphasizing “beauty and atmosphere,” etc. In addition, the amount of procurement steadily increased, because all employees joined hands to diversify procurement routes, for example, by procuring real estate in the efforts for solving the troubles of building owners.

As a result, our operating results for the second quarter of fiscal year ending March 2015 were as follows: Sales of ¥11,870 million (up by 67.5% from the same period of the previous fiscal year), operating income of ¥3,012 million (up by 45.1%), ordinary income of ¥2,879 million (up by 42.5%), and net income was ¥2,660 million (up by 42.2%).

The performance of each segment is as follows.

Real Estate Revitalization

As for the replanning business, we determined target buyers at the stages of procurement and commercialization, pursued not only rate of return, but also “values” suited for target clients, including the locational characteristics and rarity of each property, stability as assets, and merits regarding taxation. Through these efforts, we sold 11 buildings (6 buildings in the same period of the previous year). As a result, sales and profits increased significantly from the same period of the previous year. We also engaged in the commercialization of real estate to be sold in this second half, and the procurement of real estate to be sold in the next term or later.

As for the rental building business, sales and profits increased from the same period of the previous year, because the income from rents of the real estate to be revitalized increased.

In the real estate securitization business, etc., sales and profits increased from the same period of the previous year, because of the income from the sale of real estate for joint investment held by a special-purpose company, etc.

As a result of the above activities, sales were ¥10,526 million (up by 96.9% from the same period of the previous fiscal year) and segment income was ¥3,323 million (up by 55.8%).

Real Estate Brokerage

In the sales brokerage business, although the number of contract properties decreased and caused a significant drop in sales and profits with market conditions making competition more fierce, acquisition and sales of replanning properties and acting as the contact for building maintenance contracts contributed greatly to the income of the Group as a whole.

In the rental brokerage business, sales and profits increased from the same period of the previous year, as we kept solving various troubles regarding building management for building owners. In addition, we made efforts for attracting tenants for our real estate and the ones that are being commercialized, contributing to the profits of the entire corporate group.

As a result of the above activities, sales were ¥498 million (down by 27.7% from the same period of the previous fiscal year) and segment income was ¥408 million (down by 30.8%).

Property Management

In the property management business, we maintained high operation rate, by increasing entrusted buildings for creating business opportunities of sale, purchase, construction, renovation, etc., promoting lease by utilizing our local knowledge, and improving satisfaction level by attending to tenants carefully. In addition, we kept offering services in cooperation with related sections, such as undertaking the management of real estate purchased by our clients in the replanning and sales brokerage businesses, in order to develop longer, deeper relationships with clients. As a result, sales and profits increased from the same period of the previous year.

	End of Sep. 2012	End of Sep. 2013	End of Sep. 2014
No. of entrusted buildings	174	204	243
Operation rate	94.5%	96.2%	96.8%

As for the building maintenance business, we made efforts to improve our earning system by refraining from receiving unprofitable orders by bidding and increasing transactions in cooperation especially with the property management section for enhancing the synergy with existing businesses. As a result, sales and profits increased from the same period of the previous year.

As a result of the above activities, sales were ¥634 million (up by 17.5% from the same period of the previous fiscal year) and segment income was ¥285 million (up by 21.7%).

Other Businesses

As for the construction solution business, although the number of replanning transactions increased, the ratio of in-company transactions also increased, and consequently sales and profits decreased considerably from the same period of the previous year.

In the delinquent rent guarantee business, we concentrated on the popularization of new product plans in the market and the cooperation with affiliated companies, and so the number of transactions was healthy. Consequently, sales and profits increased from the same period of the previous year.

As a result of the above activities, sales were ¥211 million (down by 58.5% from the same period of the previous fiscal year) and segment income was ¥142 million (down by 20.5%).

(2) Qualitative information on consolidated financial position

As of the end of the first quarter of this consolidated fiscal year, total assets were 37,156 million yen (up 9.6% from the end of the previous consolidated fiscal year) and liabilities were 16,601 million yen (up 7.5%). The main reason for the increase in total assets was that cash and deposits increased 700 million yen and inventory assets increased 2,643 million yen. The main reason for increase in liabilities was that corporate bonds increased 391 million yen and long-term loans payable increased 816 million yen.

Net assets were 20,555 million yen (up 11.3%). The main reason for the increase in net assets was posting 2,660 million yen in quarterly net income, despite 577 million yen being paid out for year-end dividends.

(3) Qualitative information on consolidated earnings forecasts

As for the results for the term ending March 2015, the forecasted values announced on May 9, 2014 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

	FY ended March 31, 2014 (as of March 31, 2014)	(Thousands of yen) End of 2Q of FY ending March 31, 2015 (as of September 30, 2014)
ASSETS		
Current assets		
Cash and deposits	11,180,325	11,880,791
Accounts receivable-trade	285,231	231,718
Real estate for sale	3,213,910	4,457,056
Real estate for sale in process	15,515,223	16,915,755
construction in process	—	304
Supplies	791	689
Deferred tax assets	748,356	752,936
Other	515,005	397,540
Allowance for doubtful accounts	△12,425	△12,700
Total current assets	31,446,419	34,624,093
Noncurrent assets		
Property, plant and equipment		
Buildings, net	919,303	950,184
Land	1,232,679	1,232,143
Other, net	12,799	18,812
Total property, plant and equipment	2,164,782	2,201,140
Intangible assets		
Goodwill	9,375	5,625
Other	2,331	25,222
Total intangible assets	11,706	30,847
Investments and other assets		
Deferred tax assets	9,575	8,546
Other	283,351	297,226
Allowance for doubtful accounts	△5,402	△4,878
Total investments and other assets	287,524	300,894
Total noncurrent assets	2,464,013	2,532,881
Total assets	33,910,433	37,156,975

(Thousands of yen)

FY ended March 31, 2013
(as of March 31, 2013)

End of 2Q of FY ending
March 31, 2015
(as of September 30, 2014)

LIABILITIES**Current liabilities**

Accounts payable-trade	411,085	440,719
Short-term loans payable	347,500	347,500
Current portion of bonds	17,014	57,014
Current portion of long-term loans payable	642,360	1,131,080
Income taxes payable	266,448	183,410
Provision for bonuses	87,499	100,959
Provision for directors' bonuses	20,000	10,000
Construction warranty reserve	34,800	28,149
Provision for loss on guarantees for rent	6,561	10,114
Other	1,190,179	1,211,492
Total current liabilities	3,023,449	3,520,440

Noncurrent liabilities

Bonds payable	1,157,986	1,509,479
Long-term loans payable	10,201,660	10,529,280
Deferred tax liabilities	306	937
Other	1,057,505	1,041,611
Total noncurrent liabilities	12,417,457	13,081,307

Total liabilities

15,440,906 **16,601,748**

NET ASSETS**Shareholders' equity**

Capital stock	8,387,211	8,387,211
Capital surplus	2,871,767	2,871,767
Retained earnings	6,958,425	9,041,335
Treasury stock	Δ121	Δ174
Total shareholders' equity	18,217,283	20,300,140

Accumulated other comprehensive income

Valuation difference on available-for-sale securities	1,749	2,042
Foreign currency translation adjustment	493	3,043
Total accumulated other comprehensive income	2,242	5,086

Minority interests

250,000 250,000

Total net assets

18,469,526 **20,555,227**

Total liabilities and net assets

33,910,433 **37,156,975**

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

Quarterly Consolidated Statements of Income

(Thousands of yen)

	2Q of FY ended March 31, 2014 (April 1-September 30, 2013)	2Q of FY ending March 31, 2015 (April 1-September 30, 2014)
Net sales	7,086,505	11,870,792
Cost of sales	3,808,712	7,349,475
Gross profit	3,277,792	4,521,317
Selling, general and administrative expenses	1,201,969	1,509,234
Operating income	2,075,822	3,012,082
Non-operating income		
Interest income	1,770	3,217
Dividends income	367	385
Interest on refund	1,977	504
Subsidy income	1,000	2,520
Other	1,820	482
Total non-operating income	6,935	7,109
Non-operating expenses		
Interest expenses	52,435	114,134
Other	9,153	25,200
Total non-operating expenses	61,589	139,334
Ordinary income	2,021,168	2,879,857
Extraordinary income		
Gain on sales of noncurrent assets	-	14,017
Total extraordinary income	-	14,017
Extraordinary loss		
Loss on retirement of noncurrent assets	83	550
Provision for loss Office transfer expenses	1,796	-
Total extraordinary losses	1,879	550
Income before income taxes and minority interests	2,019,288	2,893,324
Income taxes-current	181,778	236,299
Income taxes-deferred	Δ32,680	Δ3,082
Total income taxes	149,098	233,217
Income before minority interests	1,870,190	2,660,107
Minority interests in profit	-	-
Net income	1,870,190	2,660,107

Quarterly Consolidated Statements of comprehensive income

(Thousands of yen)

	2Q of FY ended March 31, 2014 (April 1-September 30, 2013)	2Q of FY ending March 31, 2015 (April 1-September 30, 2014)
Consolidated quarterly statements of comprehensive income		
Income before minority interests	1,870,190	2,660,107
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ 308	293
Foreign currency translation adjustment	1,488	2,550
Total other comprehensive income	1,179	2,843
Comprehensive income	1,871,370	2,662,951
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,871,370	2,662,951
Comprehensive income attributable to minority interests	-	-

(3) Quarterly Consolidated Cash Flow Statement

(Thousands of yen)

	2Q of FY ended March 31, 2014 (April 1,2013-September 30, 2013)	2Q of FY ending March 31, 2015 (April 1,2014-September 30, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,019,288	2,893,324
Depreciation and amortization	86,091	236,316
Amortization of goodwill	24,816	3,750
Increase (decrease) in allowance for doubtful accounts	△3,750	△248
Increase (decrease) in provision for bonuses	△4,060	13,459
Increase (decrease) in provision for directors' bonuses	△7,500	△10,000
Increase (decrease) in construction warranty reserve	7,165	△6,650
Increase (decrease) in provision for loss on guarantees for rent	4,227	3,553
Increase (decrease) in Provision for office transfer	△3,003	-
Interest and dividends income	△2,138	△3,602
Interest expenses	52,435	114,134
Loss (gain) on sales of noncurrent assets	-	△14,017
Decrease (increase) in notes and accounts receivable-trade	72,071	83,517
Decrease (increase) in inventories	△3,454,400	△2,853,680
Increase (decrease) in notes and accounts payable-trade	380,411	6,134
Other, net	133,668	125,782
Subtotal	△694,675	591,773
Interest and dividends income received	2,134	3,153
Interest expenses paid	△54,123	△109,091
Income taxes (paid) refund	△74,883	△317,419
Net cash provided by (used in) operating activities	△821,548	168,416
Net cash provided by (used in) investing activities		
Payments into time deposits	△1,859,772	△2,059,768
Proceeds from withdrawal of time deposits	1,353,142	2,036,625
Net decrease (increase) in restricted cash	-	64,930
Purchase of property, plant and equipment	△7,563	△48,432
Proceeds from sales of property, plant and equipment	-	17,198
Refund of investment securities	-	54,031
Other, net	△20,341	△113,570
Net cash provided by (used in) investing activities	△534,535	△48,987
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	70,000	-
Proceeds from long-term loans payable	3,500,000	4,610,000
Repayment of long-term loans payable	△1,393,600	△3,793,660
Proceeds from issuance of bonds	-	389,767
Redemption of bonds	-	△8,507
Cash dividends paid	△360,073	△575,845
Other, net	△12,950	△52
Net cash provided by (used in) financing activities	1,803,376	621,702
Effect of exchange rate change on cash and cash equivalents	1,459	1,055
Net increase (decrease) in cash and cash equivalents	448,752	742,186
Cash and cash equivalents at beginning of period	9,991,433	9,401,600
Cash and cash equivalents at end of period	10,440,185	10,143,787

(4) 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 Second Quarter of Fiscal Year Ended March 31, 2014 (April 1, 2013 – September 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	5,347,151	688,8556	540,547	6,576,555	509,950	7,086,505	—	7,086,505
Segment income(loss)	2,133,220	589,536	234,421	2,957,179	179,128	3,136,307	△1,060,484	2,075,822

- 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, △1,060,484 thousand yen, includes △1,112,920 thousand yen in company-wide expenses that are not allocated to reporting segments and 52,435 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 Second Quarter of Fiscal Year Ending March 31, 2015 (April 1, 2014 – September 30, 2014)

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	10,526,013	498,121	634,926	11,659,061	211,731	11,870,792	—	11,870,792
Segment income(loss)	3,323,740	408,239	285,307	4,017,288	142,493	4,159,781	△1,147,698	3,012,082

- 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, △1,147,698 thousand yen, includes △1,261,833 thousand yen in company-wide expenses that are not allocated to reporting segments and 114,134 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.

(Important Subsequent Events)
 Not applicable