

**Consolidated Financial Results for the Second Quarter of
the Fiscal Year Ending March 31, 2017
(Based on Japanese GAAP)
(Translation of Japanese Financial Summary, Released on November 8, 2016)**

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Stock listing: Tokyo Stock Exchange 1st Section
Code number: 8934

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*Amounts under one million yen have been rounded down.

1. Consolidated Performance in the Second Quarter of the Fiscal Year Ending March 31, 2017

(1) Operating results

*Percentage figures shown under net 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. The number in parentheses are increase rate)

	Net Sales	Operating Income	Ordinary Income
2 nd Quarter of FY ending March 31, 2017	¥18,906 (47.1%)	¥5,174 (45.4%)	¥4,840 (45.0%)
2 nd Quarter of FY ended March 31, 2016	¥12,857 (8.3%)	¥3,559 (18.2%)	¥3,337 (15.9%)

(Note) Comprehensive Income: 2nd quarter of FY ending March 31 2017: ¥3,379 million (24.6%)

2nd quarter of FY ended March 31 2016: ¥2,712 million (1.9%)

	Net Income	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
2 nd Quarter of FY ending March 31, 2017	¥3,420 (25.9%)	¥80.00	¥ —
2 nd Quarter of FY ended March 31, 2016	¥2,717 (2.2%)	¥63.55	¥ —

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

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio (%)
2 nd Quarter of FY ending March 31, 2017	¥58,979	¥32,463	55.0%
FY ended March 31, 2016	¥54,084	¥30,144	55.7%

(Reference) Shareholders' Equity at term-end

2nd Quarter of FY ending March 31, 2017 (as of September 30, 2016): ¥32,450 million

FY ended March 31, 2016 (as of March 31, 2016): ¥30,139 million

2. Cash Dividends

	Cash Dividends per Share (Yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual total
FY Ended March 31, 2016	-	0.00	-	25.00	25.00
FY Ending March 31, 2017	-	0.00	-	-	-
FY Ending March, 2017 (Projections)	-	0.00	-	28.00	28.00

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

3. Forecast for Consolidated Financial Results for the Fiscal Year Ending March 31, 2017

(From April 1, 2016 to March 31, 2017) *Percentage figures are indicated year-on year changes for those items.

(Millions of yen, except for per share figures. The number in parentheses are increase rate)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
FY Ending March, 2017	¥41,000 (33.9%)	¥8,500 (15.1%)	¥8,200(16.7%)	¥5,600 (△31.3%)	¥130.97

(Note) Changes from the latest released performance: None

The main reason for the decrease in net income is that income of FY ending March 31, 2017 before tax adjustments is expected to put a complete end to tax loss carryforward from previous terms. As a result, ¥1,325 million reversal of loss included in the deferred tax asset calculated at the end of FY ended March 31, 2016 would be added up to the corporate tax adjustment amount, which leads to a heavier tax burden than the previous term.

4. Others

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None
New companies: —
Excluded companies: —
- (2) Adoption of special accounting practices in the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting principles, procedures and presentation methods
 - 1) Changes caused by revision of accounting standards: Yes
 - 2) Changes of accompanying revisions other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Restatement of corrections: None
- (4) Number of outstanding shares (common stocks)
 - 1) Number of outstanding shares at the end of the period (including treasury stock):
2nd Quarter of FY ending March 31, 2017: 42,755,500 shares
FY ended March 31, 2016: 42,755,500 shares
 - 2) Number of treasury stock at the end of period:
2nd Quarter of FY ending March 31, 2017: 143 shares
FY ended March 31, 2016: 143 shares
 - 3) Average number of shares for the period:
2nd Quarter of FY ending March 31, 2017: 42,755,357 shares
2nd Quarter of FY ended March 31, 2016: 42,755,357 shares

※Implementation status of quarterly review processes

This Summary of Consolidated Financial Results is not subject to quarterly review processes under the Financial Products and Exchange Law. At the time of this document's release, review of the quarterly financial statements under the Financial Products and Exchange Law had not been completed.

※Appropriate use of business forecasts; other special items

Business forecasts contained in this report are based on information available to the Company on the date of this report's announcement and assumptions deemed reasonable. The company provides no assurance that the forecasts will be achieved. Actual results may differ significantly from such forecasts due to unforeseen circumstances.

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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 situation of yen appreciation and sluggish growth of consumption, corporate profits recovery remains at a standstill. However, employment and income environment is improving due to various economic policy and monetary policy of the government and the BOJ. As increase of tourists to Japan also effects significantly on economy, a recovery basic tone continued in economic conditions. On the other hand, economy of emerging nations including China is slightly decelerating and showing downside risk, while impacts of Brexit on economy is also a concern. The sense of uncertainty about the future global economy is getting high

In the real estate industry to which our company and our consolidated subsidiaries (hereinafter, “our corporate group”) belong, the vacancy rate of central Tokyo office building market has been hovering beneath 4% and average rent is also growing modestly. On the other hand, in real estate invest market, J-REIT is trading actively in real estate investment market, although many investors are in a wait-and-see mood because the uncertain prospects of the world economy. In such situation, trade volume of commercial real estate in market is gradually declining.

Under such circumstances, we specialize in small and medium-sized office buildings in central Tokyo, and dig deep in local market to develop high professional business with intense concentration. Through revitalization and utilization of real estate which is environmentally friendly, we solve any real estate related difficulties based on the viewpoint of customers sincerely. We provide services like rental and sales brokerage, management and maintenance, small repair and large scale renovation of buildings, specialists consultation regarding inheritance and tax affairs, rent guarantee service, etc. We eliminate customers’ anxiety and complaints through all these services and create multifaceted earning opportunities.

By utilizing unrivalled knowhow and experience gained through various service above to the used buildings of revitalization business, we have been proactively developing real estate revitalization projects to which all experience is linked up and utilized. We conducts various renovations, such as transition for best use which could bring vigor to street community, setup offices with furnished interior before tenants are being recruited, garden terrace installation on rooftop, etc. By these renovations which reach hearts of tenant, used buildings are revitalized to attractive and high quality ones. In addition, with the strength of rental brokerage based on community sales, we sell properties to asset holders and wealthy people by utilizing the strength and features of circumference area as well as local history. This effort make us able to optimize the financial returns of buildings. Through grasp of tenants’ needs and constant improvement, we are making achievements in revitalization business by mainly focusing on 5 central wards in Tokyo (Chiyoda, Chuo, Minato, Shinjuku and Shibuya).

Our business model strength is the operation capability gained from office building business. By utilizing the model in development, management and revitalization, we are actively developing hotel business as the second main pillar following our office business.

Considering meeting the demands of accommodations from tourists to Japan could benefits the creation of society interests, we are developing the “Inbound City-tourism Hotel” which is targeted at tourists to Japan. In April 2016, “SPRINGSUNNY”, the first hotel of our collaborative brand with the Spring Group which is developing travel and air transport business in China, fully opened in Tokoname city, Aichi prefecture. As the result of our efforts on operation aiming at “heart-warming” hotel, the occupancy rate remains at a high level over 96% and average daily rate is improving remarkably as well. In addition, we are moving on with the plan of upper grade hotel in Kyoto. In order to serve purposes of hotel guests, we are making efforts on different categories for development and operation of “Inbound City-tourism Hotel”.

Furthermore, in Da Nang, the largest city in central Vietnam, our first project in Vietnam, “The Blossom City” hotel, opened in August 2016. At the same time, we are developing high-rise condominiums over there as well. On the other hand, in Jakarta, the capital of Indonesia, we are proceeding with the construction of urban condominiums as well as service apartment business. Through these projects, we are aggressively pursuing our overseas development in fast-growing Southeast Asia.

As a result, our consolidated results for the second quarter ending September 2016 were as follows:

Sales ¥18,906 million (up by 47.1% year on year), operating income ¥ 5,174 million (up by 45.4% year on year), ordinary income ¥4,840 million (up by 45.0% year on year), and net income ¥3,420 million (up by 25.9% year on year).

The performance of each segment is as follows.

Real Estate Revitalization

From the procurement stage, our corporate group starts a “production” process through which we aim to put the property to the best use possible. By carefully researching real estate leasing market on a daily basis to collect knowledge and linking each section’s experience in technologies, planning, building

management and construction, we draw up feasibly creative business plans. In addition, we emphasize the fact that the more satisfied the tenants are, the more satisfied the owners are. Through frequent interactions with tenants, we look for all possible ways to make the property more comfortable and convenient for them to use, and address any challenges quickly, and thereby achieve high rates of tenant retention and utilization.

As for replanning business, we acquire used buildings with problems such as aging facilities and low occupancy rate. Cherishing the location characteristics and local history, we renovate the buildings from the tenant's perspective or present-day needs at the time. By making efforts in office renovation for regional needs, we succeeded in revitalizing the buildings to high occupancy rate and high value-added products. Then we sell these products to asset holders and wealthy people. Such product making which appeal to value from perspective of customers led to high profit margin. Both sales and profits increased from the previous year. Profit margin rose as well.

In addition, we also take our responsibility to our customers seriously and quickly, providing an integrated set of support services after purchase such as hard and soft management of real estate, active actions toward problems, resolution for building owners' issues and response to the customer's new request, etc.

As for building rental business, we utilize the comprehensive operation capability to building revitalization. This make us be able to stabilize rent income from high occupancy rate. Building numbers and balance inventory increased. Because medium-sized projects operated over multiple years were sold as scheduled, rent income decreased. Thus, both sales and profits decreased from previous year.

As a result of activities above, sales were ¥16,514 million (up by 51.0% year on year) and segment income was ¥5,601 million (up by 54.6% year on year).

Real Estate Brokerage

Our sales brokerage business has been focusing on taking quick actions for customer referrals from other departments such as property management and rental brokerage. This lead to business chances such as purchase and sales from repeaters, referrals from a satisfied customer, etc. In addition, we are making efforts to improve our problem-solving skills through assets consulting and expand target customers through multiple language actions toward overseas customers including Taiwanese. On the other hand, market is showing partial overheat while some financial institutions become cautious about lending to real estate investment. In such environment, we should work harder but we didn't make enough effort to meet the needs of customers. Thus, compared to previous year, both sales and profits decreased.

As for rental brokerage, we are expanding branch offices across Tokyo area by focusing mainly on 5 central wards. In respective area of each branch office, we dig deep and work hard for customers with the strength of rental brokerage based on community sales. Thus, both sales and profits increased from previous year. Furthermore, in the process of improving occupancy rate, we don't only take vacancies as the only problems of building owners. We also pay attention to related problems such as decrepitude and inheritance issues with multifaceted and long-term perspective. Actual needs drawn out through conversation with customers are connected to business chances such as renewal and sales brokerage.

As a result of activities above, sales were ¥698 million (down by 24.0% year on year) and segment income was ¥553 million (down by 32.1% year on year).

Property Management

As for property management business, we are conducting building management which make us be able to stabilize rent income from high occupancy rate. The management consists of system establishment of detailed building operation and management, tenant recruitment based on knowledge of business conditions and property values in local neighborhoods, precise accounting, etc. About system establishment above, we make efforts such as monthly tenant visit to improve customer satisfaction. Also, we make document preparations exquisitely according to building owners' needs including language translation for foreign customers.

Through activities above, we succeeded in gaining building customer trust. For example, building owners who already became our customer would entrust new buildings to our management. Customers who bought buildings from our revitalization and sales brokerage department will entrust the building management to us after purchase. By making effort in increasing the entrusted buildings through service improvement, we were newly managing 44 buildings (14.4% increase year on year), as can be seen in the table below.

In addition, we make proposals for latent needs from perspectives of customers by learning deeply through grasp of their assets background and understanding of their building management policies. By doing this, we succeeded in creating business chances for sales brokerage and construction orders. This lead to issue resolution for customers by using our comprehensive group capability. Furthermore, by efforts such

as profitability improvement through appropriate rent modification and contract change to Fixed Term Building Lease Agreement with the grasp of rebuilding in future, we are providing high value-added service. As a result of activities above, both sales and profits increased.

	End of September 2014	End of September 2015	End of September 2016
No. of entrusted buildings	243	306	350
Occupancy rate	96.8%	96.6%	95.8%

As for the building maintenance business, by demonstration of our strength in property maintenance, especially in cleaning and repairing walls of high-rise buildings, we have been able to increase the number of orders received through cooperation with property management business. However, as personnel expenses are also increasing, sales got increased but profits have hit a plateau compared to previous year.

As a result of activities above, sales were ¥854 million (up by 17.1% year on year) and segment income was ¥397 million (up by 15.9%).

Other Businesses

In the rent guarantee business, concentration on new client acquisition and enhancement of cooperation with affiliated companies has helped to increase caseloads stably. Both sales and profits increased from previous year.

As for the construction solution business, due to commercialization specialized in revitalization business, sales decreased and profits increased.

In space rental business (rental meeting room business), users are increasing steadily based on repeaters and referrals. Compared to previous year, sales increased sharply, profits with large surplus were also achieved. Furthermore, in order to expand business, we are actively developing and operating new branch of rental office and rental meeting room through cooperation with rental brokerage department.

As for the hotel business, “SPRINGSUNNY Hotel Nagoya Tokoname” opened in April as the first hotel of collaborative brand with Shanghai Spring Group. As the result of our efforts on operation aiming at “heart-warming” hotel, the occupancy rate remains at a high level over 96% and average daily rate is improving remarkably as well. In addition, we are moving on with the plan of upper grade hotel in Kyoto. In order to serve purposes of hotel guests, we are making efforts on different categories for development and operation of our own brand as “Inbound City-tourism Hotel”.

As a result of activities above, sales were ¥839 million (up by 210.2% year on year) and segment income was ¥417 million (up by 187.8% year on year).

(2) Qualitative information on consolidated financial position

As of the end of the second quarter of this consolidated fiscal year, total assets were 58,979 million yen (up by 9.1% from the end of the previous consolidated fiscal year) and liabilities were 26,516 million yen (up by 10.8%). The main reasons for the increase in total assets were that deferred tax assets decreased 827 million yen and acquired land increased 5,154 million yen. The main reasons for increase in liabilities was that advances received decreased 414 million yen and long-term debt increased 3,167 million yen.

In addition, net assets were 32,463 million yen (up by 7.7 %). The main reason for the increase in net assets was that though 1,068 million yen was paid out for year-end dividends, 3,420 million was posted as quarterly net income.

2. Consolidated Financial Statements
(1) Consolidated Quarterly Balance Sheets

(Thousands of yen)

	FY ended March 31, 2016 (As of March 31, 2016)	End of 2Q of FY ending March 31, 2017 (as of September 30, 2016)
ASSETS		
Current assets		
Cash and deposits	15,413,978	15,464,519
Accounts receivable-trade	344,832	391,971
Real estate for sale	6,047,465	960,499
Real estate for sale in process	26,664,726	32,646,062
Supplies	2,096	5,308
Deferred tax assets	1,736,749	909,342
Other	1,174,601	750,901
Allowance for doubtful accounts	△18,977	△15,345
Total current assets	51,365,472	51,113,210
Noncurrent assets		
Property, plant and equipment		
Buildings, net	702,298	694,669
Land	1,172,832	6,327,088
Other, net	44,723	44,220
Total property, plant and equipment	1,919,854	7,065,979
Intangible assets	278,208	271,831
Investments and other assets		
Other	525,166	532,983
Allowance for doubtful accounts	△4,381	△4,419
Total investments and other assets	520,784	528,564
Total noncurrent assets	2,718,847	7,866,375
Total assets	54,084,319	58,979,585

(Thousands of yen)

	FY ended March 31, 2016 (As of March 31, 2016)	End of 2Q of FY ending March 31, 2017 (as of September 30, 2016)
LIABILITIES		
Current liabilities		
Accounts payable-trade	599,139	929,852
Short-term loans payable	1,248,500	1,088,300
Current portion of bonds	101,200	1,183,900
Current portion of long-term loans payable	2,004,184	2,199,384
Income taxes payable	973,017	688,437
Provision for bonuses	134,643	140,648
Provision for directors' bonuses	41,150	24,000
Construction warranty reserve	6,800	10,400
Provision for loss on guarantees for rent	41,739	49,204
Other	2,491,110	2,028,612
Total current liabilities	7,641,484	8,342,739
Noncurrent liabilities		
Bonds payable	1,413,300	280,000
Long-term loans payable	13,642,252	16,614,460
Deferred tax liabilities	578	341
Other	1,242,048	1,278,570
Total noncurrent liabilities	16,298,179	18,173,372
Total liabilities	23,939,663	26,516,111
NET ASSETS		
Shareholders' equity		
Capital stock	8,387,211	8,387,211
Capital surplus	2,871,767	2,871,767
Retained earnings	18,885,910	21,237,799
Treasury stock	△174	△174
Total shareholders' equity	30,144,715	32,496,604
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,951	2,734
Foreign currency translation adjustment	△8,331	△48,895
Total accumulated other comprehensive income	△5,379	△46,160
Minority interests	5,320	13,029
Total net assets	30,144,656	32,463,473
Total liabilities and net assets	54,084,319	58,979,585

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

Consolidated Quarterly Statements of Income

(Thousands of yen)

	Second Quarter of FY ended March 31, 2016 (April 1,2015- September 30, 2015)	Second Quarter of FY ending March 31, 2017 (April 1,2016- September 30, 2016)
Net sales	12,857,352	18,906,804
Cost of sales	7,657,650	11,670,201
Gross profit	5,199,702	7,236,603
Selling, general and administrative expenses	1,639,982	2,062,306
Operating income	3,559,719	5,174,297
Non-operating income		
Interest income	5,647	7,462
Dividends income	275	282
Subsidy income	4,470	1,770
Other	412	1,288
Total non-operating income	10,805	10,802
Non-operating expenses		
Interest expenses	107,558	106,071
Bond Issuance Cost	84,128	-
Foreign currency transaction loss	17,913	61,429
Financing Cost	8,651	154,105
Other	14,466	22,780
Total non-operating expenses	232,719	344,387
Ordinary income	3,337,806	4,840,712
Extraordinary income		
Gains from sale of noncurrent assets	-	1,601
Total extraordinary profit	-	1,601
Extraordinary loss		
Loss on retirement of noncurrent assets	827	-
Loss from lawsuits	10,850	-
Loss on valuation of membership	-	1,250
Total extraordinary losses	11,677	1,250
Income before income taxes and minority interests	3,326,129	4,841,063
Income taxes-current	626,106	593,582
Income taxes-deferred	△16,751	827,265
Total income taxes	609,355	1,420,848
Income before minority interests	2,716,773	3,420,214
Minority interests in income (loss)	△560	△558
Net income	2,717,334	3,420,773

Consolidated Quarterly Statements of comprehensive income

(Thousands of yen)

	Second Quarter of FY ended March 31, 2016 (April 1, 2015- September 30, 2015)	Second Quarter of FY ending March 31, 2017 (April 1, 2016- September 30, 2016)
Income before minority interests	2,716,773	3,420,214
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ86	Δ216
Foreign currency translation adjustment	Δ4,014	Δ40,564
Total other comprehensive income	Δ4,100	Δ40,780
Comprehensive income	2,712,672	3,379,434
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,713,233	3,379,992
Comprehensive income attributable to minority interests	Δ560	Δ558

(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 Second Quarter of Fiscal Year Ended March 31, 2016 (April 1, 2015 -September 30, 2015)

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	10,937,695	919,349	729,729	12,586,774	270,577	12,857,352	—	12,857,352
Segment income(loss)	3,623,181	815,353	342,599	4,781,134	144,959	4,926,094	△1,366,374	3,559,719

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 and space rental business, etc.

2. The segment income adjustments amount, △1,366,374 thousand yen, includes △1,473,932 thousand yen in company-wide expenses that are not allocated to reporting segments and 107,558 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, 2017 (April 1, 2016 - September 30, 2016)

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	16,514,542	698,494	854,551	18,067,588	839,216	18,906,804	—	18,906,804
Segment income(loss)	5,601,092	397,193	397,193	6,551,702	417,126	6,968,828	△1,794,531	5,174,297

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 and space rental business and hotel operation business, etc.

2. The segment income adjustments amount, △1,794,531 thousand yen, includes △1,900,215 thousand yen in company-wide expenses that are not allocated to reporting segments and 105,684 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.