Please note that this document is a translation of the official announcement in Japanese that was released on July 5, 2013. The translation is prepared and provided for the purpose of the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version for complete and accurate information. In the event of any inconsistencies, please note that the Japanese version shall be taken as the correct version.

Consolidated Financial Results
for the First Six Months of the Year Ending November 30, 2013
<IFRS>

July 5, 2013

Company name: Tosei Corporation
Stock listing: Tokyo Stock Exchange, First Section/ Singapore Exchange, Mainboard
Securities code number: 8923/S2D
Representative: Seiichiro Yamaguchi, President and CEO
URL: http://www.toseicorp.co.jp/english/
Contact: Noboru Hirano, Director and CFO
Phone: +81-3-3435-2864
Scheduled date of submission of quarterly securities report: July 10, 2013
Scheduled date of commencement of dividend payments: —
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

Note: All amounts are rounded down to the nearest million yen.

1. Consolidated Financial Results for the Six Months Ended May 31, 2013 (December 1, 2012 – May 31, 2013)

(1) Consolidated Operating Results (cumulative) (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the period	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Six months ended May 31, 2013	23,090	127.6	2,752	282.6	2,384	497.3	1,461	558.3
Six months ended May 31, 2012	10,147	—	719	—	399	—	221	—

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)	(¥)
Six months ended May 31, 2013	1,461	558.3	1,466	561.1	31.99	—
Six months ended May 31, 2012	221	—	221	—	4.86	—

Note: The Company split its shares by 100 for 1, effective July 1, 2013. Therefore, the basic earnings per share and diluted earnings per share were calculated on the assumption that the stock had been split at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	(¥ million)	(¥ million)	(¥ million)	(%)
As of May 31, 2013	63,936	27,735	27,735	43.4
As of Nov. 30, 2012	65,363	26,543	26,543	40.6

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Year ended Nov. 30, 2012	–	0.00	–	600.00	600.00
Year ending Nov. 30, 2013	–	0.00			
Year ending Nov. 30, 2013 (Forecast)			–	8.00	8.00

Note: Revision to the most recently released dividend forecasts: Yes

Note: The Company split its shares by 100 for 1, effective July 1, 2013. As for the dividend per share for the fiscal year ended November 30, 2012, the pre-stock split amount is presented.

3. Consolidated Earnings Forecasts for the Year Ending November 30, 2013 (December 1, 2012 – November 30, 2013)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the period attributable to owners of the parent		Basic earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Year ending Nov. 30, 2013	34,946	44.4	3,805	33.2	3,107	40.1	1,903	29.9	41.66

Note: Revision to the most recently released earnings forecasts: Yes

Note: The Company split its shares by 100 for 1, effective July 1, 2013. Therefore, the basic earnings per share in the consolidated earnings forecast for the current fiscal year is presented in consideration of the effect of the stock split.

*** Notes**

(1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in changes in the scope of consolidation): No
Newly added: – Excluded: –

(2) Changes in accounting policies and changes in accounting estimates
(a) Changes in accounting policies required by IFRS: No
(b) Changes in accounting policies other than (a) above: No
(c) Changes in accounting estimates: No

(3) Number of issued shares (ordinary shares)

(a) Number of issued shares at the end of the period (including treasury shares)

As of May 31, 2013	45,684,000 shares
As of Nov. 30, 2012	45,684,000 shares

(b) Number of treasury shares at the end of the period

As of May 31, 2013	–
As of Nov. 30, 2012	–

(c) Average number of outstanding shares during the period (cumulative)

Six months ended May 31, 2013	45,684,000 shares
Six months ended May 31, 2012	45,684,000 shares

Note: The Company split its shares by 100 for 1, effective July 1, 2013. Therefore, the aforementioned numbers of shares were calculated on the assumption that the stock had been split at the beginning of the previous fiscal year.

* Information regarding implementation of quarterly review procedures

This quarterly financial results report is exempt from quarterly review procedures pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly consolidated financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

* Proper use of earnings forecasts and other notes

(1) The forward-looking statements, including outlook of future performance, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual performance and other results may differ substantially from these statements due to various factors. For the assumptions on which the earnings forecasts are based and cautions concerning the use thereof, please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance (3) Qualitative Information Regarding Consolidated Earnings Forecasts" on page 4 of the attached materials.

(2) The Company split its shares by 100 for 1, effective July 1, 2013.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Operating Results

During the first six months ended May 31 2013 (December 1, 2012 to May 31, 2013), the correction of strong Yen progressed in reflection of the economic policy and the bold monetary easing by the new administration. While there is some concern for a rise in long-term interest rates which may jeopardize the real economy, the exporting environment and the corporate business performances have shown signs of recovery and personal spending picked up with improved consumer sentiments. The expectation for economic recovery has been growing.

In the real estate sector, where Tosei Group operates, the demand for residential properties remained strong, supported by the anticipation for the economic recovery and the lower interest rates for housing loans. Since 2010, the closing rate of condominium sales in the Greater Tokyo area has mostly remained above 70%, which is viewed as a threshold of favorable market conditions, and went up to a high 78.2% in the this April, 2013.

In the office leasing market of Tokyo's five business wards, while the average asking rent is still showing small decrease, the vacancy rate is on a declining trend, as the large supply of new office space is now completed and mostly absorbed, and it reached 8.54% in April 2013, 0.69 percentage point lower than the same month last year.

In the real estate securitization market, a favorable market condition drove IPOs and new fund raising by J-REIT to finance property acquisitions. As a result, J-REIT transactions accounted for ¥1.4 trillion or 58% of the total domestic real estate transactions of ¥2.6 trillion in fiscal year 2012 (April 2012 to March 2013). As of the end of December 2012, the balance of asset under management was ¥9.0 trillion for J-REIT and ¥17.5 trillion for the privately placed funds, totaling ¥26.5 trillion.

In this operating environment, Tosei Group successfully executed the sale of income-generating office buildings and apartment buildings in the Revitalization Business. In the Development Business, the sale of detached houses continued, and the delivery of THE Palms Sendagaya condominium commenced in April 2013, contributing to our profit. In addition, the Company continues to be active in acquiring the income-generating properties and land lots for a development purpose, which will be the source of future income.

As a result, for the first six month ended May 31, 2013, consolidated revenue totaled ¥23,090 million (an increase of 127.6% compared with the same period in the previous fiscal year), operating profit was ¥2,752 million (an increase of 282.6%), profit before tax was ¥2,384 million (an increase of 497.3%), and profit for the period was ¥1,461 million (an increase of 558.3%).

Segment results were as follows:

Revitalization Business

During the six months ended May 31, 2013, the Company sold 10 properties it had refurbished, including Excel TY Building (Shibuya Ward, Tokyo), Meguro Ekimae Tosei Building (Shinagawa Ward, Tokyo), Harajuku Mansion (Shibuya Ward, Tokyo), Kanda Urban Building (Chiyoda Ward, Tokyo). In addition, the Company sold 41 units under its Restyling Business such as Hilltop Yokohama Negishi (Yokohama City, Kanagawa Prefecture), Hilltop Higashi Terao (Yokohama City, Kanagawa Prefecture), and Estage Kaminoge (Setagaya Ward, Tokyo). As a result, revenue in this segment reached ¥8,745 million, an increase of 160.7% from the same period last year, and the segment profit was ¥1,496 million, an increase of 556.2%.

Development Business

During the six months ended May 31, 2013, the Company sold Kamata Tosei Building (Ota Ward, Tokyo) as well as a total of 47 detached houses such as properties at Palms Court Hatsudai (Shibuya Ward, Tokyo), Palms Court Koishikawa (Bunkyo Ward, Tokyo) and Palms Court Setagaya Okamoto (Setagaya City, Chiba), and 52 newly built condominium units in THE Palms Sendagaya (Shibuya Ward, Tokyo), THE Palms Tsukishima Luna Garden (Chuo Ward, Tokyo) and THE Palms Takadanobaba (Shinjuku Ward, Tokyo). As a result, revenue in this segment came to ¥10,420 million (up by 245.5% year-on-year), and segment profit reached ¥702 million (up by 176.0% year-on-year).

Rental Business

During the six months ended May 31, 2013, the Company focused on leasing activities for its non-current assets and inventories and worked to sustain a certain level of occupancy rates. As a result, revenue in this segment was ¥1,179 million, an increase of 3.2% compared with the same period last year, and the segment profit was ¥685 million, an increase of 11.9%.

Fund and Consulting Business

During the six months ended May 31, 2013, the Company enjoyed a stable asset management fee income. In addition, brokerage fees and other income relating to large-scale transactions were booked. As a result, revenue in this segment was ¥963 million (up by 148.6% year-on-year), while segment profit was ¥541 million (up by 565.2% year-on-year).

As of May 31, 2013, the balance of assets under management (Note) totaled ¥256,388 million.

Note: The balance of assets under management includes the balance of assets which were subject to consulting contracts, etc.

Property Management Business

During the six months ended May 31, 2013, the number of properties managed by the Company including office buildings, parking lots and schools was 324 properties, an increase of 12 compared with the same period last year; while the number of condominiums and apartments increased by 8 to 215 properties, the total number of properties under management came to 539, an increase of 20 from the same period last year.

As a result, revenue in this segment was ¥1,592 million, a decrease of 10.6% compared with the same period last year, and the segment profit was ¥67 million, a decrease of 17.7%.

Alternative Investment Business

During the six months ended May 31, 2013, the segment focused on the sale of properties acquired through M&A, collection of debt, and leasing of the properties which the Company acquired as in-kind repayments. The segment recognized gain on the sale of properties and loans receivable, interest income, as well as rental income from properties acquired as in-kind repayments. Consequently, revenue in this segment came to ¥189 million, a decrease of 59.4% compared with the same period last year, and the segment profit was ¥26 million, a down by 40.7%.

(2) Qualitative Information Regarding Consolidated Financial Positions

1) Financial Positions

As of May 31, 2013, total assets decreased by ¥1,426 million to ¥63,936 million compared with November 30, 2012, while total liabilities decreased by ¥2,618 million to ¥36,200 million.

These were primarily due to a decrease in inventories resulting from sales of properties exceeding purchases in the Revitalization Business and the Development Business, and a decline in borrowings from financial institutions.

Total equity increased by ¥1,191 million to ¥27,735 million compared with November 30, 2012, mainly due to an increase in retained earnings and dividend payments.

2) Cash Flows

Cash and cash equivalents (hereinafter “cash”) as of May 31, 2013 increased by ¥3,558 million from November 30, 2012 to ¥12,969 million because of the quarterly profit before tax of ¥2,384 million a decrease in inventories led by steady sales of properties in the Revitalization Business and the Development Business, as well as a resulting decline in borrowings from financial institutions.

The respective cash flow positions and the factors thereof for the six months ended May 31, 2013 are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥5,819 million (net cash used in operating activities

totaled ¥741 million in the same period of the previous year). This is mainly attributed to the quarterly profit before tax of ¥2,384 million and a decrease of ¥3,747 million in inventories resulting from sales of properties in the Revitalization Business and the Development Business.

Cash Flows from Investing Activities

Net cash provided by investing activities totaled ¥90 million (net cash used in investing activities totaled ¥146 million in the same period of the previous year). This is primarily due to the collection of available-for-sale financial assets in the amount of ¥216 million.

Cash Flows from Financing Activities

Net cash used in financing activities totaled ¥2,363 million (an increase of 356.3% year-on-year). This mainly reflected ¥11,828 million in repayment of long-term borrowings and ¥273 million in dividend payments, despite proceeds from long-term borrowings of ¥10,485million.

(3) Qualitative Information Regarding Consolidated Earnings Forecasts

The Company made the following revision in its consolidated earnings forecasts for the full-year ending November 30, 2013 (December 1, 2012 to November 30, 2013), which had been announced on April 5, 2013.

	Revenue (¥ million)	Operating profit (¥ million)	Profit before tax (¥ million)	Profit for the year attributable to owners of the parent (¥ million)	Basic earnings per share (¥)
< IFRS based> Previous forecast (A)	37,013	3,284	2,635	1,597	34.98
< IFRS based> Revised forecast (B)	34,946	3,805	3,107	1,903	41.66
Amount of change (B-A)	(2,066)	521	472	305	
Percentage change (%)	(5.6%)	15.9%	17.9%	19.1%	

Given the rescheduled sale of certain buildings and the progress of the sale of Restyling properties, the Company revised its consolidated revenue forecast to ¥34,946 million, down by ¥2,066 million from the initial forecast.

On the other hand, the sale of buildings such as income-generating offices is expected to book larger profit margins than the original plans, reflected by a recovery in the real estate market, and the condominiums to be delivered in the second-half of the year are also forecasted to achieve greater profitability. Supported by these factors, the Company revised its forecasts for the operating profit to be ¥3,805 million, up by ¥521 million, and the profit for the year to be ¥1,903 million, up by ¥305 million.

The forward-looking statements contained in these materials, including forecasts of the future performance, are based on the information available to the Company as of the date of announcement and on certain assumptions deemed to be reasonable by the Company. Actual performance and other results may differ from forecasts due to various factors.

2. Matters Related to Summary Information (Other Information)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Changes in Accounting Policies and Changes in Accounting Estimates

Not applicable.

3. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(¥ thousand)

	Notes	As of Nov. 30, 2012	As of May 31, 2013
Assets			
Current assets			
Cash and cash equivalents		9,410,622	12,969,596
Available-for-sale financial assets		10,000	10,000
Trade and other receivables		1,884,308	1,223,806
Inventories		37,417,375	33,718,420
Other assets		22,426	24,013
Total current assets		48,744,733	47,945,837
Non-current assets			
Property, plant and equipment		3,331,447	3,313,116
Investment properties		11,695,720	11,792,412
Intangible assets		43,091	32,622
Available-for-sale financial assets		410,061	152,521
Trade and other receivables		160,170	175,896
Deferred tax assets		973,844	519,899
Other assets		4,014	4,014
Total non-current assets		16,618,350	15,990,482
Total assets		65,363,083	63,936,319
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		3,314,472	2,159,431
Borrowings		7,742,443	9,516,844
Current income tax liabilities		72,921	634,080
Provisions		154,143	190,684
Total current liabilities		11,283,980	12,501,041
Non-current liabilities			
Trade and other payables		2,136,256	1,918,743
Borrowings		24,659,337	21,156,348
Retirement benefits obligations		541,647	578,400
Provisions		24,842	24,909
Deferred tax liabilities		173,126	21,160
Total non-current liabilities		27,535,211	23,699,562
Total Liabilities		38,819,191	36,200,603
Equity			
Share capital		5,454,673	5,454,673
Capital reserves		5,516,499	5,516,499
Retained earnings		15,576,014	16,762,209
Other components of equity		(3,295)	2,333
Total equity		26,543,892	27,735,715
Total liabilities and equity		65,363,083	63,936,319

(2) Condensed Consolidated Statement of Comprehensive Income

(¥ thousand)

	Notes	Six months ended May 31, 2012 (Dec. 1, 2011 – May 31 2012)	Six months ended May 31, 2013 (Dec. 1, 2012 – May 31, 2013)
Revenue	5	10,147,521	23,090,689
Cost of revenue		7,905,844	18,573,244
Gross profit		2,241,677	4,517,445
Selling, general and administrative expenses		1,525,031	1,770,792
Other income		8,711	17,103
Other expenses		5,962	11,691
Operating profit	5	719,395	2,752,065
Finance income		2,144	1,783
Finance costs		322,259	369,010
Profit before tax		399,279	2,384,839
Income tax expense		177,295	923,559
Profit for the period		221,983	1,461,279
Other comprehensive income			
Exchange differences on translation of foreign operations		(369)	3,719
Net change in fair values of available-for-sale financial assets		271	1,197
Net change in fair values of cash flow hedges		—	712
Other comprehensive income for the period, net of tax		(97)	5,629
Total comprehensive income for the period		221,885	1,466,908
Profit attributable to:			
Owners of the parent		221,983	1,461,279
Total comprehensive income attributable to:			
Owners of the parent		221,885	1,466,908
Earnings per share attributable to owners of the parent			
Basic earnings per share (yen)	7	4.86	31.99
Diluted earnings per share (yen)	7	—	—

(3) Condensed Consolidated Statement of Changes in Equity

Six months ended May 31, 2012 (Dec. 1, 2011 – May 31, 2012)

	Notes	Share capital	Capital reserves	Retained earnings	Other components of equity	Total equity
Balance at Dec. 1, 2011		5,454,673	5,516,499	14,339,150	(2,369)	25,307,953
Profit for the period		—	—	221,983	—	221,983
Other comprehensive income		—	—	—	(97)	(97)
Total comprehensive income for the period		—	—	221,983	(97)	221,885
Dividends from surplus	6	—	—	(228,420)	—	(228,420)
Balance at May 31, 2012		5,454,673	5,516,499	14,332,713	(2,466)	25,301,419

Six months ended May 31, 2013 (Dec. 1, 2012 – May 31, 2013)

	Notes	Share capital	Capital reserves	Retained earnings	Other components of equity	Total equity
Balance at Dec. 1, 2012		5,454,673	5,516,499	15,576,014	(3,295)	26,543,892
Profit for the period		—	—	1,461,279	—	1,461,279
Other comprehensive income		—	—	—	5,629	5,629
Total comprehensive income for the period		—	—	1,461,279	5,629	1,466,908
Dividends from surplus	6	—	—	(274,104)	—	(274,104)
Retained earnings from newly consolidated subsidiaries		—	—	(981)	—	(981)
Balance at May 31, 2013		5,454,673	5,516,499	16,762,209	2,333	27,735,715

(4) Condensed Consolidated Statement of Cash Flows

(¥ thousand)

	Notes	Six months ended May 31, 2012 (Dec. 1, 2011 – May 31, 2012)	Six months ended May 31, 2013 (Dec. 1, 2012 – May 31, 2013)
Cash flows from operating activities			
Profit before tax		399,279	2,384,839
Depreciation expense		87,510	86,331
Increase (decrease) in provisions and retirement benefits obligations		19,968	72,329
Interest and dividends income		(2,144)	(1,783)
Interest expenses		322,259	369,010
Net gain on disposal of available-for-sale financial assets		—	(7,323)
Loss on retirement of property, plant and equipment		2,307	183
Decrease (increase) in trade and other receivables		(115,726)	597,623
Decrease (increase) in inventories		(1,051,068)	3,747,571
Increase (decrease) in trade and other payables		(342,922)	(1,365,027)
Other, net		(925)	1,622
Subtotal		(681,462)	5,885,377
Interest and dividends income received		2,144	1,914
Income taxes paid		(61,779)	(68,069)
Net cash from (used in) operating activities		(741,097)	5,819,222
Cash flows from investing activities			
Purchase of property, plant and equipment		(20,427)	(1,440)
Purchase of investment properties		(102,481)	(152,635)
Purchase of intangible assets		(4,280)	(330)
Collection of available-for-sale financial assets		—	216,700
Proceeds from sales of available-for-sale financial assets		—	30,782
Purchase of available-for-sale financial assets		(20,000)	(2,000)
Collection of loans receivable		349	43
Other, net		(70)	(911)
Net cash from (used in) investing activities		(146,909)	90,209
Cash flows from financing activities			
Net increase (decrease) in current borrowings		577,000	(384,400)
Proceeds from long-term borrowings		6,297,000	10,485,000
Repayments of non-current borrowings		(6,835,047)	(11,828,303)
Cash dividends paid		(227,235)	(273,142)
Interest expenses paid		(328,734)	(361,484)
Other, net		(783)	(885)
Net cash from (used in) financing activities		(517,799)	(2,363,215)
Net increase (decrease) in cash and cash equivalents		(1,405,805)	3,546,215
Cash and cash equivalents at beginning of period		8,361,689	9,410,622
Effect of exchange rate change on cash and cash equivalents		(369)	3,721
Increase in cash and cash equivalents from newly consolidated subsidiaries		—	9,036
Cash and cash equivalents at end of period		6,955,515	12,969,596

(5) Notes on Going Concern Assumption

No items to report.

(6) Notes to Condensed Quarterly Consolidated Financial Statements

a. Reporting entity

TOSEI CORPORATION (Hereinafter, the "Company") is a stock company located in Japan whose stock is listed on the First Section of Tokyo Stock Exchange and the Mainboard of Singapore Exchange. The Company's condensed quarterly consolidated financial statements for the first six months of the current fiscal year (December 1, 2012 to May 31, 2013) have been prepared in respect of the Company and its subsidiaries (hereinafter collectively, the "Group"). The Group engages in the following six business operations: Revitalization Business, Development Business, Rental Business, Fund and Consulting Business, Property Management Business and Alternative Investment Business. The operations of each business segment are presented in Note "e. Segment Information".

b. Basis of preparation

(1) Compliance with IFRS

Since the Company qualifies as a "specified company" as provided in Article 1-2, paragraph 1, item 1 (a) to (c) and (d) (2) of the "Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No. 28 of 1976), its condensed quarterly consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" under the provision of Article 93 of the "Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office Ordinance No. 64 of 2007).

(2) Basis of measurement

The condensed quarterly consolidated financial statements have been prepared on the historical cost basis except for assets and liabilities measured at fair value.

(3) Presentation currency and unit

The condensed quarterly consolidated financial statements in this report are presented in Japanese yen, the Company's functional currency. All financial information presented in Japanese yen is rounded down to the nearest thousand yen.

c. Significant accounting policies

The accounting policies applied to this condensed quarterly consolidated financial statements are consistent throughout all the periods presented in the condensed quarterly consolidated financial statements.
The significant accounting policies applied under IFRS, which has been adopted by the Group, are presented in the notes to condensed quarterly consolidated financial statements for the first three months of the current fiscal year (December 1, 2012 to February 28, 2013).

d. Significant accounting estimates and judgments requiring estimates

The preparation of the condensed quarterly consolidated financial statements in compliance with IFRS requires the management of the Group to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. However, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimates are changed and in future periods in which the change affects.

e. Segment information

(1) Summary of reportable segments

The Group's reportable segments constitute the Company for which separate financial information is available. The Board of Directors regularly conducts deliberations to determine the allocation of management resources and to assess the financial results of each segment. The Group draws up comprehensive strategies for each of the following business segments and conducts business activities accordingly; "Revitalization Business", "Development Business", "Rental Business", "Fund and Consulting Business", "Property Management Business", and "Alternative Investment Business". In the Revitalization Business, the Group acquires the properties whose asset values have declined, renovates, and resells them. In the Development Business, the Group sells condominium units and detached houses to individual customers, and apartment and office buildings to investors. In the Rental Business, the Group rents office buildings and condominiums. The Fund and Consulting Business mainly provides asset management services for the properties placed in real estate funds. The Property Management Business provides comprehensive property management services. In the Alternative Investment Business, the Group acquires real estate collateralized loans and sells the properties acquired through collection of debt and in-kind repayment.

As from the first quarter of the current fiscal year under review, the name of "Fund Business" was changed to the "Fund and Consulting Business." This amendment was made only to the name of the business segment, and there was no change in the segmentation.

(2) Method for calculating revenue, profit or loss and other items by reportable segment

The methods of accounting applied in the reported business segments are consistent with the accounting policies adopted by the Group.

The reported segment profit is calculated on an operating profit basis. Intersegment revenue or transfers are based on actual market prices.

The Group's revenue and profit by reportable segment are as follows:

Six months ended May 31, 2012

(December 1, 2011 – May 31, 2012)

(¥ thousand)

	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Alternative Investment Business	Adjustment	Total
Revenue								
Outside customers	3,354,962	3,016,295	1,142,287	387,446	1,780,738	465,790	—	10,147,521
Intersegment revenue	—	274,003	26,276	11,824	158,351	2,269	(472,725)	—
Total	3,354,962	3,290,299	1,168,564	399,271	1,939,089	468,060	(472,725)	10,147,521
Segment profit	228,102	254,304	612,320	81,372	82,190	45,215	(584,111)	719,395
Finance income/costs, net								(320,115)
Profit before tax								399,279

Six months ended May 31, 2013

(December 1, 2012 – May 31, 2013)

(¥ thousand)

	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Alternative Investment Business	Adjustment	Total
Revenue								
Outside customers	8,745,156	10,420,929	1,179,357	963,333	1,592,712	189,201	—	23,090,689
Intersegment revenue	—	—	27,925	2,373	164,412	—	(194,712)	—
Total	8,745,156	10,420,929	1,207,282	965,707	1,757,124	189,201	(194,712)	23,090,689
Segment profit	1,496,912	702,005	685,393	541,255	67,682	26,806	(767,989)	2,752,065
Finance income/costs, net								(367,226)
Profit before tax								2,384,839

f. Dividends

Dividends paid in the six months ended May 31, 2012 and May 31, 2013 are as follows:

Six months ended May 31, 2012 (Dec. 1, 2011 – May 31, 2012)				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on Feb. 24, 2012	500	228,420	Nov. 30, 2011	Feb. 27, 2012

Six months ended May 31, 2013 (Dec. 1, 2012 – May 31, 2013)				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on Feb. 26, 2013	600	274,104	Nov. 30, 2012	Feb. 27, 2013

g. Earnings per share

	Six months ended May 31 2012 (Dec. 1, 2011 – May 31, 2012)	Six months ended May 31, 2013 (Dec. 1, 2012 – May 31, 2013)
Profit for the period attributable to owners of the parent (¥ thousand)	221,983	1,461,279
Weighted average number of ordinary shares outstanding (shares)	45,684,000	45,684,000
Basic earnings per share (¥)	4.86	31.99

Notes: 1. Basic earnings per share is calculated by dividing profit for the period attributable to owners of the parent, by the weighted average number of ordinary shares outstanding during the reporting period.
2. Information on diluted earnings per share is omitted due to an absence of potential shares.
3. The Company split its shares by 100 for 1, effective July 1, 2013. Therefore, the basic earnings per share were calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year ended November 30, 2012.

(7) Notes on Significant Subsequent Events

(Stock Split, Adoption of Unit Share System, and Partial Amendments of the Articles of Incorporation)

At the Board of Directors Meeting held on June 5, 2013, the Company resolved to implement a stock split and adopt a unit share system, as well as to make partial amendments to its Articles of Incorporation.

a. Objective

In view of the "Action Plan for Consolidating Trading Units" (dated November 28, 2007) and "Decision of the Transition Period for 100 Shares and 1,000 Shares as Trading Unit" (dated January 19, 2012), announced by all the securities exchanges of Japan, the Company will conduct a 100-for-1 stock split of the Company's common shares, and concurrently, it will adopt a unit share system under which 100 shares are treated as one unit of shares. The Company will also make partial amendments to its Articles of Incorporation to reflect the aforementioned changes.

b. Outline of the Stock Split

(1) Method of the Stock Split

Each of the Company's common shares held by shareholders, whose names are recorded in the latest Registry of Shareholders on June 30, 2013 as the record date, will be split into 100 shares. (Due to June 30, 2013 being a holiday, the actual record date will be June 28, 2013 (Fri).)

(2) Increase in the number of Shares as a Result of the Stock Split

i.	Total number of issued shares prior to the stock split:	456,840 shares
ii.	Increase in shares due to the subject stock split:	45,227,160 shares
iii.	Total number of issued shares after the stock split:	45,684,000 shares
iv.	Total number of authorized shares prior the stock split:	1,500,000 shares
v.	Total number of authorized shares after the stock split:	150,000,000 shares

(3) Schedule of the Stock Split

i.	Date of Public Notice on the Record Date:	June 15, 2013 (Sat)
ii.	Record Date:	June 30, 2013 (Sun)

(Due to this being a holiday, the actual record date will be June 28, 2013 (Fri).)

iii.	Effective Date:	July 1, 2013 (Mon)

c. Adoption of the Unit Share System

(1) The Number of Shares Constituting the Newly Established Unit of Shares

The unit share system will be adopted and one unit of shares will be 100 shares.

(2) Schedule for Adoption of the Unit Share System

Effective Date: July 1, 2013 (Mon)

d. Effects on the Earnings per Share

The effects of the aforementioned change on the earnings per share are presented in “g. Earnings per share” in (6) Notes to Condensed Quarterly Consolidated Financial Statements.