Please note that this document is a translation of the official announcement in Japanese that was released on October 4, 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 Nine Months of the Year Ending November 30, 2013
<IFRS>

October 4, 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
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Scheduled date of submission of quarterly securities report: October 10, 2013
Scheduled date of commencement of dividend payments: —
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: No

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

1. Consolidated Financial Results for the Nine Months Ended August 31, 2013 (December 1, 2012 – August 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)	(%)
Nine months ended Aug. 31, 2013	29,097	97.1	3,610	189.7	3,072	295.5	1,921	328.7
Nine months ended Aug. 31, 2012	14,765	—	1,246	—	776	—	448	—

	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)	(%)	(¥)	(¥)
Nine months ended Aug. 31, 2013	1,921	328.7	1,926	329.2	41.73	—
Nine months ended Aug. 31, 2012	448	—	448	—	9.81	—

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 Aug. 31, 2013	68,525	30,021	30,021	43.8
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: No

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: No

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 (common stock)

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

As of Aug. 31, 2013	48,284,000 shares
As of Nov. 30, 2012	45,684,000 shares

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

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

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

Nine months ended Aug. 31, 2013	46,044,583 shares
Nine months ended Aug. 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 8 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 nine months ended August 31, 2013 (December 1, 2012 to August 31, 2013), the Japanese economy showed signs of steady recovery such as easing deflation following the good response to the BOJ's bold monetary easing steps as well as the government's economic measures.

In the real estate sector, where Tosei Group operates, J-REIT's active acquisitions have further vitalized the real estate transactions, and the total amount of property acquisitions by all listed companies during the period from January to June 2013 has nearly doubled from the same period last year, amounting to ¥2.3 trillion. As for the condominium market in the greater Tokyo area, the strong demand continued on the back of the mortgage tax break as well as the anticipation of a rise in property price. Since 2010, the closing rate of sales contracts has mostly remained above 70%, which is viewed as a threshold of a favorable condition, and it recorded a high 81.6% in July 2013. (According to a survey by a private research institution)

In the office leasing market of Tokyo's five business wards, the average vacancy rate remained on a recovery trend, recording 8.29% in July 2013, 1.01 percentage point lower than the same month last year. The average asking rent, however, has been on a slight decline despite of the increasing expectation of the market that the rental rate will bottom out. (According to a survey by a private research institution)

In the real estate securitization market, the total amount of property acquisitions during the period from January to June 2013 stood at ¥1.3 trillion, nearly tripled from the same period last year, as the acquisitions by J-REITs have largely increased. (According to a survey by a private research institution)

As at the end of June 2013, the combined balance of assets managed by all real estate funds hit a record ¥27.1 trillion, of which ¥10.4 trillion was accounted for by J-REITs and ¥16.7 trillion was by private placement funds. (According to a survey by a private research institution)

In such operating environment, Tosei Group successfully executed the sale of income-generating office and apartment buildings and launched the sale of Restyling properties, both of which are in the Revitalization Business. Also, in the Development Business, the Group concentrated on the sale of 8 detached house projects such as Palms Court Koishikawa 3-Chome and commenced the delivery of newly completed condominium, THE Palms Shibuya Tokiwamatsu in July 2013, which have been the contributors to the steady earnings growth. Further, the Group has been proactively conducting acquisitions of properties that will be the source of its future income.

As a result, consolidated revenue for the first nine months ended August 31, 2013 totaled ¥29,097 million (an increase of 97.1% compared with the same period in the previous fiscal year), operating profit was ¥3,610 million (an increase of 189.7%), profit before tax was ¥3,072 million (an increase of 295.5%), and profit for the period was ¥1,921 million (an increase of 328.7%).

Segment results were as follows:

Revitalization Business

During the nine months ended August 31, 2013, the Company sold 11 properties it had refurbished, including Nissei Building (Chiyoda-ku, Tokyo), Excel TY Building (Shibuya-ku, Tokyo), Meguro Ekimae Tosei Building (Shinagawa-ku, Tokyo), Harajuku Mansion (Shibuya-ku, Tokyo), Kanda Urban Building (Chiyoda-ku, Tokyo). In addition, the Company sold 64 units under its Restyling Business such as Hilltop Yokohama Negishi (Yokohama City, Kanagawa Prefecture), Hilltop Yokohama Higashi Terao (Yokohama City, Kanagawa Prefecture), and Estage Kaminoge (Setagaya-ku, Tokyo).

As a result, revenue in this segment reached ¥9,937 million, an increase of 119.4% from the same period last year, and the segment profit was ¥1,576 million, an increase of 473.8%.

Development Business

During the nine months ended August 31, 2013, the Company sold Kamata Tosei Building (Ota-ku, Tokyo), the land lot in Motoazabu 3-Chome (Minato-ku, Tokyo), as well as a total of 63 detached houses such as properties at Palms Court Hatsudai (Shibuya-ku, Tokyo), Palms Court Koishikawa 3-Chome (Bunkyo-ku, Tokyo) and Palms Court Setagaya Okamoto (Setagaya-ku, Tokyo), and 71 newly built condominium units in THE Palms Shibuya Tokiwamatsu (Shibuya-ku, Tokyo), THE Palms Sendagaya (Shibuya-ku, Tokyo), THE Palms Tsukishima Luna Garden (Chuo-ku, Tokyo) and THE Palms Takadanobaba (Shinjuku-ku, Tokyo).

As a result, revenue in this segment came to ¥13,431 million (up by 190.8% year-on-year), and segment profit reached ¥1,217 million (up by 121.6% year-on-year).

Rental Business

During the nine months ended August 31, 2013, the Company focused on leasing activities for its non-current assets and inventories, and the income-generating apartment and office buildings the Company acquired for sales purposes contributed to the earnings.

As a result, revenue in this segment was ¥1,866 million, an increase of 5.8% compared with the same period last year, and the segment profit was ¥1,104 million, an increase of 16.2%.

Fund and Consulting Business

During the nine months ended August 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 ¥1,215 million (up by 100.1% year-on-year), while segment profit was ¥652 million (up by 311.8% year-on-year).

As of August 31, 2013, the balance of assets under management (Note) totaled ¥259,411 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 nine months ended August 31, 2013, the number of properties managed by the Company including office buildings, parking lots and schools was 328 properties, an increase of 20 compared with the same period last year; while the number of condominiums and apartments decreased by 28 to 204 properties, the total number of properties under management came to 532, a decrease of 8 from the same period last year.

As a result, revenue in this segment was ¥2,352 million, a decrease of 7.8% compared with the same period last year, and the segment profit was ¥86 million, a decrease of 27.3%.

Alternative Investment Business

During the nine months ended August 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.

As a result, revenue in this segment came to ¥293 million, a decrease of 57.6% compared with the same period last year, and the segment profit was ¥42 million, a down by 38.4%.

(2) Qualitative Information Regarding Consolidated Financial Positions

1) Financial Positions

As of August 31, 2013, total assets increased by ¥3,162 million to ¥68,525 million compared with November 30, 2012, while total liabilities decreased by ¥314 million to ¥38,504 million.

These were primarily due to the proceeds from sales of properties exceeding the purchase of properties in the Revitalization and Development Businesses, and an increase in cash and cash equivalents resulted from the issuance of new shares in Singapore.

Total equity increased by ¥3,477 million to ¥30,021 million compared with November 30, 2012, mainly due to the aforementioned issuance of new shares in Singapore and an increase in retained earnings.

During the third quarter of the current fiscal year, the Company had utilised a portion of the net proceeds from the issuance of new shares on the Singapore Exchange as follows:

1. Use of Placement Proceeds (¥ thousand)

Total amount raised in July 2013	1,933,438
Total amount utilised from the proceeds (As of Aug. 31, 2013)	321,884
Balance proceeds	1,611,554

2. Details of Use of Proceeds (¥ thousand)

Revitalization Business			
Acquisition cost of residential property in Sendagi (partial)	Bunkyo-ku, Tokyo	Apartment	95,500
		Subtotal	95,500
Development Business			
Construction cost of THE Palms Nishigahara (partial)	Kita-ku, Tokyo	Condominium	153,700
Construction cost of Palms Court Minamiasagaya (partial)	Suginami-ku, Tokyo	Detached house	22,684
		Subtotal	176,384
Fund and Consulting Business			
Co-equity investment in preferred equity of Tokumei Kumiai (silent partnership) of a private fund			50,000
		Subtotal	50,000
Total amount utilised for the period up until August 31, 2013			**321,884**

2) Cash Flows

Cash and cash equivalents (hereinafter "cash") as of August 31, 2013 increased by ¥6,427 million from November 30, 2012 to ¥15,837 million because of the quarterly profit before tax of ¥3,072 million, a decrease in inventories led by steady sales of properties in the Revitalization and Development Businesses, as well as an increase in total equity resulted from the issuance of new shares in Singapore, etc.

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

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥4,932 million (net cash used in operating activities totaled ¥3,156 million in the same period of the previous year). This is mainly attributed to the quarterly profit before tax of ¥3,072 million and a decrease of ¥1,595 million in inventories resulting from sales of properties in the Revitalization and Development Businesses.

Cash Flows from Investing Activities

Net cash provided by investing activities totaled ¥7 million (a decrease of 89.3% year-on-year). This is primarily due to collection of available-for-sale financial assets in the amount of ¥216 million, and purchase of investment properties of ¥178 million.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥1, 475 million (an increase of 18.5% year-on-year). This mainly reflected ¥15,127 million in repayment of long-term borrowings and ¥273 million in dividend payments, despite proceeds from long-term borrowings of ¥15,969 million as well as proceeds from issuance of new shares of ¥1,825 million.

(3) Qualitative Information Regarding Consolidated Earnings Forecasts

There is no change on the full-year consolidated earnings forecast, announced on July 5, 2013.

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

None

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

None

3. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(¥ thousand)

	Notes	As of Nov. 30, 2012	As of Aug. 31, 2013
Assets			
Current assets			
Cash and cash equivalents		9,410,622	15,837,795
Available-for-sale financial assets		10,000	10,000
Trade and other receivables		1,884,308	761,144
Inventories		37,417,375	35,896,187
Other assets		22,426	23,214
Total current assets		48,744,733	52,528,342
Non-current assets			
Property, plant and equipment		3,331,447	3,308,213
Investment properties		11,695,720	11,791,280
Intangible assets		43,091	30,277
Available-for-sale financial assets		410,061	202,425
Trade and other receivables		160,170	174,877
Deferred tax assets		973,844	486,383
Other assets		4,014	4,014
Total non-current assets		16,618,350	15,997,472
Total assets		65,363,083	68,525,815
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		3,314,472	2,090,985
Borrowings		7,742,443	8,600,943
Current income tax liabilities		72,921	790,375
Provisions		154,143	115,550
Total current liabilities		11,283,980	11,597,854
Non-current liabilities			
Trade and other payables		2,136,256	2,020,023
Borrowings		24,659,337	24,263,392
Retirement benefits obligations		541,647	591,543
Provisions		24,842	24,943
Deferred tax liabilities		173,126	6,954
Total non-current liabilities		27,535,211	26,906,856
Total Liabilities		38,819,191	38,504,711
Equity			
Share capital		5,454,673	6,421,392
Capital reserves		5,516,499	6,375,317
Retained earnings		15,576,014	17,222,526
Other components of equity		(3,295)	1,866
Total equity		26,543,892	30,021,103
Total liabilities and equity		65,363,083	68,525,815

(2) Condensed Consolidated Statement of Comprehensive Income

(¥ thousand)

	Notes	Nine months ended Aug. 31, 2012 (Dec. 1, 2011 – Aug. 31 2012)	Nine months ended Aug. 31, 2013 (Dec. 1, 2012 – Aug. 31, 2013)
Revenue	5	14,765,693	29,097,107
Cost of revenue		11,234,763	22,916,153
Gross profit		3,530,929	6,180,953
Selling, general and administrative expenses		2,272,537	2,583,721
Other income		13,126	24,810
Other expenses		25,353	11,412
Operating profit	5	1,246,165	3,610,629
Finance income		3,731	3,203
Finance costs		473,146	541,464
Profit before tax		776,750	3,072,369
Income tax expense		328,519	1,150,772
Profit for the period		448,230	1,921,597
Other comprehensive income			
Exchange differences on translation of foreign operations		52	2,826
Net change in fair values of available-for-sale financial assets		617	1,213
Net change in fair values of cash flow hedges		—	1,122
Other comprehensive income for the period, net of tax		669	5,162
Total comprehensive income for the period		448,900	1,926,759
Profit attributable to:			
Owners of the parent		448,230	1,921,597
Total comprehensive income attributable to:			
Owners of the parent		448,900	1,926,759
Earnings per share attributable to owners of the parent			
Basic earnings per share (yen)	8	9.81	41.73
Diluted earnings per share (yen)	8	—	—

(3) Condensed Consolidated Statement of Changes in Equity

Nine months ended August 31, 2012 (Dec. 1, 2011 – Aug. 31, 2012)

(¥ thousand)

	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		—	—	448,230	—	448,230
Other comprehensive income		—	—	—	669	669
Total comprehensive income for the period		—	—	448,230	669	448,900
Dividends from surplus	7	—	—	(228,420)	—	(228,420)
Balance at Aug. 31, 2012		5,454,673	5,516,499	14,558,960	(1,699)	25,528,433

Nine months ended August 31, 2013 (Dec. 1, 2012 – Aug. 31, 2013)

(¥ thousand)

	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		—	—	1,921,597	—	1,921,597
Other comprehensive income		—	—	—	5,162	5,162
Total comprehensive income for the period		—	—	1,921,597	5,162	1,926,759
Issuance of new shares	6	966,719	858,818	—	—	1,825,537
Dividends from surplus	7	—	—	(274,104)	—	(274,104)
Retained earnings from newly consolidated subsidiaries		—	—	(981)	—	(981)
Balance at Aug. 31, 2013		6,421,392	6,375,317	17,222,526	1,866	30,021,103

(4) Condensed Consolidated Statement of Cash Flows

(¥ thousand)

	Notes	Nine months ended Aug. 31, 2012 (Dec. 1, 2011 – Aug. 31, 2012)	Nine months ended Aug. 31, 2013 (Dec. 1, 2012 – Aug. 31, 2013)
Cash flows from operating activities			
Profit before tax		776,750	3,072,369
Depreciation expense		133,043	130,274
Increase (decrease) in provisions and retirement benefits obligations		(41,814)	9,932
Interest and dividends income		(3,731)	(3,203)
Interest expenses		473,146	541,464
Gain on available-for-sale financial assets		—	(7,323)
Loss on retirement of property, plant and equipment		2,307	183
Loss on sales of investment properties		18,874	—
Decrease (increase) in trade and other receivables		(1,232,692)	1,047,537
Decrease (increase) in inventories		(3,453,385)	1,595,633
Increase (decrease) in trade and other payables		271,197	(1,344,428)
Other, net		370	(106)
Subtotal		(3,055,935)	5,042,333
Interest and dividends income received		3,731	3,224
Income taxes paid		(104,154)	(113,222)
Net cash from (used in) operating activities		(3,156,358)	4,932,334
Cash flows from investing activities		—	—
Purchase of property, plant and equipment		(21,438)	(6,399)
Purchase of investment properties		(107,110)	(178,199)
Proceeds from sales of investment properties		216,967	—
Purchase of intangible assets		(4,280)	(3,340)
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)	(52,000)
Collection of loans receivable		7,456	60
Other, net		(70)	—
Net cash from (used in) investing activities		71,525	7,603
Cash flows from financing activities		—	—
Net increase (decrease) in current borrowings		577,000	(378,400)
Proceeds from long-term borrowings		11,229,000	15,969,988
Repayments of long-term borrowings		(9,852,537)	(15,127,705)
Proceeds from issuance of new shares		—	1,825,537
Cash dividends paid		(227,600)	(273,574)
Interest expenses paid		(480,021)	(539,150)
Other, net		(927)	(1,328)
Net cash from (used in) financing activities		1,244,915	1,475,366
Net increase (decrease) in cash and cash equivalents		(1,839,918)	6,415,305
Cash and cash equivalents at beginning of period		8,361,689	9,410,622
Effect of exchange rate change on cash and cash equivalents		52	2,830
Increase in cash and cash equivalents from newly consolidated subsidiaries		—	9,036
Cash and cash equivalents at end of period		6,521,823	15,837,795

(5) Notes on Going Concern Assumption

No item 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 nine months of the current fiscal year (December 1, 2012 to Aug. 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 quarter 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 develops apartment and office buildings targeting investors. In the Rental Business, the Group rents office buildings and apartments. 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:

Nine months ended August 31, 2012

(December 1, 2011 – Aug. 31, 2012)

(¥ thousand)

	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Alternative Investment Business	Adjustment	Total
Revenue								
Outside customers	4,529,756	4,619,149	1,763,987	607,378	2,552,117	693,304	—	14,765,693
Intersegment revenue	—	274,003	39,283	20,889	238,365	2,269	(574,813)	—
Total	4,529,756	4,893,153	1,803,271	628,268	2,790,482	695,574	(574,813)	14,765,693
Segment profit	274,846	549,151	949,851	158,463	119,327	69,432	(874,906)	1,246,165
Finance income/costs, net								(469,414)
Profit before tax								776,750

Nine months ended August 31, 2013

(December 1, 2012 – Aug. 31, 2013)

(¥ thousand)

	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Alternative Investment Business	Adjustment	Total
Revenue								
Outside customers	9,937,661	13,431,667	1,866,362	1,215,575	2,352,075	293,764	—	29,097,107
Intersegment revenue	—	—	42,182	16,620	271,672	—	(330,475)	—
Total	9,937,661	13,431,667	1,908,545	1,232,195	2,623,747	293,764	(330,475)	29,097,107
Segment profit	1,576,970	1,217,069	1,104,094	652,564	86,801	42,802	(1,069,672)	3,610,629
Finance income/costs, net								(538,260)
Profit before tax								3,072,369

f. Equity and other related items

The Company issued new shares by international placement on July 25, 2013. Consequently, in the third quarter of the current fiscal year, share capital and capital reserves had increased by ¥966,719 thousand and ¥858,818 thousand, respectively.

g. Dividends

Dividends paid in the nine months ended August 31, 2012 and August 31, 2013 are as follows:

Nine months ended August 31, 2012 (Dec. 1, 2011 – Aug 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

Nine months ended August 31, 2013 (Dec. 1, 2012 – Aug. 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

h. Earnings per share

	Nine months ended August 31 2012 (Dec. 1, 2011 – Aug. 31, 2012)	Nine months ended August 31, 2013 (Dec. 1, 2012 – Aug. 31, 2013)
Profit for the period attributable to owners of the parent (¥ thousand)	448,230	1,921,597
Weighted average number of common stock outstanding (shares)	45,684,000	46,044,583
Basic earnings per share (¥)	9.81	41.73

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 common stock 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

No item to report.