This is an English translation of the official announcement in Japanese that was released on April 4, 2014. The translation is prepared for the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version for complete and accurate information. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.

Consolidated Financial Results
for the First Three Months of the Fiscal Year Ending November 30, 2014
<IFRS>

April 4, 2014

Company name: Tosei Corporation Stock listing: TSE / SGX
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
Submission of Quarterly Securities Report (Shihanki-Houkokusho): April 10, 2014 (scheduled)
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 Three Months Ended February 28, 2014 (December 1, 2013 – February 28, 2014)

(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)	(%)
Three months ended February 28, 2014	11,339	(26.8)	1,600	(1.0)	1,427	1.3	872	0.6
Three months ended February 28, 2013	15,501	208.4	1,616	119.5	1,408	147.5	867	216.5

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)	(¥)
Three months ended February 28, 2014	872	0.6	872	0.1	18.07	–
Three months ended February 28, 2013	867	216.5	871	216.4	18.98	–

Notes:

1. The figures above for the three months ended February 28, 2013 are restatements in line with partial changes in accounting policies. For details, please refer to "2. Matters Related to Summary Information (Notes) (2) Changes in Accounting Policies and Changes in Accounting Estimates" on page 9 of the attached materials.
2. 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 share split was implemented 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 February 28, 2014	75,843	30,578	30,578	40.3
As of November 30, 2013	71,283	30,092	30,092	42.2

Note: The figures above as of November 30, 2013 are restatements in line with partial changes in accounting policies. For details, please refer to "2. Matters Related to Summary Information (Notes) (2) Changes in Accounting Policies and Changes in Accounting Estimates" on page 9 of the attached materials.

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended November 30, 2013	–	0.00	–	8.00	8.00
Fiscal year ending November 30, 2014	–				
Fiscal year ending November 30, 2014 (Forecast)		0.00	–	10.00	10.00

Note: Revision to the most recently released dividend forecasts: No

3. Consolidated Earnings Forecasts for the Fiscal Year Ending November 30, 2014 (December 1, 2013 – November 30, 2014)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal year ending November 30, 2014	41,817	19.2	4,618	18.1	3,800	18.1	2,309	15.3	47.82

Note: Revision to the most recently released earnings forecasts: No

*** 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: Yes
(b) Changes in accounting policies due to other reasons: No
(c) Changes in accounting estimates: No

Note: For details, please refer to "2. Matters Related to Summary Information (Notes) (2) Changes in Accounting Policies and Changes in Accounting Estimates" on page 9 of the attached materials.

(3) Number of issued shares (ordinary shares)

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

As of February 28, 2014	48,284,000 shares
As of November 30, 2013	48,284,000 shares

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

As of February 28, 2014	–
As of November 30, 2013	–

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

Three months ended February 28, 2014	48,284,000 shares
Three months ended February 28, 2013	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 share split was implemented at the beginning of the previous fiscal year.

* Information on 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

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 on Consolidated Earnings Forecasts" on page 8 of the attached materials.

○ Contents of Attached Materials

1. Qualitative Information on Quarterly Consolidated Financial Performance.....5
(1) Qualitative Information on Consolidated Operating Results 5
(2) Qualitative Information on Consolidated Financial Positions 7
(3) Qualitative Information on Consolidated Earnings Forecasts.....8
2. Matters Related to Summary Information (Notes) 9
(1) Changes in Significant Subsidiaries during the Period 9
(2) Changes in Accounting Policies and Changes in Accounting Estimates 9
3. Condensed Quarterly Consolidated Financial Statements 10
(1) Condensed Consolidated Statement of Financial Position.....10
(2) Condensed Consolidated Statement of Comprehensive Income.....11
(3) Condensed Consolidated Statement of Changes in Equity 12
(4) Condensed Consolidated Statement of Cash Flows.....13
(5) Notes on Going Concern Assumption.....14
(6) Notes to Condensed Quarterly Consolidated Financial Statements.....14
(7) Notes on Significant Subsequent Events.....16

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information on Consolidated Operating Results

During the three months ended February 28, 2014, the Japanese economy experienced a modest recovery, as corporate earnings improved on the back of bold monetary easing and various economic stimulus measures implemented by the government, and there were signs of an end to deflation, including an increase in individual consumption.

In the real estate industry where Tosei Group operates, supported by companies' capacity to invest and the improvement in the financing environment, real estate acquisitions by business entities during 2013 totaled ¥636.1 billion, the highest level since 2000, and a significant increase of 2.9 times versus the previous fiscal year. In addition, commercial real estate investment in Japan during 2013 rose to approximately ¥4 trillion, double that of the previous fiscal year. The real estate market recovery trend is becoming increasingly strong, driven by robust real estate transactions by J-REITs and privately placed funds, etc. (According to a survey by a private research institution)

In the Tokyo metropolitan area condominium market, demand remained firm due to the surge in demand ahead of the consumption tax rate hike as well as other factors. The closing rate of sales contracts stayed mainly above the 70% line, which is viewed as favorable conditions, and in January 2014 the closing rate of sales contracts rose 9.4 percentage points compared to the previous fiscal year, to 78.6%. In fiscal 2013, the number of condominiums supplied to the market in the Tokyo metropolitan area increased 23.8% versus the previous fiscal year, to 56,000, marking a significant increase. (According to a survey by a private research institution)

In the office leasing market of Tokyo's five business wards, the upward trend of occupancy rate continues, and the rate of vacancy as of January 2014 became 7.18%, down 1.38 percentage points from the same month last year. The average asking rent rose in October 2013 for the first time in 16 months, and is expected to increase going forward. In January 2014, the average asking rent increased 0.22% compared to the previous month, to ¥16,242/*tsubo*, which was 1.88% lower than the same month of the previous fiscal year. (According to a survey by a private research institution)

In the real estate securitization market, investment real estate transaction activity was brisk, due to the continued favorable financing environment and the view that real estate prices would be moving higher. Real estate acquisitions by J-REITs have increased significantly, and the total amount of properties acquired during 2013 amounted to ¥2.2 trillion, up 2.1 times compared to 2012. (According to a survey by a private research institution) Domestic private placement REITs have steadily increased their assets since they began investments in 2010, and as of the end of December 2013, the 6 investment corporations had a combined balance of assets in excess of ¥500 billion. Private placement REITs tend to be selected by pension funds, and the market size is expected to grow further. (According to a survey by a private research institution)

Amid this operating environment, in the Revitalization Business, Tosei Group made steady progress on the sale of assets such as income-generating office buildings and apartment buildings. In the Development Business, the Group sold detached houses, condominiums, and other products to end users. The Group also proactively acquired income-generating real estate and development sites, which will be the source of the Group's future income.

As a result, consolidated revenue for the three months ended February 28, 2014 totaled ¥11,339 million (down 26.8% year-on-year), operating profit was ¥1,600 million (down 1.0%), profit before tax was ¥1,427 million (up 1.3%), and profit for the period was ¥872 million (up 0.6%).

Revitalization Business

During the three months ended February 28, 2014, the segment sold seven properties it had renovated, including Akihabara Tosei Building (Chiyoda-ku, Tokyo), Ueno Takeuchi Building (Taito-ku, Tokyo), and FLEG Nishiazabu (Minato-ku, Tokyo), and land lots. In addition, the Company sold 19 units under its Restyling Business such as Hilltop Yokohama Negishi (Yokohama-shi, Kanagawa), Hilltop Higashi Terao (Yokohama-shi, Kanagawa), and Estage Kaminoge (Setagaya-ku, Tokyo). Also, it acquired for renovation and sales purposes a total 11 properties of income-generating office buildings and apartment buildings as well as one land lot.

As a result, revenue in this segment was ¥6,891 million (down 3.0% year-on-year), and the segment profit was ¥864 million (down 35.1%).

Development Business

During the three months ended February 28, 2014, the segment focused on the sale of newly-built condominiums and detached houses in firm demand. It sold 32 newly-built condominium units in THE Palms Nihonbashi Kodenmacho Visage (Chuo-ku, Tokyo), as well as a total of 17 detached houses such as properties at Palms Court Okusawa 1-Chome (Setagaya-ku, Tokyo), Palms Court Minamiasagaya (Suginami-ku, Tokyo), and Palms Court Setagaya Okamoto (Setagaya-ku, Tokyo). Also, it acquired 2 land lots for detached house projects.

As a result, revenue in this segment was ¥2,522 million (down 61.6% year-on-year), and the segment profit reached ¥338 million (up 200.8%).

Rental Business

During the three months ended February 28, 2014, while the segment sold 7 buildings of its inventory assets the Company holds for leasing purposes, it acquired a total of 11 of income-generating office buildings and apartment buildings, and made an effort to lease them. It also focused on leasing activities for its pre-existing non-current assets and inventories.

As a result, revenue in this segment was ¥771 million (up 45.1% year-on-year), and the segment profit was ¥471 million (up 73.7%).

Fund and Consulting Business

During the three months ended February 28, 2014, while the segment obtained a new asset management contract in the amount of ¥3,430 million, the balance of assets under management decreased by ¥30,242 million, due mainly to the property dispositions by funds. Consequently, the fee income relating to acquisitions and dispositions of properties for funds largely contributed to the revenue.

As a result, revenue in this segment was ¥291 million (down 29.0% year-on-year), and the segment profit was ¥116 million (down 35.3%).

As of February 28, 2014, the balance of assets under management (Note) totaled ¥221,216 million.

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

Property Management Business

As of February 28, 2014, the number of properties managed by the Company including office buildings, parking lots and schools was 348, an increase of 35 from February 28, 2013; while the number of condominium and apartment buildings decreased by 10 to 205 from February 28, 2013, making the total number of properties under management 553, an increase of 25 from February 28, 2013.

As a result, revenue in this segment was ¥787 million (down 0.3% year-on-year), and the segment profit was ¥97 million (up 128.7%).

Alternative Investment Business

During the three months ended February 28, 2014, the segment focused on leasing of the properties which it had acquired by accepting a substitute performance.

As a result, revenue in this segment was ¥74 million (down 17.3% year-on-year), and the segment profit was ¥42 million (up 90.3%).

(2) Qualitative Information on Consolidated Financial Positions

1) Financial Positions

As of February 28, 2014, total assets increased by ¥4,560 million to ¥75,843 million compared with November 30, 2013, while total liabilities increased by ¥4,073 million to ¥45,264 million.

These were primarily due to an increase in inventories resulting from purchase of properties exceeding sales of properties in the Revitalization Business and Development Business, and an increase in borrowings from financial institutions.

Total equity increased by ¥486 million to ¥30,578 million compared with November 30, 2013, mainly due to an increase in retained earnings and payment of cash dividends.

The details of the use of net proceeds from issuance of new shares on the Singapore Exchange in July 2013, as of February 28, 2014, are as follows:

1. **Use of Placement Proceeds** (¥ thousand)

Total amount raised in July 2013	1,933,438
Total amount utilized from the proceeds (As of February 28, 2014)	1,933,438
Balance proceeds	–

2. **Details of Use of Proceeds** (¥ thousand)

Revitalization Business			
Acquisition cost of residential building in Sendagi (partial)	Bunkyo-ku, Tokyo	Apartment	95,500
Acquisition cost of residential building in Shonan (partial)	Fujisawa-shi, Kanagawa	Apartment	29,864
Acquisition cost of residential building in Kokubunji (partial)	Kokubunji-shi, Tokyo	Apartment	234,785
Acquisition cost of office building in Chiba (partial)	Chiba-shi, Chiba	Income-generating office building	401,226
		Subtotal	761,375
Development Business			
Construction cost of THE Palms Nishigahara (partial)	Kita-ku, Tokyo	Condominium	384,250
Construction cost of Palms Court Minamiasagaya (partial)	Suginami-ku, Tokyo	Detached house	22,684
Construction cost of THE Palms Nihonbashi Kodenmacho Visage (partial)	Chuo-ku, Tokyo	Condominium	354,441
		Subtotal	761,375
Fund and Consulting Business			
Investment in a private fund through Tokumei Kumiai (silent partnership)			50,000
Co-equity investment in a private fund (partial)			360,687
		Subtotal	410,687
Total amount utilized from the proceeds (As of February 28, 2014)			**1,933,438**

2) Cash Flows

Cash and cash equivalents (hereinafter "cash") as of February 28, 2014 increased by ¥50 million from November 30, 2013 to ¥14,762 million because of the profit for the period before tax of ¥1,427 million, the steady progress in property acquisitions in the Revitalization Business and Development Business and an increase in borrowings from financial institutions accompanying such property acquisitions.

The respective cash flow positions and the factors thereof for the three months ended February 28, 2014 are as follows:

Cash Flows from Operating Activities

Net cash used in operating activities totaled ¥3,164 million (net cash provided by operating activities totaled ¥7,529 million in the same period of the previous fiscal year). This is mainly attributed to the profit for the period before tax of ¥1,427 million and an increase of ¥3,625 million in inventories resulting from property acquisitions in the Revitalization Business and Development Business.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥1,137 million (net cash used in investing activities totaled ¥14 million in the same period of the previous fiscal year). This is primarily due to purchase of investment property of ¥1,088 million.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥4,352 million (net cash used in financing activities totaled ¥6,012 million in the same period of the previous fiscal year). This mainly reflected ¥5,370 million in repayments of non-current borrowings and ¥349 million in cash dividends paid, despite proceeds from non-current borrowings of ¥10,286 million.

(3) Qualitative Information on Consolidated Earnings Forecasts

The business results during the three months ended February 28, 2014 basically remained stable as planned and there is no change on the full-year consolidated earnings forecasts, announced on January 14, 2014.

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 these forecasts due to various factors.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

No item to report.

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

With the exception of the following items, significant accounting policies that the Group applies in condensed quarterly consolidated financial statements are the same as the accounting policies used in the consolidated financial statements for the previous fiscal year.

Changes in Accounting Policies

The Group applied the following standards effective from the first quarter of the fiscal year ending November 30, 2014.

Standard	Name of standard	Overview of new establishment and amendment
IAS 19	Employee Benefits	Recognition of actuarial gains and losses and past service cost, and presentation and disclosure of post-employment benefits
IFRS 10	Consolidated Financial Statements	Clarification and application of the concept of control as a basis to determine which entities are to be consolidated
IFRS 11	Joint Arrangements	Principles for the financial reporting by parties to a joint arrangement, and supersedence of former IAS 31 and SIC 13
IFRS 12	Disclosure of Interests in Other Entities	Disclosure requirements on interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities
IFRS 13	Fair Value Measurement	Establishment of a framework when other standards require fair value measurement

The above standards have no material impact on the condensed quarterly consolidated financial statements.

Among the above standards, for IAS 19, the comparative data have been adjusted retroactively in accordance with transitional measures.

Changes in Presentation

In the past, sales expenses such as advertising costs for real estate for sale were posted in “Cost of sales”, but from the first quarter of the current fiscal period, such expenses are being posted in “Selling, general and administrative expenses.”

This change was made in order to more accurately present the actual situation, due to the fact that the aforementioned sales expenses more resemble sales costs than cost of goods sold these days.

To reflect this change in presentation, reclassification of accounts has been made for the condensed consolidated statement of comprehensive income for the three months ended February 28, 2013. As a result, ¥401,729 thousand included in “Cost of sales” in the condensed consolidated statement of comprehensive income for the three months ended February 28, 2013 were reclassified to “Selling, general and administrative expenses”.

3. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(¥ thousand)

	Notes	As of November 30, 2013	As of February 28, 2014
Assets			
Current assets			
Cash and cash equivalents		14,711,997	14,762,484
Trade and other receivables		902,131	897,369
Inventories		38,040,625	42,191,257
Other current assets		24,781	23,334
Total current assets		53,679,536	57,874,446
Non-current assets			
Property, plant and equipment		3,304,792	3,301,686
Investment properties		12,703,600	13,259,058
Intangible assets		31,598	33,926
Available-for-sale financial assets		810,105	846,648
Trade and other receivables		188,884	132,925
Deferred tax assets		560,541	390,510
Other non-current assets		4,014	4,014
Total non-current assets		17,603,536	17,968,769
Total assets		71,283,073	75,843,216
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		2,323,705	1,530,130
Borrowings		7,587,433	7,774,847
Current income tax liabilities		865,256	393,785
Provisions		209,124	115,902
Total current liabilities		10,985,520	9,814,665
Non-current liabilities			
Trade and other payables		2,107,809	2,530,933
Borrowings		27,449,160	32,271,182
Retirement benefits obligations		624,154	625,886
Provisions		24,003	21,883
Total non-current liabilities		30,205,126	35,449,885
Total Liabilities		41,190,647	45,264,550
Equity			
Share capital		6,421,392	6,421,392
Capital reserves		6,375,317	6,375,317
Retained earnings		17,294,366	17,780,561
Other components of equity		1,348	1,393
Total equity		30,092,426	30,578,665
Total liabilities and equity		71,283,073	75,843,216

(2) Condensed Consolidated Statement of Comprehensive Income

(¥ thousand)

	Notes	Three months ended February 28, 2013	Three months ended February 28, 2014
Revenue		15,501,359	11,339,965
Cost of revenue		12,634,330	8,632,314
Gross profit		2,867,029	2,707,651
Selling, general and administrative expenses		1,253,762	1,117,028
Other income		4,860	9,707
Other expenses		1,245	84
Operating profit		1,616,881	1,600,246
Finance income		1,416	1,420
Finance costs		209,616	173,994
Profit before tax		1,408,680	1,427,672
Income tax expense		541,605	555,205
Profit for the period		867,075	872,466
Other comprehensive income			
Items that may be transferred to net profit or loss			
Exchange differences on translation of foreign operations		2,148	(169)
Net change in fair values of available-for-sale financial assets		2,776	(372)
Net change in fair values of cash flow hedges		(72)	587
Subtotal		4,852	44
Other comprehensive income for the period, net of tax		4,852	44
Total comprehensive income for the period		871,927	872,511
Profit attributable to:			
Owners of the parent		867,075	872,466
Total comprehensive income attributable to:			
Owners of the parent		871,927	872,511
Earnings per share attributable to owners of the parent			
Basic earnings per share (yen)		18.98	18.07
Diluted earnings per share (yen)		–	–

(3) Condensed Consolidated Statement of Changes in Equity

Three months ended February 28, 2013 (December 1, 2012 – February 28, 2013)

(¥ thousand)

	Notes	Share capital	Capital reserves	Retained earnings	Other components of equity	Total equity
Balance at December 1, 2012		5,454,673	5,516,499	15,562,315	(3,295)	26,530,193
Profit for the period		–	–	867,075	–	867,075
Other comprehensive income		–	–	–	4,852	4,852
Total comprehensive income for the period		–	–	867,075	4,852	871,927
Dividends of surplus		–	–	(274,104)	–	(274,104)
Retained earnings from newly consolidated subsidiaries		–	–	(981)	–	(981)
Balance at February 28, 2013		5,454,673	5,516,499	16,154,305	1,557	27,127,035

Three months ended February 28, 2014 (December 1, 2013 – February 28, 2014)

(¥ thousand)

	Notes	Share capital	Capital reserves	Retained earnings	Other components of equity	Total equity
Balance at December 1, 2013		6,421,392	6,375,317	17,294,366	1,348	30,092,426
Profit for the period		–	–	872,466	–	872,466
Other comprehensive income		–	–	–	44	44
Total comprehensive income for the period		–	–	872,466	44	872,511
Dividends of surplus		–	–	(386,272)	–	(386,272)
Balance at February 28, 2014		6,421,392	6,375,317	17,780,561	1,393	30,578,665

(4) Condensed Consolidated Statement of Cash Flows

(¥ thousand)

	Notes	Three months ended February 28, 2013	Three months ended February 28, 2014
Cash flows from operating activities			
Profit before tax		1,408,680	1,427,672
Depreciation expense		42,988	45,015
Increase (decrease) in provisions and retirement benefits obligations		(37,366)	(96,486)
Interest and dividend income		(1,416)	(1,420)
Interest expenses		209,616	173,994
Gain on available-for-sale financial assets		–	(531)
Loss on retirement of property, plant and equipment		–	57
Decrease (increase) in trade and other receivables		757,450	169,781
Decrease (increase) in inventories		6,974,074	(3,625,713)
Increase (decrease) in trade and other payables		(1,786,529)	(419,397)
Other, net		280	338
Subtotal		7,567,778	(2,326,688)
Interest and dividend income received		1,388	1,419
Income taxes paid		(39,624)	(839,178)
Net cash from (used in) operating activities		7,529,542	(3,164,447)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,142)	(6,590)
Purchase of investment properties		(12,570)	(1,088,778)
Purchase of intangible assets		–	(5,302)
Purchase of available-for-sale financial assets		–	(58,000)
Collection of available-for-sale financial assets		–	20,100
Proceeds from sales of available-for-sale financial assets		–	1,156
Collection of loans receivable		–	17
Other, net		(988)	–
Net cash from (used in) investing activities		(14,702)	(1,137,398)
Cash flows from financing activities			
Net increase (decrease) in current borrowings		(361,400)	94,000
Proceeds from non-current borrowings		3,661,000	10,286,000
Repayments of non-current borrowings		(8,911,725)	(5,370,121)
Cash dividends paid		(248,206)	(349,371)
Interest expenses paid		(152,091)	(307,566)
Other, net		(442)	(442)
Net cash from (used in) financing activities		(6,012,865)	4,352,497
Net increase (decrease) in cash and cash equivalents		1,501,974	50,651
Cash and cash equivalents at beginning of period		9,410,622	14,711,997
Effect of exchange rate change on cash and cash equivalents		2,176	(164)
Increase in cash and cash equivalents from newly consolidated subsidiaries		9,036	–
Cash and cash equivalents at end of period		10,923,810	14,762,484

(5) Notes on Going Concern Assumption

No item to report.

(6) Notes to Condensed Quarterly Consolidated Financial Statements

1. Segment Information

The Group's reportable segments are components of the Group about which separate financial information is available that the Board of Directors regularly conducts deliberations to determine the allocation of management resources and to assess the performance. 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 as well as apartment and office buildings to 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 acceptance of substitute performance.

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

Three months ended February 28, 2013

(December 1, 2012 – February 28, 2013)

(¥ thousand)

	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Alternative Investment Business	Adjustment	Total
Revenue								
Revenue from external customers	7,107,704	6,570,716	531,845	410,540	789,857	90,696	–	15,501,359
Intersegment revenue	–	–	13,737	1,290	77,872	–	(92,899)	–
Total	7,107,704	6,570,716	545,582	411,830	867,729	90,696	(92,899)	15,501,359
Segment profit	1,330,858	112,522	271,403	180,741	42,511	22,298	(343,454)	1,616,881
Finance income/costs, net								(208,200)
Profit before tax								1,408,680

Three months ended February 28, 2014

(December 1, 2013 – February 28, 2014)

(¥ thousand)

	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Alternative Investment Business	Adjustment	Total
Revenue								
Revenue from external customers	6,891,612	2,522,801	771,857	291,490	787,215	74,987	–	11,339,965
Intersegment revenue	–	–	14,298	2,972	123,609	–	(140,880)	–
Total	6,891,612	2,522,801	786,156	294,462	910,825	74,987	(140,880)	11,339,965
Segment profit	864,337	338,465	471,367	116,921	97,213	42,438	(330,497)	1,600,246
Finance income/costs, net								(172,573)
Profit before tax								1,427,672

2. Dividends

Dividends paid in the three months ended February 28, 2013 and February 28, 2014 are as follows:

Three months ended February 28, 2013				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on February 26, 2013	600	274,104	November 30, 2012	February 27, 2013

Three months ended February 28, 2014				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on February 27, 2014	8	386,272	November 30, 2013	February 28, 2014

The Company split its shares by 100 for 1, effective July 1, 2013. The dividend per share the record date for which falls on or before June 30, 2013 was presented using the pre-share split figures.

3. Earnings per Share

	Three months ended February 28, 2013	Three months ended February 28, 2014
Profit attributable to owners of the parent (¥ thousand)	867,075	872,466
Weighted average number of outstanding ordinary shares (shares)	45,684,000	48,284,000
Basic earnings per share (¥)	18.98	18.07

Notes: 1. Basic earnings per share is calculated by dividing profit 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 share split was implemented at the beginning of the previous fiscal year ended November 30, 2012.

(7) Notes on Significant Subsequent Events

Impact of Tax Rate Change

In line with the abolition of the special corporate tax for reconstruction, a surtax for reconstruction funding after the Great East Japan Earthquake, by the revision of the Corporation Tax Act of 2014 promulgated on March 31, 2014, the normal effective statutory tax rate, which is a basis for calculating income taxes, for the fiscal year beginning on December 1, 2014 changed from previous 38.01% to 35.64%.

The impact of this change on deferred tax assets and liabilities are immaterial.