This is an English translation of the official announcement in Japanese that was released on January 13, 2016. 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 Fiscal Year Ended November 30, 2015 <IFRS>

January 13, 2016

Company name: Tosei Corporation
Securities code number: 8923/S2D
Representative: Seiichiro Yamaguchi, President and CEO
Contact: Noboru Hirano, Director and CFO
Stock listing: TSE / SGX
URL: http://www.toseicorp.co.jp/english/
Phone: +81-3-3435-2865
Ordinary general shareholders' meeting: February 25, 2016 (scheduled)
Commencement of dividend payments: February 26, 2016 (scheduled)
Submission of Securities Report (Yuka Shoken Hokokusho): February 26, 2016 (scheduled)
Preparation of supplementary materials for financial results: Yes
Holding of 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 Fiscal Year Ended November 30, 2015 (December 1, 2014 – November 30, 2015)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the year	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Year ended Nov. 30, 2015	43,006	(14.0)	6,891	23.9	6,040	29.5	4,135	43.9
Year ended Nov. 30, 2014	49,981	42.5	5,560	42.1	4,663	44.7	2,874	43.2

	Profit attributable to owners of the parent		Total comprehensive income for the year		Basic earnings per share	Diluted earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)	(¥)
Year ended Nov. 30, 2015	4,135	43.9	4,081	35.1	85.66	―
Year ended Nov. 30, 2014	2,874	43.2	3,021	50.2	59.53	―

	Ratio of profit to equity attributable to owners of the parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	(%)	(%)	(%)
Year ended Nov. 30, 2015	12.0	6.9	16.0
Year ended Nov. 30, 2014	9.2	6.1	11.1

(Reference) Equity in earnings of affiliates Year ended Nov. 30, 2015: ¥―million Year ended Nov.30, 2014: ¥―million

(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	Equity per share attributable to owners of the parent
	(¥ million)	(¥ million)	(¥ million)	(%)	(¥)
As of Nov. 30, 2015	93,196	36,228	36,228	38.9	750.32
As of Nov. 30, 2014	80,858	32,727	32,727	40.5	677.82

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	(¥ million)	(¥ million)	(¥ million)	(¥ million)
Year ended Nov. 30, 2015	(4,443)	481	6,661	18,791
Year ended Nov. 30, 2014	344	(2,878)	3,891	16,100

2. Dividends

	Annual dividends per share					Total dividends per share (Total)	Payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the parent (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	(¥)	(¥)	(¥)	(¥)	(¥)	(¥ million)	(%)	(%)
Year ended Nov. 30, 2014	—	0.00	—	12.00	12.00	579	20.2	1.8
Year ended Nov. 30, 2015	—	0.00	—	16.00	16.00	772	18.7	2.2
Year ending Nov. 30, 2016(Forecast)	—	0.00	—	18.00	18.00		20.2	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending November 30, 2016 (December 1, 2015 – November 30, 2016)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable toowners of the parent		Basic earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Year ending Nov. 30, 2016	55,250	28.5	7,563	9.7	6,508	7.8	4,305	4.1	4,305	4.1	89.17

*** Notes**

(1) Changes in significant subsidiaries during the year (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 other than (a) above: No
(c) Changes in accounting estimates: No

Note: For details, please refer to "5. Consolidated Financial Statements, (6) Notes on Consolidated Financial Statements (Changes in accounting polices)" on page 18 on the attached materials.

(3) Number of issued shares (ordinary shares)

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

As of Nov. 30, 2015	48,284,000 shares
As of Nov. 30, 2014	48,284,000 shares

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

As of Nov. 30, 2015	–
As of Nov. 30, 2014	–

(c) Average number of outstanding shares during the year

Year ended Nov. 30, 2015	48,284,000 shares
Year ended Nov. 30, 2014	48,284,000 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Financial Results for the Fiscal Year Ended November 30, 2015 (December 1, 2014 – November 30, 2015)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Year ended Nov. 30, 2015	37,242	(17.9)	5,948	18.6	5,553	34.4	3,906	60.2
Year ended Nov. 30, 2014	45,361	51.0	5,016	48.1	4,130	55.6	2,439	47.3

	Net income per share	Net income per share (diluted)
	(¥)	(¥)
Year ended Nov. 30, 2015	80.91	―
Year ended Nov. 30, 2014	50.52	―

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(¥ million)	(¥ million)	(%)	(¥)
As of Nov. 30, 2015	88,071	34,478	39.1	714.06
As of Nov. 30, 2014	76,218	31,131	40.8	644.76

(Reference) Equity As of November 30, 2015: ¥34,477 million As of November 30, 2014: ¥31,131 million

2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending November 30, 2016 (December 1, 2015 – November 30, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary income		Net income		Net income per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Year ending Nov. 30, 2016	49,245	32.2	5,816	4.7	3,897	(0.2)	80.71

* Information on implementation of audit procedures

This financial results report is exempt from the audit procedures pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this financial results report, the audit procedures for the 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. Analysis of Business Results and Financial Positions, (1) Analysis of Business Results, 2) Outlook for the Fiscal Year Ending November 30, 2016" on page 8 of the attached materials.

(2) A financial results meeting will be held on January 13, 2016 for institutional investors and analysts. The presentation materials distributed at the meeting will be available on our website immediately after the disclosure of account settlement.

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1. Analysis of Business Results and Financial Positions

(1) Analysis of Business Results

1) Consolidated Results for the Fiscal Year Ended November 30, 2015

During the fiscal year ended November 30, 2015, the Japanese economy remained on a moderate recovery track despite apparent weaknesses in some areas, amid a trend of an improving employment and income environment. Although we have concerns which include the risk of a business downturn in Asia's emerging markets and elsewhere as the U.S. moves toward normalization of its monetary policy, personal consumption has been firm overall and we see signs of recovery in housing construction.

In the real estate industry where Tosei Group operates, J-REITs and private placement funds have been actively making investments against a backdrop of expectations for higher rents and a favorable financing environment, and foreign-owned corporations have been engaging in sizeable transactions. According to a survey of private companies, in the first half of fiscal 2015, from April to September, domestic real estate transactions by listed companies and other such entities slightly decreased 2.5% compared with the same period of the previous fiscal year to ¥2.0898 trillion, and as such were largely unchanged year on year and at their third-highest level ever for the first half (according to a survey by a private research institution).

In the Tokyo metropolitan area condominium market, despite overall strength driven by business in popular areas within wards of Tokyo, the number of condominium units sold from January to October 2015 fell 4.4% year on year to just over 30,000 units amid an apparent trend of decreasing condominium supply due to surging costs of building in the suburbs of the Tokyo metropolitan area. Meanwhile, the contract rate hovered at around the 70% threshold from which market conditions are viewed as favorable, and moreover the forecast of a private research institute currently projects sales of 45,000 units over the entire fiscal 2015, which is the same level as last year. However, the outlook going forward remains uncertain, partially due to the potential adverse impact of the piling scandal (according to a survey by a private research institution).

In the Tokyo metropolitan area build-for-sale detached house market, housing starts for the months January to September 2015 decreased 4.2% year on year to 41,987 units. The market has been firm overall thanks in part to the government's move to expand Japan's home loan tax deduction and other such policy developments (according to the Ministry of Land, Infrastructure, Transport and Tourism data).

In the office leasing market of Tokyo's five business wards, the vacancy rate continued on a downward path to the mid-4% range, supported by strong demand largely fueled by companies expanding offices and integrating business locations. Robust demand with respect to offices fueled progressive hikes in asking rents, leading to modest gains in average asking rent ongoing since January 2014. After ending 2014 at around ¥17,000 per tsubo, average asking rent was in the ¥17,600 territory as of autumn 2015 (according to a survey by a private research institution).

In the real estate securitization market, the total acquisition amount of J-REIT properties over January to September 2015 increased 19.9% year on year to ¥1.3 trillion amid a scenario of buyers scrambling to buy properties in anticipation of higher real estate prices (according to a survey by a private research institution).

As of June 30, 2015, the total value of assets under management in the J-REIT market amounted to ¥13.5 trillion and private placement funds amounted to ¥15.1 trillion for a total market size of ¥28.6 trillion (according to a survey by a private research institution).

Amid this operating environment, in the Revitalization Business the Tosei Group made steady progress in selling assets such as income-generating office buildings and apartments, and in the Development Business the Group pushed ahead with sales of detached houses, while also moving forward with initiatives for projects involving development of commercial facilities and other such properties. In addition, we proactively acquired income-generating properties and land for development as future sources of income.

As a result, consolidated revenue for the fiscal year under review, totaled ¥43,006 million (down 14.0% year on year), operating profit was ¥6,891 million (up 23.9%), profit before tax was ¥6,040 million (up 29.5%), and profit for the year was ¥4,135 million (up 43.9%).

Performance by business segment is shown below.

Revitalization Business

During the fiscal year under review, the segment sold 24 properties it had renovated, including Toyocho Tosei Building (Koto-ku, Tokyo), Shinjuku 6-chome Building (Shinjuku-ku, Tokyo), Ogawamachi Tosei Building (Chiyoda-ku, Tokyo), Shibuya 4-chome Building (Shibuya-ku, Tokyo), SEA SCAPE Chiba-minato (Chiba-shi, Chiba) and Kannai Tosei Building II (Yokohama-shi, Kanagawa). In addition, the segment sold 68 units in the Restyling Business, including Hilltop Yokohama Negishi

(Yokohama-shi, Kanagawa), Hilltop Yokohama Higashi Terao (Yokohama-shi, Kanagawa) and Renai Kamakura Ueki (Kamakura-shi, Kanagawa). In the fiscal year under review, the segment also acquired a total of 25 income-generating office buildings, commercial facilities and apartments and eight land lots for renovation and sales purposes. In addition, consolidated subsidiary TOSEI SINGAPORE PTE. LTD. started acquiring properties in Malaysia with the acquisition of five units of income-generating office buildings and apartments under sectional ownership in Kuala Lumpur.

As a result, revenue in this segment was ¥25,986 million (down 25.2% year on year) and the segment profit was ¥4,187 million (up 25.7%).

Development Business

During the fiscal year under review, the segment focused on the sale of detached houses, for which there was firm demand. The segment sold 105 detached houses at such properties as THE Palms Court Kashiwa Hatsuishi (Kashiwa-shi, Chiba), THE Palms Court Mitsuike Kouen (Yokohama-shi, Kanagawa), THE Palms Court Bunkyo Honkomagome (Bunkyo-ku, Tokyo) and THE Palms Court Kawasaki Daishi (Kawasaki-shi, Kanagawa). In addition, the segment sold THE Palms Nishidai, which is a newly-built apartment, and six land lots. In the fiscal year under review, it also acquired eight land lots for detached housing projects.

As a result, revenue in this segment was ¥6,605 million (up 8.1% year on year) and the segment profit was ¥534 million (up 23.7%).

Rental Business

During the fiscal year under review, while the segment sold 14 buildings of its inventory assets held for leasing purposes, 20 properties including newly acquired income-generating office buildings, commercial facilities and apartments contributed to income in this segment. In addition, the segment also focused on leasing activities for its existing holdings of non-current assets and inventory assets.

As a result, revenue in this segment was ¥4,084 million (down 1.7% year on year) and the segment profit was ¥1,730 million (down 28.4%).

Fund and Consulting Business

During the fiscal year under review, while ¥182,329 million was subtracted from the balance of assets under management, due mainly to property dispositions by funds, ¥303,513 million was added to the balance of assets under management, due mainly to new asset management contracts of large projects the segment obtained. The acquisition of such large project contracts increased asset management fees and contributed to revenue.

As a result, revenue in this segment was ¥2,339 million (up 146.4% year on year) and the segment profit was ¥1,373 million (up 685.1%).

As of November 30, 2015, the balance of assets under management (Note) totaled ¥421,792 million.

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

Property Management Business

During the fiscal year under review, the segment worked to win new contracts and maintain existing contracts as some customers terminated contracts partially as a result of their disposing of such managed properties. Consequently, the total number of properties under management was 547 as of November 30, 2015, an increase of three properties from November 30, 2014, with that total comprising 351 office buildings, parking lots, schools and other such properties, and 196 condominiums and apartments.

As a result, revenue in this segment was ¥3,069 million (up 4.3% year on year) and the segment profit was ¥146 million (down 35.4%).

Alternative Investment Business

During the fiscal year under review, membership fees from running a sports club contributed to income in this segment. In addition, the segment also focused on leasing activities for properties acquired by a substitute performance.

As a result, revenue in this segment was ¥921 million (down 14.6% year on year) and the segment profit was ¥322 million (up 50.9%).

2) Outlook for the Fiscal Year Ending November 30, 2016

As for the operating environment in the new fiscal year, in the real estate investment market, the Company's primary target market, transactions have been on the rise and business continues to be brisk due to a favorable financing environment and expectations of higher rents. The Tosei Group deems that the operating environment will continue to be strong, given that the influx of investment funds from overseas is likely to continue against a backdrop of continued monetary easing under Abenomics policies and yen depreciation.

In the Revitalization Business, the Company perceives good opportunities with respect to the Tosei Group's phase of expansion in the currently strong real estate market. In that regard, we will continually monitor market trends and prepare for a reversal in market conditions, but at the same time we intend to focus on renovating and selling income-generating properties geared toward investors ranging from private investors to REITs and private placement funds, leveraging our strengths with respect to wide-ranging exit strategies.

On the other hand, we have concerns regarding the prospect of falling demand going forward, due to factors that include rising prices in the market targeting end users mainly resulting from intensifying competition for land acquisitions and surging construction costs, and declining consumer confidence brought about by the piling scandal. Given this situation, in the Development Business we will promote development and sales of detached houses while keeping a cautious eye on supply and demand trends in the housing market, and will also consider flexible options for developing commercial facilities, office buildings, hotels and other such properties. Moreover, in our stock and fee businesses that we position as sources of consistent revenues, we will work to increase revenues in each of the respective segments. To that end, we will pursue the aims of increasing the number of properties we hold for leasing purposes and improving occupancy rates in the Rental Business, amassing more assets under management in the Fund and Consulting Business, and further increasing the number of properties that we manage in the Property Management Business.

As a result of the aforementioned measures, in the fiscal year ending November 30, 2016, we project that consolidated revenue will be ¥55,250 million (up 28.5% year on year), operating profit will be ¥7,563 million (up 9.7%), profit before tax will be ¥6,508 million (up 7.8%), and profit for the year will be ¥4,305 million (up 4.1%).

(2) Analysis of Financial Position

1) Assets, Liabilities and Equity

As of November 30, 2015, total assets were ¥93,196 million, an increase of ¥12,337 million compared with November 30, 2014. This mainly reflected increases of ¥4,590 million in inventories and ¥4,927 million in investment properties, and a decrease of ¥1,220 million in available-for-sale financial assets.

Total liabilities increased by ¥8,837 million to ¥56,967 million compared with November 30, 2014. This mainly reflected an increase in borrowings, whereby loan proceeds associated with property acquisitions exceeded loan repayments associated with property sales.

Total equity increased by ¥3,500 million to ¥36,228 million compared with November 30, 2014, mainly due to an increase in retained earnings.

2) Cash Flows

Cash and cash equivalents (hereinafter "cash") as of November 30, 2015 totaled ¥18,791 million, an increase of ¥2,690 million compared with November 30, 2014.

The cash flows for the fiscal year under review and factors contributing to those amounts are as follows:

Cash Flows from Operating Activities

Net cash used in operating activities totaled ¥4,443 million (net cash provided by operating activities totaled ¥344 million in the previous fiscal year). This is mainly due to profit before tax of ¥6,040 million as well as an increase in inventories of ¥8,845 million, which was a result of the Revitalization Business and Development Business segments purchasing properties at a steady pace surpassing that of the decrease in inventories associated with property sales.

Cash Flows from Investing Activities

Net cash provided by investing activities totaled ¥481 million (net cash used in investing activities totaled ¥2,878 million in the previous fiscal year). This is primarily due to collection of available-for-sale

financial assets totaling ¥757 million and purchases of investment properties totaling ¥750 million.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥6,661 million (up 71.2% year on year). This mainly reflected a situation where loan proceeds exceeded repayments, as the Revitalization Business and Development Business segments purchased properties at a steady pace surpassing that of property sales.

(Reference) Trends in cash flow indicators for the Tosei Group

	Year ended Nov. 30, 2013	Year ended Nov. 30, 2014	Year ended Nov. 30, 2015
Ratio of equity attributable to owners of the parent to total assets (%)	42.2	40.5	38.9
Market value ratio of equity attributable to owners of the parent to total assets (%)	52.6	43.0	39.2
Interest-bearing debt to cash flows ratio (years)	12.6	117.3	―
Interest coverage ratio (times)	3.8	0.3	―

Ratio of equity attributable to owners of the parent to total assets: Equity attributable to owners of the parent to total assets/Total assets

Market value ratio of equity attributable to owners of the parent to total assets: Market capitalization/Total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt/Cash flows

Interest coverage ratio: Cash flows/Interest expenses

Notes:
(1) All indicators are calculated using consolidated financial figures.
(2) Market capitalization is calculated based on the number of issued shares, excluding treasury shares.
(3) The figure for cash flows employs cash flows from operating activities.
(4) Interest-bearing debt includes all liabilities recorded on the Consolidated Statement of Financial Position on which interest is paid.
(5) Interest-bearing debt to cash flows ratio and interest coverage ratio are not presented for the year ended November 30, 2015 because cash flows from operating activities on the consolidated statements of cash flows were negative.

(3) Fundamental Earnings Distribution Policy and Dividends for Fiscal 2015 and Fiscal 2016

Tosei's fundamental earnings distribution policy is to strive to continuously provide stable dividends while comprehensively considering operating results, the future operating environment and progress in its business plan to balance dividends with the need for internal capital resources to generate long-term growth in corporate value by taking advantage of highly profitable business opportunities.

For the fiscal year ended November 30, 2015 and the fiscal year ending November 30, 2016, Tosei plans to pay cash dividends per share of ¥16 and ¥18 respectively.

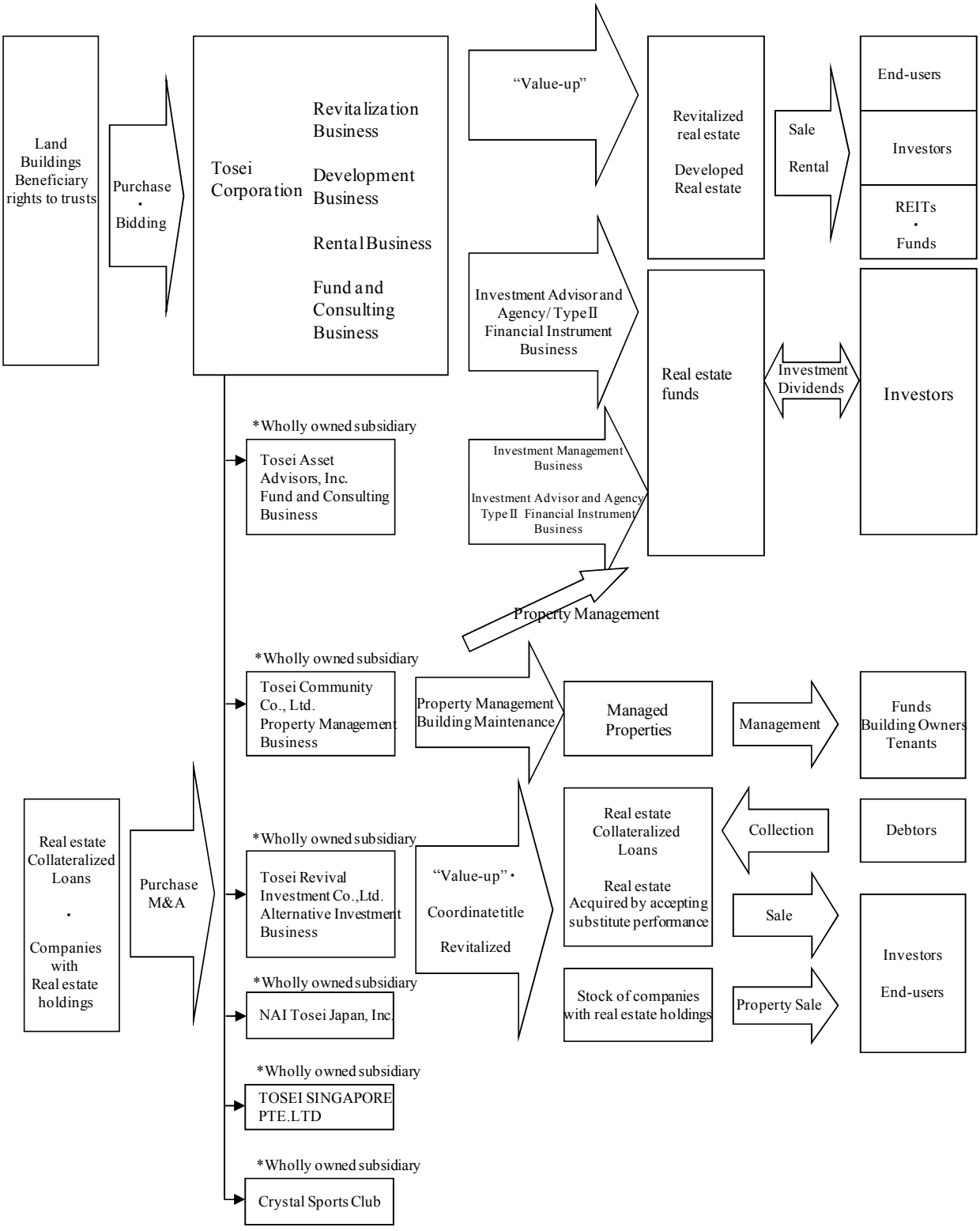
2. Conditions of Corporate Group

The Tosei Group is composed of Tosei Corporation ("Tosei" or the "Company") and 7 subsidiaries (including 6 consolidated subsidiaries). Its main businesses are the Revitalization Business, the Development Business, the Rental Business, the Fund and Consulting Business, the Property Management Business, and the Alternative Investment Business. The operations of each business segment and the main subsidiaries and/or affiliates conducting those operations are as follows.

Segment	Operations	Main Companies
Revitalization Business	The Tosei Group acquires office buildings, commercial facilities, apartments and other properties whose asset value has declined, boosts their value though "value-up plans" (*) judged to best match the characteristics of the properties' areas and tenant requirements, and sells them as revitalized real estate to buyers including investors, real estate funds and individual end users. In the "Restyling Business," the Group acquires income-generating condominiums and sells their units to end-users after boosting the value of common and private areas by renovation (the Group continues to hold and manage the occupied units as rental properties). The Tosei Group's "value-up" activities go beyond just renewing properties and involve realizing comprehensive regenerations of their values. This entails not only improving the convenience and functionality of properties but also focusing on providing satisfaction to owners and giving end users a sense of pride. (*) Plans primarily look 10 or 20 years ahead and consist of improved designs to refurbish/renovate internal and external elements that have deteriorated or become obsolete, functional improvement of facilities including renovation, adding new functions to premises and equipment and conversions, and boosting lease income by such means as renting out vacant space, collecting overdue rent and raising rent.	Tosei Corporation
Development Business	In the main districts of Tokyo, which form the Tosei Group's core operating area, there is a mixture of needs for office, commercial and residential space and other uses, and these different uses create significant differences between land values. Tosei verifies the characteristics of land it acquires including area, shape, intended purpose, relevant needs, rent, and selling price. Based on this, Tosei carries out development and new construction to maximize the value of the land, and then sells whole buildings or individual units. The Group is able to respond to diverse needs by developing office buildings, commercial buildings (T's BRIGHTIA series) and mixed-use buildings, condominiums (the Palms series), as well as detached houses (Palms Court series). Once development is complete or tenants have been found, the properties are sold to buyers including investors, real estate funds, and end-users.	Tosei Corporation
Rental Business	The Tosei Group has expanded the scope of its business primarily in the main districts of Tokyo by acquiring office buildings, condominiums, stores and parking lots, and renting them out to end-users and others. As a landlord, the Tosei Group is capable of swiftly gathering accurate information on tenant needs to further enhance "value-up plans" by reflecting these needs.	Tosei Corporation
Fund and Consulting Business	The Tosei Group conducts business as a type II financial instruments business as well as an investment advisory and agency business and an investment management business as provided for in the Financial Instruments and Exchange Act. Specifically, in addition to such work as purchasing, selling and brokering trust beneficiary rights in accordance with a wide variety of investor needs, the Group provides advice regarding the acquisition, holding and disposition of properties, and asset management services for real estate funds that carry out discretionary investment. The Tosei Group's management approach is to provide high distributions to investors by taking full advantage of its "value-up," leasing and maintenance capabilities with the aim of maximizing rental income and reducing its own rent costs. Revenues are primarily derived from acquisition fees upon the purchase of properties and asset management fees for properties held.	Tosei Corporation Tosei Asset Advisors, Inc

Segment	Operations	Main Companies
Property Management Business	This business carries out comprehensive property management that meets a wide variety of real estate needs including administration, facility management, cleaning and security for condominiums, office buildings and their facilities, repair work for the private portions of condominiums and office buildings, as well as contract work of office interior renovation. In the management of condominiums, this business makes full use of the expertise it has accumulated over a number of years to provide consultancy and advisory services to unit owners and condominium management associations, and provides a total support to the associations from their launch to smooth operation. With respect to managing office buildings, in order to streamline the operations of building owners, the business provides meticulous management services including building maintenance and the management of equipment, water supply and drainage, sanitation and cleaning. The business also maintains the asset values of buildings by implementing precise maintenance plans regarding the age-related deterioration of buildings.	Tosei Community Co., Ltd.
Alternative Investment Business	This business invests in real estate collateralized loans and acquires collateral through collecting receivables and accepting substitute performances by negotiating with mortgaged property owners/debtors, and acquires businesses including companies with real estate holdings and real estate business operators. The business also utilizes the expertise of the Tosei Group to boost the value of the real estate it acquires before selling it.The business also manages sports club facilities.	Tosei Revival Investment Co., Ltd.

A schematic diagram of the businesses of the Tosei Group is as follows:



3. Management Policies

(1) Fundamental Management Policy

The Tosei Group's corporate philosophy is to create new value and inspiration in all aspects of real estate as a group of global-minded and experienced professionals. With constant commitment to quality construction, the Group is striving to integrate real estate and finance in its six business segments: Revitalization, Development, Rental, Fund and Consulting, Property Management and Alternative Investment. The Group is also aiming to contribute to society and increase its corporate value by restoring the value of real estate with a view to a timeframe of 10 to 20 years.

(2) Performance Targets and Medium- to Long-term Management Strategies

Under the aforementioned corporate philosophy, the Tosei Group established its current three-year medium-term management plan, whose first year is the fiscal year ending November 30, 2015.

Under this management plan named "Advancing Together 2017", the Group aims to become a group of real estate businesses with a sustainable competitive advantage and high quality manegement by setting four key policies: (1)further expand the existing business segments/consider and advance into peripheral businesses, (2)establish optimal governance and an efficient operating structure, (3)develop human resources while increasing Group employee satisfaction, and (4)enhance customer satisfaction while building Tosei's brand recognition.

(3) Issues to Be Addressed

Issues the Tosei Group needs to address in order to achieve objectives of the medium-term management plan include the following.

1)We need to take steps toward achieving further expansion in our six existing areas of business. This involves strengthening of purchases of properties for renovation and development and land for projects, while enhancing our strengths for renovating, developing, selling and leasing, and also increasing our balances of leasing properties, assets under management and real estate under management. To that end, we will identify trends in the real estate investment and housing markets and the domestic and foreign financial markets, while also promptly responding to changes in the real estate market.

2)We need to adjust our internal operations to reflect our expanded business operations and the heightening public demand for more stringent governance practices. To that end, we will rebuild the Tosei Group's overall systems to ensure effective and efficient internal controls and strengthen operations of our divisions that handle internal administration.

3)We need to secure a diverse workforce and implement education and training in view of business expansion. To that end, we will increase levels of employee satisfaction by encouraging sophistication of company operations, delegating authority, creating new types of operations and other such means.

4)We need to further reinforce our continuous efforts (supplying products, providing services and contributing to society) geared toward establishing the "Tosei brand" as one that conveys the combined notions of "innovation and challenge" and "assurance and reliability."

4. Basic Concept Regarding Selection of Accounting Standards

Tosei Group has adopted IFRS.

The Group expects that adoption of IFRS will bring numerous benefits in facilitating its overseas expansion going forward, such that include improving its creditworthiness abroad, ensuring flexibility in fund raising, and enhancing comparability of financial information for overseas investors.

Meanwhile, another benefit is that the adoption of IFRS enables Tosei Corporation to submit IFRS-based financial statements, as is, for matters involving the Singapore Exchange where the Company maintains multiple listings.

5. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(¥ thousand)

	As of Nov. 30, 2014	As of Nov. 30, 2015
Assets		
Current assets		
Cash and cash equivalents	16,100,795	18,791,081
Trade and other receivables	2,049,710	2,914,639
Inventories	41,565,148	46,156,041
Other current assets	166,612	27,010
Total current assets	59,882,266	67,888,773
Non-current assets		
Property, plant and equipment	3,293,308	3,315,747
Investment properties	13,858,329	18,785,986
Intangible assets	77,675	96,648
Available-for-sale financial assets	2,445,963	1,225,047
Trade and other receivables	780,758	1,098,687
Deferred tax assets	515,765	781,146
Other non-current assets	4,014	4,014
Total non-current assets	20,975,814	25,307,278
Total assets	80,858,080	93,196,052
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,590,792	2,734,006
Borrowings	5,380,269	9,492,795
Current income tax liabilities	1,393,664	1,150,089
Provisions	267,281	442,303
Total current liabilities	9,632,009	13,819,195
Non-current liabilities		
Trade and other payables	2,697,083	3,510,413
Borrowings	35,024,707	39,175,846
Retirement benefits obligations	697,680	383,312
Provisions	78,764	78,905
Total non-current liabilities	38,498,235	43,148,478
Total Liabilities	48,130,244	56,967,673
Equity		
Share capital	6,421,392	6,421,392
Capital reserves	6,375,317	6,373,881
Retained earnings	19,776,474	23,327,875
Other components of equity	154,652	105,228
Total equity	32,727,836	36,228,378
Total liabilities and equity	80,858,080	93,196,052

(2) Consolidated Statement of Comprehensive Income

(¥ thousand)

	Year ended Nov. 30, 2014 (Dec. 1, 2013 – Nov. 30, 2014)	Year ended Nov. 30, 2015 (Dec. 1, 2014 – Nov. 30, 2015)
Revenue	49,981,563	43,006,964
Cost of revenue	40,018,772	31,091,794
Gross profit	9,962,791	11,915,169
Selling, general and administrative expenses	4,381,177	5,099,064
Other income	45,084	126,357
Other expenses	65,924	50,499
Operating profit	5,560,774	6,891,963
Finance income	3,514	22,840
Finance costs	900,581	874,493
Profit before tax	4,663,706	6,040,311
Income tax expense	1,789,479	1,904,494
Profit for the year	2,874,226	4,135,816
Other comprehensive income		
Items that will not be reclassified to net profit or loss		
Remeasurements of defined benefit pension plans	(5,847)	(5,006)
Total items that will not be reclassified to net profit or loss	(5,847)	(5,006)
Items that may be reclassified to net profit or loss		
Exchange differences on translation of foreign operations	32,455	(14,420)
Net change in fair values of available-for-sale financial assets	118,610	(28,020)
Net change in fair values of cash flow hedges	2,236	(6,982)
Total items that may be reclassified to net profit or loss	153,303	(49,423)
Other comprehensive income for the period, net of tax	147,455	(54,430)
Total comprehensive income for the year	3,021,682	4,081,386
Profit attributable to:		
Owners of the parent	2,874,226	4,135,816
Total comprehensive income attributable to:		
Owners of the parent	3,021,682	4,081,386
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	59.53	85.66
Diluted earnings per share (yen)	—	—

(3) Consolidated Statement of Changes in Equity

Year ended November 30, 2014 (Dec. 1, 2013 – Nov. 30, 2014)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Other components of equity	Total equity
Balance at Dec. 1, 2013	6,421,392	6,375,317	17,294,366	1,348	30,092,426
Profit for the year	—	—	2,874,226	—	2,874,226
Other comprehensive income	—	—	—	147,455	147,455
Total comprehensive income for the year	—	—	2,874,226	147,455	3,021,682
Dividends from surplus	—	—	(386,272)	—	(386,272)
Transfer from other components of equity to retained earnings	—	—	(5,847)	5,847	—
Balance at Nov. 30, 2014	6,421,392	6,375,317	19,776,474	154,652	32,727,836

Year ended November 30, 2015 (Dec. 1, 2014 – Nov. 30, 2015)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Other components of equity	Total equity
Balance at Dec. 1, 2014	6,421,392	6,375,317	19,776,474	154,652	32,727,836
Profit for the year	—	—	4,135,816	—	4,135,816
Other comprehensive income	—	—	—	(54,430)	(54,430)
Total comprehensive income for the year	—	—	4,135,816	(54,430)	4,081,386
Dividends from surplus	—	—	(579,408)	—	(579,408)
Share-based payment transaction	—	(1,435)	—	—	(1,435)
Transfer from other components of equity to retained earnings	—	—	(5,006)	5,006	—
Balance at Nov. 30, 2015	6,421,392	6,373,881	23,327,875	105,228	36,228,378

(4) Consolidated Statement of Cash Flows

(¥ thousand)

	Year ended Nov. 30, 2014 (Dec. 1, 2013 – Nov. 30, 2014)	Year ended Nov. 30, 2015 (Dec. 1, 2014 – Nov. 30, 2015)
Cash flows from operating activities		
Profit before tax	4,663,706	6,040,311
Depreciation expense	188,916	222,440
Increase (decrease) in provisions and retirement benefits obligations	68,424	(164,709)
Interest and dividends income	(3,514)	(22,840)
Interest expenses	900,581	874,493
Gain on disposal of available-for-sale financial assets	(531)	—
Loss on retirement of property, plant and equipment	1,597	2,372
Decrease (increase) in trade and other receivables	(1,588,666)	(1,097,514)
Decrease (increase) in inventories	(3,378,869)	(8,845,226)
Increase (decrease) in trade and other payables	781,843	930,567
Other, net	(4,921)	(28,424)
Subtotal	1,628,567	(2,088,530)
Interest and dividends income received	3,513	22,832
Income taxes paid	(1,287,543)	(2,377,395)
Net cash from (used in) operating activities	344,537	(4,443,093)
Cash flows from investing activities		
Payments into time deposits	(140,000)	(100,000)
Proceeds from withdrawal of time deposits	—	240,000
Purchase of property, plant and equipment	(19,666)	(71,303)
Purchase of investment properties	(1,125,123)	(750,033)
Purchase of intangible assets	(59,106)	(37,610)
Purchase of available-for-sale financial assets	(2,196,590)	(5,020)
Collection of available-for-sale financial assets	750,002	757,951
Proceeds from sales of available-for-sale financial assets	1,156	444,960
Payments of loans receivable	(300,000)	—
Collection of loans receivable	68	64
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	210,317	—
Other, net	174	2,596
Net cash from (used in) investing activities	(2,878,766)	481,605
Cash flows from financing activities		
Net increase (decrease) in current borrowings	183,000	(95,000)
Proceeds from non-current borrowings	32,389,000	31,627,000
Repayments of non-current borrowings	(27,206,985)	(23,273,064)
Cash dividends paid	(384,763)	(578,436)
Interest expenses paid	(1,086,000)	(1,015,655)
Other, net	(2,355)	(3,745)
Net cash from (used in) financing activities	3,891,894	6,661,097
Net increase (decrease) in cash and cash equivalents	1,357,665	2,699,610
Cash and cash equivalents at beginning of year	14,711,997	16,100,795
Effect of exchange rate change on cash and cash equivalents	31,131	(9,323)
Cash and cash equivalents at end of year	16,100,795	18,791,081

(5) Notes on Going Concern Assumption

No item to report.

(6) Notes on Consolidated Financial Statements

(Changes in accounting policies)

The Group applied the following standards effective from the fiscal year ending November 30, 2015.

Standard	Name of standard	Overview of new establishment and amendment
IFRIC 21	Levies	Accounting of a liability for a levy
IFRS 10 (Revised)	Consolidated Financial Statements	Exception to consolidation of a subsidiaries by an entity that qualifies as an investment entity
IFRS 12 (Revised)	Disclosure of Interests in Other Entities	Revision of the disclosure method for entities that qualify as investment entities

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

(Additional information)

(Abolition of Retirement Benefits Plan for Officers)

At the Ordinary General Meeting of Shareholders held on February 25, 2015, the Company resolved to make final payments of retirement benefits to retiring officers upon abolition of its Retirement Benefits Plan for Officers.

Accordingly, the full amount of the Company's "Provision for directors' retirement benefits" has been reversed and an unpaid portion of ¥360,711 thousand in final payments has been presented included in "Trade and other payables" in non-current liabilities.

(Segment information)

(1) Summary of reportable segments

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.

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

The methods of accounting applied in the reported operating 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:

Year ended November 30, 2014
(Dec.1, 2013 – Nov 30, 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	34,743,813	6,112,575	4,153,421	949,437	2,943,854	1,078,462	—	49,981,563
Intersegment revenue	—	—	57,161	9,242	516,012	—	(582,416)	—
Total	34,743,813	6,112,575	4,210,582	958,680	3,459,867	1,078,462	(582,416)	49,981,563
Segment profit	3,330,667	432,323	2,414,670	174,963	227,423	213,949	(1,233,224)	5,560,774
Finance income/costs, net								(897,067)
Profit before tax								4,663,706

Year ended November 30, 2015
(Dec.1, 2014 – Nov 30, 2015)

(¥ thousand)

	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Alternative Investment Business	Adjustment	Total
Revenue								
Revenue from external customers	25,986,125	6,605,956	4,084,886	2,339,184	3,069,740	921,071	—	43,006,964
Intersegment revenue	—	—	50,508	4,726	504,491	—	(559,726)	—
Total	25,986,125	6,605,956	4,135,394	2,343,911	3,574,232	921,071	(559,726)	43,006,964
Segment profit	4,187,845	534,965	1,730,098	1,373,606	146,925	322,798	(1,404,277)	6,891,963
Finance income/costs, net								(851,652)
Profit before tax								6,040,311

(Earnings per share)

	Year ended November 30, 2014 (Dec. 1, 2013 – Nov. 30, 2014)	Year ended November 30, 2015 (Dec. 1, 2014 – Nov. 30, 2015)
Profit attributable to owners of the parent (¥ thousand)	2,874,226	4,135,816
Weighted average number of outstanding ordinary shares (shares)	48,284,000	48,284,000
Basic earnings per share (¥)	59.53	85.66

Notes: 1. Basic earnings per share is calculated by dividing profit attributable to owners of the parent, by the weighted average number of outstanding ordinary shares during the reporting period.

2. Diluted earnings per share is not presented because there were no potential shares that have dilutive effects.

(Significant subsequent events)

No item to report.