This is an English translation of the official announcement in Japanese that was released on July 5, 2019. 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 Six Months of the Fiscal Year Ending November 30, 2019
<IFRS>

July 5, 2019

Company name: TOSEI CORPORATION Stock listing: TSE / SGX
Securities code number: 8923 / S2D
Representative: Seiichiro Yamaguchi, President and CEO URL: https://www.toseicorp.co.jp/english/
Contact: Noboru Hirano, Director and CFO Phone: +81-3-3435-2865
Submission of Quarterly Securities Report (Shihanki-Houkokusho): July 10, 2019 (scheduled)
Commencement of dividend payments: —
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended May 31, 2019 (December 1, 2018 – May 31, 2019)

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

	Revenue		Operating profit		Profit before tax		Profit for the period	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Six months ended May 31, 2019	34,452	5.9	7,964	15.6	7,634	17.2	5,239	17.7
Six months ended May 31, 2018	32,520	23.4	6,887	10.3	6,511	11.2	4,452	13.2

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)	(¥)
Six months ended May 31, 2019	5,239	17.7	5,332	18.6	108.79	108.72
Six months ended May 31, 2018	4,452	13.2	4,486	13.9	91.97	91.75

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	(¥ million)	(¥ million)	(¥ million)	(%)
As of May 31, 2019	145,858	54,889	54,889	37.6
As of November 30, 2018	138,768	52,021	52,021	37.5

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended November 30, 2018	–	0.00	–	30.00	30.00
Fiscal year ending November 30, 2019	–	0.00			
Fiscal year ending November 30, 2019 (Forecast)			–	37.00	37.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending November 30, 2019 (December 1, 2018 – November 30, 2019)

(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, 2019	71,510	16.2	12,052	10.8	11,230	10.4	7,708	12.5	158.79

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

(3) Number of issued shares (ordinary shares)

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

As of May 31, 2019	48,548,800 shares
As of November 30, 2018	48,544,800 shares

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

As of May 31, 2019	1,008,805 shares
As of November 30, 2018	105 shares

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

Six months ended May 31, 2019	48,167,280 shares
Six months ended May 31, 2018	48,409,489 shares

* These consolidated Financial Results are not subject to quarterly review procedures by a certified public accountant or an audit corporation.

* 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 Regarding Consolidated Earnings Forecasts" on page 4 of the attached materials.

Contents of Attached Materials

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

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Operating Results

During the six months ended May 31, 2019, the Japanese economy continued to make a moderate recovery, although concerns remain of an economic slowdown, with signs of a downturn in exports and movements to limit capital investment due to the effects of trade frictions between the United States and China.

In the real estate industry where Tosei Group operates, commercial real estate transactions for the three months from January to March 2019 decreased 17% year on year to ¥1.2 trillion, as real estate prices remained persistently high, with few properties on the market meeting investors' investment criteria. Sales to individual investors remain weak, as financial institutions adopt a stricter stance on lending, but sales to institutional investors and other corporations continue to be favorable (according to a survey by a private research institute).

In the real estate securitization market, the market scale continues to expand. The total value of assets under management as of April 2019 grew to ¥18.5 trillion in J-REITs, as property acquisitions continue, supported by sponsored property supply. The total value of assets under management in private placement funds was ¥17.7 trillion (as of December 2018), and the securitization market scale expanded to ¥36.2 trillion (according to a survey by a private research institute).

In the Tokyo metropolitan area condominium market, the number of newly supplied units from January to April 2019 decreased 13.6% year on year to 8,900 units, as each company limited new supply and concentrated on the sale of existing inventory. Despite a continuing increase in selling prices per unit of higher price range, the average contract rate for the first month remained below the 70% threshold from which market conditions are viewed as favorable during the same period. In the build-for-sale detached house market, housing starts from January to April 2019 numbered 21,000 units, an increase of 8.1% year on year. Despite little evidence of a spike in demand in anticipation of the consumption tax increase, favorable demand continues for detached houses, which appear reasonably priced relative to condominiums (according to surveys by a private research institute and the Ministry of Land, Infrastructure, Transport and Tourism).

The office leasing market of Tokyo's five business wards has been performing favorably. The average vacancy rate as of April 2019 was 1.7% (a decrease of 1.0% year on year), the lowest monthly vacancy rate since January 2002. The average asking rent was ¥21,279 (an increase of ¥1,383 year on year), rising for the 64th consecutive month. Rent is expected to continue to rise, as prospective tenants have largely been arranged for the large-scale building developments due for completion in 2019 (according to a survey by a private research institute).

In the Tokyo business hotel market, monthly guest room occupancy rates from January to March 2019 increased year on year. The number of foreign visitors to Japan is predicted to increase into the future, and demand for accommodation is expected to grow (according to a survey by the Japan Tourism Agency).

Amid this operating environment, in the Revitalization Business, the Group made steady progress in selling assets such as income-generating office buildings and apartments, while in the Development Business, the Group pushed ahead with sales of condominiums, detached houses and commercial facilities. In addition, the Group also proceeded with the proactive acquisition of income-generating properties and land for development as future sources of income.

As a result, consolidated revenue for the six months ended May 31, 2019 totaled ¥34,452 million (up 5.9% year on year), operating profit was ¥7,964 million (up 15.6%), profit before tax was ¥7,634 million (up 17.2%), and profit for the period was ¥5,239 million (up 17.7%).

Performance by business segment is shown below.

Reportable segment classifications have been changed effective from the first quarter of the fiscal year ending November 30, 2019, and in the following quarterly comparisons figures for the same period of the previous fiscal year have been recalculated according to the segment after such change.

Revitalization Business

During the six months ended May 31, 2019, the segment sold 28 properties it had renovated, including Seiseki C-kan Building (Tama-shi,Tokyo), Ryogoku Tosei Building I,II (Sumida-ku, Tokyo), T's garden Ojima (Koto-ku, Tokyo). In addition, the segment sold five units in the Restyling Business from Hilltop Yokohama Negishi (Yokohama-shi, Kanagawa) etc.

During the six months ended May 31, 2019, it also acquired a total of 18 income-generating office

buildings and apartments and two land lots for renovation and sales purposes.

As a result, revenue in this segment was ¥17,075 million (down 2.9% year on year) and the segment profit was ¥5,027 million (up 18.9%).

Development Business

During the six months ended May 31, 2019, the segment focused on the sale of condominium and detached houses for which there was firm demand. The segment sold 138 units at THE Palms Chofu Manorgarden (Chofu-shi, Tokyo) etc. and sold 37 detached houses at such properties as THE Palms Court Funabashi Hoten (Funabashi-shi, Chiba), THE Palms Court Kamakura shiromeguri (Kamakura-shi, Kanagawa). In addition, the segment sold one commercial facility, one newly-built apartment and six land lots.

During the six months ended May 31, 2019, it also acquired three lots for hotel projects, one land lot for logistics facility project, one land lot for commercial facility project and land lots for 56 detached houses.

As a result, revenue in this segment was ¥10,226million (up 18.7% year on year) and the segment profit was ¥1,541 million (up 9.5%).

Rental Business

During the six months ended May 31, 2019, while the segment sold 21 buildings of its inventory assets held for leasing purposes, it newly acquired 10 properties including income-generating office buildings and apartments. In addition, the segment made efforts to lease vacancies out following acquisitions and also focused on leasing activities for its existing non-current assets and inventory assets.

As a result, revenue in this segment was ¥2,934 million (up 4.9% year on year) and the segment profit was ¥1,182 million (down 1.5%).

Fund and Consulting Business

During the six months ended May 31, 2019, while ¥28,842 million was added to the balance of assets under management (Note), due to new asset management contracts, ¥41,582 million was subtracted from the balance of Assets under management ¥663,359 million for the end of the previous fiscal year, mainly due to property dispositions by funds. The balance of assets under management as of May 31, 2019, was ¥650,619 million.

As a result, revenue in this segment was ¥1,309 million (down 1.2% year on year) and the segment profit was ¥690 million (down 2.5%).

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

Property Management Business

During the six months ended May 31, 2019, the segment made efforts to win new contracts and maintain existing contracts. Consequently, the total number of properties under management was 632 as of May 31, 2019, a decrease of 35 from May 31, 2018, with the total comprising 399 office buildings, hotels, schools and other such properties, and 233 condominiums and apartments.

As a result, although the total number of properties under management decreased, revenue in this segment was ¥2,317 million (up 19.5% year on year) and segment profit was ¥289 million (up 41.4%).

Hotel Business

During the six months ended May 31, 2019, the Group worked towards increasing the average daily rate and occupancy rate for TOSEI HOTEL COCONE Kanda, opened in December 2017, as well as TOSEI HOTEL COCONE Ueno which newly opened in December 2018 contributed to revenue.

As a result, revenue in this segment was ¥589 million (up 125.1% year on year) and segment profit was ¥131 million (up 32.0%).

(2) Qualitative Information Regarding Consolidated Financial Positions

1. Financial Positions

As of May 31, 2019, total assets were ¥145,858 million, an increase of ¥7,089 million compared with November 30, 2018, while total liabilities were ¥90,969 million, an increase of ¥4,222 million. Total assets increase is mainly due to an increase in cash and cash equivalents and an increase in inventories. Increase in liabilities were primarily due to an increase in borrowing.

Total equity increased by ¥2,867 million to ¥54,889 million, mainly due to an increase in retained earnings , payment of cash dividends and purchase of treasury shares.

2. Cash Flows

Cash and cash equivalents (hereinafter "cash") as of May 31, 2019 totaled ¥29,100 million, up ¥2,580 million compared with November 30, 2018.
The cash flows for the six months ended May 31, 2019 and factors contributing to those amounts are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥554 million (in comparison with segment net cash used in operating activities of ¥400 million in the same period of the previous fiscal year). This is mainly due to profit before tax of 7,634 million, an increase in inventories of ¥4,584 million and income taxes paid of ¥2,831 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥209 million (down 87.8% year on year). This is primarily due to payments of loans receivable of ¥126 million.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥2,235 million (down 46.8% year on year). This mainly reflects ¥23,084 million in proceeds from non-current borrowings, despite ¥17,860 million in the repayments of non-current borrowings and ¥1,454 million in cash dividends paid.

(3) Qualitative Information Regarding Consolidated Earnings Forecasts

The business results during the six months ended May 31, 2019 basically remained stable as planned and there is no change on the full-year consolidated earnings forecasts, announced on January 10, 2019.

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, 2019.

Standard	Name of standard	Overview of new establishment and amendment
IFRS 9	Financial Instruments	Replacement of IAS 39 with IFRS 9 regarding classification, measurement and impairment of financial assets, classification and measurement of financial liabilities, and hedge accounting
IFRS 15	Revenue from Contracts with Customers	Accounting for and disclosure of revenue recognition for contracts with customers
IAS 40	Investment properties	Clarification of requirements for transfers to, or from, investment properties

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

(1) IFRS 9 Financial Instruments

1) Classification and measurement of financial instruments

Regarding financial instruments, the Group classified as “Financial instruments measured at amortized cost,” “Financial instruments measured at fair value through other comprehensive income” and “Financial instruments measured at fair value through profit or loss.”

Equity instruments previously classified as “Available-for-sale financial assets” are now classified into “Financial assets measured at fair value through other comprehensive income” and “Financial assets measured at fair value through profit or loss.” “Available-for-sale financial assets” have been reclassified to “Other financial assets” in the Condensed Consolidated Statement of Financial Position. In accordance with transition provisions, the Group has not applied IFRS 9 retrospectively to consolidated financial statements for the previous fiscal year.

2) Impairment loss of financial assets

The method of recognizing impairment on financial assets measured at amortized cost has been changed to recognize a loss allowance for expected credit losses on these assets.

(2) IFRS 15 Revenue from Contracts with Customers

With the application of IFRS 15, revenue from contracts with customers is recognized based on the five-step approach shown below. In applying IFRS 15, the Group applies the transition provisions and recognizes the cumulative effect of the standard at the date of initial application. For this reason, the Group has not applied IFRS 15 retrospectively to consolidated financial statements for each prior reporting period.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract(s)
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

3. Condensed Quarterly Consolidated Financial Statements and notes

(1) Condensed Consolidated Statement of Financial Position

(¥ thousand)

	As of November 30, 2018	As of May 31, 2019
Assets		
Current assets		
Cash and cash equivalents	26,520,569	29,100,675
Trade and other receivables	3,090,237	3,187,999
Inventories	62,457,864	67,206,468
Other current assets	30,495	12,529
Total current assets	92,099,167	99,507,673
Non-current assets		
Property, plant and equipment	8,785,869	8,722,238
Investment properties	33,752,847	33,395,236
Intangible assets	87,966	85,993
Other financial assets	2,244,831	2,427,694
Trade and other receivables	865,235	935,084
Deferred tax assets	903,707	780,345
Other non-current assets	28,914	4,014
Total non-current assets	46,669,371	46,350,607
Total assets	138,768,538	145,858,280
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,075,579	4,082,927
Borrowings	7,308,494	8,370,717
Current income tax liabilities	2,445,597	2,045,521
Provisions	593,669	322,799
Total current liabilities	14,423,341	14,821,965
Non-current liabilities		
Trade and other payables	3,708,969	3,466,038
Borrowings	67,716,752	71,850,579
Retirement benefits obligations	493,554	502,142
Provisions	6,817	6,894
Deferred tax liabilities	397,320	321,403
Total non-current liabilities	72,323,414	76,147,059
Total Liabilities	86,746,756	90,969,024
Equity		
Share capital	6,554,139	6,556,175
Capital reserves	6,544,924	6,543,844
Retained earnings	38,843,309	42,626,953
Treasury shares	(128)	(1,000,037)
Other components of equity	79,537	162,318
Total equity attributable to owners of parent	52,021,782	54,889,255
Total equity	52,021,782	54,889,255
Total liabilities and equity	138,768,538	145,858,280

(2) Condensed Consolidated Statement of Comprehensive Income

(¥ thousand)

	Six months ended May 31, 2018	Six months ended May 31, 2019
Revenue	32,520,695	34,452,685
Cost of revenue	21,749,086	22,487,881
Gross profit	10,771,608	11,964,804
Selling, general and administrative expenses	3,922,865	4,049,042
Other income	123,511	56,652
Other expenses	85,236	7,888
Operating profit	6,887,017	7,964,525
Finance income	40,815	41,255
Finance costs	415,915	370,945
Profit before tax	6,511,917	7,634,835
Income tax expense	2,059,583	2,394,849
Profit for the period	4,452,334	5,239,985
Other comprehensive income		
Other comprehensive income Items that will not be reclassified to profit or loss		
Net change in financial assets measured at fair values through other comprehensive income	—	91,911
Subtotal	—	91,911
Other comprehensive income Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(5,583)	(9,901)
Net change in fair values of available-for-sale financial assets	37,820	—
Net change in fair values of cash flow hedges	1,723	771
Subtotal	33,959	(9,130)
Other comprehensive income for the period, net of tax	33,959	82,781
Total comprehensive income for the period	4,4886,293	5,322,766
Profit attributable to:		
Owners of the parent	4,452,334	5,239,985
Total comprehensive income attributable to:		
Owners of the parent	4,486,293	5,322,766
Earnings per share attributable to owners of the parent		
Basic earnings per share (¥)	91.97	108.79
Diluted earnings per share (¥)	91.75	108.72

(3) Condensed Consolidated Statement of Changes in Equity

Six months ended May 31, 2018 (December 1, 2017 – May 31, 2018)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Total equity
Balance at December 1, 2017	6,421,392	6,464,240	33,209,210	—	64,024	46,158,867	46,158,867
Profit for the period			4,452,334			4,452,334	4,452,334
Other comprehensive income					33,959	33,959	33,959
Total comprehensive income for the period	—	—	4,452,334	—	33,959	4,486,293	4,486,293
Amount of transactions with owners							
Issuance of new shares	122,669	70,099				192,768	192,768
Purchase of treasury shares				(61)		(61)	(61)
Dividends of surplus			(1,207,100)			(1,207,100)	(1,207,100)
Share-based payment		4,935				4,935	4,935
Balance at May 31, 2018	6,544,061	6,539,274	36,454,444	(61)	97,983	49,635,703	49,635,703

Six months ended May 31, 2019 (December 1, 2018 – May 31, 2019)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Total equity
Balance at December 1, 2018	6,554,139	6,544,924	38,843,309	(128)	79,537	52,021,782	52,021,782
Profit for the period			5,239,985			5,239,985	5,239,985
Other comprehensive income					82,781	82,781	82,781
Total comprehensive income for the period	—	—	5,239,985	—	82,781	5,322,766	5,322,766
Amount of transactions with owners							
Issuance of new shares	2,036	1,121				3,157	3,157
Purchase of treasury shares		(2,711)		(999,909)		(1,002,620)	(1,002,620)
Dividends of surplus			(1,456,340)			(1,456,340)	(1,456,340)
Share-based payment		510				510	510
Balance at May 31, 2019	6,556,175	6,543,844	42,626,953	(1,000,037)	162,318	54,889,255	54,889,255

(4) Condensed Consolidated Statement of Cash Flows

(¥ thousand)

	Six months ended May 31, 2018	Six months ended May 31, 2019
Cash flows from operating activities		
Profit before tax	6,511,917	7,634,835
Depreciation expense	292,035	435,606
Increase (decrease) in provisions and retirement benefits obligations	(223,006)	(261,403)
Interest and dividend income	(40,815)	(41,255)
Interest expenses	415,915	370,945
Loss on retirement of property, plant and equipment	608	―
Decrease (increase) in trade and other receivables	68,276	275,084
Decrease (increase) in inventories	(7,344,536)	(4,584,930)
Increase (decrease) in trade and other payables	996,483	(480,791)
Other, net	(80,806)	(3,068)
Subtotal	596,073	3,345,022
Interest and dividend income received	40,811	41,086
Income taxes paid	(1,037,751)	(2,831,445)
Net cash from (used in) operating activities	(400,865)	554,663
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	―	20,000
Purchase of property, plant and equipment	(29,447)	(33,613)
Purchase of investment properties	(205,711)	(37,909)
Purchase of intangible assets	(19,868)	(12,811)
Purchase of other financial assets	(150)	(50,820)
Collection of other financial assets	―	6,280
Payments of loans receivable	―	(126,730)
Collection of loans receivable	38	5,679
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,471,733)	―
Other, net	3,715	20,413
Net cash from (used in) investing activities	(1,723,156)	(209,509)
Cash flows from financing activities		
Net increase (decrease) in current borrowings	841,000	(26,600)
Proceeds from non-current borrowings	22,280,950	23,084,545
Repayments of non-current borrowings	(17,407,178)	(17,860,068)
Proceeds from issuance of new shares	192,431	3,134
Cash dividends paid	(1,205,363)	(1,454,261)
Interest expenses paid	(498,509)	(508,132)
Purchase of treasury shares	(61)	(999,909)
Other, net	(1,827)	(2,827)
Net cash from (used in) financing activities	4,201,440	2,235,880
Net increase (decrease) in cash and cash equivalents	2,077,418	2,581,034
Cash and cash equivalents at beginning of period	23,750,239	26,520,569
Effect of exchange rate change on cash and cash equivalents	(598)	(928)
Cash and cash equivalents at end of period	25,827,059	29,100,675

(5) Notes on Going Concern Assumption

No item to report.

(6) Notes on 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 six business segments and conducts business activities accordingly; "Revitalization Business", "Development Business", "Rental Business", "Fund and Consulting Business", "Property Management Business" and "Hotel 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. The Hotel Business provides mainly hotel operating services.

The Tosei Group has made changes to its reportable segments, increasing the number of such segments from five up through the end of the previous fiscal year to six as of the first quarter of the fiscal year ending November 30, 2019. Accordingly, the reportable segments are now: the Revitalization Business, Development Business, Rental Business, Fund and Consulting Business, and Property Management Business segments, Hotel Business.

As the quantitative importance of "Hotel Business", which was included in " Rental Business " and "Others", increased, it is now classified as a separate reportable segment.

Segment information for the six months ended May 31, 2018 has been prepared in accordance with the new reportable segment classifications.

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

Six months ended May 31, 2018

(December 1, 2017 – May 31, 2018)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	17,585,038	8,613,547	2,797,069	1,324,657	1,938,389	261,992	—	32,520,695
Intersegment revenue	—	—	21,929	21,543	536,650	500	(580,623)	—
Total	17,585,038	8,613,547	2,818,999	1,346,200	2,475,040	262,492	(580,623)	32,520,695
Segment profit	4,227,735	1,408,139	1,199,967	707,671	204,446	99,926	(960,869)	6,887,017
Finance income/costs, net								(375,100)
Profit before tax								6,511,917

Six months ended May 31, 2019

(December 1, 2018 – May 31, 2019)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	17,075,798	10,226,890	2,934,058	1,309,000	2,317,170	589,767	—	34,452,685
Intersegment revenue	—	—	22,852	9,979	583,352	1,830	(618,015)	—
Total	17,075,798	10,226,890	2,956,910	1,318,980	2,900,522	591,597	(618,015)	34,452,685
Segment profit	5,027,397	1,541,304	1,182,085	690,162	289,167	131,884	(897,475)	7,964,525
Finance income/costs, net								(329,689)
Profit before tax								7,634,835

2. Dividends

Dividends paid in the six months ended May 31, 2018 and May 31, 2019 are as follows:

Six months ended May 31, 2018				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on February 27, 2018	25	1,207,100	November 30, 2017	February 28, 2018

Six months ended May 31, 2019				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on February 27, 2019	30	1,456,340	November 30, 2018	February 28, 2019

3. Earnings per Share

	Six months ended May 31, 2018	Six months ended May 31, 2019
Profit attributable to owners of the parent (¥ thousand)	4,452,334	5,239,985
Net income used to figure diluted net income per share (¥ thousand)	4,452,334	5,239,985
Weighted average number of outstanding ordinary shares (shares)	48,409,489	48,167,280
The number of increased ordinary shares used to figure diluted earnings per share (shares)	117,265	29,640
The weighted-average number of ordinary shares used to figure diluted earnings per share (shares)	48,526,754	48,196,920
Basic earnings per share (¥)	91.97	108.79
Diluted net income per share (¥)	91.75	108.72

Notes: 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.

(7) Notes on Significant Subsequent Events

No item to report.