Consolidated Financial Results
For the Fiscal Year Ended March 31, 2015
(Based on Japanese GAAP)
(Translation of Japanese Flash Report, Released on May 8, 2015)

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*Amounts under one million yen have been rounded down.

1. Consolidated Performance in the Fiscal Year Ended March 31, 2015

(1) Operating results

*Percentage figures shown under net sales, operating income, ordinary income, and net income columns indicate year-on-year changes for those items.

(Millions of yen, except for per share figures)

	Net Sales	Operating Income	Ordinary Income
FY ended March 31, 2015	¥27,741 (56.1%)	¥5,850 (29.1%)	¥5,593 (28.8%)
FY ended March 31, 2014	¥17,772 (68.0%)	¥4,531 (110.1%)	¥4,341 (112.9%)

Note) Comprehensive Income: FY Ended March, 2015: ¥5,147 million (28.0%) FY Ended March, 2014: ¥4,021 million (61.9%)

	Net Income	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
FY ended March 31, 2015	¥5,053 (25.7%)	¥118.18	¥ —
FY ended March 31, 2014	¥4,020 (61.9%)	¥94.03	¥ —

Reference) Income on investments based on equity method: FY Ended March, 2015: ¥- million
FY Ended March,2014: ¥- million

(Note) The Company conducted a 1:100 stock split of common stocks as of October 1, 2013. The "Net Income per Share" and "Fully Diluted Net Income per Share" are calculated assuming that the aforementioned stock split was conducted at the beginning of the previous consolidated FY.

(2) Financial Position (at end of the term)

(Millions of yen, except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
FY ended March 31, 2015	¥40,424	¥22,701	56.2%	¥530.95
FY ended March 31, 2014	¥33,910	¥18,469	53.7%	¥426.13

Reference) Equity at term-end: FY ended March 31, 2015: ¥22,701 million FY ended March 31, 2014 : ¥18,219 million

(3) Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Year-End
FY ended March, 2015	¥1,382	¥(276)	¥701	¥11,212
FY ended March, 2014	¥(6,827)	¥(1,338)	¥7,573	¥9,401

2. Cash Dividends

	Cash Dividends per Share (Yen)					Total Dividends (Millions of yen)	Payout ratio (Consolidated)	Net asset dividend rate (Consolidated)
	1st quarter period	2nd quarter period	3rd quarter period	Year end	Annual total			
FY Ended March, 2014	-	¥0.00	-	13.50	13.50	577	14.4	3.5
FY Ended March, 2015	-	¥0.00	-	16.50	16.50	705	14.0	3.4
FY Ended March, 2016 (Projections)	-	¥0.00	-	17.50	17.50		14.1	

(Note) The Company conducted a 1:100 stock split on October 1, 2013.

3. Projections for Consolidated Performance in the Fiscal Year Ending March 31, 2016

(From April 1, 2015 to March 31, 2016) *Percentage figures are indicated year-on year changes for those items.

(Millions of yen, except for per share figures)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
FY Ending March, 2016	¥33,000 (19.0%)	¥6,300 (7.7%)	¥6,000(7.3%)	¥5,300 (4.9%)	¥123.96

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly companies: —

Excluded companies: —

(2) Changes in accounting principles, procedures and presentation methods

1) Changes caused by revision of accounting standards: None

2) Changes other than those included in 1): None

3) Changes in accounting estimates: None

4) Restatement of corrections: None

(3) Number of shares issued and outstanding (common shares)

1) Number of shares issued and outstanding at the end of the period (including treasury stock):

FY ended March 31, 2015: 42,755,500 shares

FY ended March 31, 2014: 42,755,500 shares

2) Number of treasury stock at the end of period:

FY ended March 31, 2015: 143 shares

FY ended March 31, 2014: 100 shares

3) Weighted average number of shares for the period:

FY ended March 31, 2015: 42,755,368 shares

FY ended March 31, 2014: 42,755,454 shares

(Note) The Company conducted a 1:100 stock split of common stocks as of October 1, 2013. The number of shares issued and outstanding (common shares) is calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY.

Reference: Overview of Non-consolidated Performance

1. Non-consolidated Performance in FY ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Operating Results

*Percentage figures shown in the net sales, operating income, ordinary income, and net income columns indicate year-on year changes for those items.

(Millions of yen, except for per share figures)

	Net Sales	Operating Income	Ordinary Income	Net Income
FY Ended March, 2015	¥25,012 (45.8%)	¥5,594 (19.8%)	¥5,359 (19.1%)	¥4,940 (21.6%)
FY Ended March, 2014	¥17,152 (78.3%)	¥4,668 (130.2%)	¥4,501 (135.6%)	¥4,063 (66.9%)

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
FY Ended March, 2015	¥115.56	-
FY Ended March, 2014	¥95.03	-

(Note) The Company conducted a 1:100 stock split of common stocks as of October 1, 2013. The “Net Income per Share” and “Fully Diluted Net Income per Share” are calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY.

(2) Financial Position

(Millions of yen, except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
FY Ended March, 2015	¥39,801	¥22,528	56.6%	¥526.91
FY Ended March, 2014	¥32,065	¥18,164	56.6%	¥424.84

Reference: Equity at term-end: FY Ended March, 2015: ¥22,528 million
FY Ended March, 2014: ¥18,164 million

※Indication of audit procedure implementation status

This financial results report is exempt from audit procedure based upon the Financial Instruments and Exchange Act. It is under the audit procedure process at the time of disclosure of this report.

※Appropriate use of projections for performance, other notes

The projections for performance in this report contain forward-looking statements based on information available to the Company at the date of publication, and on certain set assumptions that have been deemed reasonable. Actual earnings may vary greatly in accordance with a wide range of factors. Refer to section 1. Analysis results of Operations and Financial conditions (1) Analysis of the Results of Operations on page 5 for assumptions used for projections and the notes on the use of the projections.

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1. Analysis Results of Operations and Financial Conditions

(1) Analysis of Results of Operations

With regard to the Japanese economy during this consolidated fiscal year, although the recovery of consumption was somewhat sluggish in the wake of the hike in consumption tax in April 2014, thanks to the Bank of Japan's assertive monetary easing measures and mobile financial policy as well as under the influence of the weak yen and the drop in crude oil prices, etc, the economy experienced moderate recovery with improvements being seen not only in corporate profits but also in capital investment and in the employment situation.

In the real estate industry to which our company and our consolidated subsidiaries (hereinafter, "our corporate group") belong, there was a marked improvement in the vacancy rate in the city-center office building market, and the rent level is also showing moderate improvement. In addition, on the back of factors such as favorable financing conditions and the weak yen, there was an increase in the inflow of capital into the real estate market from both foreign and domestic investors. Investors' drive to invest remains as high as ever, with a marked decrease in returns being seen particularly on prime city-center real estate.

In such an environment, our corporate group focuses on the utilization and distribution of small to medium-sized office building in the urban center of Tokyo, and has helped building owners solve various troubles regarding real estate. We create multifaceted earning opportunities by providing each customer with one-stop services based on philosophy-based business model, including proposal and order receipt for the rental, brokerage of sale, management, maintenance, remodeling, and renovation of buildings; consultation regarding inheritance, tax affairs, etc. in collaboration with specialists; the insurance for delinquency in rent payment, etc.

In addition, by capitalizing on the knowledge and know how that we have gained through delivering these various services, and by linking up some of their various functions, we have been proactively working to develop real estate revitalization projects that generate substantial added value. We have accumulated the know-how and experience of restoration of mainly office buildings in 5 cities in the center of Tokyo (Chiyoda, Chuo, Minato, Shinjuku, and Shibuya), for example, optimal change in use to vitalize the surrounding area and renovation placing importance on comfort to the occupants, with our capability of finding tenants based on our familiarity with local areas. On July 1, 2014, we established the new Kojimachi branch with the aim of further enriching our service that is deeply rooted in the localities it serves.

As for procurement of real estate, we obtain information on good real estate from leading real-estate companies and trust banks, and also an increasing number of pieces of information from "Kyoeikai (Co-prosperity Association)," which is our original network of affiliates. In addition, we have worked to establish competitive procurement routes through activities, for example, solving building owners' worries, complaints, etc. will contribute to the direct procurement of real estate.

As a result, our operating results for the fiscal year ended March 2015 were as follows:

Sales of ¥27,741 million (up by 56.1% from the previous fiscal year), operating income of ¥5,850 million (up by 29.1%), and ordinary income of ¥5,593 million (up by 28.8%). Net income was ¥5,053 million (up by 25.7%).

The performance of each segment is as follows.

Real Estate Revitalization

From the procurement stage, our corporate group starts a "production" process through which we aim to put the property to the best use possible. By carefully researching real estate leasing market on a daily basis to collect knowledge and injecting and linking each section's experience, technologies, and knowledge of planning, building management, construction, etc., we will gestate feasible plans. In addition, we emphasize the fact that the more satisfied the residents, the more satisfied the owner: through frequent interactions with residents, we look for all possible ways to make the property more comfortable and convenient for them to use, and address any challenges quickly and carefully, and thereby prevent residents from leaving mid-lease and achieve high rates of utilization.

In this way, we strive to maximize the profitability of real estate — renovating even real estate that has a low rate of utilization or that needs renewal in a way that meets the needs of the owner and society, and reviving real estate with high utilization rates — before selling it on to asset holders, wealthy individuals and corporations.

By continuing to provide fast and responsive services even after the sale (including hardware and software management of real estate, pro-active response to faults, solving owner difficulties and responding to new demands), we deliver the property as a composite package of added value that even extends to post-sale follow-up service.

As for the replanning business, we determined target buyers at the stages of procurement and commercialization, pursued not only rate of return, but also "values" suited for target clients, including the locational characteristics and rarity of each property, stability as assets, and merits regarding taxation. Through these efforts, we sold 29 buildings (19 buildings in the previous year) and both sales and profits increased from the previous year. We also engaged in the commercialization of real estate to be sold in this term, and the procurement of real estate to be sold in the next term or later.

As for the rental building business, we purchased and retained properties according to our retention criteria, and, by capitalizing on the real estate management skills that we developed working in rental brokerage, property management, construction solutions and delinquent rent guarantee services, we have maintained a high rate of utilization and secured stable rental income. In the current fiscal year, as a result of higher rental income from renovated properties that are in the process of commercialization, we saw an increase in both sales and profits year-on-year.

In the real estate securitization business, etc., sales and profits increased from the previous year, because of the income from the sale of real estate for joint investment held by a special-purpose company, etc.

As a result of the above activities, sales were ¥24,279 million (up by 69.5% from the previous fiscal year) and segment income was ¥6,270 million (up by 33.7%).

Real Estate Brokerage

In the sales brokerage business, we were not able to swiftly respond to the shift from the buyers' market to the sellers' market (that is, the steep drop in rate of return) as the market got thriving and competitions were getting fierce, and so the number of orders we received declined. As a result, sales and profits decreased.

In the rental brokerage business, while occupancy rates were improving in the market, we engaged in not only finding tenants, but also solving various troubles about building managements for building owners. As a result, sales and profits remained flat from the previous year.

As a result of the above activities, sales were ¥1,239 million (down by 23.5% from the previous fiscal year) and segment income was ¥1,047 million (down by 17.4%).

Both businesses contribute to the increase in income of the entire corporate group, by procuring and selling our own properties, finding tenants for buildings that are being renovated, and undertaking building management.

Property Management

In the property management business, we strove to boost resident satisfaction by providing meticulous service, and managed to maintain a high residency rate in the buildings we manage. After moving to leverage this high residency rate record to increase the number of buildings under our management, at the end of the past fiscal year we were managing 49 more buildings compared to the end of the previous year (a 21.6% increase), as can be seen in the table below. In addition, we worked to generate business opportunities, such as brokerage and construction orders and switchovers to fair rent contracts, and pushed ahead with our leasing business that boasts an intimate familiarity with the locality. These initiatives resulted in a steady increase in customer numbers. Further, although the occupancy rate dropped temporarily at the end of this period after some vacancies arose because of the relocation of some major tenants at the beginning of this year, occupancy rate has since recovered thanks to the gradual influx of contracts with new tenants. We have also offered continuous services linked with other businesses, as the clients who purchased real estate through our replanning or sales brokerage business entrust us with the management of buildings after purchase. As a result, sales and profits increased from the previous year.

	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015
No. of entrusted buildings	183	227	276
Operation rate	94.9%	97.1%	92.9%

As for the building maintenance business, we made efforts to improve our earning system by refraining from receiving unprofitable orders by bidding, further strengthening the height (such as building exterior wall) cleaning and repairing which are our strong points, and increasing transactions in cooperation especially with the property management section for enhancing the synergy with existing businesses. As a result, sales and profits increased from the previous year.

As a result of the above activities, sales were ¥1,325 million (up by 20.6% from the previous fiscal year) and segment income was ¥595 million (up by 25.7%).

Other Businesses

As for the construction solution business, although the number of replanning transactions increased, the ratio of in-company transactions also increased, and consequently sales increased and profits decreased from the previous year.

In the delinquent rent guarantee business, we concentrated on the popularization of new product plans in the market and the cooperation with affiliated companies, and so the number of transactions was healthy. Consequently, sales and profits increased from the previous year.

As a result of the above activities, sales were ¥897 million (up by 22.8% from the previous fiscal year) and segment income was ¥349 million (up by 11.7%).

Outlook for Next Year

As for the Japanese economy, the Bank of Japan's continued monetary easing measures and the government's steady implementation of its growth strategy has continued to underpin economic growth, and with the rising wages that have come in response to increased corporate profits and a shortage of manpower anticipated to lead to a rise in consumption, overall the economic situation is expected to remain robust.

As for the environment surrounding the real estate industry to which our corporate group belongs, occupancy rate are expected to remain high, boosted by recovering corporate earnings. Furthermore, the increasing numbers of foreign tourists visiting Japan has enlivened urban commercial facilities, and the influx of real estate investment not only from within Japan but also from Asia and other foreign countries seems set to gain even greater momentum.

Against this backdrop, our corporate group will stay focused on working, as professionals in real estate utilization, to integrate and effectively combine our diverse specialized services, strive to deliver even better quality by strengthening our internal systems, work exhaustively to develop services and products that are sought after by building owners, asset holders and wealthy individuals, emphasize profit and manage risk, and aim to achieve solid growth as a highly profitable forward-moving company.

Through these efforts, as for the consolidated earnings forecast for the term ending March 2016, we estimate sales of ¥33,000 million (19.0% increase), operating income of ¥6,300 million (7.7% increase), ordinary income of ¥6,000 million (7.3% increase), and net income of ¥5,300 million (4.9% increase).

It should be noted that the above earnings forecast was drafted based on information that was available to us on the date of publication. Actual earnings may for various reasons turn out to be different from those forecasted.

(2) Analysis of Financial Position

i) Assets, Liabilities, and Net Assets

The current assets at the end of this consolidated fiscal year were ¥37,452 million, increasing ¥6,006 million from the end of the previous consolidated fiscal year, as inventory assets increased.

Cash and deposits were ¥12,686 million, increasing ¥1,506 million from the end of the previous consolidated fiscal year, as there were income of ¥1,382 million in the cash flow from operating activities, expenditures of ¥276 million from the cash flow from investing activities, and income of ¥701 million from the cash flow from financial activities, and the fixed deposit, whose deposit term is over 3 months, and derivative deposit decreased ¥304 million.

Inventory assets were ¥23,480 million, increasing ¥4,750 million from the end of the previous consolidated fiscal year, as they are mainly real estate for sale and sale in process in the replanning business and by focusing on promoting acquiring properties.

Noncurrent assets were ¥2,971 million, increasing ¥507 million from the end of the previous consolidated fiscal year, due to increase in property, plant and equipment and increases in long term guarantee deposits that are included as “others” under “investments and other assets”.

Total liabilities at the end of this consolidated fiscal year were ¥17,723 million, increasing ¥2,282 million from the end of the previous consolidated fiscal year, as long-term loans payable increased, although bonds decreased. Total net assets were ¥22,701 million, increasing ¥4,231 million from the end of the previous consolidated fiscal year, as retained earnings increased because net income were posted, although minority interest decreased.

Consequently, net assets per share were ¥530.95.

Total assets as of the end of this consolidated fiscal year were ¥40,424 million, increasing ¥6,514 million from the end of the previous consolidated fiscal year.

ii) Cash Flow

Cash and cash equivalents (hereinafter called “cash”) as of the end of this consolidated fiscal year were ¥11,212 million, increasing ¥1,810 million from the beginning of this consolidated fiscal year. This is mainly the result of inventory assets increasing in value by ¥5,200 million and expenditures of ¥8,385 million to repayment of long-term loans payable, although there were ¥11,155 million of proceeds from long-term loans payable, ¥5,574 million of income before income taxes and minority interests.

Each cash flow for this consolidated fiscal year and related factors are as follows:

Cash flow from operating activity

Cash obtained for operating activity were ¥1,382 million (previous term: expenditures of ¥6,827 million). This was mainly because inventory assets increased in value by ¥5,200 million, although there were an income before income taxes and minority interests of ¥5,574 million, depreciation and amortization of ¥509 million, and increase in notes and accounts payable-trade of ¥308 million.

Cash flow from investing activity

The cash used for investing activities was ¥276 million (previous term: expenditures of ¥1,338 million). This was mainly due to ¥3,482 million of payments into time deposits and ¥375 million in purchase of property, plant and equipment, although there was ¥3,546 million of proceeds from refunds of fixed deposits.

Cash flow from financing activity

Cash obtained from financing activity was ¥701 million (previous term: income of ¥7,573 million). This was mainly due to ¥11,155 million of proceeds from long-term loans, although there was ¥8,385 million of repayment of long-term loans payable and ¥1,195 million of redemption of bonds.

(Reference) Changes in Cash Flow Related Indices

	FY Ended March 31, 2011	FY Ended March 31, 2012	FY Ended March 31, 2013	FY Ended March 31, 2014	FY Ended March 31, 2015
Equity ratio (%)	43.3	57.5	68.5	53.7	56.2
Equity ratio on market price basis (%)	25.8	57.8	246.9	179.5	117.0
Debt repayment period (years)	-	4.4	-	-	1,012.0
Interest coverage ratio (times)	-	7.9	-	-	5.9

Equity ratio: equity capital/total assets
Market value basis equity ratio: total market value of stock/total assets
Debt repayment period: interest-bearing debt/operating cash flow
Interest coverage ratio: operating cash flow/interest payments

(Note 1) Stock Market Capitalization is calculated as Term End Stock Closing Price x Number of Issued Shares at Term End.
(Note 2) Operating Cash Flow uses the cash flow from operating activity of the Consolidated Cash Flow Statement of Accounts.
(Note 3) Interest Bearing Liabilities include all liabilities on which interest is being paid of the liabilities included on the Consolidated Balance Sheet. Further, regarding interest payments, the payment amount of interest from the Consolidated Cash Flow Statement of Accounts is used.

(Note 4) For the Cash Flow to Interest Bearing Liabilities Ratio and Interest Coverage Ratio for Fiscal Years ended March 31, 2011, March 31, 2013 and March 31, 2014, they are not recorded because the operating cash flow is negative.

(3) Basic Policy for Profit Allocation and the Dividends for the Current and Next Terms

Our company has the basic policy of returning profits to shareholders in a long-term, stable basis and enriching retained earnings to respond to the changes in the business environment flexibly.

The term-end dividend for the term ended March 2015 is ¥16.5 per share under the above mentioned policy.

This matter is to be discussed at the annual meeting of shareholders scheduled in June 2015.

The dividend for the next term ending March 2016 is planned to be ¥17.5 per share.

2. Management Policy

(1) The Company's Fundamental Management Policy

Our corporate group conducts business guided by a fundamental management policy that is comprised of the following mission statement and corporate philosophy.

<u>Management Principal</u>

"While protecting all our employees, and pursuing their physical and psychological wellbeing, we work in a spirit of harmony to contribute to the prosperity of society and the human race."

<u>Corporate Philosophy</u>

"Through our work, we employees shall put abundant enthusiasm into developing our knowledge, skills and characters, and we shall dedicate ourselves to utilizing and distributing real estate stock so as to prevent the wasting of non-reproducible resources and contribute to the lasting prosperity of the human race and all living things."

(2) Target Managerial Indexes

Our corporate group aims to produce enduring growth in the long term, and we emphasize capital adequacy ratio from the point of view of financial stability, ordinary profit margin, etc., from the point of view of profitability and productivity.

(3) Corporate Management Strategy in the Mid to Long Terms

Our corporate group has defined its client base as being made up of building owners, asset holders and wealthy individuals, and by staying by their side and resolving any real estate-related difficulties that they might have, we aim, as professionals in real estate utilization, to be a real estate company that will be loved and chosen by customers. Working mainly with small to medium sized buildings in the Tokyo metropolitan area, we make it our policy not only to work on the property itself, but also to bring happiness to property owners and to focus on resolving any difficulties that they may have. As a foundation for this work, by training our employees based on a philosophy that is summed up in the word "altruism", we train human resources who are able to put the happiness of others first and do work that is beneficial to society, and we thereby strive to earn our customers' trust (we believe that our people are our fortune, and so we write "human *resources*" with the character meaning "fortune").

As for the environment in which our corporate group operates, given the marked improvement in vacancy rates in downtown office buildings and the gradual and sustained rise in rental standards, and against the backdrop of favorable financing conditions and the weak yen, etc., the drive to purchase Japanese real estate, primarily among foreign investors, remains high. Furthermore, as described below, we have developed a three-pronged strategy for future growth in response to three factors: the shift from a deflationary mindset to an inflationary mindset; the greater strengthening of international ties, particularly with Asian countries, as evidenced by the increasing numbers of foreign tourists visiting Japan; and mid-term changes in business conditions including the progress of urban re-modeling in preparation for the Tokyo Olympics. The strategy involves "1. Expanding Operations," "2. M&A," and "3. Overseas Expansion."

1. Expanding Current Business

We will strive to further extend our market penetration, with the office market in the center of Tokyo, the world's largest metropolitan area, as our main battlefield.

In addition to expanding our network of branches and continuing to work on improving the quality of our various services, we will also ascertain our customers' needs, both obvious and subtle, and work to expand our service lineup. Furthermore, in order to further improve customer satisfaction, we will train our personnel to build close relationships with each individual client and to devise proposals that are optimally tailored to them, and we shall also work on structural improvements including improvements to the customer system.

Moreover, we will work on projects to utilize and operate urban spaces in order to make effective use of our clients' assets, and in order to invigorate cities by responding to changes in urban structure and making effective use of social infrastructure stock. Already, in September 2014, we started a small 33-room office project in Okachimachi (fully occupied at the time of publication), and in April 2015 we opened a time rental event space and rental meeting rooms in front of Tokyo Station as a rental space project. As seen in these examples, we see our buildings as more than just rental spaces; we put a lot of thought into their potential and generate, combine and link different sources of added value to develop proposals for new building projects.

2. M&A

We see the utilization of M&A as an effective choice in helping us make further progress in providing better client-oriented services.

As the scope of our projects expands, underdeveloped related sectors, including building construction, facilities, and housing management, are importantly positioned to develop alongside us. We will rapidly acquire the platforms, personnel and technology for our projects, and strive for growth and development by moving ahead with capital tie-ups and business alliances in order to provide our clients with optimal services that are responsive to changes in the environment.

3. Overseas Business Expansion

It has been two years since we started our overseas businesses, and our corporate group counts an increasing number of foreign asset holders and affluent individuals among its clients. We will pursue the following two policies with the aim of making further progress overseas, with a particular focus on Asia.

1. Further promote inbound investment by providing Asia's burgeoning affluent classes with real estate investment opportunities in Tokyo, the city with the largest economy in the world.

2. Pursue outbound investment by aiming, first, to provide Japan's affluent classes with real estate investment opportunities in fast-growing Asian metropolises, and second, to develop projects, targeted at high-earners, that help support regional cities and economies and contribute to the wellbeing of the people living in those regions.

Strongly encouraging our employees in their evolution and development, we aim to become an organization where each and every employee can experience the satisfaction that comes through taking on challenges. We will clearly delineate our policy, unlock the potential of our personnel, connect with more external collaborators, improve our capacity to deal with asset holders' difficulties, and work toward Asian growth in our capacity as a port of call for affluent Asian investors.

We aim to maintain our ordinary profit margin at 20% or higher, develop ourselves while managing risk, pro-actively enter niche markets, and continue to move forward with greater emphasis on profit than on sales.

By staying close to our clients and working to solve any real estate-related problems that may arise, we aim to become a company of "real estate utilization professionals" that is relied on more than any in the world. Also, by uniting as a team, researching our clients' needs, providing maximal added value, and creating greater client satisfaction, we will strive to deliver greater sustainable corporate value.

(4) Challenges the Company Must Address

Thanks to the still-favorable financing conditions surrounding the real estate market, developers and companies have a strong drive for acquisitions, and there also seems to be increasing demand from foreign investors on the back of the weak yen. Additionally, it seems that there will be greater demand for effective real estate utilization in central Tokyo, where urban regeneration work is underway in preparation for the Tokyo Olympics that will be held in five years time.

In this context, we are aware of the importance of clearly defining our business policy and strategy, and setting ourselves apart from other companies in the industry, in order to become a company that customers love and happily choose.

Our corporate group has defined its client base as being made up of building owners, asset holders and wealthy individuals, and our focus is to always provide them with individualized, tailor-made service and to solve their problems. We will use the information we gain through repeated interactions with clients to identify their needs and challenges, which we will then solve by working collaboratively across divisions, thereby providing each individual client with the ideal service and products. We believe that the superiority of our corporate group lies in the fact that we always satisfy our clients, provide them with added value, and gain their confidence.

Further, with competition to acquire properties expected to intensify going forward, we will further expand our procurement routes based not only on indexes such as expected rate of return, but also on close and multi-faceted communication with our customers.

3. Our Fundamental Approach to Selecting Accounting Standards

Taking into account the capacity to compare consolidated financial statements from different periods and to compare different corporations, for the time being, our corporate group has established the policy of using Japanese standards for drafting consolidated financial statements.

Further, with regard to the application of IFRS, considering conditions both in Japan and overseas, our policy is to handle them in an appropriate manner.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	FY ended March 31, 2014 (As of March 31,2014)	FY ended March 31, 2015 (As of March 31,2015)
ASSETS		
Current assets		
Cash and deposits	※1,※2 11,180,325	12,686,800
Accounts receivable-trade	285,231	233,535
Real estate for sale	※1 3,213,910	※1 1,599,420
Real estate for sale in process	※1,※2 15,515,223	※1 21,880,382
Supplies	791	730
Deferred tax assets	748,356	774,725
Other	※1,※2 515,005	297,082
Allowance for doubtful accounts	△12,425	△19,882
Total current assets	31,446,419	37,452,794
Noncurrent assets		
Property, plant and equipment		
Buildings	1,047,527	1,399,882
Accumulated depreciation	△128,223	△173,745
Buildings, net	※1 919,303	※1 1,226,136
Land	※1 1,232,679	※1 1,232,143
Other	83,717	95,603
Accumulated depreciation	△70,918	△70,433
Other, net	12,799	25,169
Total property, plant and equipment	2,164,782	2,483,449
Intangible assets		
Goodwill	9,375	1,875
Other	2,331	74,388
Total intangible assets	11,706	76,263
Investments and other assets		
Deferred tax assets	9,575	2,083
Other	283,351	414,572
Allowance for doubtful accounts	△5,402	△4,587
Total investments and other assets	287,524	412,069
Total noncurrent assets	2,464,013	2,971,783
Total assets	33,910,433	40,424,577

(Thousands of yen)

	FY ended March 31, 2014 (As of March 31,2014)	FY ended March 31, 2015 (As of March 31,2015)
LIABILITIES		
Current liabilities		
Accounts payable-trade	411,085	606,061
Short-term loans payable	※1 347,500	-
Current portion of bonds	※1,※2 17,014	※1 40,000
Current portion of long-term loans payable	※1 642,360	※1 964,484
Income taxes payable	266,448	221,154
Provision for bonuses	87,499	109,208
Provision for directors' bonuses	20,000	30,000
Construction warranty reserve	34,800	22,100
Provision for loss on guarantees for rent	6,561	22,361
Other	1,190,179	1,535,214
Total current liabilities	3,023,449	3,550,585
Noncurrent liabilities		
Bonds payable	※1,※2 1,157,986	※1 340,000
Long-term loans payable	※1 10,201,660	※1 12,648,786
Deferred tax liabilities	306	-
Provision for loss on litigation	-	31,000
Other	1,057,505	1,152,905
Total noncurrent liabilities	12,417,457	14,172,691
Total liabilities	15,440,906	17,723,276
NET ASSETS		
Shareholders' equity		
Capital stock	8,387,211	8,387,211
Capital surplus	2,871,767	2,871,767
Retained earnings	6,958,425	11,434,300
Treasury shares	△121	△174
Total shareholders' equity	18,217,283	22,693,105
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,749	2,253
Foreign currency translation adjustment	493	5,941
Total accumulated other comprehensive income	2,242	8,195
Minority interest	250,000	-
Total net assets	18,469,526	22,701,300
Total liabilities and net assets	33,910,433	40,424,577

(2) Consolidated Statements of Income and Consolidated Statements of comprehensive income

Consolidated Statements of Income

(Thousands of yen)

	FY ended March 31, 2014 (April 1,2013- March 31, 2014)	FY ended March 31, 2015 (April 1,2014- March 31, 2015)
Net sales	17,772,333	27,741,197
Cost of sales	10,542,797	18,757,583
Gross profit	7,229,536	8,983,613
Selling, general and administrative expenses	※1 2,698,160	※1 3,133,004
Operating income	4,531,375	5,850,609
Non-operating income		
Interest income	3,893	8,219
Dividends income	470	477
Interest on refund	1,977	508
Subsidy income	2,800	5,040
Other	3,510	1,105
Total non-operating income	12,652	15,350
Non-operating expenses		
Interest expenses	144,117	235,614
Finance costs	36,910	20,989
Stock issuance cost	1,434	-
Other	20,012	16,013
Total non-operating expenses	202,474	272,618
Ordinary income	4,341,553	5,593,341
Extraordinary income		
Gain on sales of noncurrent assets	※2 79	※2 14,017
Total extraordinary income	79	14,017
Extraordinary loss		
Loss on retirement of noncurrent assets	※3 286	※3 647
Provision for loss on litigation	-	31,000
Amortization of goodwill	※4 337,061	-
Other	1,796	1,220
Total extraordinary losses	339,144	32,867
Income before income taxes and minority interests	4,002,488	5,574,492
Income taxes-current	288,281	452,566
Income taxes-deferred	△306,075	△19,292
Total income taxes	△17,793	433,274
Income before minority interests	4,020,281	5,141,217
Minority interests in income (loss)	△100	88,145
Net income	4,020,381	5,053,072

Consolidated Statements of comprehensive income

(Thousands of yen)

	FY ended March 31, 2014 (April 1,2013- March 31, 2014)	FY ended March 31, 2015 (April 1,2014- March 31, 2015)
Income before minority interests	4,020,281	5,141,217
Other comprehensive income		
Valuation difference on available-for-sale securities	▵857	503
Foreign currency translation adjustment	2,140	5,448
Total other comprehensive income	※ 1,282	※ 5,952
Comprehensive income	4,021,564	5,147,170
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,021,664	5,059,025
Comprehensive income attributable to minority interests	▵100	88,145

(3) Consolidated Statements of Changes in Net Assets

Previous Fiscal Year (From April 1, 2013 to March 31, 2014)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	8,387,211	2,871,767	3,301,465	—	14,560,445
Changes of items during the period					
Dividends from surplus			△363,421		△363,421
Net income			4,020,381		4,020,381
Purchase of treasury shares				△121	△121
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	3,656,959	△121	3,656,838
Balance at the end of current period	8,387,211	2,871,767	6,958,425	△121	18,217,283

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	2,606	△1,647	959	—	14,561,404
Changes of items during the period					
Dividends from surplus					△363,421
Net income					4,020,381
Purchase of treasury shares					△121
Net changes of items other than shareholders' equity	△857	2,140	1,282	250,000	251,282
Total changes of items during the period	△857	2,140	1,282	250,000	3,908,121
Balance at the end of current period	1,749	493	2,242	250,000	18,469,526

Current Fiscal Year (From April 1, 2014 to March 31, 2015)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	8,387,211	2,871,767	6,958,425	△121	18,217,283
Changes of items during the period					
Dividends from surplus			△577,197		△577,197
Net income			5,053,072		5,053,072
Purchase of treasury shares				△52	△52
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	4,475,875	△52	4,475,822
Balance at the end of current period	8,387,211	2,871,767	11,434,300	△174	22,693,105

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,749	493	2,242	250,000	18,469,526
Changes of items during the period					
Dividends from surplus					△577,197
Net income					5,053,072
Purchase of treasury shares					△52
Net changes of items other than shareholders' equity	503	5,448	5,952	△250,000	△244,047
Total changes of items during the period	503	5,448	5,952	△250,000	4,231,774
Balance at the end of current period	2,253	5,941	8,195	—	22,701,300

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY ended March 31, 2014 (April 1,2013- March 31, 2014)	FY ended March 31, 2015 (April 1,2014- March 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,002,488	5,574,492
Depreciation and amortization	※2 273,261	※2 509,235
Amortization of goodwill	386,693	7,500
Increase (decrease) in allowance for doubtful accounts	5,063	6,641
Increase (decrease) in provision for bonuses	△3,055	21,708
Increase (decrease) in provision for directors' bonuses	5,000	10,000
Increase (decrease) in construction warranty reserve	7,845	△12,700
Increase (decrease) in provision for loss on guarantees for rent	3,861	15,800
Increase (decrease) in provision for office transfer	△2,381	-
Increase (decrease) in provision for loss on litigation	-	31,000
Interest and dividends income	△4,364	△8,696
Interest expenses	144,117	235,614
Stock issuance cost	1,434	-
Loss (gain) on sales of noncurrent assets	△79	△14,017
Loss on retirement of noncurrent assets	286	647
Decrease (increase) in notes and accounts receivable-trade	185,874	191,578
Decrease (increase) in inventories	△12,543,734	△5,200,257
Increase (decrease) in notes and accounts payable-trade	327,359	308,373
Increase (decrease) in guarantee deposits received	477,814	95,400
Increase (decrease) in deposits received	218,845	181,048
Other, net	△47,169	160,064
Subtotal	△6,560,839	2,113,435
Interest and dividends income received	4,365	5,671
Interest expenses paid	△144,438	△234,472
Income taxes (paid) refund	△126,668	△501,965
Net cash provided by (used in) operating activities	△6,827,582	1,382,668

(Thousands of yen)

	FY ended March 31, 2014 (April 1,2013- March 31, 2014)	FY ended March 31, 2015 (April 1,2014- March 31, 2015)
Net cash provided by (used in) investing activities		
Payments into time deposits	△2,583,886	△3,482,882
Proceeds from withdrawal of time deposits	2,062,492	3,546,825
Purchase of property, plant and equipment	△571,112	△375,036
Proceeds from sales of property, plant and equipment	142	17,198
Purchase of intangible assets	△159	△71,231
Payments for guarantee deposits	△16,747	△147,449
Net decrease (increase) in derivative deposit	△240,235	240,235
Other, net	11,360	△4,031
Net cash provided by (used in) investing activities	△1,338,145	△276,372
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	217,500	△347,500
Proceeds from long-term loans payable	10,970,000	11,155,000
Repayment of long-term loans payable	△4,647,160	△8,385,750
Proceeds from issuance of bonds	1,159,174	389,767
Redemption of bonds	-	△1,195,000
Proceeds from stock issuance to minority shareholders	248,666	-
Repayments to minority shareholders	-	△250,000
Cash dividends paid to minority shareholders	-	△88,145
Cash dividends paid	△361,475	△576,358
Other, net	△13,071	△52
Net cash provided by (used in) financing activities	7,573,633	701,961
Effect of exchange rate change on cash and cash equivalents	2,261	2,254
Net increase (decrease) in cash and cash equivalents	△589,832	1,810,511
Cash and cash equivalents at beginning of period	9,991,433	9,401,600
Cash and cash equivalents at end of period	※1 9,401,600	※1 11,212,112