

October 7, 2016

Flash Report (Consolidated Basis)
Results for the nine-month period ended August 31, 2016
(Based on Japanese GAAP)

Company name: **Samty Co., Ltd.**
 Stock Listings: Tokyo Stock Exchange
 Stock Code: 3244
 URL: <http://www.samty.co.jp/en/>

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Quarterly results briefing held: No

(Figures less than ¥1 million have been omitted.)

1. Consolidated Results for the nine-month period of FY11/16
(December 1, 2015 to August 31, 2016)

(1) Consolidated Operating results

Nine months ended August 31

Percentages indicate year-on-year increase/ (decrease).

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2016	32,386	4.0	4,396	(22.4)	3,085	(23.9)	2,166	(50.7)
2015	31,143	126.7	5,664	141.8	4,052	275.4	4,397	240.9

(Note) Comprehensive Income: Nine months ended August 31, 2016: ¥2,080 million, (51.0%)
 Nine months ended August 31, 2015: ¥4,245 million, 239.4%

	Net income per share	Net Income per share after adjustment for residual shares
	Yen	Yen
2016	92.11	83.84
2015	203.61	176.43

- (3) Changes in accounting policies, changes in accounting estimates, restatements
- 1) Changes in accounting policies due to revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Restatements: None

(4) Number of shares issued and outstanding (common share)

1) Number of shares issued and outstanding (including treasury stock)	Nine months ended August 31, 2016	25,517,527 shares	Year ended November 30, 2015	24,954,420 shares
2) Number of treasury stock	Nine months ended August 31, 2016	1,805,878 shares	Year ended November 30, 2015	1,805,878 shares
3) Average number of shares outstanding for each period (cumulative term)	Nine months ended August 31, 2016	23,514,299 shares	Nine months ended August 31, 2015	21,596,552 shares

* Indication of the status of quarterly review procedures

- This flash report is not subject to quarterly review procedures under the Financial Instruments and Exchange Act. However, a review of these financial statements in accordance with the Financial Instruments and Exchange Act had been completed at the time of disclosure.

* Explanation regarding the appropriate use of results forecasts, and other items of note

- Results forecasts and other forward-looking statements contained in this report are based on information available to the Company at the time of disclosure, and certain assumptions the Company considers reasonable. Actual results may vary considerably due to a variety of factors.

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1. Qualitative Information on Consolidated Results for the Nine-Month Period of Fiscal 2016

(1) Explanation of Business Results

During the third quarter cumulative period, the Japanese economy continued to recover at a moderate pace with continued improvement in employment and incomes on the back on government economic measures and the Bank of Japan's easy-money policy. However, a slowdown in overseas economies stemming from the U.K.'s decision to withdraw from the EU, or other risks could weigh down the Japanese economy.

In the real estate industry, of which the Samty Group is a part, capital inflow to the real estate market continued as a result of the Bank of Japan's negative interest policy, amid new bank lending for real estate and record high loan balances. Also, according to the benchmark land prices (at July 1, 2016) announced by the Ministry of Land, Infrastructure, Transport and Tourism, commercial land prices have risen overall in Japan's three major metropolitan areas, with particularly sharp increases in the Osaka metropolitan area. In regional cities such as Sapporo and Fukuoka, land prices for all purposes increased even more than in the three major metropolitan areas, with commercial-use land showing particularly sharp gains.

Under such conditions, the Samty Group, in accordance with its "Challenge 40" medium-term management plan, conducted business with the aim of establishing a dominant position in the general real estate business.

As a result, for the subject third quarter cumulative period, net sales amounted to ¥32,386 million (+4.0% from the same period of the previous fiscal year), with operating income of ¥4,396 million (-22.4%), ordinary income of ¥3,085 million (-23.9%), and profit attributable to owners of parent of ¥2,166 million (-50.7%).

Results by Business Segment

a. Real Estate Business

The Real Estate business comprises the planning, development, and sales of real estate properties, including the Samty brand S-RESIDENCE series, as well as the revitalization and sales of income properties and other real estate. We also plan, develop, and sell one-room condominiums for investment.

Properties sold as income apartments included "S-RESIDENCE Yokosuka-Chuo" (Yokosuka-shi, Kanagawa), "S-RESIDENCE Shin-Osaka Ekimae" (Higashiyodogawa-ku, Osaka), "S-RESIDENCE Esaka" (Suita-shi, Osaka), "S-RESIDENCE Kobe-Motomachi" (Chuo-ku, Kobe), "Samty Shin-Osaka WEST" (Yodogawa-ku, Osaka), "CREST COURT Hokudaimae" (Kita-ku, Sapporo), "Grand Mir Shindera" (Wakabayashi-ku, Sendai), "Grand Mir Miyamachi" (Aoba-ku, Sendai), "HUMAN HEIM Sagamihara" (Chuo-ku, Sagamihara), "S-FORT Tsurumai cube" (Naka-ku, Nagoya), "Grand E'terna Nijojo-mae" (Nakagyo-ku, Kyoto), "Grand E'terna Chion-in-mae" (Higasiyama-ku, Kyoto), and "will Do Kaguracho" (Nagata-ku, Kobe), "Grand E'terna Saga" (Saga-shi, Saga), and "Grand E'terna Sagaidai-dori" (Saga-shi, Saga). Properties sold as commercial facilities (unit ownership) were "YURAKUCHO ITOCiA" (Chiyoda-ku, Tokyo) and "ADRESS GARDEN DAIKANYAMA" (Shibuya-ku, Tokyo), and as office buildings "Homomachi Central Office" (Chuo-ku, Osaka).

The Company sold 425 units of condominiums for investment, at “Samty Hommachi AGE” (Chuo-ku, Osaka), “Samty Fukushima PORTA” (Fukushima-ku, Osaka), “Samty Edobori ASUNT” (Nishi-ku, Osaka), “Samty Namba VIVO” (Naniwa-ku, Osaka), “Samty Fukushima NORTH” (Fukushima-ku, Osaka), “Samty Hommachi MEDIUS” (Chuo-ku, Osaka), “Samty Kyoto Nishiouji” (Shimogyo-ku, Kyoto), “W-STYLE Shin-Osaka II” (Higashiyodogawa-ku, Osaka), “W-STYLE Namba” (Naniwa-ku, Osaka), “S-FORT Iriya” (Taito-ku, Tokyo), and “N-Stage Hatchobori” (Chuo-ku, Tokyo).

As a result, net sales in the Real Estate Business segment amounted to ¥26,084 million (+11.9% from the same period of the previous fiscal year), with operating income of ¥3,788 million (+37.0%).

b. Property Leasing Business

The Property Leasing business comprises the leasing and management of rental apartments, office buildings, commercial facilities, hotels, and other properties.

The Samty Group acquired properties to increase leasing income, expand its area of business operations, and strengthen purchasing of income properties. These properties included “Samty Higashisapporo Nord” (Shiroishi-ku, Sapporo), “Samty Higashisapporo Est” (Shiroishi-ku, Sapporo), “Samty Residence Minami8jo” (Chuo-ku, Sapporo), “Samty Kitamaruyama Residence” (Chuo-ku, Sapporo), “Samty Esakatarumicho Residence” (Suita-shi, Osaka), “Samty Tsukaguchi Residence” (Amagasaki-shi, Hyogo), “Samty Towers Atago” (Nishi-ku, Fukuoka), “Samty Meinohama” (Nishi-ku, Fukuoka), “Samty Kumamoto Gofukumachi” (Chuo-ku, Kumamoto), “ai-do” (Chuo-ku, Osaka), and “AS Residence Tsu City” (Tsu-shi, Mie).

As a result, net sales in the Property Leasing Business segment amounted to ¥5,222 million (-28.7% from the same period of the previous fiscal year), with operating income of ¥2,022 million (-47.8%).

c. Other Business

Other business operations comprise the holding and operating of four hotels, “Center Hotel Tokyo” (Chuo-ku, Tokyo), “Center Hotel Osaka” (Chuo-ku, Osaka), the “S-PERIA Hotel Nagasaki” (Nagasaki-shi, Nagasaki), and “Hotel Sunshine Utsunomiya” (Utsunomiya-shi, Tochigi), together with a condominium management business, and a construction/renovation business.

As a result, net sales in the Other Business segment amounted to ¥1,079 million (+108.0% from the same period of the previous fiscal year), with operating income of ¥126 million (-10.3%).

(2) Qualitative Information on the Consolidated Financial Position

1) Assets, Liabilities, and Net Assets

Assets

Total assets at the end of the subject third quarter cumulative period amounted to ¥126,851 million, an increase of ¥5,122 million compared to the end of the previous fiscal year. Of this amount, current assets increased ¥1,897 million to ¥72,386 million, and non-current assets increased ¥3,265 million to ¥54,310 million. The main factors for the increase in current assets were a ¥7,516 million gain in real estate for sale under construction; offset by declines of ¥2,920 million in cash and deposits; and ¥3,718 million in real estate for sale. The main factor for the increase in non-current assets was a gain of ¥3,340 million in net property and equipment.

Liabilities

Total liabilities at the end of the subject third quarter cumulative period amounted to ¥96,577 million, an increase of ¥3,202 million compared to the end of the previous fiscal year. Of this amount, current liabilities decreased ¥9,055 million to ¥21,373 million, and non-current liabilities increased ¥12,258 million to ¥75,204 million. The main factors for the decrease in current liabilities were declines of ¥1,094 million in notes and accounts payable; ¥3,565 million in short-term borrowings; ¥2,632 million in current portion of long-term debt; and ¥1,084 million in accrued income taxes. The main factor for the increase in non-current liabilities was a gain of ¥12,827 million in long-term debt.

Net Assets

Total net assets at the end of the subject third quarter cumulative period amounted to ¥30,273 million, an increase of ¥1,919 million compared to the end of the previous fiscal year. This was due mainly to an increase of ¥2,166 million in retained earnings from the recording of profit attributable to owners of parent; against a decrease of ¥763 million in retained earnings from dividend payments.

2) Cash Flows

Cash and cash equivalents (“cash”) at the end of the subject third quarter cumulative period amounted to ¥15,195 million, a decrease of ¥2,980 million compared to the end of the previous fiscal year. This was due mainly to ¥4,025 million in cash used for operating activities; ¥4,680 million in cash used for investing activities; and ¥5,724 million in cash provided by financing activities.

The main factors affecting cash flows during the subject third quarter cumulative period are as follows.

Cash Flow from Operating Activities

Net cash used in operating activities amounted to ¥4,025 million (compared to ¥1,395 million used in the same period of the previous fiscal year). This was due mainly to ¥3,232 million in income before income taxes; ¥3,607 million in increase in inventories; ¥1,100 million in decrease in notes and accounts payable—trade; and ¥2,236 million in income taxes paid.

Cash Flow from Investing Activities

Net cash used in investing activities amounted to ¥4,680 million (compared to ¥3,627 million used in the same period of the previous fiscal year). This was due mainly to ¥6,570 million in purchase of property, plant and equipment; ¥2,222 million in proceeds from sales of property, plant and equipment; ¥1,191 million in purchase of investment securities; ¥654 million in proceeds from redemption of investment securities; and ¥345 million in proceeds from sales of investment securities.

Cash Flow from Financing Activities

Net cash provided by investing activities amounted to ¥5,724 million (compared to ¥11,251 million provided in the same period of the previous fiscal year). This was due mainly to ¥17,031 million in increase in short-term loans payable; ¥20,597 million in decrease in short-term loans payable; ¥30,026 million in proceeds from long-term loans; ¥19,831 million in repayments of long-term loans; and ¥763 million in dividends paid.

(3) Explanation of Consolidated Results Forecasts and Other Future Predictions

Results forecasts for the fiscal year ending November 2016 are unchanged from those announced in “Financial Statement (Consolidated Basis) for the year ended November 30, 2015” released on January 8, 2016.

2. Matters Relating to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Subject Reporting Period

The liquidation of Senba IS Building LLC and Project I General Incorporated Association was completed during the subject third quarter cumulative period, and the companies removed from the scope of consolidation.

(2) Application of Special Accounting Treatments in the Preparation of Financial Reports

Not applicable.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, Restatements

(Changes in Accounting Policy)

(Application of Accounting Standard for Business Combinations)

From the beginning of the subject fiscal year, the Company has applied “Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, hereafter “Business Combinations Accounting Standard”), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, hereafter “Consolidation Accounting Standard”), and “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, hereafter “Business Divestitures Accounting Standard”), thereby recording as capital surplus the variance on changes in the Company’s equity interests in subsidiaries where the Company retains control, and changing the method for recording acquisition-related expenses as expenses for the consolidated fiscal year.

Also, for business combinations conducted since the start of the subject fiscal year, the Company has changed to a method to reflect the revisions to the allocated amount of acquisition cost determined by provisional accounting treatment in the consolidated financial statements for the quarterly accounting period covering the date of the business combination. In addition, the Company has made changes to the presentation of net income, and changed the presentation of minority interests to non-controlling interests. The consolidated financial statements for the previous third quarter cumulative period and previous fiscal year have been reclassified to reflect the subject changes in presentation.

For the application of the Business Combinations Accounting Standard and other standards, the Company follows the transitional treatment prescribed by Article 58-2 (4) of the Business Combinations Accounting Standard, Article 44-5 (4) of the Consolidation Accounting Standard, and Article 57-4 (4) of the Business Divestitures Accounting Standard, applying such from the beginning of the subject fiscal year and going forward.

For the subject third quarter cumulative period, there is no effect on the consolidated financial statements as a result of this change.

(Application of Practical Solution on a Change in Depreciation Method due to Tax Reform 2016)

In accordance with revisions to the Corporation Tax Act, the Company has applied “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (ASBJ Practical Issues Task Force (PITF) No. 32, issued on June 17, 2016) from the beginning of the subject fiscal year, and changed the method for the depreciation of facilities attached to buildings and structures

acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The effect of this change on the consolidated financial statements for the subject period is negligible.

(4) Additional Information

(Effect of Change in the Corporate Tax Rate)

The “Act to Partially Amend the Income Tax Act” (Act No. 15 of 2016) and “Act to Partially Amend the Local Tax Act” (Act. No. 13 of 2016), went into effect on March 31, 2016, lowering the corporate tax rate from consolidated fiscal years beginning on or after April 1, 2016.

Accordingly, the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities has been changed from the previous 32.3%, to 30.8% for items for which collection or payment is expected during the period of December 1, 2016, to November 30, 2018, and to 30.6% for items from December 1, 2018 and after.

The effect of this change in the tax rate is negligible.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of yen	
	November 30, 2015	August 31, 2016
ASSETS		
Current assets:		
Cash and deposits	18,693	15,773
Receivables	282	466
Real estate for sale	34,863	31,144
Real estate for sale under construction	15,756	23,272
Goods	0	0
Supplies	4	5
Deferred tax assets	239	139
Other	654	1,602
Allowance for doubtful accounts	(6)	(19)
Total current assets	70,489	72,386
Non-current assets:		
Property and equipment:		
Buildings and structures net	22,344	25,131
Buildings in trust net	4,081	3,984
Land	19,131	19,766
Land in trust	1,816	1,816
Other net	102	116
Net property and equipment	47,476	50,816
Intangible assets:		
Goodwill	99	93
Other intangible assets	71	58
Total intangible assets	170	151
Investments and other assets:		
Investment securities	1,850	1,890
Deferred tax assets	44	8
Other	1,512	1,443
Allowance for doubtful accounts	(9)	—
Total Investments and other assets	3,397	3,342
Total non-current assets	51,044	54,310
Deferred assets:		
Formation expenses	0	0
Inauguration expenses	194	154
Total deferred tax assets	194	154
Total assets	121,728	126,851

	Millions of yen	
	November 30, 2015	August 31, 2016
LIABILITIES		
Current liabilities:		
Notes and accounts payable	3,819	2,724
Deferred tax liabilities	—	0
Short-term borrowings	9,599	6,033
Current portion of long-term debt	13,515	10,883
Accrued income taxes	1,258	173
Other	2,237	1,557
Total current liabilities	30,429	21,373
Non-current liabilities:		
Bonds with subscription rights to shares	1,985	1,435
Long-term debt	56,484	69,311
Deferred tax liabilities	1,769	1,737
Liabilities for retirement benefits	101	132
Guarantee deposits	1,807	1,828
Construction assistance fund	704	662
Other long-term liabilities	93	96
Total non-current liabilities	62,945	75,204
Total liabilities	93,375	96,577
NET ASSETS		
Shareholders' equity:		
Common stock	7,462	7,739
Capital surplus	7,576	7,853
Retained earnings	14,507	15,910
Treasury stocks at cost	(1,382)	(1,382)
Total shareholders' equity	28,163	30,120
Accumulated other comprehensive income:		
Unrealized gain on available for-sale securities	(28)	(113)
Total accumulated other comprehensive income	(28)	(113)
Stock acquisition rights	218	266
Total net assets	28,353	30,273
Total liabilities and net assets	121,728	126,851

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Nine months ended August 31

	Millions of yen	
	2015	2016
Net sales	31,143	32,386
Cost of sales	23,222	24,577
Gross profit	7,921	7,808
Selling, general and administrative expenses	2,257	3,412
Operating income	5,664	4,396
Non-operating income:		
Interest income	2	3
Dividends	10	10
Refund of premium for cancelled insurance	15	19
Consumption tax difference	—	61
Other	8	7
Total non-operating income	37	102
Non-operating expenses:		
Interest expenses	1,304	1,226
Commission fee	281	147
Bond issuance cost	18	—
Other	43	39
Total non-operating expenses	1,648	1,413
Ordinary income	4,052	3,085
Extraordinary income:		
Gain on sales of non-current assets	2,656	235
Gain on negative goodwill	555	—
Other	—	23
Total extraordinary income	3,212	259
Extraordinary loss:		
Loss on sales of non-current assets	721	31
Loss on retirement of non-current assets	6	26
Impairment loss	228	—
Loss on sales of investment securities	—	28
Appraised value of investment securities	—	25
Total extraordinary losses	956	111
Income before income taxes	6,308	3,232
Income taxes-current	1,922	940
Income taxes-deferred	5	126
Total income taxes	1,927	1,066
Net income	4,381	2,166
Loss attributable to non-controlling interests	(16)	—
Profit attributable to owners of parent	4,397	2,166

Consolidated Statements of Comprehensive Income

Nine months ended August 31

	Millions of yen	
	2015	2016
Income before minority interests	4,381	2,166
Other comprehensive income:		
Unrealized gain on available for-sale securities	(136)	(85)
Total other comprehensive income	(136)	(85)
Comprehensive income	4,245	2,080
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	4,261	2,080
Comprehensive income attributable to minority interests	(16)	—

(3) Consolidated Statements of Cash Flows

Nine months ended August 31

	Millions of yen	
	2015	2016
Operating activities:		
Income before income taxes	6,308	3,232
Depreciation	781	767
Impairment loss	228	—
Amortization of goodwill	6	6
Increase (decrease) in allowance for doubtful accounts	3	12
Interest and dividends income	(13)	(13)
Interest expenses	1,304	1,226
Loss (gain) on sales of property, plant and equipment	(1,935)	(203)
Gain on negative goodwill	(555)	—
Increase (Decrease) in net defined benefit liability	18	30
Decrease (increase) in notes and accounts receivable - trade	(257)	(184)
Decrease (Increase) in inventories	(3,963)	(3,607)
Increase (decrease) in notes and accounts payable - trade	351	(1,100)
Increase (decrease) in lease and guarantee deposits received	(2)	31
Other-net	(592)	(772)
Subtotal	1,683	(574)
Decrease in interest and dividends receivable	13	13
Decrease in interest payable	(1,367)	(1,227)
Income taxes paid	(1,725)	(2,236)
Net cash provided by (used in) operating activities	(1,395)	(4,025)
Investing activities:		
Payments for deposits in time deposits	—	(60)
Proceeds from sales of property, plant and equipment	8,266	2,222
Purchase of property, plant and equipment	(9,989)	(6,570)
Purchase of intangible assets	(19)	(12)
Purchase of investment securities	(1,371)	(1,191)
Proceeds from sales of investment securities	—	345
Proceeds from redemption of investment securities	539	654
Payments for acquisition of newly consolidated subsidiaries	0	—
Additional acquisition of shares in consolidated subsidiaries	(970)	—
Payments of construction assistance fund receivables	(41)	(41)
Proceeds from collection of investments	1	4
Payments for investments in capital	(43)	(31)
Other-net	(0)	—
Net cash provided by (used in) investing activities	(3,627)	(4,680)

(continued on page 13)

	Millions of yen	
	2015	2016
Financing activities:		
Increase in short-term loans payable	18,646	17,031
Decrease in short-term loans payable	(11,019)	(20,597)
Proceeds from long-term loans	23,741	30,026
Repayments of long-term loans	(22,389)	(19,831)
Proceeds from issuance of bonds	3,981	—
Purchase of treasury shares	(1,000)	—
Dividends paid	(504)	(763)
Other-net	(204)	(140)
Net cash provided by (used in) financing activities	11,251	5,724
Net increase (decrease) in cash and cash equivalents	6,228	(2,980)
Cash and cash equivalents, beginning of the period	9,513	18,176
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(0)
Cash and cash equivalents, end of the period	15,742	15,195

(4) Notes Relating to Consolidated Financial Statements

(Note on Assumptions for Going Concern)

Not applicable.

(Notes in the Event of Major Changes in Shareholders' Equity)

Not applicable.

(Segment Information)

I Results for the nine months of FY11/15 (from December 1, 2014 to August 31, 2015)

1. Operating Revenues and Earnings (or Loss) by Reportable Segment

Nine months ended August 31, 2015

	Millions of yen					
	Reportable Segment				Adjustment (Note 1)	Amount Recorded on Consolidated Income Statement (Note 2)
	Real Estate Business	Property Leasing Business	Other Business	Total		
Net sales:						
Net sales from third parties	23,305	7,319	519	31,143	—	31,143
Inter-segment net sales and transfers	—	—	162	162	(162)	—
Total	23,305	7,319	682	31,306	(162)	31,143
Operating income	2,766	3,876	141	6,783	(1,119)	5,664

Notes

1. The ¥1,119 million adjustment to operating income comprises ¥47 million in intersegment eliminations, and ¥1,070 million in corporate expenses not allocated to any reportable segment. Corporate expenses are general and administrative expenses not attributed to any reportable segment.
2. Segment operating income is adjusted to the operating income on the consolidated income statement.

2. Disclosure of Impairment Loss of Non-Current Assets or Goodwill by Reportable Segment

(Significant impairment loss on non-current assets)

The Company recorded an impairment loss of ¥228 million in the Real Estate Business segment.

(Significant gain on negative goodwill)

In the Real Estate Business segment, on February 27, 2015, the Company made an additional investment in the silent partnership that operates Ambient Garden Moriyama, LLC, making Ambient Garden Moriyama, LLC a wholly-owned subsidiary. As a result, the Company recorded a ¥555 million gain on negative goodwill, but because this was an extraordinary gain it is not allocated to the reportable segment.

II Results for the nine months of FY11/16 (from December 1, 2015 to August 31, 2016)

1. Operating Revenues and Earnings (or Loss) by Reportable Segment

Nine months ended August 31, 2016

	Millions of yen					
	Reportable Segment				Adjustment (Note 1)	Amount Recorded on Consolidated Income Statement (Note 2)
	Real Estate Business	Property Leasing Business	Other Business	Total		
Net sales:						
Net sales from third parties	26,084	5,222	1,079	32,386	—	32,386
Inter-segment net sales and transfers	8	185	116	310	(310)	—
Total	26,092	5,408	1,196	32,697	(310)	32,386
Operating income	3,788	2,022	126	5,938	(1,542)	4,396

Notes

1. The ¥1,542 million adjustment to operating income comprises ¥41 million in intersegment eliminations, and ¥1,499 million in corporate expenses not allocated to any reportable segment. Corporate expenses are general and administrative expenses not attributed to any reportable segment.
2. Segment operating income is adjusted to the operating income on the consolidated income statement.

2. Disclosure of Impairment Loss of Non-Current Assets or Goodwill by Reportable Segment

Not applicable.

(Significant Events after the Reporting Period)

Not applicable.

END