

July 13, 2018

**Flash Report (Consolidated Basis)**  
**Results for the first half ended May 31, 2018**  
**(Based on Japanese GAAP)**

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

Representative

Title: Representative Director and President

Name: Kazushi Eguchi

Contact Person

Title: Director & General Manager of Business Administration Division

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Quarterly report filing date (Planned): July 13, 2018

Start of dividend payments (Planned): —

Quarterly supplemental explanatory material prepared: No

Quarterly results briefing held: Yes (for institutional investors and analysts)

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

**1. Consolidated Results for the first half of FY11/18 (December 1, 2017 to May 31, 2018)**

**(1) Consolidated Operating results**

Six months ended May 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	%
2018	46,317	22.9	9,112	31.5	7,908	29.3	5,655	31.3
2017	37,692	76.9	6,928	104.1	6,115	157.7	4,307	147.2

(Note) Comprehensive Income: Six months ended May 31, 2018: ¥5,893 million, (35.6%)  
Six months ended May 31, 2017: ¥4,347 million, (145.2%)

	Net income per share	Net Income per share after adjustment for residual shares
	Yen	Yen
2018	224.24	216.95
2017	181.60	165.90

## (2) Consolidated Financial condition

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
May 31, 2018	154,859	44,630	28.3
November 30, 2017	166,449	39,360	23.4

(Reference) Total shareholders' equity: May 31, 2018: ¥43,797 million, November 30, 2017: ¥39,017 million

## 2. Dividends

Years ended/ending November 30

	Dividends per share				
	February 28	May 31	August 31	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2017	—	0.00	—	47.00	47.00
2018	—	0.00			
2018 (Forecast)			—	52.00	52.00

(Note) Revision of dividends forecast for this period: None

## 3. Forecasts for Fiscal Year Ending November 30, 2018

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	64,000	5.8	11,000	8.6	8,900	5.2

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Fiscal year	6,500	14.8	258.10

(Note) Revision of results forecast for this period: None

## Notes

(1) Significant changes in subsidiaries during the subject fiscal period: None

(Changes in specified subsidiaries related to a change in the scope of consolidation)

Additions: None

Deletions: None

(2) Application of special accounting practices in the preparation of the consolidated financial statements:  
None

(3) Changes in accounting policies, changes in accounting estimates, restatements

1) Changes in accounting policies due to revision of accounting standards: None

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)	Six months ended May 31, 2018	27,080,618 shares	Year ended November 30, 2017	26,989,518 shares
2) Number of treasury stock	Six months ended May 31, 2018	1,805,959 shares	Year ended November 30, 2017	1,805,959 shares
3) Average number of shares outstanding for each period (cumulative term)	Six months ended May 31, 2018	25,219,539 shares	Six months ended May 31, 2017	23,719,977 shares

\* Quarterly financial statements are not subject to review by certified public accountants or audit firms.

\* 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. For the assumptions underlying results forecasts and precautions on use of results forecasts, see Page 5 of the accompanying material "1. Qualitative Information on Consolidated Results for the First Half of Fiscal 2018; (3) Explanation of Consolidated Results Forecasts and Other Future Predictions."
- The Company plans to hold an explanatory meeting for institutional investors and analysts on July 26, 2018.

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## 1. Qualitative Information on Consolidated Results for the First Half of Fiscal 2018

### (1) Explanation of Business Results

During the second quarter cumulative period, the Japanese economy, amid continued expansion in employment and incomes, continued to recover at a moderate pace, with improvement in corporate earnings on the back on government economic measures and the Bank of Japan's easy-money policy. However, caution remains necessary regarding such factors as the economic outlook in China and other emerging Asian economies, the effects of uncertainty in government policy, the direction of international trade problems, and fluctuations in financial and capital markets.

In the real estate industry, of which the Samty Group is a part, retail store and hotel demand has risen in response to the continued low interest rate environment and increase in overseas tourists, while real estate demand remains robust on improved profitability due to low office vacancy rates in major cities.

Under such conditions, the Samty Group, in accordance with its "Challenge 40" medium-term management plan (revised in July 2016), actively pursued business operations based on the three key strategies of 1) Development of business model centered on Samty Residential Investment Corporation; 2) Strategic investment in regional metropolitan areas; and 3) Roll-out of hotel development business.

As a result, in the subject second quarter cumulative period, the Samty Group posted record high results for revenue and all earnings categories for a second consecutive period. Net sales amounted to ¥46,317 million (up 22.9% from the same period of the previous fiscal year), with operating income of ¥9,112 million (up 31.5%), ordinary income of ¥7,908 million (up 29.3%), and profit attributable to owners of parent of ¥5,655 million (up 31.3%).

### 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 the S-RESIDENCE Series were "S-RESIDENCE Ochanomizu" (Bunkyo-ku, Tokyo), "S-RESIDENCE Bunkyo Koishikawa" (Bunkyo-ku, Tokyo), "S-RESIDENCE Shinjuku Urban Style" (Shinjuku-ku, Tokyo), "S-RESIDENCE Shinjuku EAST" (Shinjuku-ku, Tokyo), "S-RESIDENCE Kiyosumi-shirakawa" (Koto-ku, Tokyo), "S-RESIDENCE Oshiage Park Side" (Sumida-ku, Tokyo), "S-RESIDENCE Kinshicho Park Side" (Sumida-ku, Tokyo), "S-RESIDENCE Nihombashi Hamacho" (Chuo-ku, Tokyo), "S-RESIDENCE Nerima Sakuradai" (Nerima-ku, Tokyo), "S-RESIDENCE Tsurumai" (Naka-ku, Nagoya-shi), and "S-RESIDENCE Shin-Osaka Luna" (Yodogawa-ku, Osaka). As income apartments, the Company sold a total of 28 properties, including "SAMTY Felice Odoriminami" (Chuo-ku, Sapporo-shi), "SAMTY Residence Mito Chuo" (Mito-shi, Ibaraki), "SAMTY Residence Shonan Chigasaki" (Chigasaki-shi, Kanagawa), "SAMTY Sanno Residence" (Nakagawa-ku, Nagoya-shi), "SAMTY Kobe Sta. Minami Dori" (Hyogo-ku, Kobe-shi), "SAMTY Charme Hakata A, B"

(Hakata-ku, Fukuoka-shi), “SAMTY Kumamoto Keitokuko-mae” (Chuo-ku, Kumamoto-shi), “Prospere Tsurukawa” (Machida-shi, Tokyo), “S-FORT Kawaguchi Namiki” (Kawaguchi-shi, Saitama), “Dimus Yokohama Kannai” (Naka-ku, Yokohama-shi) “Greencourt Aratama” (Minami-ku, Nagoya-shi), “AS Residence Tsu City” (Tsu-shi, Mie), “Succeed Takaragaike” (Sakyo-ku, Kyoto-shi), “Charmant de Minoh” (Minoh-shi, Osaka), “Grand E'terna Oita” (Oita-shi, Oita), and “Studio Square Takasagomachi” (Oita-shi, Oita). As office buildings, the Company sold “SAMTY Uehommachi Building” (Tennoji-ku, Osaka-shi), and “Nissan Minamihorie Building” (Nishi-ku, Osaka-shi), and as other commercial facilities, “SAMTY Minatogawakoen Building” (Hyogo-ku, Kobe-shi).

The Company also sold 195 units of condominiums for investment, at “SAMTY Osaka GRAND EAST” (Higashinari-ku, Osaka-shi), “SAMTY Osaka GRAND EAST II” (Higashinari-ku, Osaka-shi), and “STAGE GRANDE Akihabara” (Taito-ku, Tokyo).

As a result, net sales in the Real Estate Business segment amounted to ¥41,862 million (up 25.4% from the same period of the previous fiscal year), with operating income of ¥9,608 million (up 34.6%).

## **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 continued its efforts to expand its area of business operations and strengthen purchasing of income properties. Properties acquired were “SAMTY Residence Funabashi Honcho” (Funabashi-shi, Chiba), “SAMTY Residence Aobadai” (Aoba-ku, Yokohama-shi), “SAMTY Uemachidai Ryuzouji” (Chuo-ku, Osaka-shi), “SAMTY Esaka LIBERTS” (Suita-shi, Osaka), “SAMTY Nishijinminami” (Sawara-ku, Hukuoka-shi), “SAMTY Ohashi” (Minami-ku, Hukuoka-shi), “SAMTY Hakozaki-higashi” (Higashi-ku, Hukuoka-shi), “Orioncourt” (Chuo-ku, Sapporo-shi), “Attract” (Saiwai-ku, Kawasaki-shi), “La stella” (Handa-shi, Aichi), and “GRANDDUKE Shinsakae” (Naka-ku, Nagoya-shi). The Company also acquired as a hotel asset, “SMART HOTEL kutchan” (Abuta-gun, Hokkaido).

As a result, net sales in the Property Leasing Business segment amounted to ¥3,615 million (up 2.4% from the same period of the previous fiscal year), with operating income of ¥1,046 million (up 7.0%).

## **c. Other Business**

Other business operations comprise the hotel business, including the holding and operating of “S-PERIA Hotel Hakata” (Hakata-ku, Fukuoka-shi), “S-PERIA Hotel Nagasaki” (Nagasaki-shi, Nagasaki), and “Center Hotel Tokyo” (Chuo-ku, Tokyo), and the management of “Center Hotel Osaka” (Chuo-ku, Osaka), and “Hotel Sunshine Utsunomiya” (Utsunomiya-shi, Tochigi), as well as a condominium management business and construction / renovation business.

As a result, net sales in the Other Business segment amounted to ¥839 million (up 8.7% from the same period of the previous fiscal year), with an operating loss of ¥42 million (compared to operating income of ¥155 million in the same period of the previous fiscal year).

## **(2) Qualitative Information on the Consolidated Financial Position**

### **1) Assets, Liabilities, and Net Assets**

#### **Assets**

Total assets at the end of the subject second quarter cumulative period amounted to ¥154,859 million, a decrease of ¥11,590 million compared to the end of the previous fiscal year. Of this amount, current assets decreased ¥5,157 million to ¥93,401 million, and non-current assets decreased ¥6,409 million to ¥61,387 million. The main factors for the decrease in current assets were declines of ¥9,002 million in real estate for sale; and ¥3,818 million in real estate for sale under construction; against an increase of ¥6,953 million in cash and deposits. The main factor for the decrease in non-current assets was a decline of ¥7,026 million in net property and equipment.

#### **Liabilities**

Total liabilities at the end of the subject second quarter cumulative period amounted to ¥110,229 million, a decrease of ¥16,859 million compared to the end of the previous fiscal year. Of this amount, current liabilities decreased ¥12,352 million to ¥26,830 million, and non-current liabilities decreased ¥4,507 million to ¥83,398 million. The main factors for the decrease in current liabilities were declines of ¥8,645 million in short-term borrowings; and ¥3,424 million in current portion of long-term debt. The main factors for the decrease in non-current liabilities were declines of ¥4,157 million in long-term debt; and ¥308 million in guarantee deposits.

#### **Net Assets**

Total net assets at the end of the subject second quarter cumulative period amounted to ¥44,630 million, an increase of ¥5,269 million compared to the end of the previous fiscal year. This was due mainly to increases of ¥5,655 million in retained earnings from the recording of profit attributable to owners of parent; and ¥483 million in non-controlling interests due to the sale of subsidiary shares; against a decrease of ¥1,183 million in retained earnings from dividend payments.

### **2) Cash Flows**

Cash and cash equivalents (“cash”) at the end of the subject second quarter cumulative period amounted to ¥32,251 million, an increase of ¥7,417 million compared to the end of the previous fiscal year. This was due mainly to ¥17,700 million in cash provided by operating activities; ¥6,828 million in cash provided by investing activities; and ¥17,111 million in cash used in financing activities.

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

#### **Cash Flow from Operating Activities**

Net cash provided by operating activities amounted to ¥17,700 million (compared to ¥17,396 million in cash provided in the same period of the previous fiscal year). This was due mainly to ¥8,374 million in Income before income taxes; ¥12,819 million in decrease in inventories; and ¥1,738 million in income taxes paid.

**Cash Flow from Investing Activities**

Net cash provided by investing activities amounted to ¥6,828 million (compared to ¥11,269 million in cash used in the same period of the previous fiscal year). This was due mainly to ¥6,807 million in purchase of property, plant and equipment; and ¥13,737 million in proceeds from sales of property, plant and equipment.

**Cash Flow from Financing Activities**

Net cash used in financing activities amounted to ¥17,111 million (compared to ¥4,834 million in cash used in the same period of the previous fiscal year). This was due mainly to ¥13,777 million in increase in short-term loans payable; ¥20,538 million in decrease in short-term loans payable; ¥33,576 million in proceeds from long-term loans; ¥43,042 million in repayments of long-term loans; and ¥1,182 million in dividends paid.

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

Results forecasts for the fiscal year ending November 2018 are unchanged from those announced in “Financial Statement (Consolidated Basis) for the year ended November 30, 2017” released on January 12, 2018.



## 2. Consolidated Financial Statements and Main Explanatory Notes

### (1) Consolidated Balance Sheets

	Millions of yen	
	November 30, 2017	May 31, 2018
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	25,857	32,811
Receivables	297	646
Real estate for sale	37,059	28,056
Real estate for sale under construction	34,456	30,638
Goods	0	0
Supplies	5	10
Deferred tax assets	182	216
Other	700	1,023
Allowance for doubtful accounts	(1)	(1)
Total current assets	<b>98,558</b>	<b>93,401</b>
<b>Non-current assets:</b>		
<b>Property and equipment:</b>		
Buildings and structures net	30,734	30,826
Buildings in trust net	3,787	405
Land	23,355	22,531
Land in trust	3,797	865
Other net	211	232
Net property and equipment	<b>61,887</b>	<b>54,860</b>
<b>Intangible assets:</b>		
Goodwill	82	72
Other intangible assets	57	87
Total intangible assets	140	160
<b>Investments and other assets:</b>		
Investment securities	2,558	3,241
Deferred tax assets	310	31
Other	2,936	3,146
Allowance for doubtful accounts	(36)	(53)
Total Investments and other assets	<b>5,769</b>	<b>6,366</b>
Total non-current assets	<b>67,797</b>	<b>61,387</b>
<b>Deferred assets:</b>		
Inauguration expenses	93	70
Total deferred tax assets	93	70
<b>Total assets</b>	<b>166,449</b>	<b>154,859</b>

	Millions of yen	
	November 30, 2017	May 31, 2018
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable	3,658	2,827
Short-term borrowings	11,883	3,237
Current portion of long-term debt	18,795	15,371
Accrued income taxes	1,933	2,784
Deferred tax liabilities	29	—
Other	2,883	2,610
Total current liabilities	<b>39,182</b>	<b>26,830</b>
<b>Non-current liabilities:</b>		
Long-term debt	84,108	79,951
Deferred tax liabilities	1,319	1,166
Liabilities for retirement benefits	147	153
Guarantee deposits	1,710	1,402
Construction assistance fund	593	566
Other long-term liabilities	26	158
Total non-current liabilities	<b>87,906</b>	<b>83,398</b>
<b>Total liabilities</b>	<b>127,088</b>	<b>110,229</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock	8,461	8,482
Capital surplus	8,575	8,759
Retained earnings	23,251	27,723
Treasury stocks at cost	(1,382)	(1,382)
Total shareholders' equity	<b>38,906</b>	<b>43,582</b>
<b>Accumulated other comprehensive income:</b>		
Unrealized gain on available for-sale securities	111	215
Total accumulated other comprehensive income	111	215
Stock acquisition rights	343	348
Non-controlling interests	—	483
<b>Total net assets</b>	<b>39,360</b>	<b>44,630</b>
<b>Total liabilities and net assets</b>	<b>166,449</b>	<b>154,859</b>

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

Six months ended May 31

	Millions of yen	
	2017	2018
<b>Net sales</b>	<b>37,692</b>	<b>46,317</b>
Cost of sales	28,206	33,822
<b>Gross profit</b>	<b>9,486</b>	<b>12,494</b>
Selling, general and administrative expenses	2,558	3,382
<b>Operating income</b>	<b>6,928</b>	<b>9,112</b>
<b>Non-operating income:</b>		
Interest income	1	1
Dividends	1	1
Refund of premium for cancelled insurance	7	12
Other	3	10
<b>Total non-operating income</b>	<b>14</b>	<b>26</b>
<b>Non-operating expenses:</b>		
Interest expenses	738	723
Commission fee	61	289
Other	27	217
<b>Total non-operating expenses</b>	<b>827</b>	<b>1,230</b>
<b>Ordinary income</b>	<b>6,115</b>	<b>7,908</b>
<b>Extraordinary income:</b>		
Gain on sales of non-current assets	76	484
Other	—	36
<b>Total extraordinary income</b>	<b>76</b>	<b>521</b>
<b>Extraordinary loss:</b>		
Loss on sales of non-current assets	204	49
Loss on retirement of non-current assets	1	0
Impairment loss	69	5
<b>Total extraordinary losses</b>	<b>276</b>	<b>55</b>
<b>Income before income taxes</b>	<b>5,915</b>	<b>8,374</b>
Income taxes-current	1,809	2,568
Income taxes-deferred	(201)	16
Total income taxes	<b>1,608</b>	<b>2,585</b>
<b>Net income</b>	<b>4,307</b>	<b>5,789</b>
<b>Profit attributable to non-controlling interests</b>	<b>—</b>	<b>133</b>
<b>Profit attributable to owners of parent</b>	<b>4,307</b>	<b>5,655</b>

## Consolidated Statements of Comprehensive Income

Six months ended May 31

	Millions of yen	
	2017	2018
Income before minority interests	4,307	5,789
<b>Other comprehensive income:</b>		
Unrealized gain on available for-sale securities	39	104
Total other comprehensive income	39	104
<b>Comprehensive income</b>	<b>4,347</b>	<b>5,893</b>
<b>Comprehensive income attributable to:</b>		
Comprehensive income attributable to owners of the parent	4,347	5,759
Comprehensive income attributable to non-controlling interests	—	133

### (3) Consolidated Statements of Cash Flows

Six months ended May 31

	Millions of yen	
	2017	2018
<b>Operating activities:</b>		
Income before income taxes	5,915	8,374
Depreciation	724	647
Impairment loss	69	5
Amortization of goodwill	4	4
Increase (decrease) in allowance for doubtful accounts	0	17
Increase (Decrease) in net defined benefit liability	22	5
Interest and dividends income	(3)	(2)
Interest expenses	738	723
Commission fee	61	289
Loss (gain) on sales of property, plant and equipment	128	(435)
Decrease (increase) in notes and accounts receivable - trade	398	(321)
Decrease (Increase) in inventories	12,945	12,819
Increase (decrease) in notes and accounts payable - trade	106	(833)
Increase (decrease) in accrued consumption taxes	169	727
Increase (decrease) in lease and guarantee deposits received	(581)	(308)
Other-net	(991)	(1,548)
Subtotal	<b>19,708</b>	<b>20,164</b>
Decrease in interest and dividends receivable	3	2
Decrease in interest payable	(722)	(728)
Income taxes paid	(1,593)	(1,738)
<b>Net cash provided by (used in) operating activities</b>	<b>17,396</b>	<b>17,700</b>
<b>Investing activities:</b>		
Proceeds from withdrawal of time deposits	—	463
Purchase of property, plant and equipment	(12,898)	(6,807)
Proceeds from sales of property, plant and equipment	2,054	13,737
Purchase of intangible assets	(1)	(39)
Purchase of investment securities	(495)	(1,035)
Proceeds from redemption of investment securities	100	496
Payments for investments in capital	(1)	(3)
Proceeds from collection of investments	0	—
Payments of construction assistance fund receivables	(27)	(27)
Other-net	—	42
<b>Net cash provided by (used in) investing activities</b>	<b>(11,269)</b>	<b>6,828</b>

(continued on page 11)

	Millions of yen	
	2017	2018
<b>Financing activities:</b>		
Increase in short-term loans payable	11,771	13,777
Decrease in short-term loans payable	(15,475)	(20,538)
Proceeds from long-term loans	20,020	33,576
Repayments of long-term loans	(20,300)	(43,042)
Proceeds from issuance of common shares	0	9
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	585
Dividends paid	(781)	(1,182)
Other-net	(69)	(297)
<b>Net cash provided by (used in) financing activities</b>	<b>(4,834)</b>	<b>(17,111)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,292</b>	<b>7,417</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>20,715</b>	<b>24,833</b>
<b>Cash and cash equivalents, end of the period</b>	<b>22,007</b>	<b>32,251</b>

#### **(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 first half of FY11/17 (from December 1, 2016 to May 31, 2017)

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

Six months ended May 31, 2017

	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	33,389	3,531	771	37,692	—	37,692
Inter-segment net sales and transfers	68	5	146	221	(221)	—
Total	33,457	3,537	918	37,913	(221)	37,692
Operating income	7,137	977	155	8,271	(1,343)	6,928

#### Notes

1. The ¥1,343 million downward adjustment to operating income comprises ¥101 million in intersegment eliminations, and ¥1,241 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 ¥69 million in the Property Leasing Business, but did not allocate it to a reportable segment because it was an extraordinary loss.

### II Results for the first half of FY11/18 (from December 1, 2017 to May 31, 2018)

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

Six months ended May 31, 2018

	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	41,862	3,615	839	46,317	—	46,317
Inter-segment net sales and transfers	6	1	107	115	(115)	—
Total	41,869	3,616	946	46,432	(115)	46,317
Operating income	9,608	1,046	(42)	10,612	(1,500)	9,112

#### Notes

1. The ¥1,500 million downward adjustment to operating income (loss) comprises a negative ¥13 million in intersegment eliminations, and a negative ¥1,486 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 (loss) 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**