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Consolidated Financial Results
for the First Three Months of the Fiscal Year Ending November 30, 2019
<IFRS>

April 5, 2019

Company name: TOSEI CORPORATION	Stock listing: TSE / SGX
Securities code number: 8923 / S2D	
Representative: Seiichiro Yamaguchi, President and CEO	URL: https://www.toseicorp.co.jp/english/
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Submission of Quarterly Securities Report (Shihanki-Houkokusho):	April 10, 2019 (scheduled)
Commencement of dividend payments:	—
Preparation of supplementary materials for quarterly financial results:	Yes
Holding of quarterly financial results meeting:	No

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

**1. Consolidated Financial Results for the Three Months Ended February 28, 2019
(December 1, 2018 – February 28, 2019)**

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

	Revenue		Operating profit		Profit before tax		Profit for the period	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Three months ended February 28, 2019	17,059	(6.8)	3,125	(28.0)	2,987	(28.0)	2,035	(28.5)
Three months ended February 28, 2018	18,310	24.7	4,341	13.4	4,150	13.4	2,847	13.9

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)	(¥)
Three months ended February 28, 2019	2,035	(28.5)	2,067	(28.1)	41.97	41.94
Three months ended February 28, 2018	2,847	13.9	2,875	13.7	58.92	58.75

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	(¥ million)	(¥ million)	(¥ million)	(%)
As of February 28, 2019	143,035	52,466	52,466	36.7
As of November 30, 2018	138,768	52,021	52,021	37.5

2. Dividends

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

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

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

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal year ending November 30, 2019	71,510	16.2	12,052	10.8	11,230	10.4	7,708	12.5	158.79

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

* Notes

(1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in changes in the scope of consolidation): No
Newly added: – Excluded: –

(2) Changes in accounting policies and changes in accounting estimates

(a) Changes in accounting policies required by IFRS: Yes

(b) Changes in accounting policies due to other reasons: No

(c) Changes in accounting estimates: No

(3) Number of issued shares (ordinary shares)

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

As of February 28, 2019	48,544,800 shares
As of November 30, 2018	48,544,800 shares

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

As of February 28, 2019	157,905 shares
As of November 30, 2018	105 shares

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

Three months ended February 28, 2019	48,505,245 shares
Three months ended February 28, 2018	48,328,491 shares

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

* Proper use of earnings forecasts and other notes

The forward-looking statements, including outlook of future performance, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual performance and other results may differ substantially from these statements due to various factors. For the assumptions on which the earnings forecasts are based and cautions concerning the use thereof, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance (3) Qualitative Information on Consolidated Earnings Forecasts” on page 4 of the attached materials.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Operating Results

During the three months ended February 28, 2019, the Japanese economy is recovering moderately, supported by personal consumption and capital investment, despite signs of weakness in exports due to a slowing Chinese economy. A moderate recovery is expected to continue going forward, backed by continuing improvements in the employment and income environments.

In the real estate industry where Tosei Group operates, commercial real estate transactions for the full year 2018 decreased 3% year on year to ¥4.0 trillion. Weakness was evident in parts of the investment market, with limited growth in real estate prices and a decline in the number of placements of large-size properties on the market, as well as an increasingly cautious attitude from financial institutions towards real estate lending, in the context of fraudulent loan issues. Demand among investors remains firm however, particularly for properties in the metropolitan area, and transactions for the full year 2019 are forecast to increase by between 0% and 5% year on year (according to a survey by a private research institute).

In the Tokyo metropolitan area condominium market, the number of newly supplied units in the full year 2018 increased 3.4% year on year to 37,000 units. There continues to be firm demand for properties, particularly in the central Tokyo area and near stations. Against a background of persistently high prices however, the average contract rate for the first month was only 62.1%, trailing the 70% threshold from which market conditions are viewed as favorable for the third consecutive year. In the build-for-sale detached house market, housing starts for the full year 2018 numbered 62,000 units, roughly unchanged year on year. Favorable demand continues for detached houses, which remain undervalued relative to condominiums (according to surveys by a private research institute and the Ministry of Land, Infrastructure, Transport and Tourism).

The office leasing market of Tokyo's five business wards has been performing favorably. The average vacancy rate as of January 2019 was 1.8% (a decrease of 1.3% year on year), and the average rent was ¥21,010 (an increase of ¥1,672 year on year). This strength in the leasing market is expected to continue, backed by corporate office expansion requirements and increased demand for coworking space (according to a survey by a private research institute).

In the real estate securitization market, the total value of assets under management as of January 2019 grew to ¥18.0 trillion in J-REITs (an increase of ¥1.4 trillion year on year). Despite the continuing scarcity of large-size premium properties, property acquisitions continue to progress through means such as sponsored property supply, and the market scale expanded to ¥34.9 trillion, including ¥16.9 trillion of value under management in private placement funds (as of June 30, 2018) (according to a survey by a private research institute).

The Tokyo business hotel market maintained its favorable trend, with monthly guest room occupancy rates in 2018 generally exceeding the 80% threshold from which market conditions are viewed as favorable. The number of foreign visitors to Japan for the full year 2018 totaled 31.19 million (an increase of 8.7% year on year), exceeding 30 million for the first time. It is anticipated that more than 35 million foreign visitors will visit during the full year 2019, and further increases in the number of hotel guests are expected going forward (according to surveys by the Ministry of Land, Infrastructure, Transport and Tourism, the Japan National Tourism Organization, and a private research institute).

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

As a result, consolidated revenue for the three months ended February 28, 2019 totaled ¥17,059 million (down 6.8% year on year), operating profit was ¥3,125 million (down 28.0%), profit before tax was ¥2,987 million (down 28.0%), and profit for the period was ¥2,035 million (down 28.5%).

Performance by business segment is shown below.

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

Revitalization Business

During the three months ended February 28, 2019, the segment sold 15 properties it had renovated, including Ryogoku Tosei Building I,II (Sumida-ku, Tokyo), T's garden Mukogaokayuen (Kawasaki-shi, Kanagawa), T's Link Harajuku (Sibuya-ku, Tokyo). In addition, the segment sold four units in the Restyling Business from Hilltop Yokohama Negishi (Yokohama-shi, Kanagawa).

During the three months ended February 28, 2019, it also acquired a total of 11 income-generating office buildings and apartments and one land lot for renovation and sales purposes.

As a result, revenue in this segment was ¥6,623 million (down 54.1% year on year) and the segment profit was ¥1,424 million (down 62.5%).

Development Business

During the three months ended February 28, 2019, the segment focused on the sale of condominium and detached houses. The segment sold 121 units at THE Palms Chofu Manorgarden (Chofu-shi, Tokyo) and sold 17 detached houses at such properties as THE Palms Court Funabashi Hoten (Funabashi-shi, Chiba), THE Palms Court Higashi Nakano (Nakano-ku, Tokyo). In addition, the segment sold one commercial facility and three land lots.

During the three months ended February 28, 2019, it also acquired two lots for hotel projects, one land lot for logistics facility project, one land lot for commercial facility project and land lots for 41 detached houses.

As a result, revenue in this segment was ¥7,045million (up 819.5% year on year) and the segment profit was ¥1,045 million (in comparison with segment loss of ¥145 million in the same period of the previous fiscal year).

Rental Business

During the three months ended February 28, 2019, while the segment sold 11 buildings of its inventory assets held for leasing purposes, it newly acquired six properties including income-generating office buildings and apartments. In addition, the segment made efforts to lease vacancies out following acquisitions and also focused on leasing activities for its existing non-current assets and inventory assets.

As a result, revenue in this segment was ¥1,470 million (up 8.8% year on year) and the segment profit was ¥606 million (up 2.1%).

Fund and Consulting Business

During the three months ended February 28, 2019, while ¥11,808 million was added to the balance of assets under management (Note), due to new asset management contracts, ¥14,433 million was subtracted from to the balance of Assets under management ¥663,359 million for the end of the previous fiscal year, due mainly to property dispositions by funds. The balance of assets under management as of February 28, 2019, was ¥660,733 million.

As a result, revenue in this segment was ¥603 million (down 10.5% year on year) and the segment profit was ¥297 million (down 21.3%).

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

Property Management Business

During the three months ended February 28, 2019, the segment made efforts to win new contracts and maintain existing contracts. Consequently, the total number of properties under management was 626 as of February 28, 2019, a decrease of 34 from February 28, 2018, with the total comprising 392 office buildings, hotels, schools and other such properties, and 234 condominiums and apartments.

As a result, although the total number of properties under management decreased, revenue in this segment was ¥1,063 million (up 9.1% year on year) and segment profit was ¥120 million (up 10.8%).

Hotel Business

During the three months ended February 28, 2019, the Group worked towards increasing the average daily rate and occupancy rate for TOSEI HOTEL COCONE Kanda, opened in December 2017, as well as newly opening TOSEI HOTEL COCONE Ueno in December 2018 contributed to revenue.

As a result, revenue in this segment was ¥252 million (up 113.3% year on year) and segment profit was

¥48 million (up 14.6%).

(2) Qualitative Information Regarding Consolidated Financial Positions

1. Financial Positions

As of February 28, 2019, total assets were ¥143,035 million, an increase of ¥4,266 million compared with November 30, 2018, while total liabilities were ¥90,569 million, an increase of ¥3,822 million. Total assets were due to an increase in inventories. Total liabilities were due to an increase in trade and other payables and an increase in borrowing.

Total equity increased by ¥444 million to ¥52,466 million, mainly due to an increase in retained earnings and payment of cash dividends.

2. Cash Flows

Cash and cash equivalents (hereinafter “cash”) as of February 28, 2019 totaled ¥23,904 million, down ¥2,616 million compared with November 30, 2018.

The cash flows for the three months ended February 28, 2019 and factors contributing to those amounts are as follows:

Cash Flows from Operating Activities

Net cash used in operating activities totaled ¥6,395 million (in comparison with segment net cash provided by operating activities of ¥4,485 million in the same period of the previous fiscal year). This is mainly due to an increase in inventories of ¥5,748 million and income taxes paid of ¥2,820 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥201 million (down 86.4% year on year). This is primarily due to payments of loans receivable of ¥126 million.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥3,980 million (in comparison with segment net cash used in financing activities of ¥1,852 million in the same period of the previous fiscal year). This mainly reflects ¥17,236 million in proceeds from non-current borrowings, despite ¥11,390 million in the repayments of non-current borrowings and ¥1,409 million in cash dividends paid.

(3) Qualitative Information Regarding Consolidated Earnings Forecasts

The business results during the three months ended February 28, 2019 basically remained stable as planned and there is no change on the full-year consolidated earnings forecasts, announced on January 10, 2019.

The forward-looking statements contained in these materials, including forecasts of the future performance, are based on the information available to the Company as of the date of announcement and on certain assumptions deemed to be reasonable by the Company. Actual performance and other results may differ from these forecasts due to various factors.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

No item to report.

(2) Changes in Accounting Policies and Changes in Accounting Estimates

With the exception of the following items, significant accounting policies that the Group applies in condensed quarterly consolidated financial statements are the same as the accounting policies used in the consolidated financial statements for the previous fiscal year.

Changes in accounting policies

The Group applied the following standards effective from the first quarter of the fiscal year ending November 30, 2019.

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

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

(1) IFRS 9 Financial Instruments

1) Classification and measurement of financial instruments

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

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

2) Impairment of financial assets

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

(2) IFRS 15 Revenue from Contracts with Customers

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

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract(s)

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

3. Condensed Quarterly Consolidated Financial Statements and notes

(1) Condensed Consolidated Statement of Financial Position

(¥ thousand)

	As of November 30, 2018	As of February 28, 2019
Assets		
Current assets		
Cash and cash equivalents	26,520,569	23,904,554
Trade and other receivables	3,090,237	4,441,184
Inventories	62,457,864	68,336,258
Other current assets	30,495	34,105
Total current assets	92,099,167	96,716,101
Non-current assets		
Property, plant and equipment	8,785,869	8,761,947
Investment properties	33,752,847	33,487,692
Intangible assets	87,966	89,962
Other financial assets	2,244,831	2,344,431
Trade and other receivables	865,235	941,776
Deferred tax assets	903,707	679,105
Other non-current assets	28,914	14,514
Total non-current assets	46,669,371	46,319,430
Total assets	138,768,538	143,035,531
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,075,579	4,438,420
Borrowings	7,308,494	7,332,799
Current income tax liabilities	2,445,597	410,008
Provisions	593,669	188,166
Total current liabilities	14,423,341	12,369,394
Non-current liabilities		
Trade and other payables	3,708,969	3,844,377
Borrowings	67,716,752	73,518,921
Retirement benefits obligations	493,554	507,839
Provisions	6,817	6,856
Deferred tax liabilities	397,320	321,825
Total non-current liabilities	72,323,414	78,199,820
Total Liabilities	86,746,756	90,569,215
Equity		
Share capital	6,554,139	6,554,139
Capital reserves	6,544,924	6,544,808
Retained earnings	38,843,309	39,422,650
Treasury shares	(128)	(166,301)
Other components of equity	79,537	111,018
Total equity attributable to owners of parent	52,021,782	52,466,316
Total equity	52,021,782	52,466,316
Total liabilities and equity	138,768,538	143,035,531

(2) Condensed Consolidated Statement of Comprehensive Income

(¥ thousand)

	Three months ended February 28, 2018	Three months ended February 28, 2019
Revenue	18,310,040	17,059,457
Cost of revenue	12,119,236	11,914,383
Gross profit	6,190,803	5,145,073
Selling, general and administrative expenses	1,877,793	2,055,136
Other income	93,983	39,533
Other expenses	65,572	4,144
Operating profit	4,341,420	3,125,326
Finance income	40,191	40,770
Finance costs	231,322	178,921
Profit before tax	4,150,290	2,987,175
Income tax expense	1,302,759	951,493
Profit for the period	2,847,530	2,035,682
Other comprehensive income Items that will not be reclassified to profit or loss		
Net change in financial assets measured at fair values through other comprehensive income	—	33,039
Subtotal	—	33,039
Other comprehensive income Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(6,006)	(1,713)
Net change in fair values of available-for-sale financial assets	32,864	—
Net change in fair values of cash flow hedges	903	154
Subtotal	27,762	(1,558)
Other comprehensive income for the period, net of tax	27,762	31,480
Total comprehensive income for the period	2,875,292	2,067,162
Profit attributable to:		
Owners of the parent	2,847,530	2,035,682
Total comprehensive income attributable to:		
Owners of the parent	2,875,292	2,067,162
Earnings per share attributable to owners of the parent		
Basic earnings per share (¥)	58.92	41.97
Diluted earnings per share (¥)	58.75	41.94

(3) Condensed Consolidated Statement of Changes in Equity

Three months ended February 28, 2018 (December 1, 2017 – February 28, 2018)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Total equity
Balance at December 1, 2017	6,421,392	6,464,240	33,209,210	—	64,024	46,158,867	46,158,867
Profit for the period			2,847,530			2,847,530	2,847,530
Other comprehensive income					27,762	27,762	27,762
Total comprehensive income for the period	—	—	2,847,530	—	27,762	2,875,292	2,875,292
Amount of transactions with owners							
Issuance of new shares	94,419	54,132				148,551	148,551
Purchase of treasury shares				(61)		(61)	(61)
Dividends of surplus			(1,207,100)			(1,207,100)	(1,207,100)
Share-based payment		4,935				4,935	4,935
Balance at February 28, 2018	6,515,812	6,523,308	34,849,640	(61)	91,786	47,980,486	47,980,486

Three months ended February 28, 2019 (December 1, 2018 – February 28, 2019)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Total equity
Balance at December 1, 2018	6,554,139	6,544,924	38,843,309	(128)	79,537	52,021,782	52,021,782
Profit for the period			2,035,682			2,035,682	2,035,682
Other comprehensive income					31,480	31,480	31,480
Total comprehensive income for the period	—	—	2,035,682	—	31,480	2,067,162	2,067,162
Amount of transactions with owners							
Purchase of treasury shares		(115)		(166,172)		(166,287)	(166,287)
Dividends of surplus			(1,456,340)			(1,456,340)	(1,456,340)
Balance at February 28, 2019	6,554,139	6,544,808	39,422,650	(166,301)	111,018	52,466,316	52,466,316

(4) Condensed Consolidated Statement of Cash Flows

(¥ thousand)

	Three months ended February 28, 2018	Three months ended February 28, 2019
Cash flows from operating activities		
Profit before tax	4,150,290	2,987,175
Depreciation expense	147,371	216,410
Increase (decrease) in provisions and retirement benefits obligations	(358,663)	(390,497)
Interest and dividend income	(40,191)	(40,770)
Interest expenses	231,322	178,921
Loss on retirement of property, plant and equipment	608	—
Decrease (increase) in trade and other receivables	10,361	(702,625)
Decrease (increase) in inventories	1,632,647	(5,748,288)
Increase (decrease) in trade and other payables	(205,424)	(115,288)
Other, net	(102,982)	(400)
Subtotal	5,465,339	(3,615,362)
Interest and dividend income received	39,477	40,745
Income taxes paid	(1,019,283)	(2,820,729)
Net cash from (used in) operating activities	4,485,532	(6,395,347)
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,025)	(24,651)
Purchase of investment properties	(134,642)	(4,840)
Purchase of intangible assets	(1,940)	(9,811)
Purchase of other financial assets	—	(48,529)
Payments of loans receivable	—	(126,730)
Collection of loans receivable	19	19
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,335,115)	—
Other, net	—	13,070
Net cash from (used in) investing activities	(1,483,704)	(201,471)
Cash flows from financing activities		
Net increase (decrease) in current borrowings	143,000	(19,000)
Proceeds from non-current borrowings	9,032,500	17,236,745
Repayments of non-current borrowings	(9,815,555)	(11,390,358)
Proceeds from issuance of new shares	148,371	—
Cash dividends paid	(1,157,717)	(1,409,822)
Interest expenses paid	(202,145)	(269,490)
Purchase of treasury shares	(61)	(166,172)
Other, net	(913)	(913)
Net cash from (used in) financing activities	(1,852,521)	3,980,987
Net increase (decrease) in cash and cash equivalents	1,149,306	(2,615,831)
Cash and cash equivalents at beginning of period	23,750,239	26,520,569
Effect of exchange rate change on cash and cash equivalents	(622)	(184)
Cash and cash equivalents at end of period	24,898,923	23,904,554

(5) Notes on Going Concern Assumption

No item to report.

(6) Notes to Condensed Quarterly Consolidated Financial Statements

1. Segment Information

The Group's reportable segments are components of the Group about which separate financial information is available that the Board of Directors regularly conducts deliberations to determine the allocation of management resources and to assess the performance. The Group draws up comprehensive strategies for each of the following six business segments and conducts business activities accordingly; "Revitalization Business", "Development Business", "Rental Business", "Fund and Consulting Business", "Property Management Business" and "Hotel Business". In the Revitalization Business, the Group acquires the properties whose asset values have declined, renovates, and resells them. In the Development Business, the Group sells condominium units and detached houses to individual customers as well as apartment and office buildings to investors. In the Rental Business, the Group rents office buildings and apartments. The Fund and Consulting Business mainly provides asset management services for the properties placed in real estate funds. The Property Management Business provides comprehensive property management services. The Hotel Business provides mainly hotel operating services.

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

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

Segment information for the three months ended February 28, 2018 has been prepared in accordance with the new reportable segment classifications.

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

Three months ended February 28, 2018

(December 1, 2017 – February 28, 2018)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	14,425,414	766,192	1,350,962	674,070	974,951	118,449	—	18,310,040
Intersegment revenue	—	—	10,785	13,089	255,711	—	(279,587)	—
Total	14,425,414	766,192	1,361,748	687,159	1,230,663	118,449	(279,587)	18,310,040
Segment profit or loss	3,793,912	(145,430)	594,151	377,635	108,427	42,727	(430,003)	4,341,420
Finance income/costs, net								(191,130)
Profit before tax								4,150,290

Three months ended February 28, 2019

(December 1, 2018 – February 28, 2019)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	6,623,933	7,045,504	1,470,217	603,283	1,063,838	252,680	—	17,059,457
Intersegment revenue	—	—	11,414	4,207	277,524	700	(293,846)	—
Total	6,623,933	7,045,504	1,481,631	607,491	1,341,362	253,380	(293,846)	17,059,457
Segment profit	1,424,157	1,045,954	606,368	297,249	120,182	48,948	(417,532)	3,125,326
Finance income/costs, net								(138,151)
Profit before tax								2,987,175

2. Dividends

Dividends paid in the three months ended February 28, 2018 and February 28, 2019 are as follows:

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

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

3. Earnings per Share

	Three months ended February 28, 2018	Three months ended February 28, 2019
Profit attributable to owners of the parent (¥ thousand)	2,847,530	2,035,682
Net income used to figure diluted net income per share (¥ thousand)	2,847,530	2,035,682
Weighted average number of outstanding ordinary shares (shares)	48,328,491	48,505,245
The number of increased ordinary shares used to figure diluted earnings per share (shares)	138,124	31,524
The weighted-average number of ordinary shares used to figure diluted earnings per share (shares)	48,466,615	48,536,769
Basic earnings per share (¥)	58.92	41.97
Diluted net income per share (¥)	58.75	41.94

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

(7) Notes on Significant Subsequent Events

No item to report.