Please note that this document is a translation of the official announcement that was released on April 5, 2011. The translation is prepared and provided for the purpose of the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version of the news release for complete and accurate information.

Summary of Consolidated Financial Statements for the First Three Months of the Fiscal Year Ending November 30, 2011 (Japanese Accounting Standards)

April 5, 2011

Tosei Corporation
Code number: 8923
Representative: Seiichiro Yamaguchi, President and CEO
Contact: Noboru Hirano, Director and CFO
Scheduled date of filing of Quarterly Report: April 8, 2011
Start of distribution of dividends: —
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: No

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

1. Consolidated Operating Results for the First Three Months of the Fiscal Year Ending November 30, 2011 (Dec. 1, 2010 - Feb. 28, 2011)

(1) Revenues and Income (cumulative) (Percentages represent change compared with the previous fiscal year.)

	Revenues		Operating income		Ordinary income		Net income	
	(¥ million)	Change (%)	(¥ million)	Change (%)	(¥ million)	Change (%)	(¥ million)	Change (%)
Three months ended Feb. 28, 2011	4,650	(41.9)	723	(56.9)	461	(69.2)	273	(68.7)
Three months ended Feb. 28, 2010	8,010	3.0	1,680	30.9	1,499	44.9	876	36.1

	Earnings per share (¥)	Earnings per share (diluted) (¥)
Three months ended Feb. 28, 2011	599.50	—
Three months ended Feb. 28, 2010	2,213.33	—

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Book value per share (¥)
As of Feb.28, 2011	63,955	24,501	38.3	53,633.46
As of Nov. 30, 2010	62,682	24,455	39.0	53,532.16

(Reference) Equity: As of February 28, 2011: ¥24,501 million As of November 30, 2010: ¥24,455 million

2. Dividends

(Record Date)	Dividends per share (¥)				
	1Q-end	2Q-end	3Q-end	Year-end	Full year
Year ended Nov. 30, 2010	—	0.00	—	500.00	500.00
Year ending Nov. 30, 2011	—				
Year ending Nov. 30, 2011 (projected)		0.00	—	500.00	500.00

(Note) Corrections regarding current dividend forecasts during the period: No

3. Projected Results for the Fiscal Year Ending November 30, 2011 (December 1, 2010 - November 30, 2011)

(Percentages represent change compared with the same period of the previous fiscal year)

	Revenues		Operating income		Ordinary income		Net income		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Six months ending May 31, 2011	8,351	(48.2)	952	(53.1)	456	(72.1)	272	(71.3)	596.20
Full year	27,151	2.7	2,027	17.4	1,111	38.4	679	61.3	1,488.19

(Note) Corrections regarding current consolidated forecast figures during the period: Yes

4. Other (Please refer to "Other Information" on page 5 of the attached documents for further information.)

(1) Changes in major subsidiaries during the period: No
Newly added: - Excluded: -
Note: Changes in specified subsidiaries affecting the scope of consolidation during the period.

(2) Application of simplified accounting methods and special accounting methods: Yes
Note: Application of simplified accounting method and special accounting methods in the preparation of quarterly consolidated financial statements.

(3) Changes in accounting rules, procedures, presentation methods, etc.
(a) Changes in consolidated accounting methods: Yes
(b) Changes other than (a) above No
Note: Changes in accounting rules, procedures, presentation methods, etc. for presenting quarterly consolidated financial statements described in "Changes in the Significant Accounting Policies for the Preparation of Quarterly Consolidated Financial Statements"

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

(a) Number of shares issued and outstanding at end of period (including treasury stock)	As of Feb. 28, 2011	456,840 shares	As of Nov. 30, 2010	456,840 shares
(b) Treasury stock at end of period	As of Feb.28, 2011	- shares	As of Nov. 30, 2010	- shares
(c) Average number of issued shares during the period:	Three months ended Feb. 28, 2011	456,840 shares	Three months ended Feb. 28, 2010	395,840 shares

(* Information regarding the implementation of quarterly review procedures)
The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, we have completed the review process for these consolidated statements.

(* Proper use of the earnings forecasts and other notes)
Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts due to a number of factors. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance (3) Qualitative Information Regarding Consolidated Forecast" on page 4 of the attached documents for cautionary notes concerning assumptions for earnings forecasts and use of earnings forecasts.

○ Contents of attached documents

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results

During the three months ended February 28, 2011 (December 1, 2010 to February 28, 2011), the Japanese economy showed some signs of recovery, as domestic corporate earnings picked up, reflecting improvement of overseas economies led by emerging Asian economies and the effect of policies under the New Growth Strategy. On the other hand, the employment situation remained difficult, and, due to factors such as overseas economic trends, the strong yen and rising oil prices, there is believed to be a risk of economic downturn.

The real estate industry, where the Tosei Group operates, has emerged from the worst phase of the business downturn triggered by a series of financial crises and, due to the promotion of policies for the real estate market such as home loan tax breaks and the introduction of an eco-point system for housing, there is a growing consensus that the market for residential real estate has recovered. On the other hand, office building rents continue to trend downward and the business environment remains challenging.

In the real estate trading market, during the months from April to September 2010, the total transaction number by listed companies increased 94% year on year to 310 and the transaction value increased 59% to ¥894.2 billion. Also, due to the asset purchase program announced by the BOJ in October 2010, confidence in J-REITs recovered. As a result, the J-REIT fundraising environment improved and moves to acquire new properties become more widespread (total value of new property acquisitions during the months from December 2010 to February 2011 was ¥126.8 billion).

In the market for condominium units for sale in the greater Tokyo area, during the twelve-month period from January to December 2010, the number of condo units sold increased 22.4% year on year to 44,535 units. The closing rate has also remained above 70%, which provides an indication of peaks and troughs in the market, since December 2009, and most recently in January 2011 rose 2.6 percentage points year on year to 73.3%. In the market for existing condominium units for sale in the greater Tokyo area, although, during the months from October to December 2010, contract numbers fell year on year to 7,410, they have nonetheless been stable at around 7,000 to 8,000 per quarter since 2009. Also, the average unit price (the prices of properties are adjusted at 70m^2) has generally maintained an upward trend since the middle of 2009, and exceeded the ¥30 million mark for two straight months from December 2010 (¥30.07 million at the end of January 2011).

In the market for securitized real estate, as of December 31, 2010, the balance of private placement fund totaled ¥15.7 trillion, which is lowered by ¥0.5 trillion compared with June 30, 2010. This decrease is occurred mainly because the properties held by real estate companies have been reduced as both results of progress in sales and lowered book value. Meanwhile, the balance of total assets under management increased by ¥0.2 trillion to ¥25.3 trillion, including ¥7.8 trillion of J-REITs as equivalent as the level in half year before, ¥1.8 trillion of global funds (note) increased by ¥0.7 trillion through this six month.

As of February 28, 2011, the average asking rent was down by ¥1,356 to ¥17,548 per tsubo year on year in the market for leased office space in the central 5 wards of Tokyo, and remains in an adjustment phase. The vacancy rate has continued to seesaw at around 9% since the second half of 2010, and, as of January 31, 2011, stood at 9.04%, up 0.79 percentage points year on year. In light of the completion of large new office buildings and secondary vacancies due to the integration and concentration of tenants, it is expected to take some time for the market to recover.

The property management market is shrinking, as building owners and management associations call for cost reductions, which then leads to falling prices and the postponement of projected repair plans.

In this operating environment, the Tosei Group worked to sell inventory assets and also promoted purchases of superior properties, mainly residential properties that will generate future earnings, and the development of attractive real estate.

As a result, consolidated revenues were ¥4,650 million (a decrease of 41.9% compared with the same period of the previous fiscal year), operating income was ¥723 million (a decrease of 56.9%), ordinary income was ¥461 million (a decrease of 69.2%), and net income was ¥273 million (a decrease of 68.7%).

Note: Global funds are defined as private funds managed by foreign firms that have significant investment both in Japan and in overseas markets.

Segment results were as follows.

Revitalization Business

During the three months ended February 28, 2011, through the Restyling Business the Company sold 36 units, including units in Hilltop Yokohama Negishi (Yokohama City, Kanagawa Prefecture), Ecology Ochiai Residence I & II (Shinjuku Ward, Tokyo) and Renai Kamakura Ueki (Kamakura City, Kanagawa Prefecture), and also sold 4 buildings it had revitalized, including Meguro Tosei Building (Shinagawa Ward, Tokyo). As a result, segment revenues totaled ¥2,937 million and segment operating income was ¥621 million.

Development Business

During the three months ended February 28, 2011, the Development Business sold 1 detached house at Okusawa 4-Chome (Setagaya Ward, Tokyo). As a result, the segment revenues were ¥84 million and the segment operating loss was ¥45 million.

Rental Business

During the three months ended February 28, 2011, the Company endeavored to maintain occupancy rates for office buildings and commercial facilities, as vacancy rates rose due to office downsizing and relocations prompted by the prolonged recession. In the meantime, the Company concentrated on raising occupancy rates for condominiums. As a result, segment revenues were ¥565 million and segment operating income was ¥280 million.

Fund Business

During the three month ended February 28, 2011, the Company earned asset management fees steadily and also earned disposition fees on the sale of properties. As a result, the segment revenues were ¥293 million and segment operating income was ¥121 million.

As of February 28, 2011, the balance of assets under management (Note) totaled ¥205,379 million.

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

Property Management Business

During the three months ended February 28, 2011, the number of properties such as office buildings, parking lots, and schools the Company managed increased by 9 year on year, to 315 as of January 31, 2011, while the number of managed condominiums and rental apartments increased by 16 year on year, to 191 as of January 31, 2011. Consequently, the total number of properties the Company managed increased by 25 year on year, to 506.

As a result, segment revenues came to ¥726 million and segment operating income was ¥23 million.

Alternative Investment Business

During the three months ended February 28, 2011, this segment focused on the collection of debt and the leasing of properties which the Company acquired through like-kind exchanges. As a result, the segment earned interest income and revenues from the sale of receivables, as well as rental income from real estate acquired through like-kind exchanges. Consequently, segment revenues came to ¥42 million and segment income was ¥11 million.

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets as of February 28, 2011 were ¥63,955 million, an increase of ¥1,272 million from the end of the previous fiscal year. Primary factors include an increase in inventory as a result of property purchases in the revitalization and development businesses.

Total liabilities increased ¥1,226 million to ¥39,453 million. Primary factors included an increase in borrowings from financial institutions due to property purchases.

Net assets increased ¥46 million to ¥24,501 million. Primary factors included an increase in retained earnings and payments of dividends.

Cash flows

Cash and cash equivalents as of February 28, 2011 totaled ¥5,602 million, a decrease of ¥1,218 million from the end of the previous fiscal year. Primary factors included income before income taxes of ¥441 million, an increase in inventories resulting from steady progress of property purchases in the revitalization and development businesses, and an increase in borrowings from financial institutions in conjunction with the purchase of properties.

Cash flow conditions and reasons for fluctuations during the three months ended February 28, 2011 are as follows.

Cash Flows from Operating Activities

Net cash used in operating activities totaled ¥2,318 million. This total is comprised of ¥441 million in income before income taxes and a ¥2,691 million increase in inventories as a result of the purchase of properties on the revitalization and development businesses (Net cash provided by operating activities totaled ¥2,359 million in the same period of the previous fiscal year).

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥45 million, primarily due to expenditure of ¥55 million for the purchase of fixed assets. (This represents an increase of 6,341.0% compared with the same period the previous year.)

Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥1,144 million. Main contributing factors included ¥3,954 million in proceeds from long-term debt in conjunction with the purchase of properties, which was partly offset by ¥2,610 million in repayments of long-term debt as a result of the sale of properties, and cash dividends of ¥198 million (Net cash used in financing activities in the same period of the previous year was ¥2,815 million).

(3) Qualitative Information Regarding the Consolidated Performance Forecasts

Because of the Tohoku Earthquake which occurred on March 11,2011, some sales contracts scheduled for the end of March, the fiscal year end for many companies, were either postponed or cancelled. With this situation, overall real-estate transactions are expected to slow down for some time. Therefore, the Company has revised its forecast for consolidated revenue for the first six months of the fiscal year ending November 30, 2011 to ¥8,351 million from the previous forecast of ¥11,454 million.

There was a decrease in revenue as shown above, however, the estimated profit amount for the above properties was relatively small. Also, profit margins were steady for Restyling Condominiums for sale in the Revitalization business. In addition, fee income related to property sales in the fund business is likely to exceed our original projection.

For the reasons stated above, Tosei projects an operating income of ¥952 million (previous projection of ¥788 million), an ordinary income of ¥456 million (previous projection of ¥318 million) and a net income of ¥272 million (previous projection of ¥191 million) for the 1st half of the fiscal year. However, the performance forecast for the full fiscal year remains unchanged from the figures announced on January 11, 2011.

The projections are forward-looking statements based on currently available information and assumptions judged to be valid, and therefore contain elements of uncertainty. Actual performance may differ from projections due to changes in operating conditions.

2. Other

(1) Changes in Major Subsidiaries During the Period: No

(2) Application of Simplified Accounting Methods or Methods specifically for the Quarterly Consolidated Financial Statements

(a) Valuation of inventory

Inventory write-down is based on the estimated net sale of inventories upon which profit margins have declined significantly.

(b) Method of calculating corporate taxes, deferred tax assets and deferred tax liabilities

The calculation of corporate income taxes is limited to significant taxable or tax-exempt items. Judgments regarding the recoverability of deferred tax assets have been made based on methods using performance projections and tax planning that has been applied in the previous fiscal year because The Group has confirmed that there have been no significant changes in the business environment or temporary differences since the end of the previous fiscal year.

(3) Overview of Changes in Accounting Rules, Procedures, Presentation Methods, etc.

1. Change in accounting standards

Application of accounting standards for asset retirement obligations

Effective from the first quarter under review, the Group has adopted the ”Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008).

As a result, operating income and ordinary income each decreased by ¥67 thousand, and because the Company recorded a loss on adjustment for changes of accounting standard for asset retirement obligations of ¥19,932 thousand as extraordinary loss, income before income taxes decreased by ¥20,000 thousand. The change in asset retirement obligations resulting from application of this standard is ¥24,581 thousand.

2. Changes in presentation

Based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 of December 26, 2008), the Group applies the “Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 5 of March 24, 2009). As a result, “Income before minority interests” is included in the consolidated financial statements for the first quarter of the fiscal year ending November 30, 2011.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen, rounded down to the nearest thousand)

	As of Feb. 28, 2011	As of Nov. 30, 2010
ASSETS		
Current assets		
Cash and deposits	5,908,992	7,127,425
Notes and accounts receivable	369,844	415,791
Marketable securities	10,000	10,000
Real estate for sale	34,802,144	27,197,076
Real estate for sale in progress	4,815,130	10,279,685
Purchased receivables	82,356	86,467
Other	828,116	959,552
Allowance for doubtful accounts	(14,489)	(16,434)
Total current assets	46,802,095	46,059,565
Fixed assets		
Tangible fixed assets		
Buildings and structures	5,349,196	5,140,797
Accumulated depreciation	(856,116)	(827,060)
Buildings and structures (net)	4,493,079	4,313,737
Land	10,380,058	10,051,371
Other	114,874	117,628
Accumulated depreciation	(82,723)	(83,869)
Other (net)	32,150	33,759
Total tangible fixed assets	14,905,288	14,398,868
Intangible fixed assets		
Other	85,888	64,609
Total intangible fixed assets	85,888	64,609
Investments and other assets	2,162,110	2,159,573
Total fixed assets	17,153,287	16,623,050
Total assets	63,955,382	62,682,616

(Thousands of yen, rounded down to the nearest thousand)

	As of Feb. 28, 2011	As of Nov. 30, 2010
LIABILITIES		
Current liabilities		
Notes and accounts payable	251,296	368,162
Long-term debt due within one year	10,761,511	10,823,561
Income taxes payable	17,103	39,092
Accrued bonuses to employees	80,347	110,113
Other	1,237,048	1,133,254
Total current liabilities	12,347,307	12,474,183
Long-term liabilities		
Long-term debt	24,844,796	23,438,898
Accrued severance costs	113,459	108,927
Accrued retirement benefits to officers	293,062	301,253
Negative goodwill	1,118	1,490
Other	1,853,727	1,902,230
Total long-term liabilities	27,106,163	25,752,800
Total liabilities	39,453,470	38,226,983
NET ASSETS		
Shareholders' equity		
Common stock	5,454,673	5,454,673
Additional paid-in capital	5,538,149	5,538,149
Retained earnings	13,507,488	13,462,034
Total shareholders' equity	24,500,311	24,454,857
Valuation, foreign currency and other adjustments		
Unrealized gain (loss) on securities	1,599	774
Total valuation, foreign currency and other adjustments	1,599	774
Total net assets	24,501,911	24,455,632
Total liabilities and net assets	63,955,382	62,682,616

(2) Quarterly Consolidated Statements of Operations

(For the Three Months Period)

(Thousands of yen, rounded down to the nearest thousand)

	Three months ended Feb. 28, 2011 (Dec. 1, 2010-Feb. 28, 2011)	Three months ended Feb. 28, 2010 (Dec. 1, 2009-Feb. 28, 2010)
Revenues	4,650,230	8,010,281
Cost of revenues	3,184,615	5,718,012
Gross profit	1,465,614	2,292,268
Selling, general and administrative expenses	741,886	611,944
Operating income	723,728	1,680,324
Non-operating income		
Interest income	1,297	3,258
Dividend income	628	645
Amortization of negative goodwill	372	679
Other	4,262	4,871
Total non-operating income	6,561	9,455
Non-operating expenses		
Interest expense	267,741	188,473
Other	900	1,784
Total non-operating expense	268,642	190,258
Ordinary income	461,647	1,499,521
Extraordinary gains		
Gain on sale of investment securities	—	1,184
Total extraordinary gains	—	1,184
Extraordinary losses		
Loss on adjustment for changes of accounting standard for asset retirement obligations	19,932	—
Total extraordinary losses	19,932	—
Income before income taxes	441,714	1,500,706
Current income taxes	8,021	2,105
Deferred income taxes	159,819	622,476
Total income taxes	167,841	624,582
Income before minority interests	273,873	—
Net income	273,873	876,124

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen, rounded down to the nearest thousand)

	Three months ended Feb. 28, 2011 (Dec. 1, 2010-Feb. 28, 2011)	Three months ended Feb. 28, 2010 (Dec. 1, 2009-Feb. 28, 2010)
Cash flows from operating activities		
Income before income taxes	441,714	1,500,706
Depreciation	84,726	87,967
Increase (decrease) in allowances	(26,904)	3,008
Loss on adjustment for changes of accounting standard for asset retirement obligations	19,932	—
Interest and dividend income	(1,926)	(3,904)
Interest expenses	267,741	188,473
Decrease (increase) in notes and accounts receivable	37,465	(31,097)
Decrease (increase) in inventories	(2,691,947)	1,526,972
Increase (decrease) in notes and accounts payable	(116,866)	(488,981)
Increase (decrease) in accrued consumption taxes	(3,704)	26,674
Increase (decrease) in lease and guarantee deposits received	(72,794)	(73,470)
Other	32,079	(176,951)
Subtotal	(2,030,482)	2,559,398
Receipts of interest and dividends	1,641	6,030
Payments of interest	(275,082)	(163,996)
Payments of income taxes	(14,148)	(42,158)
Net cash provided by (used in) operating activities	(2,318,071)	2,359,274
Cash flows from investing activities		
Decrease (increase) in time deposits	—	(20,000)
Purchases of tangible fixed assets	(26,111)	(1,570)
Purchases of intangible fixed assets	(29,470)	—
Proceeds from sales of investment securities	—	3,050
Other	10,301	17,816
Net cash provided by (used in) investing activities	(45,280)	(703)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	—	1,630,000
Proceeds from long-term debt	3,954,000	1,510,000
Repayments of long-term debt	(2,610,152)	(5,796,475)
Cash dividends paid	(198,537)	(159,034)
Other	(391)	(391)
Net cash provided by (used in) financing activities	1,144,918	(2,815,901)
Net increase (decrease) in cash and cash equivalents	(1,218,432)	(457,330)
Cash and cash equivalents at beginning of the period	6,821,288	7,890,310
Cash and cash equivalents at end of the period	5,602,856	7,432,979

(4) Notes on Going-Concern Assumption
None

(5) Segment Information

(a) Business Segment Information

Three months ended Feb. 28, 2010 (December 1, 2009 to February 28, 2010)

(Thousands of yen, rounded down to the nearest thousand)

	Revitalization Business	Development Business	Rental Business	Fund Business	Property Management Business	Alternative Investment Business	Total	Eliminations or Corporate	Consolidated
Revenues									
(1) Outside Customers	334,490	6,048,965	671,194	305,156	606,866	43,606	8,010,281	—	8,010,281
(2) Intersegment and Transfers	—	—	11,401	18,503	78,771	—	108,676	(108,676)	—
Total	334,490	6,048,965	682,596	323,659	685,638	43,606	8,118,957	(108,676)	8,010,281
Operating Income (Loss)	87,306	1,274,285	369,582	150,281	27,598	15,527	1,924,582	(244,257)	1,680,324

Notes:

1. Method of Business Classification

Businesses are based on the classifications used by internal management.

2. Principal Businesses of Each Segment

Segment	Principal Business
Revitalization Business	The Tosei Group acquires office buildings, commercial facilities, rental condominiums and other properties whose asset value has declined, increases their value through "value-up plans" that best match local characteristics and tenant needs, and resells them to investors, real estate funds, and individual end-users as revitalized real estate. As "the Restyling Business", the Tosei Group acquires income-producing condo complexes and sells them as condominiums for sale to end-users after increasing the value of common and exclusive areas. (the Group continues to hold and manage pre-occupied units for rental properties)
Development Business	Focusing on the 23 wards of Tokyo, the Group studies factors relating to properties it purchases including the local area, site characteristics, use, demand, rent levels and selling prices to maximize their value through development and new construction before selling them to investors, real estate funds, end-users and other customers.
Rental Business	The Tosei Group owns office buildings, residential and commercial properties, and parking lots primarily in the 23 wards of Tokyo, which it rents to end-users. By gathering information on tenants' needs, it enhances "value-up plans" in the revitalization business and improves asset management capabilities in the fund business.
Fund Business	The Tosei Group conducts business as a Type 2 financial instrument business operator, as well as an advisor and agency, as defined by the Financial Instruments and Exchange Law. In accordance with the aforementioned law, the Group buys, sells and brokers entrusted properties that match diverse needs of investors and provides advice and services on acquisition, management and disposal of properties. The Group also provides asset management and discretionary investment management services.
Property Management Business	The Tosei Group does comprehensive property management to meet a variety of real estate needs, including administration, facility management, cleaning and security for condominium complexes and office buildings and facilities, as well as utilities repair work for exclusive areas in condominiums complexes and office buildings, and office interior renovation contracting.
Alternative Investment Business	The Tosei Group invests in the real-estate collateralized loans and collects debt or acquires mortgaged properties as payment in kind. It also acquires properties through M&As of companies with real estate holdings and other companies associated with real estate and applies the Group's know-how to increase the value of acquired properties before selling them.

(b) Geographic segment information

Three months ended Feb. 28, 2010 (December 1, 2009 to February 28, 2010)
Geographical segment information is omitted because the Tosei Group does not have any consolidated subsidiaries or offices in countries or regions other than Japan.

(c) Overseas sales
Three months ended Feb. 28, 2010 (December 1, 2009 to February 28, 2010)
Overseas sales information is omitted because the Tosei Group has no overseas sales.

[Segment Information]

1 Summary of reporting segments

The Group's reportable segments are components of the Company about which separate financial information is available that is evaluated regularly by the Board of Directors to determine distribution of management resources and assess performance. The Group's head office draws up comprehensive domestic strategies for products and services, and the Group conducts business activities accordingly. Consequently, the Group is made up of segments for different products and services, as determined by head office, and has six reportable segments: the revitalization business, the development business, the rental business, the fund business, the property management business and the alternative investment business. In the revitalization business, the Group increases the value of properties whose asset value has declined and resells them. In the development business, the Group sells condominium units and detached houses in lots to private customers and sells rental apartments and office buildings to investors. In the rental business, the Group rents office buildings and condominiums. The fund business mainly provides REIT fund asset management services. The property management business provides comprehensive property management services. In the alternative investment business, the Group acquires real estate collateralized loans, collects debt, and sells properties acquired as payment in kind.

2 Information about segment sales and income

Three months ended Feb. 28, 2011 (December 1, 2010 to February 28, 2011)

(Thousands of yen, rounded down to the nearest thousand)

	Reportable segments							Adjustment	Income According to Quarterly Consolidated Statements of Operations
	Revitalization Business	Development Business	Rental Business	Fund Business	Property Management Business	Alternative Investment Business	Total		
Revenues									
Outside Customers	2,937,203	84,200	565,689	293,403	726,768	42,965	4,650,230	—	4,650,230
Intersegment and Transfers	—	—	12,067	6,162	108,385	—	126,615	(126,615)	—
Total	2,937,203	84,200	577,756	299,566	835,153	42,965	4,776,845	(126,615)	4,650,230
Segment Operating Income (Loss)	621,202	(45,819)	280,104	121,963	23,812	11,786	1,013,049	(289,320)	723,728

Note 1. The downward adjustment of segment operating income (loss) by ¥289,320 thousand includes the elimination of intersegment transactions of ¥4,304 thousand and general expenses that cannot be allocated to any particular reportable segment of ¥285,015 thousand. General expenses mainly consist of SG&A expenses of the parent company that are not attributable to any particular reportable segment.

2. Segment operating income (loss) is adjusted with income according to the Quarterly Consolidated Statements of Operations.

3 Information about impairment loss of fixed assets and goodwill in reportable segments: None

(Additional Information)

From the first quarter of the fiscal year ending November 30, 2011, the Group applies the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17 of March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 of March 21, 2008).

(6) Significant Changes in Shareholders' Equity

None

Reference Material

-Inventory and Assumed Revenues-

Please note that this is an excerpt from our presentation material of
Financial Results for the First Three Month ended February 28, 2011.

Note:
This is an excerpt from our presentation material of Financial Results for First Three months ended February 28, 2011 (released on April 5, 2011).
English translation (summarized) will be updated upon completion.

TOSEI CORPORATION

Inventories (consolidated)

(¥ million)

Book value of inventories as of February 28, 2011	39,617

Assumed Revenues	54,595

Breakdown of Inventory Balance

By property type	Inventory				Assumed revenues		Total assumed revenues
	Revitalization (including alternative investment)	Number of Properties	Development	Number of Properties	Revitalization (including alternative investment)	Development	
Office buildings	9,425	13	9,253	3	11,564	9,571	21,136
Condominiums	15,996	15	3,466	4	20,444	11,069	31,514
Detached housings	-	-	347	1	-	620	620
Others	1,126	5	-	0	1,323	-	1,323
Total	26,549 ※1	33	13,068 ※1	8	33,333	21,262	54,595

* Assumed revenues above are based on Tosei's estimates using information available as of February 28, 2011. Actual amounts are subject to various factors and may vary significantly from the estimates.

* Inventories above represent carrying value as of February 28, 2011 and may increase due to factors including expenses to add value or construction expenses.