Please note that this document is a translation of the official announcement that was released on July 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 Six Months of the Fiscal Year Ending November 30, 2011 (Japanese Accounting Standards)

July 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: July 8, 2011
Start of distribution of dividends: —
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes (for institutional investors and securities analysts)

Stock exchange listings: Tokyo, Second Section
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(Note: All amounts are rounded down to the nearest million yen.)

1. Consolidated Operating Results for the First Six Months of the Fiscal Year Ending November 30, 2011 (December 1, 2010 – May 31, 2011)

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

	Revenues		Operating income		Ordinary income		Net income	
	(¥ million)	Change (%)	(¥ million)	Change (%)	(¥ million)	Change (%)	(¥ million)	Change (%)
Six months ended May 31, 2011	10,701	(33.6)	1,110	(45.3)	650	(60.4)	381	(59.8)
Six months ended May 31, 2010	16,125	(32.3)	2,028	(32.9)	1,639	(35.4)	948	(28.2)

	Earnings per share (¥)	Earnings per share (diluted) (¥)
Six months ended May 31, 2011	834.39	—
Six months ended May 31, 2010	2,324.59	—

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Book value per share (¥)
As of May 31, 2011	62,749	24,608	39.2	53,866.46
As of Nov. 30, 2010	62,682	24,455	39.0	53,532.16

(Reference) Equity: As of May 31, 2011: ¥24,608 million As of November 30, 2010: ¥24,455 million

2. Dividends

	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	—	0.00			
Year ending Nov. 30, 2011 (projected)			—	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)	(%)	(¥)
Full year	25,242	(4.6)	2,237	29.6	1,346	67.7	685	62.6	1,501 00

(Note) Corrections regarding current consolidated forecast figures during the period: No

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 May 31, 2011:	456,840 shares	As of Nov. 30, 2010:	456,840 shares
(b) Treasury stock at end of period	As of May 31, 2011:	― shares	As of Nov. 30, 2010:	― shares
(c) Average number of issued shares during the period:	Six months ended May 31, 2011:	456,840 shares	Six months ended May 31, 2010:	408,186 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 5 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 May 31, 2011 (March 1, 2011 to May 31, 2011), the Japanese economy showed some signs of recovery, backed by recovery in overseas economies and the effect of policies under the New Growth Strategy. However, economic activities, including corporate production activities and personal spending, declined in the wake of the Great East Japan Earthquake, which struck on March 11, 2011, and conditions remained challenging. There are concerns of further setbacks for the economy because of restrictions on electric power supply and rising crude oil prices associated with the disaster at the Fukushima I Nuclear Power Plant.

The real estate industry, where the Tosei Group operates, is likewise troubled by the effects of the earthquake, with sluggish transactions in the real estate trading market, delays in construction work due to a lack of building materials, and the postponement of deliveries. However, in the residential real estate market, the supply and demand relationship gradually recovered, backed by firm demand. Liquidity in office building transactions remained low, and the outlook for the office building market is expected to remain uncertain.

In the real estate trading market, during FY2010 (from April 2010 to March 2011), the total transaction number by listed companies increased 32% year on year, to 689, and the transaction value rose 25% to ¥2,101.9 billion. One of the reasons for the increase appears to be a rise in the acquisition of new properties reflecting redevelopment by major real estate companies, improvement in the J-REIT fundraising environment, and a reorganization of J-REITs.

In the market for condominium units for sale in the greater Tokyo area, the number of condo units sold in April 2011 declined 27.3% year on year, to 2,336, the first year-on-year decline in three months, reflecting voluntary restraint on operations by companies affected by the Great East Japan Earthquake. The closing rate remained above 70%, said to be the level distinguishing between good and poor conditions. In the market for existing condominium units for sale in the greater Tokyo area, the number of contracts fell a significant 19% year on year, to 2,495 in March 2011, given the repercussions of the earthquake after the number of contracts had risen on a year-on-year basis for three consecutive months until February 2011. The number of contracts failed to recover in April, although the rate of decline eased to 14.4% year on year, or 2,258 contracts. The average unit price (for 70 m^2) in April 2011 slipped 0.2% from a month ago, to ¥30 million. The average unit price has remained flat at around ¥30 million since the fall of 2010.

In the market for securitized real estate, as of December 31, 2010, the balance of private placement funds totaled ¥15.7 trillion as many real estate companies reduced their asses holdings as a result of progress in sales and reductions in the appraisal value of their properties. Meanwhile, the balance of total assets under management increased by ¥0.2 trillion, to ¥25.3 trillion, including ¥7.8 trillion for J-REITs, which remained unchanged from the previous survey, and ¥1.8 trillion of global funds (note), an increase of ¥0.7 trillion from the previous survey. The market capitalization of J-REITs as of March 31, 2011 stood at ¥3.5 trillion, declining for the third consecutive month. The Tokyo Stock Exchange REIT Index, which had been in a correction phase since 2011, showed signs of a recovery following the Bank of Japan's announcement of an increase in the amount for purchases of REITs from ¥50 billion to ¥100 billion as part of its additional easing of monetary supply.

In the market for leased office space in the five business wards of Tokyo, the average asking rent fell 4.05% year on year at the end of April 2011, to ¥17,419 per tsubo. The vacancy rate at the end of April stood at 8.92%, falling to the 8% range for the first time in four months. However, the improvement is due to a resumption of the conclusion of contracts and moving in, which were suspended in March, and is considered temporary. It is expected that large office buildings will begin to operate in Shinjuku, Tokyo and in other areas this summer, and supply will exceed demand.

The property management market was shrinking, as building owners and management associations called for cost cutting, which led to falling prices and the postponement of projected repair plans.

In the operating environment, the Tosei Group sold office buildings and rental apartments in the

revitalization business and sold condominiums in the Restyling Business. The Tosei Group developed operations using its overall strength. For example, the Group set up new funds using the Restyling Business scheme and received fees in the fund business. The Group reduced the book values of certain inventories (posted a valuation loss), which reflected falls in projected rents because of delays in the leasing of new office buildings.

As a result, for the three months ended May 31, 2011, consolidated revenues were ¥6,051 million (a decrease of 25.4% compared with the same period of the previous fiscal year), operating income was ¥386 million (an increase of 11.1%), ordinary income was ¥188 million (an increase of 34.5%), and net income was ¥107 million (an increase of 47.5%).

As for the six months ended May 31, 2011, consolidated revenues were ¥10,701 million (a decrease of 33.6% compared with the same period of the previous fiscal year), operating income was ¥1,110 million (a decrease of 45.3%), ordinary income was ¥650 million (a decrease of 60.4%), and net income was ¥381 million (a decrease of 59.8%).

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 May 31, 2011, the Company sold 56 units through the Restyling Business, 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). It also sold three buildings it had revitalized, including the Ueno-Koen Tosei Building (Taito Ward, Tokyo). As a result, segment revenues totaled ¥3,552 million and segment operating income was ¥473 million.

As for the six months ended May 31, 2011, segment revenues totaled ¥6,489 million and segment operating income was ¥1,094 million.

Development Business

During the three months ended May 31, 2011, the Development Business sold five detached houses at Palms Court Mitaka Adajio (Mitaka, Tokyo). As a result, segment revenues were ¥304 million. With office rents declining, the Company reduced the book value of certain properties by ¥600 million under the Accounting Standard for Measurement of Inventories and posted the amount as a cost of revenues. As a result, the segment loss was ¥550 million.

As for the six months ended May 31, 2011, segment revenues were ¥388 million and segment operating loss was ¥596 million.

Rental Business

During the three months ended May 31, 2011, the Company endeavored to maintain occupancy rates as vacancy rates remained high due to the prolonged recession. As a result, segment revenues were ¥658 million and segment operating income was ¥350 million.

As for the six months ended May 31, 2011, segment revenues were ¥1,223 million and segment operating income was ¥630 million.

Fund Business

During the three months ended May 31, 2011, the Company earned asset management fees steadily as well as brokerage charges relating to transactions of large properties. As a result, segment revenues were

¥662 million and segment operating income was ¥412 million.

As for the six months ended May 31, 2011, segment revenues were ¥955 million and segment operating income s was ¥534 million.

As of May 31, 2011, the balance of assets under management (Note) totaled ¥243,282 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 May 31, 2011, the number of properties such as office buildings, parking lots, and schools the Company managed declined by 2 year on year, to 303 as of April 30, 2011, while the number of managed condominiums and rental apartments increased by 17 year on year, to 195 as of April 30, 2011. Consequently, the total number of properties the Company managed increased by 15 year on year, to 498.

As a result, segment revenues were ¥827 million and segment operating income was ¥17 million.

As for the six months ended May 31, 2011, segment revenues were ¥1,554 million and segment operating income was ¥41 million.

Alternative Investment Business

During the three months ended May 31, 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 ¥46 million. With office rents declining, the Company reduced the book value of certain properties by ¥39 million under the Accounting Standard for Measurement of Inventories and posted the amount as a cost of revenues. As a result, the segment loss was ¥22 million.

As for the six months ended May 31, 2011, segment revenues were ¥89 million and segment operating loss was ¥10 million.

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets as of May 31, 2011 were ¥62,749 million, an increase of ¥66 million from the end of the previous fiscal year. Primary factors include a change in inventory as a result of property sales and purchases in the revitalization and development businesses.

Total liabilities declined ¥86 million to ¥38,140 million. Primary factors included a change in borrowings from financial institutions due to property purchases.

Net assets increased ¥152 million to ¥24,608 million. Primary factors included an increase in retained earnings and payments of dividends.

As a result, the equity ratio was 39.2%.

Cash flows

Cash and cash equivalents as of May 31, 2011 totaled ¥6,537 million, an increase of ¥934 million from the end of the first three months and a decrease of ¥283 million from the end of the previous fiscal year. Primary factors included income before income taxes of ¥188 million.

Cash flow conditions and reasons for fluctuations during the six months ended May 31, 2011 are as follows.

Cash Flows from Operating Activities

Net cash provided by operating activities in the second quarter stood at ¥3,078 million, primarily reflecting ¥188 million in income before income taxes and a ¥2,206 million decrease in inventories as a

result of the sale of properties on the revitalization and development businesses. (The net cash inflow is a decline of 4.8% compared with the same period of the previous year.)

Net cash provided by operating activities in the first six months was ¥760 million (down 86.4% compared with the same period of previous fiscal year).

Cash Flows from Investing Activities

Net cash used in investing activities in the second quarter came to ¥157 million, chiefly due to purchases of investment securities of ¥153 million. (Net cash provided by investing activities in the same period of the previous year was ¥32 million.)

Net cash used in investing activities in the first six months was ¥202 million (compared with a net cash inflow of ¥32 million in the same period of the previous year).

Cash Flows from Financing Activities

Net cash used in financing activities in the second quarter totaled ¥1,985 million. The main contributing factors included ¥3,398 million in repayments of long-term debt, which offset ¥1,441 million in proceeds from long-term debt. (This is an increase of 575.3% compared with the same period of the previous year.)

Net cash used in financing activities in the first six months was ¥840 million (declining 73.0% compared with the same period of previous fiscal year).

(3) Qualitative Information Regarding the Consolidated Performance Forecasts

The consolidated performance forecasts of the Group remain unchanged from the figures announced on June 1, 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

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 of the fiscal year 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 ¥134 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 ¥20,067 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 six months of the fiscal year and the second 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 May 31, 2011	As of Nov. 30, 2010
ASSETS		
Current assets		
Cash and deposits	6,843,928	7,127,425
Notes and accounts receivable	393,986	415,791
Marketable securities	10,000	10,000
Real estate for sale	32,213,623	27,197,076
Real estate for sale in progress	5,387,649	10,279,685
Purchased receivables	82,423	86,467
Other	802,090	959,552
Allowance for doubtful accounts	(8,505)	(16,434)
Total current assets	45,725,195	46,059,565
Fixed assets		
Tangible fixed assets		
Buildings and structures	5,321,610	5,140,797
Accumulated depreciation	(883,764)	(827,060)
Buildings and structures (net)	4,437,846	4,313,737
Land	10,175,285	10,051,371
Other	116,749	117,628
Accumulated depreciation	(85,720)	(83,869)
Other (net)	31,028	33,759
Total tangible fixed assets	14,644,160	14,398,868
Intangible fixed assets		
Other	79,443	64,609
Total intangible fixed assets	79,443	64,609
Investments and other assets	2,300,241	2,159,573
Total fixed assets	17,023,846	16,623,050
Total assets	62,749,041	62,682,616

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

	As of May 31, 2011	As of Nov. 30, 2010
LIABILITIES		
Current liabilities		
Notes and accounts payable	324,982	368,162
Long-term debt due within one year	10,155,822	10,823,561
Income taxes payable	45,571	39,092
Accrued bonuses to employees	161,043	110,113
Other	1,563,090	1,133,254
Total current liabilities	12,250,510	12,474,183
Long-term liabilities		
Long-term debt	23,493,265	23,438,898
Accrued severance costs	121,889	108,927
Accrued retirement benefits to officers	299,462	301,253
Negative goodwill	745	1,490
Other	1,974,814	1,902,230
Total long-term liabilities	25,890,177	25,752,800
Total liabilities	38,140,688	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	13,614,797	13,462,034
Total shareholders' equity	24,607,620	24,454,857
Valuation, foreign currency and other adjustments		
Unrealized gain (loss) on securities	733	774
Total valuation, foreign currency and other adjustments	733	774
Total net assets	24,608,353	24,455,632
Total liabilities and net assets	62,749,041	62,682,616

(2) Quarterly Consolidated Statements of Operations

(For the Six Month Period)

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

	Six months ended May 31, 2010 (Dec.1, 2009-May 31, 2010)	Six months ended May 31, 2011 (Dec.1, 2010-May 31, 2011)
Revenues	16,125,466	10,701,594
Cost of revenues	12,803,168	8,065,179
Gross profit	3,322,298	2,636,414
Selling, general and administrative expenses	1,294,024	1,526,196
Operating income	2,028,274	1,110,218
Non-operating income		
Interest income	5,237	1,927
Dividend income	1,294	1,272
Amortization of negative goodwill	1,359	745
Other	8,573	13,430
Total non-operating income	16,464	17,376
Non-operating expenses		
Interest expense	391,279	476,506
Stock issuance expenses	9,656	—
Other	4,116	959
Total non-operating expense	405,052	477,466
Ordinary income	1,639,686	650,128
Extraordinary gains		
Gain on sale of investment securities	1,184	—
Total extraordinary gains	1,184	—
Extraordinary losses		
Loss on retirement of fixed assets	4,688	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	19,932
Total extraordinary losses	4,688	19,932
Income before income taxes	1,636,182	630,195
Current income taxes	9,124	26,496
Deferred income taxes	678,192	222,516
Total income taxes	687,316	249,012
Income before minority interests	—	381,182
Net income	948,866	381,182

(For the Three Month Period)

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

	Three months ended May 31, 2010 (March 1, 2010-May 31, 2010)	Three months ended May 31, 2011 (March 1, 2011-May 31, 2011)
Revenues	8,115,185	6,051,364
Cost of revenues	7,085,155	4,880,564
Gross profit	1,030,029	1,170,800
Selling, general and administrative expenses	682,079	784,309
Operating income	347,950	386,490
Non-operating income		
Interest income	1,979	629
Dividend income	648	644
Amortization of negative goodwill	679	372
Other	3,701	9,168
Total non-operating income	7,008	10,814
Non-operating expenses		
Interest expense	202,805	208,765
Stock issuance expenses	9,656	—
Other	2,331	58
Total non-operating expense	214,794	208,824
Ordinary income	140,164	188,480
Extraordinary losses		
Loss on retirement of fixed assets	4,688	—
Total extraordinary losses	4,688	—
Income before income taxes	135,476	188,480
Current income taxes	7,018	18,475
Deferred income taxes	55,715	62,696
Total income taxes	62,733	81,171
Income before minority interests	—	107,308
Net income	72,742	107,308

(3) Quarterly Consolidated Statements of Cash Flows

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

	Six months ended May 31, 2010 (Dec.1, 2009-May 31, 2010)	Six months ended May 31, 2011 (Dec.1, 2010-May 31, 2011)
Cash flows from operating activities		
Income before income taxes	1,636,182	630,195
Depreciation	178,316	172,180
Increase (decrease) in allowances	85,043	124,989
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	19,932
Interest and dividend income	(6,531)	(3,199)
Interest expenses	391,279	476,506
Loss on retirement of tangible fixed assets	4,688	—
Decrease (increase) in notes and accounts receivable	(33,952)	(49,216)
Decrease (increase) in inventories	4,122,429	(485,777)
Increase (decrease) in notes and accounts payable	(452,154)	(43,179)
Increase (decrease) in accrued consumption taxes	62,800	63,264
Increase (decrease) in lease and guarantee deposits received	(243,332)	48,583
Other	273,922	307,384
Subtotal	6,018,689	1,261,663
Receipts of interest and dividends	7,430	2,546
Payments of interest	(391,491)	(490,699)
Payments of income taxes	(42,181)	(13,313)
Net cash provided by (used in) operating activities	5,592,447	760,196
Cash flows from investing activities		
Decrease (increase) in time deposits	(20,000)	—
Purchases of tangible fixed assets	(8,388)	(34,835)
Purchases of intangible fixed assets	—	(31,570)
Purchase of investment securities	—	(153,350)
Proceeds from sales of investment securities	3,050	—
Other	57,537	17,003
Net cash provided by (used in) investing activities	32,199	(202,752)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,485,500	—
Proceeds from long-term debt	4,222,000	5,395,000
Repayments of long-term debt	(10,586,190)	(6,008,372)
Proceeds from new stock issue	1,967,418	—
Cash dividends paid	(197,907)	(226,785)
Other	(783)	(783)
Net cash provided by (used in) financing activities	(3,109,963)	(840,941)
Net increase (decrease) in cash and cash equivalents	2,514,682	(283,497)
Cash and cash equivalents at beginning of the period	7,890,310	6,821,288
Cash and cash equivalents at end of the period	10,404,993	6,537,791

(4) Notes on Going-Concern Assumption

None

(5) Segment Information

(a) Business Segment Information

Three months ended May 31, 2010 (March 1, 2010 to May 31, 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	4,602,446	1,835,154	697,600	337,009	600,876	42,097	8,115,185	—	8,115,185
(2) Intersegment and Transfers	—	—	11,101	15,442	72,334	—	98,878	(98,878)	—
Total	4,602,446	1,835,154	708,701	352,452	673,210	42,097	8,214,063	(98,878)	8,115,185
Operating Income (Loss)	165,031	(115,368)	365,182	174,295	28,588	7,075	624,804	(276,854)	347,950

Six months ended May 31, 2010 (December 1, 2009 to May 31, 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	4,936,936	7,884,120	1,368,795	642,166	1,207,743	85,704	16,125,466	—	16,125,466
(2) Intersegment and Transfers	—	—	22,502	33,945	151,106	—	207,554	(207,554)	—
Total	4,936,936	7,884,120	1,391,298	676,112	1,358,849	85,704	16,333,021	(207,554)	16,125,466
Operating Income	252,337	1,158,916	734,765	324,576	56,187	22,602	2,549,386	(521,111)	2,028,274

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 May 31, 2010 (March 1, 2010 to May 31, 2010) and six months ended May 31, 2010 (December 1, 2009 to May 31, 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 May 31, 2010 (March 1, 2010 to May 31, 2010) and six months ended May 31, 2010 (December 1, 2009 to May 31, 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 each segment and the Group conducts business activities accordingly. Consequently, the Group is made up of different segments, 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 May 31, 2011 (March 1, 2011 to May 31, 2011)

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

	Reportable segments							Adjustment (Note)	Income According to Quarterly Consolidated Statement of Operations
	Revitalization Business	Development Business	Rental Business	Fund Business	Property Management Business	Alternative Investment Business	Total		
Revenues									
Outside Customers	3,552,252	304,022	658,136	662,352	827,993	46,606	6,051,364	—	6,051,364
Intersegment and Transfers	—	—	12,154	4,763	91,403	—	108,320	(108,320)	—
Total	3,552,252	304,022	670,290	667,115	919,397	46,606	6,159,685	(108,320)	6,051,364
Segment Operating Income (Loss)	473,311	(550,447)	350,286	412,036	17,781	(22,537)	680,431	(293,940)	386,490

Note 1. The downward adjustment of segment operating income (loss) by ¥293,940 thousand includes the elimination of intersegment transactions of ¥1,440 thousand and general expenses that cannot be allocated to any particular reportable segment of ¥292,500 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.

Six months ended May 31, 2011 (December 1, 2010 to May 31, 2011)

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

	Reportable segments							Adjustment (Note)	Income According to Quarterly Consolidated Statement of Operations
	Revitalization Business	Development Business	Rental Business	Fund Business	Property Management Business	Alternative Investment Business	Total		
Revenues									
Outside Customers	6,489,456	388,222	1,223,825	955,756	1,554,762	89,571	10,701,594	—	10,701,594
Intersegment and Transfers	—	—	24,221	10,925	199,788	—	234,936	(234,936)	—
Total	6,489,456	388,222	1,248,047	966,681	1,754,551	89,571	10,936,531	(234,936)	10,701,594
Segment Operating Income (Loss)	1,094,513	(596,267)	630,390	534,000	41,593	(10,750)	1,693,480	(583,261)	1,110,218

Note 1. The downward adjustment of segment operating income (loss) by ¥583,261 thousand includes the elimination of

intersegment transactions of ¥5,745 thousand and general expenses that cannot be allocated to any particular reportable segment of ¥577,516 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.

(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 Six Month ended May 31, 2011.

Note:
This is an excerpt from our presentation material of Financial Results for First Three months ended May 31, 2011 (released on July 5, 2011).
English translation (summarized) will be updated upon completion.

TOSEI CORPORATION

Inventories (consolidated)

(¥ million)

Book value of inventories as of May 31, 2011	37,601

Assumed Revenues	53,879

Breakdown of Inventory Balance

By property type	Inventory				Assumed revenues		Total assumed revenues
	Revitalization (including alternative	Number of Properties	Development	Number of Properties	Revitalization (including alternative investment)	Development	
Office buildings	8,343	12	8,652	3	10,255	8,809	19,065
Condominiums	14,997	14	4,218	5	20,389	12,452	32,842
Detached housings	-	0	259	2	-	762	762
Others	1,130	5	-	0	1,209	-	1,209
Total	24,470	31	13,130	10	31,854	22,024	53,879

* 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.