Quarterly Securities Report

(The English translation of the “Shihanki-Houkokusho”
for the second quarter of the 64th term)

from March 1, 2013
to May 31, 2013

TOSEI CORPORATION

4-2-3, Toranomon, Minato-ku, Tokyo, Japan

(E04021)

This is an English translation prepared for the convenience of non-resident shareholders by translating the Quarterly Securities Report (Shihanki-Houkokusho) submitted to the Director of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on July 10, 2013. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.

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Company name (Japanese):	トーセイ株式会社 (*Tosei Kabushiki-Kaisha*)
Company name (English):	Tosei Corporation
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Places where the document to be filed is available for public inspection:	Tokyo Stock Exchange, Inc. (2-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo)

A. Company Information

I. Overview of the Tosei Group

1. Trends in principal management benchmarks

Term	63rd term First six months	64th term First six months	63rd term
Accounting period	From December 1, 2011 to May 31, 2012	From December 1, 2012 to May 31, 2013	From December 1, 2011 to November 30, 2012
Revenue (¥ thousand) [Second quarter of the current fiscal year]	10,147,521 [5,121,387]	23,090,689 [7,589,330]	24,195,800
Profit before tax (¥ thousand)	399,279	2,384,839	2,218,631
Profit (loss) for the period attributable to owners of the parent (¥ thousand) [Second quarter of the current fiscal year]	221,983 [(52,012)]	1,461,279 [594,952]	1,465,284
Comprehensive income for the period attributable to owners of the parent (¥ thousand)	221,885	1,466,908	1,464,358
Total equity (¥ thousand)	25,301,419	27,735,715	26,543,892
Total assets (¥ thousand)	60,241,549	63,936,319	65,363,083
Basic earnings (loss) per share (¥) [Second quarter of the current fiscal year]	4.86 [(1.14)]	31.99 [13.02]	32.07
Diluted earnings per share (¥)	—	—	—
Ratio of equity attributable to owners of the parent to total assets (%)	42.0	43.4	40.6
Net cash from (used in) operating activities (¥ thousand)	(741,097)	5,819,222	(325,054)
Net cash from (used in) investing activities (¥ thousand)	(146,909)	90,209	56,228
Net cash from (used in) financing activities (¥ thousand)	(517,799)	(2,363,215)	1,316,359
Cash and cash equivalents at end of period (¥ thousand)	6,955,515	12,969,596	9,410,622

Notes: 1. Filing company's trends in principal management benchmarks are not disclosed as the Company prepares quarterly consolidated financial statements.
2. Revenue does not include consumption taxes.
3. Diluted earnings per share is not presented since there were no potential shares.
4. The above indexes are based on the quarterly consolidated financial statements and consolidated financial statements that were prepared in compliance with the International Financial Reporting Standards (hereinafter "IFRS").
5. The Company split its shares by 100 for 1, effective July 1, 2013. Therefore, the basic earnings (loss) per share were calculated on the assumption that the stock had been split at the beginning of the previous fiscal year.

2. Business description

During the six months ended May 31, 2013, there were no significant changes in business activities operated by the Tosei Group (the Company and its subsidiaries and affiliates). As for changes in principal subsidiaries and affiliates, NAI Tosei Japan, Inc. (formerly Sannomiya Real Estate Sales LLC) has been included in the scope of consolidation from the three months ended February 28, 2013, since it began operations in the period.II. Review of operations

II. Review of operations

1. Business and other risks

There were no business and other risks that newly arose during the six months ended May 31, 2013. In addition, there were no significant changes in “Business and other risks” described in the annual securities report for the previous fiscal year.

2. Important operational contracts, etc.

No important operational contracts, etc. were determined or entered into during the second quarter of the current fiscal year.

3. Analysis of financial position, operating results and cash flows

Any forward-looking statements included in the following descriptions are based on the best estimates or judgment of the Tosei Group (the Company and its consolidated subsidiaries) as of May 31, 2013. All financial data are presented based on the IFRS.

(1) Analysis of operating results

During the first six months ended May 31 2013 (December 1, 2012 to May 31, 2013), the correction of strong Yen progressed in reflection of the economic policy and the bold monetary easing by the new administration. While there is some concern for a rise in long-term interest rates which may jeopardize the real economy, the exporting environment and the corporate business performances have shown signs of recovery and personal spending picked up with improved consumer sentiments. The expectation for economic recovery has been growing.

In the real estate sector, where Tosei Group operates, the demand for residential properties remained strong, supported by the anticipation for the economic recovery and the lower interest rates for housing loans. Since 2010, the closing rate of condominium sales in the Greater Tokyo area has mostly remained above 70%, which is viewed as a threshold of favorable market conditions, and went up to a high 78.2% in the this April, 2013.

In the office leasing market of Tokyo’s five business wards, while the average asking rent is still showing small decrease, the vacancy rate is on a declining trend, as the large supply of new office space is now completed and mostly absorbed, and it reached 8.54% in April 2013, 0.69 percentage point lower than the same month last year.

In the real estate securitization market, a favorable market condition drove IPOs and new fund raising by J-REIT to finance property acquisitions. As a result, J-REIT transactions accounted for ¥1.4 trillion or 58% of the total domestic real estate transactions of ¥2.6 trillion in fiscal year 2012 (April 2012 to March 2013). As of the end of December 2012, the balance of asset under management was ¥9.0 trillion for J-REIT and ¥17.5 trillion for the privately placed funds, totaling ¥26.5 trillion.

In this operating environment, Tosei Group successfully executed the sale of income-generating office buildings and apartment buildings in the Revitalization Business. In the Development Business, the sale of detached houses continued, and the delivery of THE Palms Sendagaya condominium commenced in April 2013, contributing to our profit. In addition, the Company continues to be active in acquiring the income-generating properties and land lots for a development purpose, which will be the source of future income.

As a result, for the first six month ended May 31, 2013, consolidated revenue totaled ¥23,090 million (an increase of 127.6% compared with the same period in the previous fiscal year), operating profit was ¥2,752 million (an increase of 282.6%), profit before tax was ¥2,384 million (an increase of 497.3%), and profit for the period was ¥1,461 million (an increase of 558.3%).

Segment results were as follows:

Revitalization Business

During the six months ended May 31, 2013, the Company sold 10 properties it had refurbished, including Excel TY Building (Shibuya Ward, Tokyo), Meguro Ekimae Tosei Building (Shinagawa Ward, Tokyo), Harajuku Mansion (Shibuya Ward, Tokyo), Kanda Urban Building (Chiyoda Ward, Tokyo). In

addition, the Company sold 41 units under its Restyling Business such as Hilltop Yokohama Negishi (Yokohama City, Kanagawa Prefecture), Hilltop Higashi Terao (Yokohama City, Kanagawa Prefecture), and Estage Kaminoge (Setagaya Ward, Tokyo). As a result, revenue in this segment became ¥8,745 million, an increase of 160.7% compared with the same period last year, and the segment profit was ¥1,496 million, an increase of 556.2%.

Development Business

During the six months ended May 31, 2013, the Company sold Kamata Tosei Building (Ota Ward, Tokyo) as well as a total of 47 detached houses such as properties at Palms Court Hatsudai (Shibuya Ward, Tokyo), Palms Court Koishikawa (Bunkyo Ward, Tokyo) and Palms Court Setagaya Okamoto (Setagaya City, Chiba), and 52 newly built condominium units in THE Palms Sendagaya (Shibuya Ward, Tokyo), THE Palms Tsukishima Luna Garden (Chuo Ward, Tokyo) and THE Palms Takadanobaba (Shinjuku Ward, Tokyo). As a result, revenue in this segment came to ¥10,420 million (up 245.5% year-on-year), and segment profit came to ¥702 million (up 176.0% year-on-year).

Rental Business

During the six months ended May 31, 2013, the Company focused on leasing activities for its non-current assets and inventories and worked to sustain a certain level of occupancy rate. As a result, revenue in this segment was ¥1,179 million, an increase of 3.2% compared with the same period last year, and the segment profit was ¥685 million, an increase of 11.9%.

Fund and Consulting Business

During the six months ended May 31, 2013, in addition to total asset management fees recorded steadily, brokerage fees and other income related to large-scale transactions were booked. As a result, revenue in this segment was ¥963 million (up 148.6% year-on-year), while segment profit was ¥541 million (up 565.2% year-on-year).

As of May 31, 2013, the balance of assets under management (Note) totaled ¥256,388 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 six months ended May 31, 2013, the number of properties managed by the Company including parking lots and schools was 324 properties, an increase of 12 compared with the same period last year; while the number of condominiums and apartments, increased by 8 to 215 properties, which brought up the overall total to 539, an increase of 20 from the same period last year.

As a result, revenue in this segment was ¥1,592 million, a decrease of 10.6% compared with the same period last year, and the segment profit was ¥67 million, a decrease of 17.7%.

Alternative Investment Business

During the six months ended May 31, 2013, the segment focused on the sale of properties acquired through M&A, collection of debt, and leasing of the properties which the Company acquired through in-kind repayment. As a result, the segment earned interest income and revenue from sale of properties and loans receivable, as well as rental income from properties acquired through in-kind repayment. Consequently, revenue in this segment came to ¥189 million, a decrease of 59.4% compared with the same period last year, and the segment profit was ¥26 million, a decrease of 40.7%.

(2) Analysis of financial position

As of May 31, 2013, total assets decreased by ¥1,426 million to ¥63,936 million compared with November 30, 2012, while total liabilities decreased by ¥2,618 million to ¥36,200 million.

Primary factors include a decrease in inventories resulting from sales of properties exceeding purchases in the Revitalization Business and the Development Business, and a decline in borrowings from financial institutions.

Total equity increased by ¥1,191 million to ¥27,735 million compared with November 30, 2012. Primary factors include an increase in retained earnings and dividend payments.

(3) Analysis of cash flows

Cash and cash equivalents (hereinafter "cash") as of May 31, 2013 increased by ¥3,558 million from November 30, 2012 to ¥12,969 million due to the recording of ¥2,384 million in quarterly profit before tax and a decrease in inventories led by steady sales of properties in the Revitalization Business and the Development Business, as well as a consequent decline in borrowings from financial institutions.

The respective cash flow positions and the factors thereof for the six months ended May 31, 2013 are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥5,819 million (net cash used in operating activities totaled ¥741 million in the same period of the previous year). This is mainly attributed to the recording of ¥2,384 million in quarterly profit before tax and a decrease of ¥3,747 million in inventories resulting from sales of properties in the Revitalization Business and the Development Business.

Cash Flows from Investing Activities

Net cash provided by investing activities totaled ¥90 million (net cash used in investing activities totaled ¥146 million in the same period of the previous year). This is primarily due to the recording of ¥216 million in collection of available-for-sale financial assets.

Cash Flows from Financing Activities

Net cash used in financing activities totaled ¥2,363 million (an increase of 356.3% year-on-year). This mainly reflected ¥11,828 million in repayment of long-term borrowings and ¥273 million in dividend payments, despite proceeds from long-term borrowings of ¥10,485million.

(4) Operational and financial issues to be addressed

During the six months ended May 31, 2013, there was no significant change in issues to be addressed by the Tosei Group.

The Company has set the basic policy as to how the persons who control the decision-making of the financial and business policies of the Company should be. The contents of basic policy (matters set forth in Article 118, item 3 of the Ordinance for Enforcement of the Companies Act) are as follows:

a. Contents of basic policy

The Company believes it is necessary for the persons who control decision-making regarding the Company's financial and business policies to have a sufficient understanding of the financial and business affairs of the Company and the source of its corporate value, and to be capable of continuously and sustainably ensuring and enhancing the Company's corporate value and, in turn, the common interests of its shareholders.

The Company also believes that decisions regarding takeover propositions involving a change of control of the Company should ultimately be made based on the will of the shareholders of the Company as a whole. Furthermore, the Company will not reject a large-scale acquisition of the shares of the Company if it will contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.

Nevertheless, among them are not a few forms of large-scale acquisition of shares that benefit neither the corporate value of the target company nor the common interests of its shareholders. Such

acquisitions include those with a purpose that would apparently harm the corporate value of the target company and the common interests of its shareholders, those with the potential to practically coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the large-scale acquisition offer, or for the target company's board of directors to make an alternative proposal, and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms than those presented by the acquirer.

In particular, it is critical to have a thorough understanding with respect to (i) the system under which the Company covers the six business fields in-house, that allows the "integration of real estate and finance," and maximizes the potential of the Tosei Group, (ii) the employees who support such system with professional knowledge and experiences in real estate and finance, and (iii) the credibility which the Company has gained in the real estate industry over a long period of time, based on its capability supporting various value creation skills as well as on a fully developed information network. Unless the offerer of the large-scale acquisition of the shares of the Company understands not only the details of the financial and business affairs of the Company, but also the source of the corporate value of the Company, and would ensure and enhance these elements over the medium-to-long term, the corporate value of the Company and, in turn, the common interests of its shareholders will be harmed.

The Company believes that a person who undertakes a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders will not be the right person to control decisions on the Company's financial and business policies. The Company believes that it is essential to take necessary and reasonable countermeasures against such large-scale acquisition offers in order to secure the corporate value of the Company and, in turn, the common interests of its shareholders.

b. Overview of the special measures to realize the basic policy

Because the Tosei Group is fully aware that the Company, being listed on the First Section of the Tokyo Stock Exchange, will be required to meet an even higher standard of behavior and integrity from external parties, it has developed a new medium-term management plan called "Next Stage 2014" (3 year plan for the period from December 2011 to November 2014), aiming to reach one step higher position (Next Stage). The efforts under this plan have been commenced since the previous fiscal year. Even though the surrounding environment has been dramatically changing due to the financial crisis and the Great East Japan Earthquake, the Company, pursuing a continuing innovation in its attempt to achieve a further leap, is determined to further strengthen each existing business segments, including the expansion of the businesses catering towards end-users in domestic market, to make a first step into the overseas business establishment by broadening its global view, and to crease new values and inspirations in every aspects of real estate in a wider range of field through innovating the management infrastructures.

The Company group has so far taken measures to strengthen corporate governance, such as appointing outside directors (two members), inviting all statutory auditors from outside (four members), registering two outside directors and four outside statutory auditors (six members in total) as "independent directors and/or statutory auditors" in accordance with the "Principles of Corporate Governance for Listed Companies" of the Tokyo Stock Exchange, as well as reinforcing the business execution functions by implementing the executive officer system, and establishing the corporate governance board. Going forward, the Company will endeavor to further strengthen corporate governance as a listed company on the First Section of the Tokyo Stock Exchange. Specifically, the Company group will focus on putting the followings into practice: the actions based on a higher-level awareness of compliance, through raising awareness from a "model action" level, to an "ideal action" level in accordance with the Compliance Principles of the Company; a thorough implementation of risk management by correctly understanding and analyzing risks involved in corporate activities; and continuing to satisfy accountability requirements to various stakeholders including investors by promptly disclosing accurate corporate information under the spirit of fair disclosure.

c. Overview of the measures to prevent persons deemed as inappropriate, in view of the basic policy, from controlling the decisions on the Company's financial and business policies

This plan is a measure to prevent persons deemed as inappropriate, in view of the aforementioned basic policy, from controlling the decisions on the Company's financial and business policies, and its objective is to ensure and enhance the Company's corporate value and, in turn, the common interests of its shareholders.

The plan stipulates procedures to be followed by the person trying to conduct an acquisition, etc. of shares, etc. (hereinafter, the "Acquirer") of the Company ((A) a purchase and/or other acquisition of the shares and the like issued by the Company that would result in the holding ratio of share certificates, etc. (kabuken tou hoyuu wariai) of a holder (hoyuusha) of 20% or more; or (B)a tender offer (koukai kaitsuke) with respect to the shares, etc. issued by the Company that would result in the sum of the Acquirer's ownership ratio, and that of the persons having a special relationship with the Acquirer, of 20% or more; or any actions similar to (A) or (B) above).

Specifically, the Acquirer must provide the Company a statement of undertaking and an acquisition document that includes necessary information, prior to making an acquisition.

Upon receiving these documents, an independent committee will conduct the review of the acquisition terms, collection of information on materials such as the management plans and business plans of the Acquirer and the Company's board of directors and comparison thereof, the review of alternative plans, etc. presented by the Company's board of directors, and discussions and negotiations with the Acquirer, while obtaining advice from independent experts. In the meantime, the Company will disclose information in a timely manner.

When the acquisition is not in compliance with the procedures stipulated in the plan, and/or there is possibility of such offer to apparently cause harm to the corporate value of the Company and, in turn, to the common interests of shareholders, and it is appropriate for the Company to implement the gratis allotment of stock acquisition rights, the independent committee will recommend the implementation the gratis allotment of stock acquisition rights to the Company's board of directors. In addition, when a meeting of shareholders is convened to confirm the intent of the Company's shareholders, the Company's board of directors will comply with the shareholders' intent. These stock acquisition rights will be allotted with an exercise condition that does not allow, as a general rule, the Acquirer to exercise the rights and an acquisition provision to the effect that the Company will acquire the stock acquisition rights in exchange for shares of the Company from persons other than the Acquirer. The Company's board of directors will resolve as an agency stipulated by the Companies Act, as to the implementation or non-implementation of the gratis allotment of stock acquisition rights, fully respecting the recommendation of the Independent Committee. In addition, when a meeting of shareholders is convened to confirm the intent of the Company's shareholders, the Company's board of directors will follow the shareholders' intent. If the procedures under this plan have commenced, the Acquirer must refrain from making any acquisition until the Company's board of directors resolves not to trigger the plan. The plan will remain in effect until the conclusion of the ordinary general meeting of shareholders for the last fiscal year ending within three years of the conclusion of the 62nd Ordinary General Meeting of Shareholders. However, if, before the expiration of the effective period, the Company's board of directors resolves to abolish the plan, the plan will be abolished at that time.

d. Assessment by the Company's board of directors regarding specific measures and reasons thereof

The Company's board of directors is of the view that the various measures to enhance the corporate value, including the new medium-term management plan and other measures to strengthen corporate governance have been established as specific actions to continuously and sustainably enhance the corporate value of the Company and, in turn, the common interests of its shareholders, and that these are truly in line with the basic policy, are not detrimental to the common interests of the Company's shareholders and not for the purpose of maintaining the positions of the Company's corporate officers.

In addition, the Company's board of directors is of the view that the plan is in line with the basic policy, not detrimental to the common interests of the Company's shareholders, and not for the purpose of maintaining the positions of the Company's corporate officers, based on the following reasons: an approval at the general meeting of shareholders has been obtained for its renewal; its maximum effective period is stipulated to be three years and it can be abolished at any time by the resolution of the

Company's board of directors; an independent committee, which is comprised of the members that are independent of the management of the Company, has been established and the countermeasures stipulated in the plan requires the decision by the independent committee for actual executions; and the plan fully satisfies the three principles set out in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

(5) Research and development activities

There is nothing to be reported regarding research and development activities.

III. Filing company

1. Information on the Company (Tosei)'s shares

(1) Total number of shares authorized, etc.

a. Total number of shares authorized

Class	Total number of shares authorized (Share)
Ordinary shares	1,500,000
Total	1,500,000

Note: Based on the resolution made at the Board of Directors Meeting held on June 5, 2013, the Company made amendments to its Articles of Incorporation in association with the stock split, effective July 1, 2013. Subsequently, the number of shares authorized was increased by 148,500,000 to 150,000,000.

b. Number of shares issued

Class	Number of shares issued (Share; as of May 31, 2013)	Number of shares issued (Share; as of the date of filing: July 10, 2013)	Name of financial instruments exchange where the stock of Tosei is traded or the name of authorized financial instruments firms association where Tosei is registered	Details
Ordinary shares	456,840	45,684,000	Tokyo Stock Exchange (First Section), Singapore Exchange (Mainboard)	(Note).
Total	456,840	45,684,000	–	–

Note: Based on the resolution made at the Board of Directors Meeting held on June 5, 2013, the Company split its shares by 100 for 1, effective July 1, 2013, therefore, the number of shares issued was increased by 45,227,160 to 45,684,000. The Company also adopted a unit share system under which 100 shares are treated as one unit of shares.

(2) Status of subscription rights to shares

Not applicable.

(3) Exercise of bond certificates with subscription rights to shares with exercise price amendment clause

Not applicable.

(4) Details of rights plan

Not applicable.

(5) Trends in total number of shares issued, share capital, etc.

Date	Fluctuation in the number of shares issued (Shares)	Balance of shares issued (Shares)	Fluctuation in share capital (¥ thousand)	Balance of share capital (¥ thousand)	Fluctuation in capital reserve (¥ thousand)	Balance of capital reserves (¥ thousand)
Dec. 1, 2012 to May 31, 2013	–	456,840	–	5,454,673	–	5,538,149

Note: Based on the resolution made at the Board of Directors Meeting held on June 5, 2013, the Company split its shares by 100 for 1, effective July 1, 2013, therefore, the number of shares issued was increased by 45,227,160 to 45,684,000.

(6) Status of major shareholders

(As of May 31, 2013)

Name of shareholder	Address	Number of shares held (Share)	Percentage of number of shares held in the total number of shares issued (%)
Seiichiro Yamaguchi	Shibuya-ku, Tokyo, Japan	138,855	30.39
Zeus Capital Limited	2-22-26-103 Uehara, Shibuya-ku, Tokyo, Japan	60,000	13.13
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo, Japan	19,218	4.20
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo, Japan	12,545	2.74
JPMCB NA ITS London Clients AC Morgan Stanley and Co International Limited (Standing proxy: Mizuho Corporate Bank, Ltd., Settlement Sales Department)	25. CABOT SQUARE, LONDON E14 4QA, UNITED KINGDAM (4-16-13, Tsukishima, Chuo-ku, Tokyo, Japan)	10,469	2.29
The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account (Standing proxy: Mizuho Corporate Bank, Ltd., Settlement Sales Department)	WOOLGATE HOUSE, COLEMAN STREET LONDON EC2P 2HD, ENGLAND (4-16-13, Tsukishima, Chuo-ku, Tokyo, Japan)	10,297	2.25
JAPAN SECURITIES FINANCE CO., LTD.	1-2-10 Nihonbashi-Kayabacho,Chuo-ku,Tokyo,Japan	9,014	1.97
SBI SECURITIES Co.,Ltd.	1-6-1 Roppongi, Minato-ku, Tokyo, Japan	6,596	1.44
State Street Bank and Trust Company (Standing proxy: Mizuho Corporate Bank, Ltd., Settlement Sales Department)	P.O.BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A (4-16-13, Tsukishima, Chuo-ku, Tokyo, Japan)	5,067	1.10
Bank of New York GCM Client Account JPRD ISG (FE-AC) (Standing proxy: Settlement Services Department The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	PETERBOROUGH COURT 133 FLEET STREET LONDON EC4A 2BB UNITED KINGDOM (2-7-1 Marunouchi, Chiyoda-ku, Tokyo, Japan)	4,171	0.91
Total	–	276,232	60.46

(7) Status of voting rights

a. Shares issued

(As of May 31, 2013)

Classification	Number of shares (Share)	Number of voting rights (Unit)	Details
Shares without voting rights	–	–	–
Shares with restricted voting rights (Treasury shares, etc.)	–	–	–
Shares with restricted voting rights (Other)	–	–	–
Shares with full voting rights (Treasury shares, etc.)	–	–	–
Shares with full voting rights (Other)	Ordinary shares 456,840	456,840	Tosei's standard class of shares with no rights limitations
Shares less than one unit	–	–	–
Total number of shares issued	456,840	–	–
Voting rights held by all the shareholders, etc.	–	456,840	–

Notes: 1. The number of "Shares with full voting rights (Other)" includes 4 shares in the name of Japan Securities Depository Center, Inc. "Number of voting rights" includes 4 units of voting rights related to shares with full voting rights in its name.

2. Based on the resolution made at the Board of Directors Meeting held on June 5, 2013, the Company split its shares by 100 for 1, effective July 1, 2013, and also adopted a unit share system under which 100 shares are treated as one unit of shares. Due to the aforementioned change, the number of shares with full voting rights (Other) as of July 1, 2013 became 45,684,000, the number of voting rights was 456,840, the total number of shares issued was 45,684,000, and the number of voting rights held by all the shareholders was 456,840.

b. Treasury shares, etc.

(As of May 31, 2013)

Name of shareholders	Address	Number of shares held under own name (Share)	Number of shares held under the name of others (Share)	Total number of shares held (Share)	Percentage of number of shares held in the total number of shares issued (%)
–	–	–	–	–	–
Total	–	–	–	–	–

2. Status of officers

During the six months ended May 31, 2013, there was the following change in officers after the filing date of annual securities report for the previous fiscal year.

Change in appointments

Current position		Previous position		Name of officers	Date of change
Director	Director, Chief Operating Officer, and Senior Executive Officer of Business Division; also in charge of Asset Solutions 2 and Asset Solutions Business Promotion Departments	Director	Director, Chief Operating Officer, and Senior Executive Officer of Business Division; also in charge of Asset Solutions 1, 2, and Asset Solutions Business Promotion Departments	Katsuhito Kosuge	March 1, 2013
Director	Director, Chief Financial Officer, and Senior Executive Officer of Administrative Division	Director	Director, Chief Financial Officer, and Senior Executive Officer of Administrative Division; also in charge of Administration and Human Resource Department and Corporate Planning Department	Noboru Hirano	March 1, 2013

IV. Accounting

(i) Preparation policy of the condensed quarterly consolidated financial statements

Since the Company qualifies as a "specified company" as provided in Article 1-2, paragraph 1, item 1 (a) to (c) and (d) (2) of the "Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No. 28 of 1976), its condensed quarterly consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" under the provision of Article 93 of the "Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office Ordinance No. 64 of 2007).

(ii) Audit and certification

The condensed quarterly consolidated financial statements for the second quarter of the fiscal year ending November 30, 2013 (from March 1, 2013 to May 31, 2013) and for the first six months of the fiscal year ending November 30, 2013 (from December 1, 2012 to May 31, 2013) were reviewed by Shinsoh Audit Corporation pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act.

1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(¥ thousand)

	Notes	As of Nov. 30, 2012	As of May 31, 2013
Assets			
Current assets			
Cash and cash equivalents		9,410,622	12,969,596
Available-for-sale financial assets		10,000	10,000
Trade and other receivables		1,884,308	1,223,806
Inventories		37,417,375	33,718,420
Other assets		22,426	24,013
Total current assets		48,744,733	47,945,837
Non-current assets			
Property, plant and equipment		3,331,447	3,313,116
Investment properties		11,695,720	11,792,412
Intangible assets		43,091	32,622
Available-for-sale financial assets		410,061	152,521
Trade and other receivables		160,170	175,896
Deferred tax assets		973,844	519,899
Other assets		4,014	4,014
Total non-current assets		16,618,350	15,990,482
Total assets		65,363,083	63,936,319
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		3,314,472	2,159,431
Borrowings		7,742,443	9,516,844
Current income tax liabilities		72,921	634,080
Provisions		154,143	190,684
Total current liabilities		11,283,980	12,501,041
Non-current liabilities			
Trade and other payables		2,136,256	1,918,743
Borrowings		24,659,337	21,156,348
Retirement benefits obligations		541,647	578,400
Provisions		24,842	24,909
Deferred tax liabilities		173,126	21,160
Total non-current liabilities		27,535,211	23,699,562
Total Liabilities		38,819,191	36,200,603
Equity			
Share capital		5,454,673	5,454,673
Capital reserves		5,516,499	5,516,499
Retained earnings		15,576,014	16,762,209
Other components of equity		(3,295)	2,333
Total equity		26,543,892	27,735,715
Total liabilities and equity		65,363,083	63,936,319

(2) Condensed Consolidated Statement of Comprehensive Income

Six months ended May 31, 2013

(¥ thousand)

	Notes	Six months ended May 31, 2012 (Dec. 1, 2011 – May 31 2012)	Six months ended May 31, 2013 (Dec. 1, 2012 – May 31, 2013)
Revenue	5	10,147,521	23,090,689
Cost of revenue		7,905,844	18,573,244
Gross profit		2,241,677	4,517,445
Selling, general and administrative expenses		1,525,031	1,770,792
Other income		8,711	17,103
Other expenses		5,962	11,691
Operating profit	5	719,395	2,752,065
Finance income		2,144	1,783
Finance costs		322,259	369,010
Profit before tax		399,279	2,384,839
Income tax expense		177,295	923,559
Profit for the period		221,983	1,461,279
Other comprehensive income			
Exchange differences on translation of foreign operations		(369)	3,719
Net change in fair values of available-for-sale financial assets		271	1,197
Net change in fair values of cash flow hedges		—	712
Other comprehensive income for the period, net of tax		(97)	5,629
Total comprehensive income for the period		221,885	1,466,908
Profit attributable to:			
Owners of the parent		221,983	1,461,279
Total comprehensive income attributable to:			
Owners of the parent		221,885	1,466,908
Earnings per share attributable to owners of the parent			
Basic earnings per share (yen)	7	4.86	31.99
Diluted earnings per share (yen)	7	—	—

Second quarter ended May 31, 2013 (¥ thousand)

	Notes	Second quarter ended May 31, 2012 (Mar. 1, 2012 – May 31, 2012)	Second quarter ended May 31, 2013 (Mar. 1, 2013 – May 31, 2013)
Revenue	5	5,121,387	7,589,330
Cost of revenue		4,364,575	5,537,184
Gross profit		756,811	2,052,146
Selling, general and administrative expenses		774,551	917,545
Other income		3,785	12,243
Other expenses		3,324	10,445
Operating profit (loss)	5	(17,278)	1,136,398
Finance income		831	367
Finance costs		153,500	159,393
Profit (loss) before tax		(169,947)	977,372
Income tax expense		(117,935)	382,419
Profit (loss) for the period		(52,012)	594,952
Other comprehensive income			
Exchange differences on translation of foreign operations		(1,962)	1,570
Net change in fair values of available-for-sale financial assets		271	(1,579)
Net change in fair values of cash flow hedges		—	784
Other comprehensive income for the period, net of tax		(1,690)	776
Total comprehensive income for the period		(53,703)	595,728
Profit attributable to:			
Owners of the parent		(52,012)	594,952
Total comprehensive income attributable to:			
Owners of the parent		(53,703)	595,728
Earnings per share attributable to owners of the parent			
Basic earnings (loss) per share (yen)	7	(1.14)	13.02
Diluted earnings per share (yen)	7	—	—

(3) Condensed Consolidated Statement of Changes in Equity

Six months ended May 31, 2012 (Dec. 1, 2011 – May 31, 2012)

(¥ thousand)

	Notes	Share capital	Capital reserves	Retained earnings	Other components of equity	Total equity
Balance at Dec. 1, 2011		5,454,673	5,516,499	14,339,150	(2,369)	25,307,953
Profit for the period		—	—	221,983	—	221,983
Other comprehensive income		—	—	—	(97)	(97)
Total comprehensive income for the period		—	—	221,983	(97)	221,885
Dividends from surplus	6	—	—	(228,420)	—	(228,420)
Balance at May 31, 2012		5,454,673	5,516,499	14,332,713	(2,466)	25,301,419

Six months ended May 31, 2013 (Dec. 1, 2012 – May 31, 2013)

(¥ thousand)

	Notes	Share capital	Capital reserves	Retained earnings	Other components of equity	Total equity
Balance at Dec. 1, 2012		5,454,673	5,516,499	15,576,014	(3,295)	26,543,892
Profit for the period		—	—	1,461,279	—	1,461,279
Other comprehensive income		—	—	—	5,629	5,629
Total comprehensive income for the period		—	—	1,461,279	5,629	1,466,908
Dividends from surplus	6	—	—	(274,104)	—	(274,104)
Retained earnings from newly consolidated subsidiaries		—	—	(981)	—	(981)
Balance at May 31, 2013		5,454,673	5,516,499	16,762,209	2,333	27,735,715

(4) Condensed Consolidated Statement of Cash Flows

(¥ thousand)

	Notes	Six months ended May 31, 2012 (Dec. 1, 2011 – May 31, 2012)	Six months ended May 31 2013 (Dec. 1, 2012 – May 31, 2013)
Cash flows from operating activities			
Profit before tax		399,279	2,384,839
Depreciation expense		87,510	86,331
Increase (decrease) in provisions and retirement benefits obligations		19,968	72,329
Interest and dividends income		(2,144)	(1,783)
Interest expenses		322,259	369,010
Net gain on disposal of available-for-sale financial assets		—	(7,323)
Loss on retirement of property, plant and equipment		2,307	183
Decrease (increase) in trade and other receivables		(115,726)	597,623
Decrease (increase) in inventories		(1,051,068)	3,747,571
Increase (decrease) in trade and other payables		(342,922)	(1,365,027)
Other, net		(925)	1,622
Subtotal		(681,462)	5,885,377
Interest and dividends income received		2,144	1,914
Income taxes paid		(61,779)	(68,069)
Net cash from (used in) operating activities		(741,097)	5,819,222
Cash flows from investing activities			
Purchase of property, plant and equipment		(20,427)	(1,440)
Purchase of investment properties		(102,481)	(152,635)
Purchase of intangible assets		(4,280)	(330)
Collection of available-for-sale financial assets		—	216,700
Proceeds from sales of available-for-sale financial assets		—	30,782
Purchase of available-for-sale financial assets		(20,000)	(2,000)
Collection of loans receivable		349	43
Other, net		(70)	(911)
Net cash from (used in) investing activities		(146,909)	90,209
Cash flows from financing activities			
Net increase (decrease) in current borrowings		577,000	(384,400)
Proceeds from long-term borrowings		6,297,000	10,485,000
Repayments of non-current borrowings		(6,835,047)	(11,828,303)
Cash dividends paid		(227,235)	(273,142)
Interest expenses paid		(328,734)	(361,484)
Other, net		(783)	(885)
Net cash from (used in) financing activities		(517,799)	(2,363,215)
Net increase (decrease) in cash and cash equivalents		(1,405,805)	3,546,215
Cash and cash equivalents at beginning of period		8,361,689	9,410,622
Effect of exchange rate change on cash and cash equivalents		(369)	3,721
Increase in cash and cash equivalents from newly consolidated subsidiaries		—	9,036
Cash and cash equivalents at end of period		6,955,515	12,969,596

(5) Notes to Condensed Quarterly Consolidated Financial Statements

a. Reporting entity

TOSEI CORPORATION (Hereinafter, the "Company") is a stock company located in Japan whose stock is listed on the First Section of Tokyo Stock Exchange and the Mainboard of Singapore Exchange. The Company's condensed quarterly consolidated financial statements for the second quarter (March 1, 2013 to May 31, 2013) and first six months (December 1, 2012 to May 31, 2013) of the current fiscal year have been prepared in respect of the Company and its subsidiaries (hereinafter collectively, the "Group"). The Group engages in the following six business operations: Revitalization Business, Development Business, Rental Business, Fund and Consulting Business, Property Management Business and Alternative Investment Business. The operations of each business segment are presented in Note "e. Segment Information".

b. Basis of preparation

(1) Compliance with IFRS

Since the Company qualifies as a "specified company" as provided in Article 1-2, paragraph 1, item 1 (a) to (c) and (d) (2) of the "Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No. 28 of 1976), its condensed quarterly consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" under the provision of Article 93 of the "Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office Ordinance No. 64 of 2007).

The condensed quarterly consolidated financial statements had been approved by the President and CEO, Seiichiro Yamaguchi and the Director and CFO, Noboru Hirano, on July 8, 2013.

(2) Basis of measurement

The condensed quarterly consolidated financial statements have been prepared on the historical cost basis except for assets and liabilities measured at fair value.

(3) Presentation currency and unit

The condensed quarterly consolidated financial statements in this report are presented in Japanese yen, the Company's functional currency. All financial information presented in Japanese yen is rounded down to the nearest thousand yen.

c. Significant accounting policies

The accounting policies applied to this condensed quarterly consolidated financial statements are consistent throughout all the periods presented in the condensed quarterly consolidated financial statements.

The significant accounting policies applied under IFRS, which has been adopted by the Group, are presented in the notes to condensed quarterly consolidated financial statements for the first three months of the current fiscal year (December 1, 2012 to February 28, 2013).

d. Significant accounting estimates and judgments requiring estimates

The preparation of the condensed quarterly consolidated financial statements in compliance with IFRS requires the management of the Group to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. However, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimates are changed and in future periods in which the change affects.

e. Segment information

(1) Summary of reportable segments

The Group's reportable segments constitute the Company for which separate financial information is available. The Board of Directors regularly conducts deliberations to determine the allocation of management resources and to assess the financial results of each segment. The Group draws up comprehensive strategies for each of the following business segments and conducts business activities accordingly; "Revitalization Business", "Development Business", "Rental Business", "Fund and Consulting Business", "Property Management Business", and "Alternative Investment 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, and apartment and office buildings to investors. In the Rental Business, the Group rents office buildings and condominiums. 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. In the Alternative Investment Business, the Group acquires real estate collateralized loans and sells the properties acquired through collection of debt and in-kind repayment.

As from the first quarter of the current fiscal year under review, the name of "Fund Business" was changed to the "Fund and Consulting Business". This amendment was made only to the name of the business segment, and there was no change in the segmentation.

(2) Method for calculating revenue, profit or loss and other items by reportable segment

The methods of accounting applied in the reported business segments are consistent with the accounting policies adopted by the Group.

The reported segment profit is calculated on an operating profit basis. Intersegment revenue or transfers are based on actual market prices.

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

Six months ended May 31, 2012
(December 1, 2011 –May 31, 2012)

(¥ thousand)

	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Alternative Investment Business	Adjustment	Total
Revenue								
Outside customers	3,354,962	3,016,295	1,142,287	387,446	1,780,738	465,790	—	10,147,521
Intersegment revenue	—	274,003	26,276	11,824	158,351	2,269	(472,725)	—
Total	3,354,962	3,290,299	1,168,564	399,271	1,939,089	468,060	(472,725)	10,147,521
Segment profit	228,102	254,304	612,320	81,372	82,190	45,215	(584,111)	719,395
Finance income/costs, net								(320,115)
Profit before tax								399,279

Six months ended May 31, 2013
(December 1, 2012 – May 31, 2013)

(¥ thousand)

	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Alternative Investment Business	Adjustment	Total
Revenue								
Outside customers	8,745,156	10,420,929	1,179,357	963,333	1,592,712	189,201	—	23,090,689
Intersegment revenue	—	—	27,925	2,373	164,412	—	(194,712)	—
Total	8,745,156	10,420,929	1,207,282	965,707	1,757,124	189,201	(194,712)	23,090,689
Segment profit	1,496,912	702,005	685,393	541,255	67,682	26,806	(767,989)	2,752,065
Finance income/costs, net								(367,226)
Profit before tax								2,384,839

Second quarter ended May 31, 2012
(March 1, 2012 – May 31, 2012)

(¥ thousand)

	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Alternative Investment Business	Adjustment	Total
Revenue								
Outside customers	1,265,109	1,905,809	576,779	229,992	779,454	364,240	—	5,121,387
Intersegment revenue	—	—	13,318	9,596	90,509	2,269	(115,695)	—
Total	1,265,109	1,905,809	590,098	239,589	869,964	366,510	(115,695)	5,121,387
Segment profit (loss)	(143,769)	(34,381)	307,891	72,866	46,300	29,143	(295,328)	(17,278)
Finance income/costs, net								(152,668)
Loss before tax								(169,947)

Second quarter ended May 31, 2013
(March 1, 2013 – May 31, 2013)

(¥ thousand)

	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Alternative Investment Business	Adjustment	Total
Revenue								
Outside customers	1,637,452	3,850,213	647,511	552,792	802,854	98,505	—	7,589,330
Intersegment revenue	—	—	14,188	1,083	86,540	—	(101,812)	—
Total	1,637,452	3,850,213	661,699	553,876	889,395	98,505	(101,812)	7,589,330
Segment profit	166,053	589,482	413,990	360,513	25,497	4,507	(423,647)	1,136,398
Finance income/costs, net								(159,025)
Profit before tax								977,372

f. Dividends

Dividends paid in the six months ended May 31, 2012 and May 31, 2013 are as follows:

Six months ended May 31, 2012 (Dec. 1, 2011 – May 31, 2012)				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on Feb. 24, 2012	500	228,420	Nov. 30, 2011	Feb. 27, 2012

Six months ended May 31, 2013 (Dec. 1, 2012 – May 31, 2013)				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on Feb. 26, 2013	600	274,104	Nov. 30, 2012	Feb. 27, 2013

g. Earnings per share

	Six months ended May 31, 2012 (Dec. 1, 2011 – May 31, 2012)	Six months ended May 31, 2013 (Dec. 1, 2012 – May 31, 2013)
Profit for the period attributable to owners of the parent (¥ thousand)	221,983	1,461,279
Weighted average number of ordinary shares outstanding (shares)	45,684,000	45,684,000
Basic earnings per share (¥)	4.86	31.99

	Second quarter ended May 31, 2012 (Mar. 1, 2012 – May 31, 2012)	Second quarter ended May 31, 2013 (Mar. 1, 2013 – May 31, 2013)
Profit (loss) for the period attributable to owners of the parent (¥ thousand)	(52,012)	594,952
Weighted average number of ordinary shares outstanding (shares)	45,684,000	45,684,000
Basic earnings (loss) per share (¥)	(1.14)	13.02

Notes: 1. Basic earnings (loss) per share is calculated by dividing profit (loss) for the period attributable to owners of the parent, by the weighted average number of ordinary shares outstanding during the reporting period.
2. Information on diluted earnings per share is omitted due to an absence of potential shares.
3. The Company split its shares by 100 for 1, effective July 1, 2013. Therefore, the basic earnings (loss) per share were calculated on the assumption that the stock had been split at the beginning of the previous fiscal year.

h. Significant Subsequent Events

(Stock Split, Adoption of Unit Share System, and Partial Amendments of the Articles of Incorporation)

At the Board of Directors Meeting held on June 5, 2013, the Company resolved to implement a stock split and adopt a unit share system, as well as to make partial amendments to its Articles of Incorporation.

a. Objective

In view of the "Action Plan for Consolidating Trading Units" (dated November 28, 2007) and "Decision of the Transition Period for 100 Shares and 1,000 Shares as Trading Unit" (dated January 19, 2012), announced by all the securities exchanges of Japan, the Company will conduct a 100-for-1 stock split of the Company's common shares, and concurrently, it will adopt a unit share system under which 100 shares are treated as one unit of shares. The Company will also make partial amendments to its Articles of Incorporation to reflect the aforementioned changes.

b. Outline of the Stock Split

(1) Method of the Stock Split

Each of the Company's common shares held by shareholders, whose names are recorded in the latest Registry of Shareholders on June 30, 2013 as the record date, will be split into 100 shares. (Due to June 30, 2013 being a holiday, the actual record date will be June 28, 2013 (Fri).)

(2) Increase in the number of Shares as a Result of the Stock Split

i.	Total number of issued shares prior to the stock split:	456,840 shares
ii.	Increase in shares due to the subject stock split:	45,227,160 shares
iii.	Total number of issued shares after the stock split:	45,684,000 shares
iv.	Total number of authorized shares prior the stock split:	1,500,000 shares
v.	Total number of authorized shares after the stock split:	150,000,000 shares

(3) Schedule of the Stock Split

i.	Date of Public Notice on the Record Date:	June 15, 2013 (Sat)
ii.	Record Date:	June 30, 2013 (Sun)
	(Due to this being a holiday, the actual record date will be June 28, 2013 (Fri).)	
iii.	Effective Date:	July 1, 2013 (Mon)

c. Adoption of the Unit Share System

(1) The Number of Shares Constituting the Newly Established Unit of Shares

The unit share system will be adopted and one unit of shares will be 100 shares.

(2) Schedule for Adoption of the Unit Share System

Effective Date: July 1, 2013 (Mon)

d. Effect on the Earnings per Share

The effect of the aforementioned change on the earnings per share is presented in "g. Earnings per share".

2. Other

No items to report.

B. Information on Guarantee Companies, etc. of Filing Company

No items to report.

(Translation)

Quarterly Review Report of Independent Auditors

July 8, 2013

To the Board of Directors of
Tosei Corporation

Shinsoh Audit Corporation

Designated and Engagement Partner,
Certified Public Accountant:

Kazuma Shinohara (Seal)

Designated and Engagement Partner,
Certified Public Accountant:

Takashi Aikawa (Seal)

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have reviewed the condensed quarterly consolidated financial statements of Tosei Corporation included in the "Accounting" section, namely, the condensed consolidated statements of financial position, comprehensive income, changes in equity, and cash flows, as well as their notes, for the second quarter (March 1, 2013 to May 31, 2013) and the six-month period (December 1, 2012 to May 31, 2013) of the fiscal year from December 1, 2012 to November 30, 2013.

Management's Responsibility for the Condensed Quarterly Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these condensed quarterly consolidated financial statements in conformity with International Accounting Standard 34 "Interim Financial Reporting" under the provision of Article 93 of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements of Japan; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of condensed quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these condensed quarterly consolidated financial statements based on our quarterly review. We conducted our review in conformity with quarterly review standards generally accepted in Japan.

A review consists principally of making inquiries, primarily of management and persons responsible for financial and accounting matters, and applying analytical procedures and other quarterly review procedures. A review is substantially less in scope than an audit conducted in conformity with auditing standards generally accepted in Japan.

We believe that we have obtained the evidence to provide a basis for our conclusion.

Auditor's Conclusion

Based on our quarterly review, we have concluded that the condensed quarterly consolidated financial statements referred to above are in conformity with International Accounting Standard 34 "Interim Financial Reporting.", and nothing has come to our attention that causes us to believe that they do not fairly present, in all material respects, the financial positions of the Company and its consolidated subsidiaries as of May 31, 2013, their operating results for the second quarter and the six-month period ended May 31, 2013, and their consolidated statements of cash flows for the six months ended the same date.

Emphasis of matter

As described in “Significant subsequent events”, based on the resolution made at the Board of Directors Meeting held on June 5, 2013, the Company split its shares and adopted a unit share system effective July 1, 2013.

The aforementioned matters will not affect our conclusion.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

End

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* The above is a digitization of the text contained in the original copy of the Review Report, which is in the custody of the Company as attachments to the financial statements.

Note:
The English version of the financial statements consists of an English translation of the reviewed Japanese financial statements. The actual text of the English translation of the financial statements was not covered by our review. Consequently, for the auditor’s report of the English financial statements, the Japanese original is the official text, and the English version is a translation of that text.