



Financial Results for the First Nine Months of the Fiscal Year 2019

Tosei Corporation

Tokyo Stock Exchange, First Section Code : 8923

Singapore Exchange, Mainboard Code : S2D

October 7th 2019

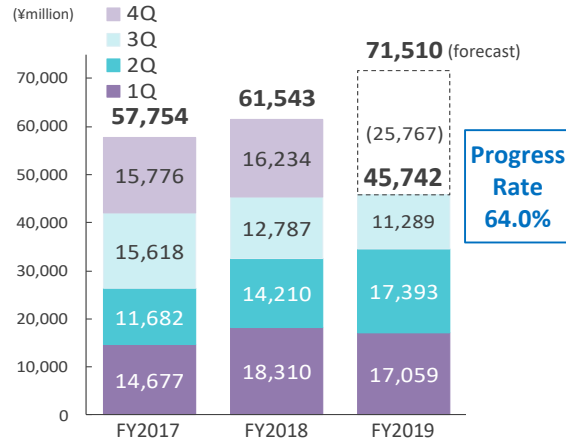
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FY2019 First Nine Months / Full Year Forecasts - Highlights-

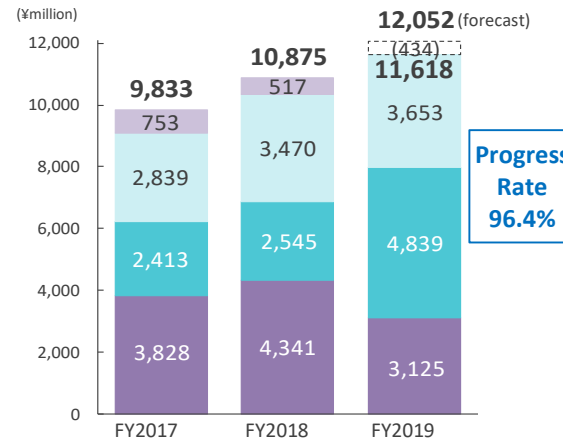
*1 The revenue and profit of the Rental business has been partially transferred in consideration of the establishment of a new hotel business in FY2019. For comparison, segment information for FY2018 is presented based on the revised classification in this material.

- ◆ Revenue ¥45.7 billion (up 1.0% yr/yr), Profit before tax ¥11.1 billion (up 13.4% yr/yr), Profit for the period ¥7.6 billion (up 15.1% yr/yr).
- ◆ The profit of Revitalization Business drove the the Company's sales performance and mostly achieve its full-year profit target.

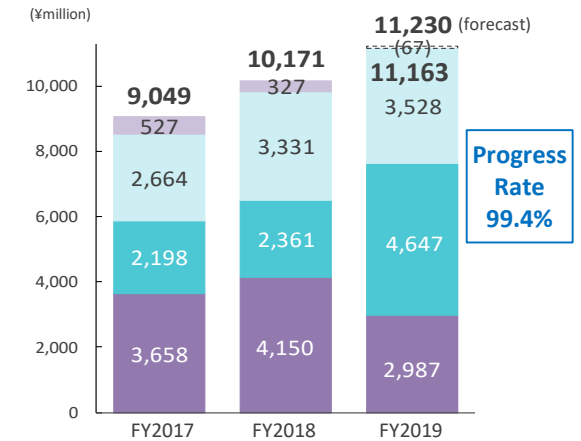
Revenue



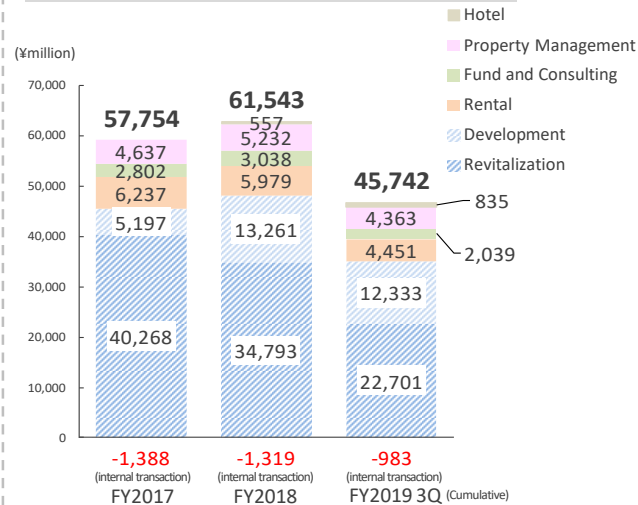
Operating Profit



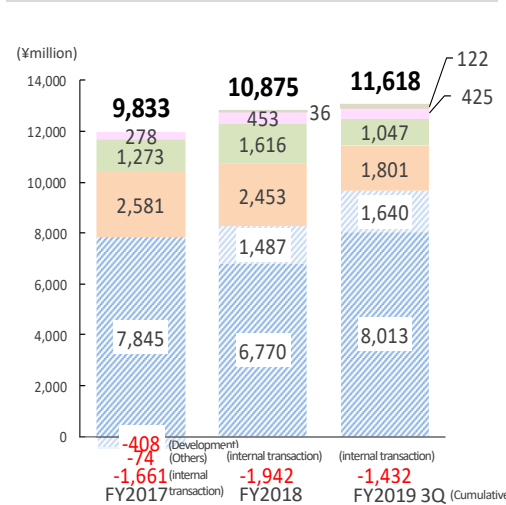
Profit Before Tax



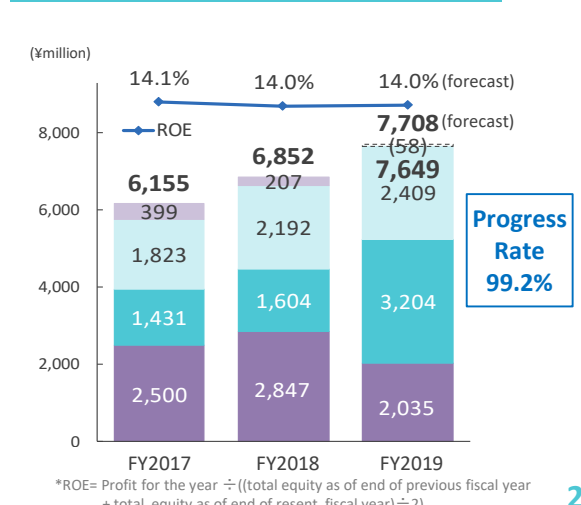
Segment Revenue*1



Segment Operating Profit*1



Profit for the Period



*ROE= Profit for the year ÷ ((total equity as of end of previous fiscal year + total equity as of end of resent fiscal year) ÷ 2)

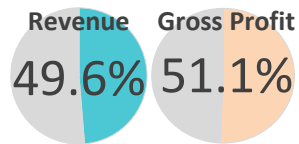
FY2019 First Nine Months - Overview -

(¥million)

	FY2018 3Q		FY2019 3Q		yr/yr change	
		%		%		%
Revenue	45,308	100.0%	45,742	100.0%	434	1.0%
Cost of Revenue	29,312	64.7%	28,123	61.5%	-1,188	-4.1%
Gross Profit	15,996	35.3%	17,618	38.5%	1,622	10.1%
Selling, General and Administrative Expenses	5,683	12.5%	6,050	13.2%	366	6.4%
Selling Expenses Pertaining to Property Trading	1,340	3.0%	1,162	2.5%	-178	-13.3%
Expenses Excluding Selling Expenses Pertaining to Property Trading	4,343	9.6%	4,888	10.7%	544	12.5%
Other Income	136	0.3%	62	0.1%	-73	-54.2%
Other Expenses	90	0.2%	12	0.0%	-78	-86.4%
Operating Profit	10,357	22.9%	11,618	25.4%	1,260	12.2%
Finance Income	84	0.2%	101	0.2%	17	20.5%
Financial Costs	599	1.3%	556	1.2%	-42	-7.1%
Profit Before Tax	9,843	21.7%	11,163	24.4%	1,320	13.4%
Income Tax Expense	3,197	-	3,513	-	315	-
Profit For the Period	6,645	14.7%	7,649	16.7%	1,004	15.1%
Comprehensive Income for the Period	6,680	14.7%	7,812	17.1%	1,132	16.9%
EPS(¥)	137.15		159.44		22.29	16.3%

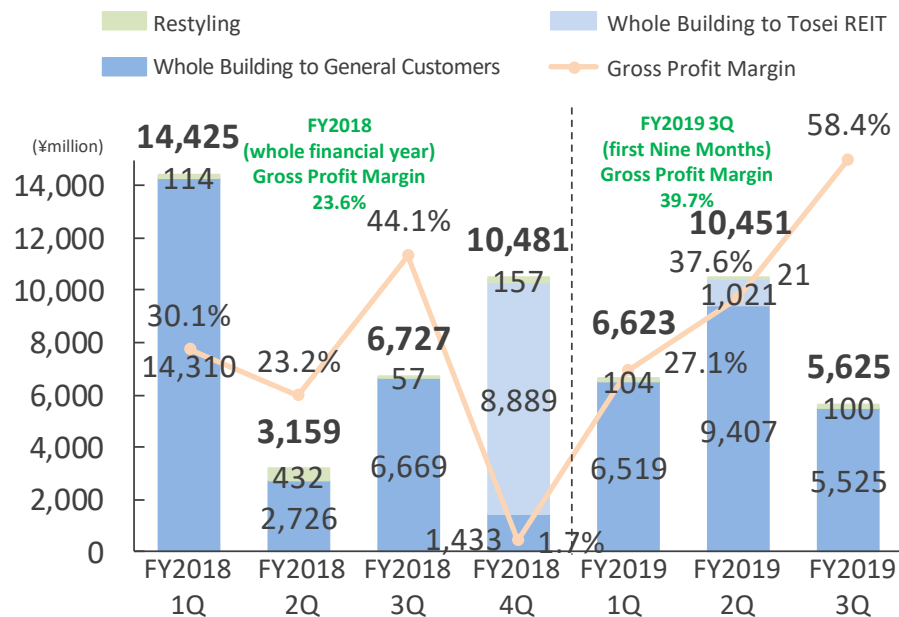
Revitalization Business - First Nine Months of FY2019 -

Component Ratio



- ◆ Revenue ¥22.7 billion (down 6.6% yr/yr), Gross Profit ¥9.0 billion (up 12.1% yr/yr).
- ◆ Sales proceeded smoothly and sold 35 properties (up 4 properties yr/yr) .

Revenue / Gross Profit Margin



(¥million)	FY2018		FY2019	
	Nine Months	Full Year	Nine Months	Full Year (Forecast)
Revenue	24,312	34,793	22,701	41,795
Gross Profit	8,038	8,215	9,011	9,672
Operating Profit	6,890	6,770	8,013	7,857
No. of Sales (Restyling)	17	22	9	12
No. of Sales (Whole Building, Others)	31	44	35	65

*The gross profit is net of Cost of Revenues including the following write-down amounts under LCM: FY2018:¥456 million, FY2019:¥24 million

Major Properties Sold



Kawasaki-shi
Income-generating Apartment



Funabashi-shi
Empty Apartment



Koto-ku
Income-generating Apartment



Kawasaki-shi
Empty Apartment



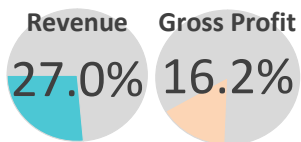
Tama-shi Income-generating Building
(compartmentalized ownership)



Yokohama-shi
Commercial Facility

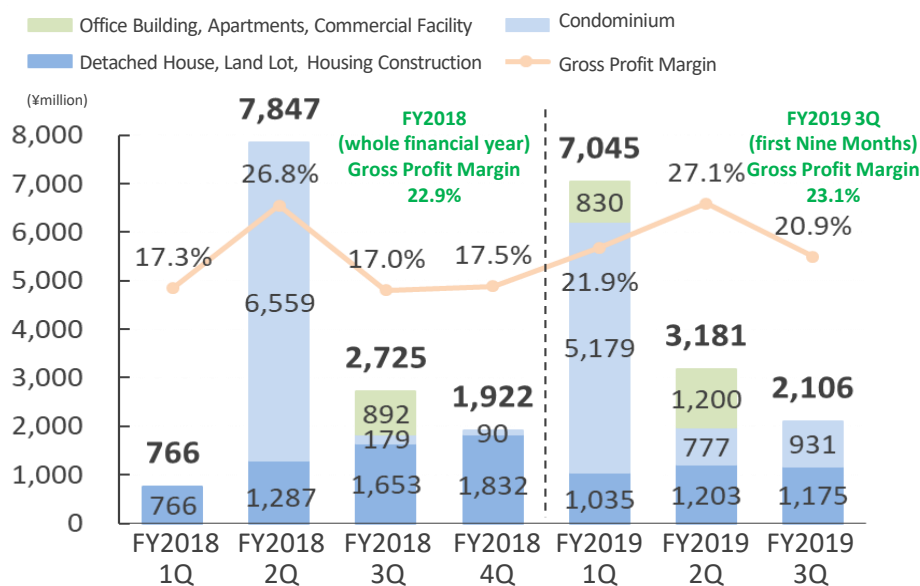
Development Business - First Nine Months of FY2019 -

Component Ratio



- ◆ Revenue ¥12.3 billion (up 8.8% yr/yr), Gross Profit ¥2.8 billion (up 5.3% yr/yr).
- ◆ Sold 159 units of condominium “THE Palms Chofu Manor Garden”.
- ◆ Sold 1 commercial facility “T’s BRIGHTIA Chiba-chuo” in Q1 and 1 whole rental apartment “THE Palms Yokohama-hiranumabashi” in Q2.

Revenue / Gross Profit Margin



(¥million)	FY2018		FY2019	
	Nine Months	Full Year	Nine Months	Full Year (Forecast)
Revenue	11,339	13,261	12,333	15,025
Gross Profit	2,702	3,038	2,846	3,153
Operating Profit	1,503	1,487	1,640	1,484
No. of Sales (Detached House, etc.)	77	114	67	143
No. of Sales (Condominiums)	87	88	160	163
No. of Sales (Whole Buildings)	1	1	2	2

*The gross profit is net of Cost of Revenues including the following write-down amounts under LCM: FY2019:-¥8 million

Major Properties Sold



THE Palms Chofu Manor Garden
(Condominium)



T's BRIGHTIA Chiba-chuo
(Commercial Facility)



THE Palms Court Kunitachi-nishi
(Detached Houses)



THE Palms Court Mitsukekoen II
(Detached Houses)



THE Palms Court Funabashihoten
(Detached Houses)



Comodo Casa Higashi Tamagawa
Gakuen 2-chome (Detached House)
sold by Tosei Urban Home Corporation



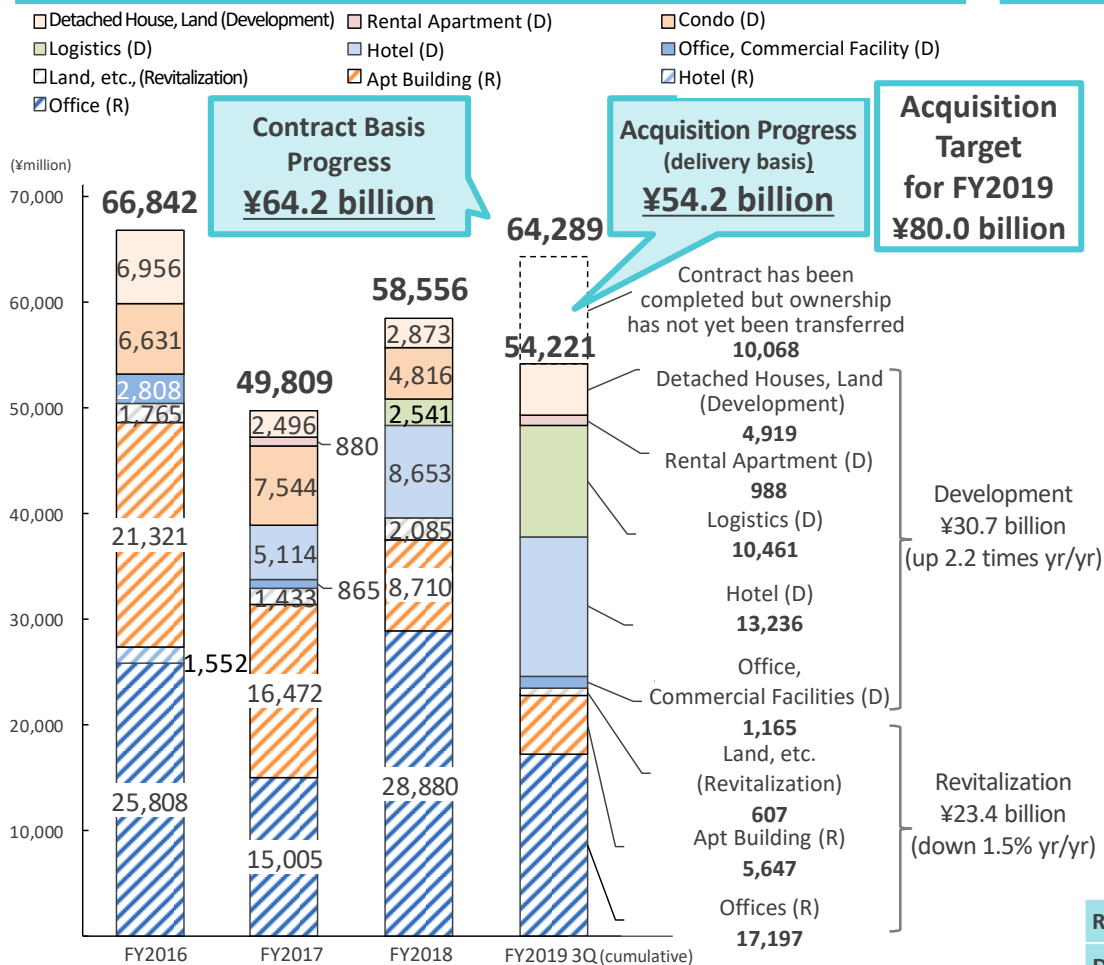
The Palms
Yokohama-hiranumabashi
(Rental apartment)

Acquisitions in Revitalization and Development Businesses -Acquisition Amount and Inventories-

- ◆ The total acquisition amount (expected disposition values) approximately ¥54.2 billion (up 44.4% yr/yr) on delivery basis mainly office and hotels.
- ◆ Total acquisition amount progressed to ¥64.2 billion (up 7.2% yr/yr) on contract basis.

*For more details for inventory expected disposition value please look P13~P14

Trends in Annual Acquisition Amounts (Delivery Basis and Expected Disposition Values)



Major Properties Acquired



Sumida-ku
Income-generating Apartment



Saitama-shi
Income-generating Apartment



Kashiwa-shi
Commercial Facility



Shibuya-ku
Income-generating Apartment

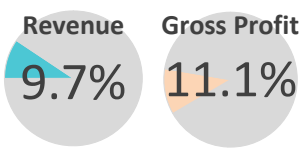
Breakdown of Acquired Properties (FY2019 Nine Months)

(Properties)	Office BL	Apartment	Hotel	Logistics	Detached House, Land Lot	Total
Revitalization	19	10	-	-	4	33
Development	1	1	3	2	6	13

Rental Business - First Nine Months of FY2019 -

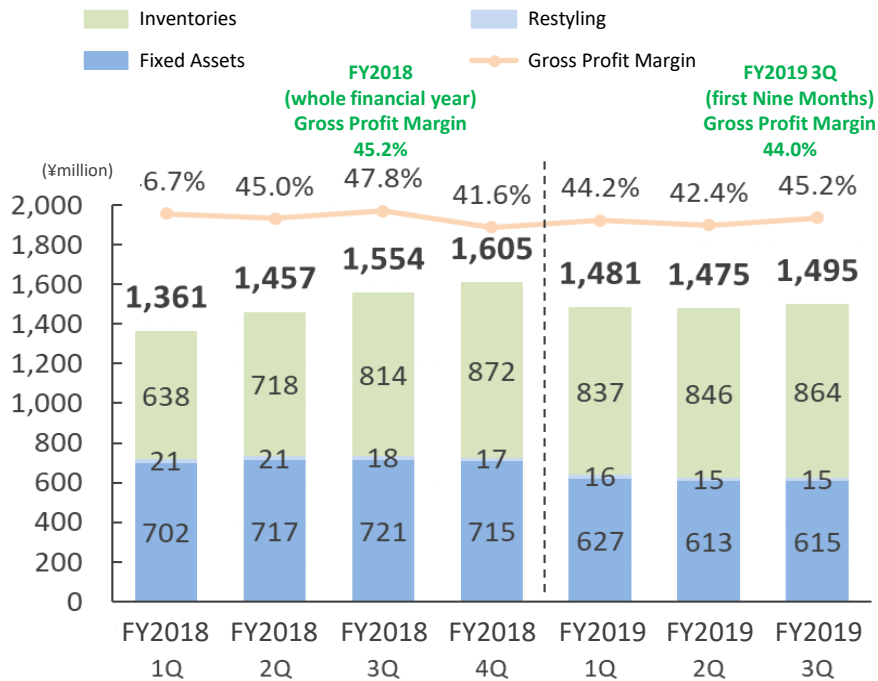
*1 The revenue and profit of the Rental business has been partially transferred in consideration of the establishment of a new hotel business in FY2019. For comparison, segment information for FY2018 is presented based on the revised classification in this material.

Component Ratio



- ◆ Revenue ¥4.4 billion (up 1.8% yr/yr), Gross Profit ¥1.9 billion (down 3.7% yr/yr).
- ◆ Although there were asset replacement due to acquisition and sales, secured stable revenue by working on improvement of occupancy rate of newly acquired buildings.

Revenue / Gross Profit Margin*1

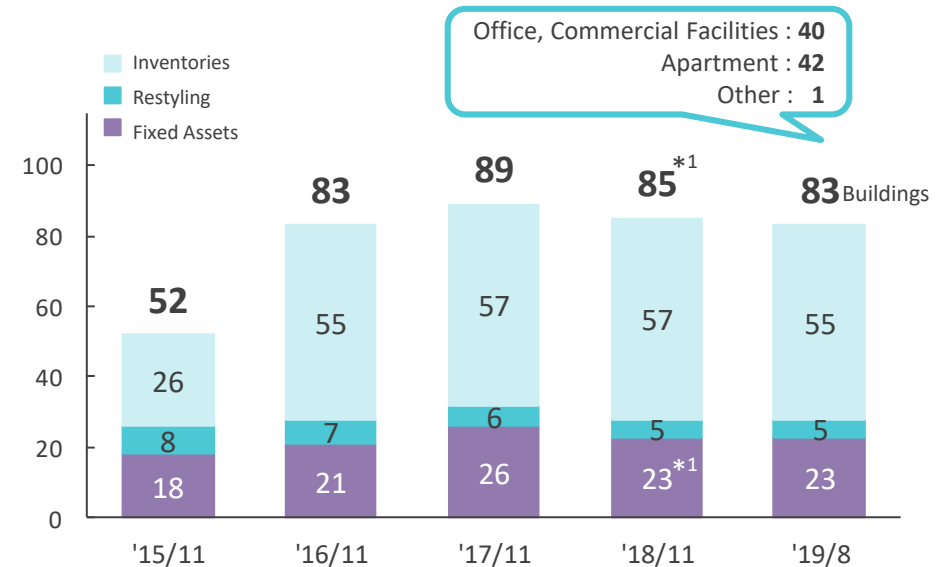


(¥million)	FY2018		FY2019	
	Nine Months	Full Year	Nine Months	Full Year (Forecast)
Revenue	4,373	5,979	4,451	6,465
Gross Profit	2,033	2,701	1,957	3,139
Operating Profit	1,868	2,453	1,801	2,932

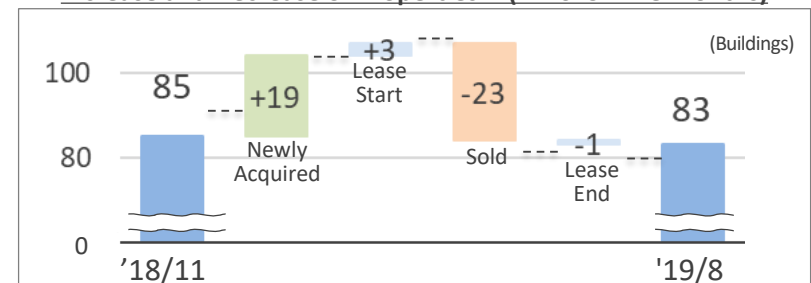
*The revenue includes internal transactions

Breakdown of Properties*2 Held by Tosei

*2 Only includes income-generating properties



Increase and Decrease of Properties*2 (FY2019 Nine Months)



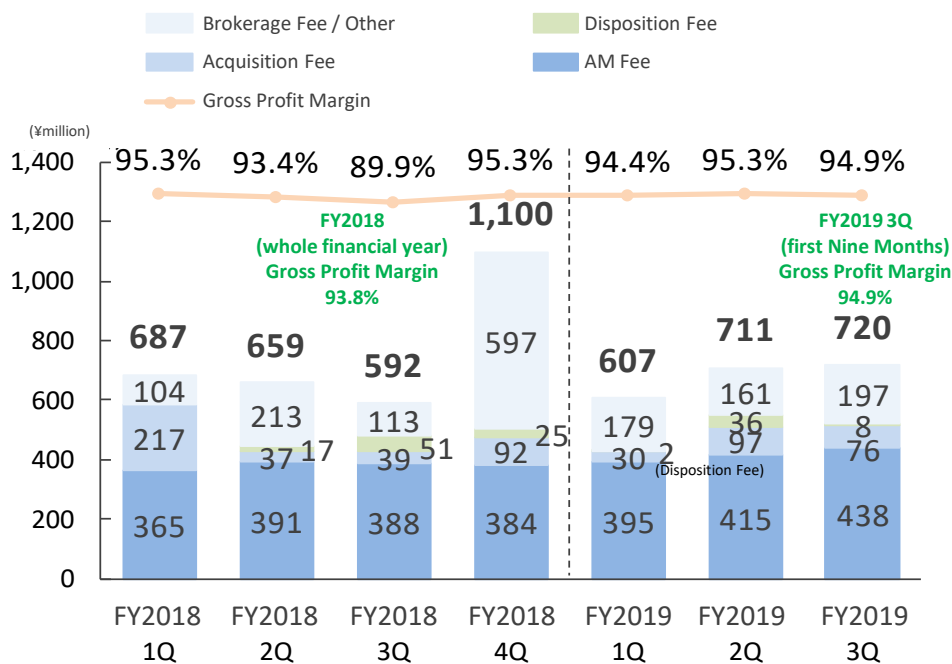
Fund and Consulting Business - First Nine Months of FY2019 -

Component Ratio

- ◆ Revenue ¥2.0 billion (up 5.2% yr/yr), Gross Profit ¥1.9 billion (up 7.3% yr/yr).
- ◆ Received new assets management contracts with wide range of facilities such as hotels, logistics and healthcare facilities.
- ◆ Asset under management (AUM) remain increased to ¥739.9 billion (¥76.6 billion increase from end of Nov. 2018).

Revenue **4.5%**
Gross Profit **11.0%**

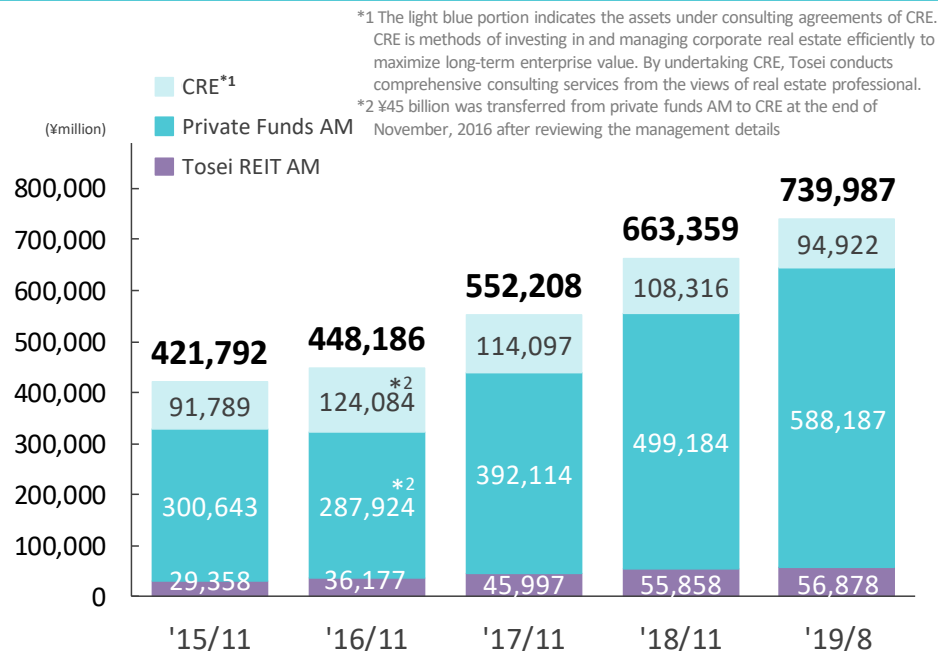
Revenue / Gross Profit Margin



(¥million)	FY2018		FY2019	
	Nine Months	Full Year	Nine Months	Full Year (Forecast)
Revenue	1,938	3,038	2,039	2,886
Gross Profit	1,802	2,850	1,935	2,746
Operating Profit	920	1,616	1,047	1,470

*The revenue includes internal transactions

Balance of Assets Under Management

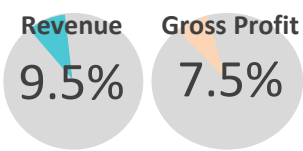


Increase and Decrease of AUM (FY2019 Nine Months)

(¥million)	Increase (A)	Decrease (B)	Net Increase (A)-(B)
CRE	-	-13,393	-13,393
Private Funds	+174,727	-85,724	+89,002
Tosei REIT	+1,020	-	+1,020
Total	+175,747	-99,118	+76,628

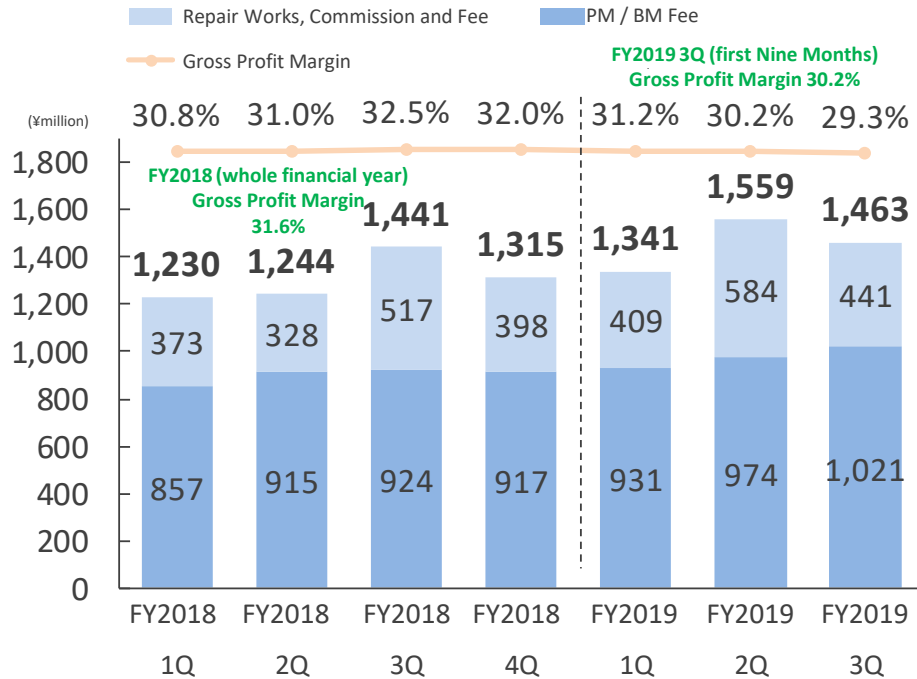
Property Management Business - First Nine Months of FY2019 -

Component Ratio



- ◆ Revenue ¥4.3 billion (up 11.4% yr/yr), Gross Profit ¥1.3 billion (up 6.9% yr/yr).
- ◆ The number of properties under management increased to 647 properties (up 25 properties from end of Nov. 2018). Property management fee and building management fee continued to increase.

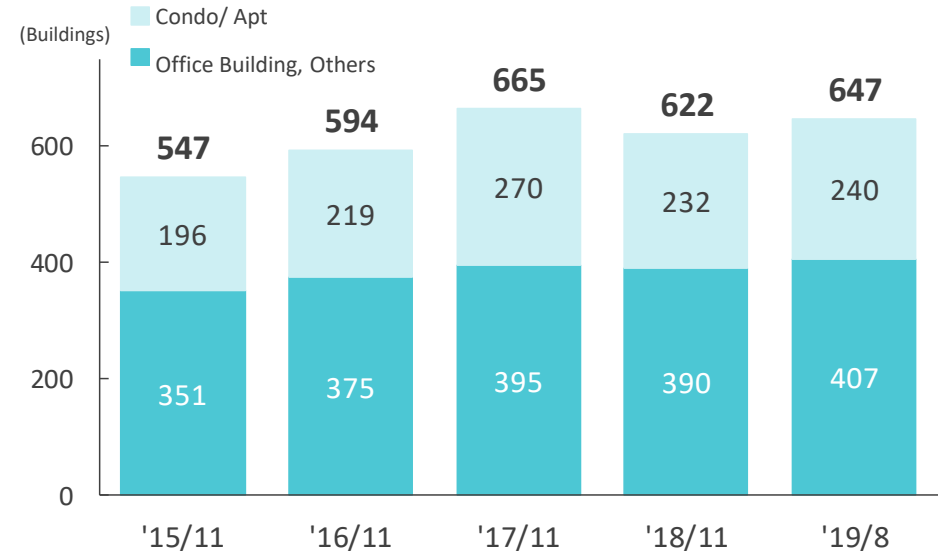
Revenue / Gross Profit Margin



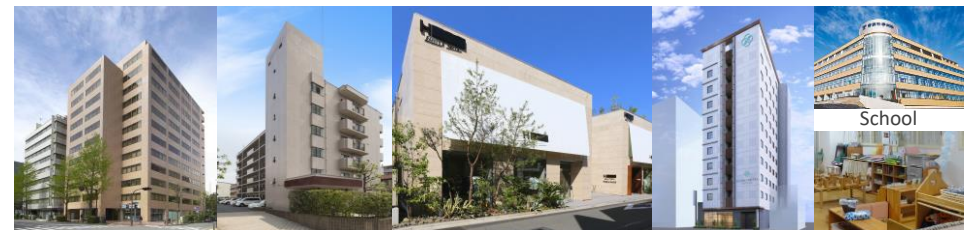
(¥million)	FY2018		FY2019	
	Nine Months	Full Year	Nine Months	Full Year (Forecast)
Revenue	3,916	5,232	4,363	5,656
Gross Profit	1,232	1,653	1,317	1,650
Operating Profit	397	453	425	359

*The revenue includes internal transactions

The Number of Properties Under Management



Example of Properties Under Management



Office

Condominium

Commercial Facility

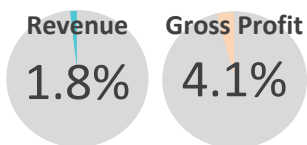
Hotel

Nursery School

Hotel Business - First Nine Months of FY2019 -

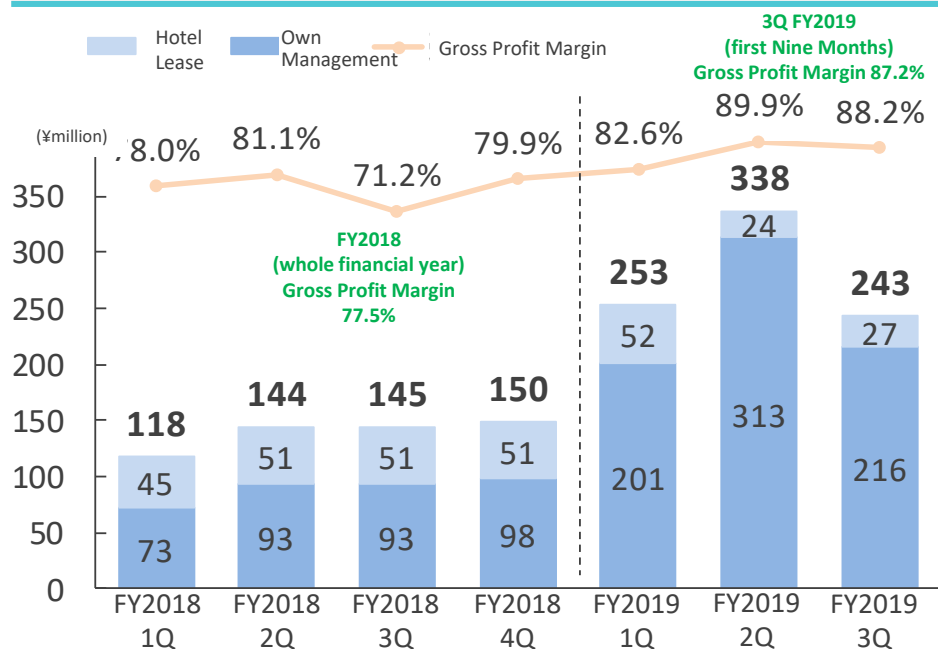
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Component Ratio



- ◆ Revenue ¥0.83 billion (up 2.0 times yr/yr), Gross Profit ¥0.72 billion (up 2.3 times yr/yr).
- ◆ “Tosei Hotel Cocone Ueno”, second own management hotel opened in Dec. 2018.
- ◆ Acquired the business of “Tosei Hotel & Seminar Makuhari”, a training facility with accommodation in end of Feb. 2019. The hotel closed temporary for renovation purpose from June and will reopen in May 2020.

Revenue / Gross Profit Margin*1



(¥million)	FY2018				FY2019			
	Nine Months			Full Year	Nine Months			Full Year
	Own Management (A)	Hotel Lease (B)	Total (A)+(B)	Total	Own Management (A)	Hotel Lease (B)	Total (A)+(B)	Total
Revenue	259	148	407	557	731	103	835	1,076
Gross Profit	254	58	312	432	703	24	728	859
Hotel's GOP	132	-	132	184	353	-	353	420
Operating Profit	72	58	131	36	99	23	122	189

*The revenue includes internal transactions

Hotels Held by Tosei

	Name	No. of Rooms	Own Management (Operating Income)		Operated by third party (Rental Income)
			Open	Plan / Under Construction	
1	Tosei Hotel Cocone Kanda	111	○		-
2	Tosei Hotel Cocone Ueno	126	○		-
3	Tosei Hotel & Seminar Makuhari	137		May 2020	-
4	Tosei Hotel Cocone Asakusa*	133		May 2020	-
5	Tosei Hotel Cocone Ueno-Okachimachi*	171		Jul. 2020	-
6	Tosei Hotel Cocone Kamakura*	73		After 2021	-
7	Tosei Hotel Cocone Chiba-minato Ekimae*	224		After 2021	-
8	Tosei Hotel Cocone Asakusa II*	80		After 2021	-
9	Tosei Hotel Cocone Tsukiji*	201		After 2021	-
10	Tama-shi Income-generating Hotel	138		-	○
	Total	1,394		9 Hotels	1 Hotel

*They are plans at this stage, name and number of rooms, opening date are subject to change in the future.

Summary of Balance Sheet I (Consolidated) - Assets -

- ◆ Total asset ¥157.1 billion (up 13.3% from end of Nov. 2018).
- ◆ Investment Properties/PPE ¥42.1 billion (down 0.8% from end of Nov. 2018), which accounts for some 30% of total assets.

	'18/11	Decrease	Increase	'19/5	Decrease	Increase	'19/8	(¥million)	
								Nine Months Total	
								Decrease	Increase
Total Assets	138,768		+7,089	145,858		+11,322	157,181		+18,412
Cash and Cash Equivalents	26,520		+2,580	29,100		+3,647	32,748		+6,227
Inventories (Properties)	62,457		+4,748	67,206		+8,097	75,303		+12,846
		-19,169	+23,917		-4,014	+12,111		-23,183	+36,029
Investment Properties/PPE	42,538		-421	42,117		+60	42,177		-360
		-528	+107		-211	+271		-739	+378
Other Assets	7,251		+182	7,433		-482	6,951		-300

A : Change in Inventories (Properties)

Inventories (properties) increased ¥12.8 billion from the end of the previous fiscal year.

The increase was attributed to new properties purchase and construction cost, etc., which exceeded decreases due to properties sold.

(¥million)		1Q		2Q		3Q		Nine Months Total	
Increase Factor	Acquisition		+14,294		+5,714		+7,918		+27,927
	Construction Cost/Value-added, etc.,		+1,807		+1,991		+4,193		+7,991
	Transfer from Investment Properties/PPE		+109						+109
Decrease Factor	Disposal by Sale	-10,333		-8,810		-4,014		-23,159	
	Others			-24				-24	
Total		-10,333	+16,212	-8,835	+7,705	-4,014	+12,111	-23,183	+36,029

Summary of Balance Sheet II (Consolidated) - Liabilities/Equity -

◆ Maintained financial soundness by keeping an equity ratio of 36.5% and Net D/E Ratio 0.96 times.

(¥million)	'18/11	Decrease	Increase	'19/5	Decrease	Increase	'19/8	Nine Months Total	
								Decrease	Increase
Total Liabilities/Equity	138,768		+7,089	145,858		+11,322	157,181		+18,412
Total Liabilities	86,746		+4,222	90,969		+8,817	99,786		+13,039
Borrowings	75,025		+5,196	80,221		+7,559	87,780		+12,755
		-25,399	+30,595		-4,817	+12,376		-30,217	+42,972
Current Borrowings	7,308		+1,062	8,370		+1,311	9,682		+2,373
		-6,448	+7,510		-1,483	+2,794		-7,931	+10,305
Non-current Borrowings	67,716		+4,133	71,850		+6,247	78,098		+10,381
		-18,950	+23,084		-3,334	+9,582		-22,285	+32,666
Other Liabilities	11,721		-973	10,747		+1,258	12,005		+284
Equity	52,021		+2,867	54,889		+2,505	57,394		+5,372
Equity Ratio (%)	37.5		+0.1	37.6		-1.1	36.5		-1.0
Net D/E Ratio (times)	0.93		+0.00	0.93		+0.03	0.96		+0.03

A: Change in borrowings

The debt balance increased by ¥12.7 billion from the end of the previous fiscal year. The increase was attributed to new borrowings for property purchase and new development costs, which exceeded decreases due to properties sold and scheduled payment, etc.

(¥million)			1Q	2Q	3Q	Nine Months Total				
Current	Increase Factor	New Borrowing upon Acquisition		+1,800	+924	+2,724				
		Long-term borrowing which due became less than one year	+2,996	+2,713	+1,868	+7,578				
		Other (Refinance, etc.)	+0	+0	+1	+3				
Current	Decrease Factor	Repayment upon Disposition	-335	-1,130	-244	-1,710				
		Short-term, long-term borrowing less than one year switched to long term			-462	-462				
		Other (Refinance, Scheduled Payment, etc.)	-2,636	-2,344	-777	-5,758				
Non-Current	Increase Factor	New Borrowing upon Acquisition	+14,957	+4,147	+8,847	+27,952				
		Short-term, long-term borrowing less than one year switched to long term			+462	+462				
		Other (Refinance, etc.)	+2,279	+1,700	+272	+4,251				
Non-Current	Decrease Factor	Repayments upon Disposition	-8,382	-4,753	-1,403	-14,540				
		Other (Refinance, Scheduled Payment, etc.)	-55	-49	-62	-166				
		Long-term borrowing which due became less than one year	-2,996	-2,713	-1,868	-7,578				
		Total	-14,407	+20,233	-10,991	+10,361	-4,817	+12,376	-30,217	+42,972

B: Change in Equity

Total equity increased ¥5.3 billion from the end of the previous year, reflecting an increase of ¥7.6 billion in profits, the payment of ¥1.4 billion of cash dividend and ¥0.99 billion purchase of treasury shares.

C: Financial Soundness

- Equity ratio is 36.5% (down 1.0 points from the end of the previous year).
- Net D/E ratio is 0.96 times (up 0.03 points from the end of the previous year).

Inventories I - Breakdown -

◆ Balance of inventories ¥75.3 billion, Total expected disposition value ¥127.8 billion (Tosei's estimation).

(¥million)

Total Book Value As of end of August 2019	75,303	(119 properties)
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Total Expected Disposition Value	127,848
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Breakdown

Property Type	Book Value				Total (A)+(B)	Expected Disposition Value		Total Expected Disposition Value
	Revitalization (A)	No. of Properties	Development (B)	No. of Properties		Revitalization	Development	
Office, Commercial Facility	27,762	38	2,669	3	30,431	35,296	3,440	38,736
Condo/Apt Building	16,290	42	5,578	4	21,869	19,406	14,475	33,881
Hotel	-	-	11,709	6	11,709	-	27,574	27,574
Logistics Facility	-	-	3,324	3	3,324	-	14,820	14,820
Detached House	-	-	5,664	12	5,664	-	9,605	9,605
Other	2,303	11	-	-	2,303	3,229	-	3,229
Total	46,357	91	28,946	28	75,303	57,931	69,916	127,848

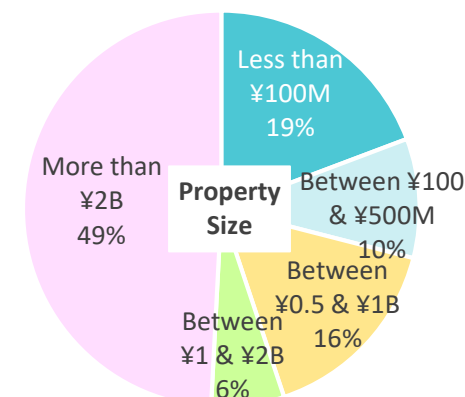
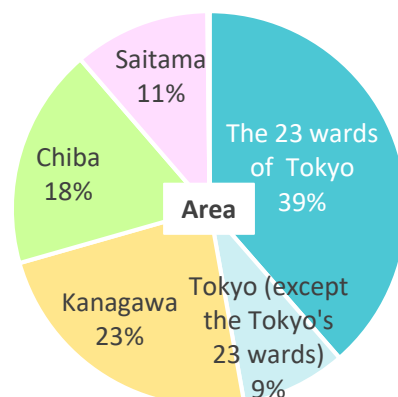
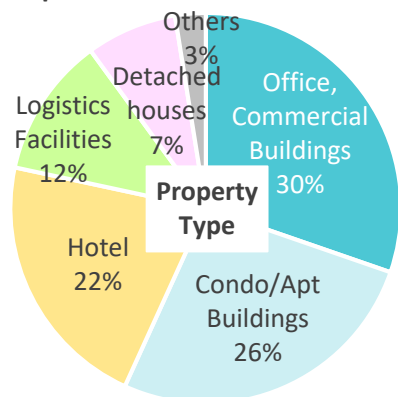
* The expected disposition values above are based on Tosei's estimate of revenue corresponding to the properties currently in the inventories.

Actual amounts may vary significantly from the estimates, due to various factors.

* The inventories above represent carrying amount and may increase due to such factors as value-added investments and construction costs.

* The condominium buildings and detached houses are counted as each project being one property.

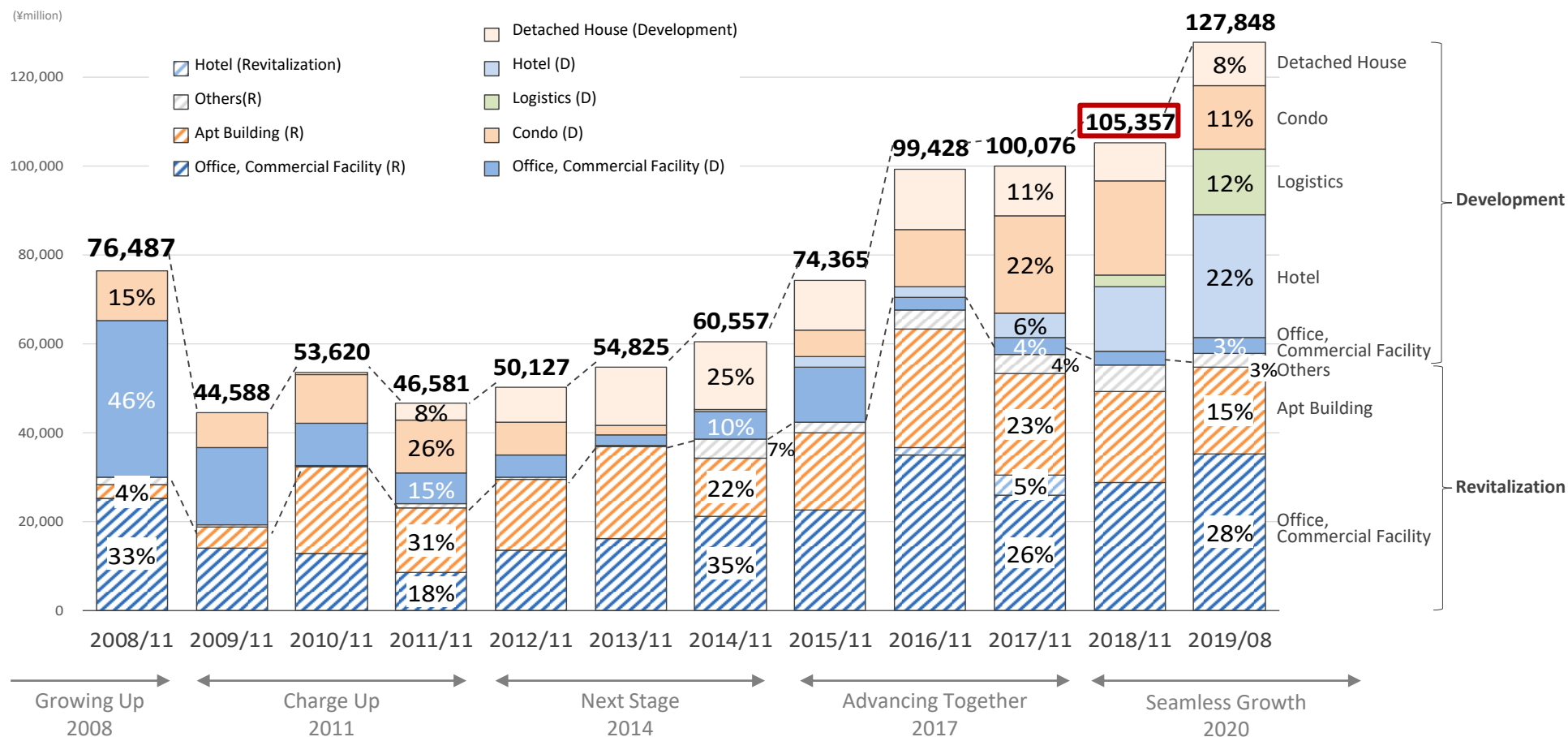
*Expected Disposition Values Base



*Detached houses and condominiums are classified by one unit's price.

Inventories II - Expected Disposition Values -

◆ Holds inventories to approximately revenue for 2 years (Revitalization Business & Development Business).



Balance between Inventories and Sales Volume

		(¥million)		
		'17/11	'18/11	'19/11 (forecast)
(Beginning-of-year) Inventories* ¹	(A)	99,428	100,076	105,357
Revenue* ²	(B)	45,465	48,055	56,821
Revenue* ² ÷ (beginning-of-year) Inventories	(B) ÷ (A)	46%	48%	54%

*1 Expected disposition values

*2 Sales from the trading business

(Revitalization and Development business)

Fixed Assets (Investment Properties and PPE) - Breakdown -

*1 The revenue and profit of the Rental business has been partially transferred in consideration of the establishment of a new hotel business in FY2019. For comparison, segment information for FY2018 is presented based on the revised classification in this material.

◆ Book values is ¥42 billion and unrealized gains (after tax) is ¥15.3 billion (estimation).

Total Book Value as of end of August 2019	42,023 (29 properties)	Fair Value	64,922
--	------------------------	------------	--------

(¥million)

Breakdown

Property Type	Book Value(A)	No. of Properties	Fair Value(B)	Unrealized Gains (B)-(A)
Office, Commercial Facility* ²	30,294	20	46,776	16,481
Apt Building	4,122	5	5,770	1,648
Hotel	6,664	3	10,905	4,240
Logistics Facility	942	1	1,469	527
Total	42,023	29	64,922	22,898 A

*2 Includes one property which is partially is a hotel

*3 Calculated by corporation tax rate 33%

* Fair values in above is based on the real estate appraisal by Tosei

* PPE book value doesn't include book value of structures attached to the buildings.

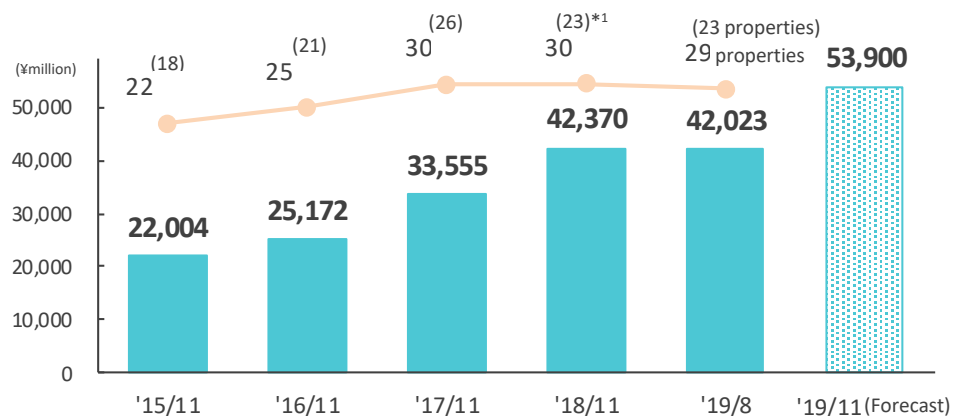
Income Tax Expense*³ -7,556 B

Unrealized Gains (After Tax) **15,342** C (A+B)

Total Equity including unrealized gains (after tax) in above

	As of end of August 2019	
		Per Share
Total Equity (A)	¥57,394M	¥1,207.07
Unrealized Gains (after tax) (B)	¥15,342M	¥322.66
Total (A)+(B)	¥72,736M	¥1,529.73

Changes in Investment Properties and PPE (Book Value)

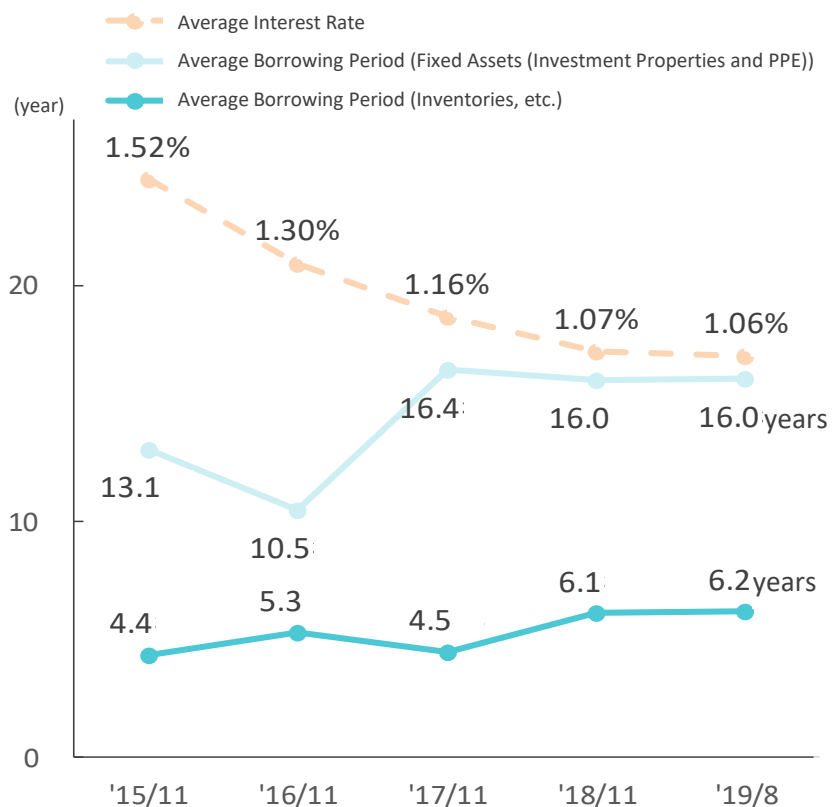


* () are the number of properties which have rental income

Borrowings from Financial Institutions

- ◆ Interest rate 1.06% (down 0.01% from end of Nov. 2018), low interest rate continues.
- ◆ Generally borrow funds based on the assumption of mid- to long-term ownership of properties.
- ◆ The average borrowing period of Fixed Assets (Investment Properties and PPE) is 16.0 years, Inventories, etc. is 6.2 years.

Changes in Borrowing Rate*1 / Period*2

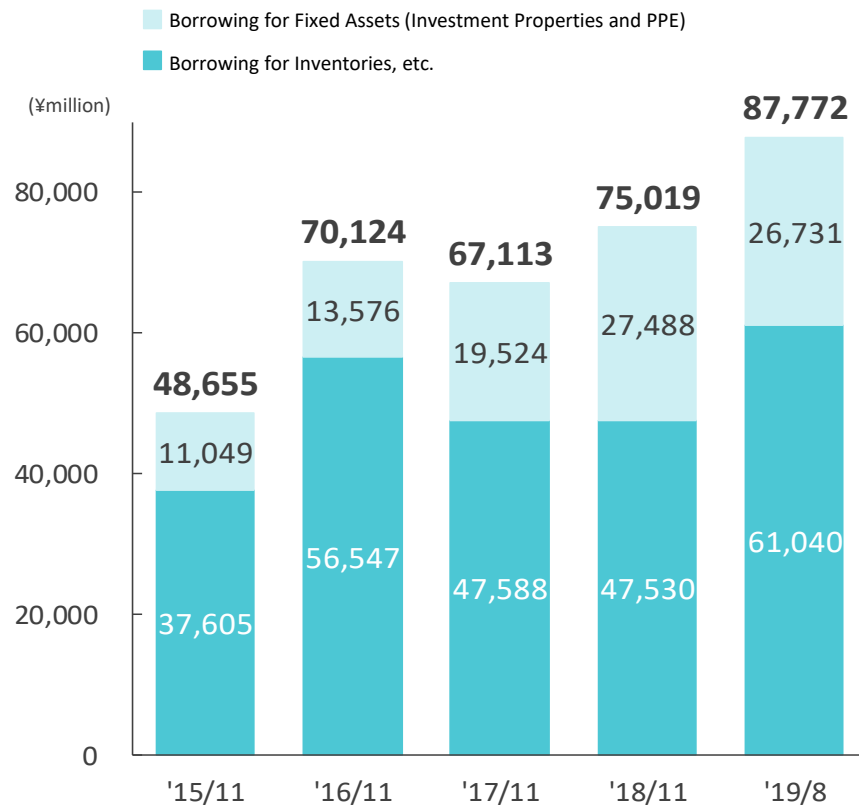


*1 The weighted-average rate of borrowing balance of end of each fiscal year

*2 Borrowing period are calculated using the weighted average of period from the date of borrowing until due date of borrowing depending on the borrowing balance.

*3 Lease debts are not included

Changes in Borrowing*3 Balance



Overview of Segment Results (Consolidated) I - Revenue and Cost of Revenue-

(¥million)

Revenue	FY2018 3Q		FY2019 3Q		yr/yr Change	
		%		%		%
Total	45,308	100.0%	45,742	100.0%	434	1.0%
Revitalization	24,312	53.7%	22,701	49.6%	-1,610	-6.6%
Development	11,339	25.0%	12,333	27.0%	994	8.8%
Rental	4,373	9.7%	4,451	9.7%	78	1.8%
Fund and Consulting	1,938	4.3%	2,039	4.5%	101	5.2%
Property Management	3,916	8.6%	4,363	9.5%	447	11.4%
Hotel	407	0.9%	835	1.8%	427	104.9%
Internal Transaction	-979	-	-983	-	-3	0.4%

Cost of Revenue	FY2018 3Q		FY2019 3Q		yr/yr Change	
		%		%		%
Total	29,312	64.7%	28,123	61.5%	-1,188	-4.1%
Revitalization	16,273	66.9%	13,690	60.3%	-2,583	-15.9%
Development	8,637	76.2%	9,486	76.9%	849	9.8%
Rental	2,340	53.5%	2,494	56.0%	153	6.6%
Fund and Consulting	135	7.0%	104	5.1%	-30	-22.7%
Property Management	2,684	68.5%	3,046	69.8%	362	13.5%
Hotel	95	23.3%	106	12.8%	11	12.5%
Internal Transaction	-853	-	-805	-	48	-5.6%

*The revenue and profit of the Rental business has been partially transferred in consideration of the establishment of a new hotel business in FY2019. For comparison, segment information for FY2018 is presented based on the revised classification in this material.

Overview of Segment Results (Consolidated)II -Gross Profit and Operating Profit-

(¥million)

Gross Profit	FY2018 3Q		FY2019 3Q		yr/yr Change	
		%		%		%
Total	15,996	35.3%	17,618	38.5%	1,622	10.1%
Revitalization	8,038	33.1%	9,011	39.7%	972	12.1%
Development	2,702	23.8%	2,846	23.1%	144	5.3%
Rental	2,033	46.5%	1,957	44.0%	-75	-3.7%
Fund and Consulting	1,802	93.0%	1,935	94.9%	132	7.3%
Property Management	1,232	31.5%	1,317	30.2%	85	6.9%
Hotel	312	76.7%	728	87.2%	415	133.0%
Internal Transaction	-125	-	-177	-	-51	41.3%

Operating Profit	FY2018 3Q		FY2019 3Q		yr/yr Change	
		%		%		%
Total	10,357	22.9%	11,618	25.4%	1,260	12.2%
Revitalization	6,890	28.3%	8,013	35.3%	1,123	16.3%
Development	1,503	13.3%	1,640	13.3%	136	9.1%
Rental	1,868	42.7%	1,801	40.5%	-67	-3.6%
Fund and Consulting	920	47.5%	1,047	51.4%	127	13.8%
Property Management	397	10.1%	425	9.7%	27	7.0%
Hotel	131	32.1%	122	14.7%	-8	-6.2%
Corporate Expenses, etc.	-1,353	-	-1,432	-	-79	5.8%

*The revenue and profit of the Rental business has been partially transferred in consideration of the establishment of a new hotel business in FY2019. For comparison, segment information for FY2018 is presented based on the revised classification in this material.

Summary of Cash Flow Statements (Consolidated)

(¥million)

	FY2018 3Q (A)	FY2019 3Q (B)	yr/yr Change (B)-(A)
Cash flows from / used in operating activities	2,233	-2,997	-5,231
Profit before tax	9,843	11,163	1,320
Depreciation expense	437	652	214
Increase / Decrease in inventories	-5,939	-12,646	-6,707
Income taxes paid	-2,041	-3,928	-1,887
Other, net	-66	1,761	1,827
Cash flows from/used in investing activities	-1,759	-358	1,401
Increase / Decrease in PPE	-54	-46	7
Increase / Decrease in investment properties	-185	-326	-141
Other, net	-1,520	15	1,535
Cash flows from/used in financing activities	2,973	9,585	6,612
Increase / Decrease in borrowings	4,698	12,753	8,055
Cash dividends paid	-1,206	-1,454	-248
Interest expenses paid	-715	-720	-4
Purchase of treasury shares	-0	-999	-999
Other, net	197	6	-190
Net Increase / Decrease in cash and cash equivalents	3,447	6,229	2,781
Cash and cash equivalents at beginning of period	23,750	26,520	2,770
Effect of exchange rate change on cash and cash equivalents	-0	-1	-0
Cash and cash equivalents at end of period	27,197	32,748	5,550

Cash Flows from Operating Activities

¥ 2.9 billion decrease

Mainly due to ;

- ¥11.1 billion of profit before tax
- ¥12.6 billion increase in inventories
- ¥3.9 billion of income taxes paid

Cash Flows from Financing Activities

¥9.5 billion Increase

Mainly due to;

- ¥12.7 billion net increase in borrowings
- ¥1.4 billion of cash dividends paid
- ¥0.72 billion of interest expenses paid
- ¥0.99 billion purchase of treasury shares

Shareholder Returns Policy

Trends in Dividends

- ◆ Aiming to increase dividend stably.
For FY2019, we expect to pay a dividend of ¥37 per share, or a payout ratio of 23.3%
- ◆ Considering increasing the payout ratio gradually.

	FY2015	FY2016	FY2017	FY2018	FY2019 (Forecast)
Earnings Per Share (EPS)(¥)	85.66	114.89	127.48	141.36	158.79
Annual Dividends Per Share(¥)	16.00	22.00	25.00	30.00	37.00
Payout Ratio(%)	18.7	19.1	19.6	21.2	23.3
ROE(%)	12.0	14.4	14.1	14.0	14.0

Repurchase of the Company's Shares

- ◆ **Repurchased The Company's Shares up to 1.0 billion yen** (announced on Feb. 5th 2019)

Reason for stock repurchase

Stock will be repurchased to improve capital efficiency and enable the Company to adopt a timely and flexible capital policy in response to changes in the operating environment.

Total number of shares repurchased

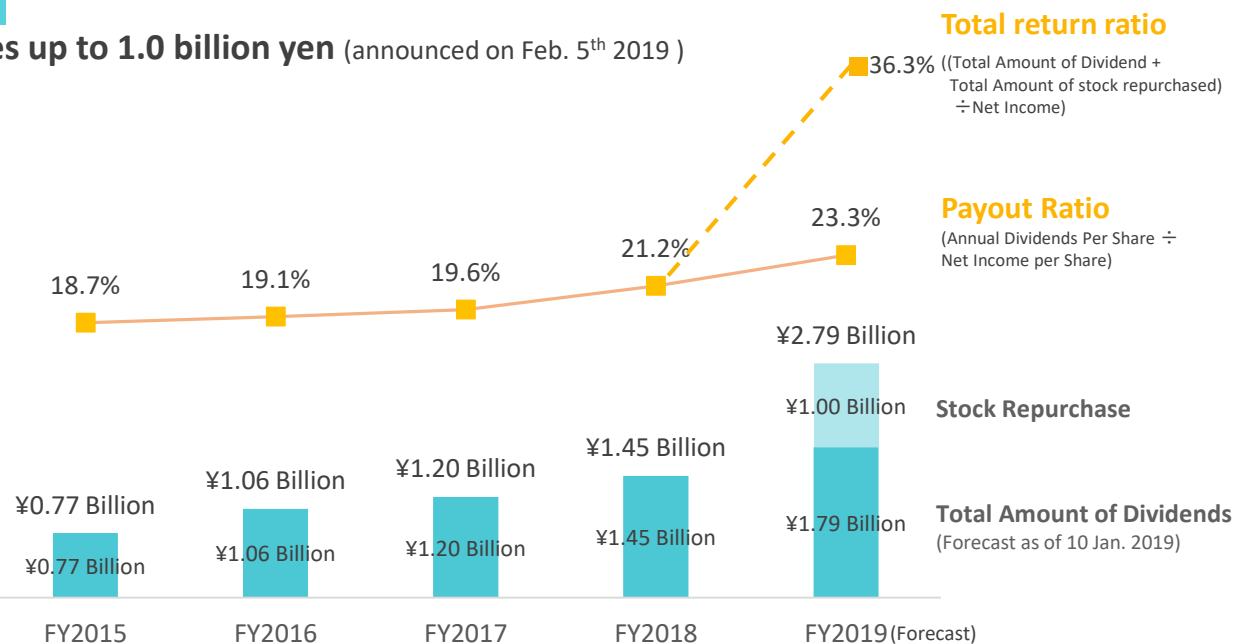
1,008,700 shares
(2.1% of issued shares)

Total value of shares repurchased

1.0 billion yen

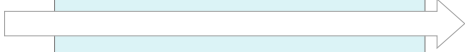
Period for repurchase

From February 7, 2019 to April 23, 2019
(Repurchase completed)



Shareholder Returns Policy

Current Share Price

Market Capitalization (As of 1 Oct. 2019)	Profit for the Year (Forecast) (As of 10 Jan. 2019)	Net Book Value (As of end of August 2019)	Unrealized Gain (After Tax) (As of end of August 2019)	Net Asset Value* (As of end of August 2019)
¥62.5 billion	¥7.7 billion	¥57.3 billion	¥15.3 billion	¥72.7 billion
Stock Price (A)	Earnings per Share (B)	Book Value per Share (C)	Unrealized Gain per Share	Net Asset Value per Share* (D)
¥1,288.00	¥158.79	¥1,207.07	¥322.66	¥1,529.73
	PER (A) ÷ (B)	PBR (A) ÷ (C)		Price/NAV Ratio* (A) ÷ (D)
	8.11 times	1.07 times		0.84 times

* Net Asset Value = Net Asset Value + Unrealized gains (after tax)

* Fair value of Fixed Assets (Investment Properties and PPE) are has been calculated by the Company based “Real Estate Appraisal Standards”.

* Corporate tax is calculated at 33%

Business Efficiency Indicators

ROE (Result for end of FY2018)	ROA (Result of end of FY2018)	ROIC (Result of end of FY2018)
14.0 %	7.8 %	6.1 %
Cost of Shareholder's Equity (Data from Reuters as of Oct. 2019)		WACC (Data from Reuters as of Oct. 2019)
6.96%		2.61%

Please visit our website.



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