



April 6, 2020

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

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

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)	(¥)
Three months ended February 29, 2020	3,587	76.2	3,261	57.8	75.37	74.95
Three months ended February 28, 2019	2,035	(28.5)	2,067	(28.1)	41.97	41.94

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	(¥ million)	(¥ million)	(¥ million)	(%)
As of February 29, 2020	160,297	59,609	59,609	37.2
As of November 30, 2019	161,894	58,306	58,306	36.0

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended November 30, 2019	—	0.00	—	42.00	42.00
Fiscal year ending November 30, 2020	—				
Fiscal year ending November 30, 2020 (Forecast)		0.00	—	47.00	47.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending November 30, 2020 (December 1, 2019 – November 30, 2020)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal year ending November 30, 2020	80,354	32.3	13,737	8.2	13,046	7.9	8,808	4.3	185.09

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

* Notes

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

- (2) Changes in accounting policies and changes in accounting estimates
(a) Changes in accounting policies required by IFRS: Yes
(b) Changes in accounting policies due to other reasons: No
(c) Changes in accounting estimates: No

- (3) Number of issued shares (ordinary shares)

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

As of February 29, 2020	48,635,300 shares
As of November 30, 2019	48,595,300 shares

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

As of February 29, 2020	1,008,805 shares
As of November 30, 2019	1,008,805 shares

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

Three months ended February 29, 2020	47,605,745 shares
Three months ended February 28, 2019	48,505,245 shares

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

* Proper use of earnings forecasts and other notes

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

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Operating Results

1) Recognition, analysis and contents for discussion of business environment and business performance

During the three months ended February 29, 2020, the Japanese economy continued on a path of moderate recovery. This moderate recovery is expected to continue, supported by various policies. However, the outlook for the business environment is uncertain because there are increasing concerns over a potential global recession due to the spread of COVID-19.

In the real estate industry where Tosei Group operates, commercial real estate transactions for the whole of 2019 increased 3% year on year to ¥4.1 trillion. Although the real estate transaction prices have been persistently high, transactions for the whole of 2020 are forecast to increase by 5% year on year as appetite for real estate investment among investors has remained strong supported by a favorable financing environment (according to a survey by a private research institute).

In the Tokyo metropolitan area condominium market, the number of units sold in the whole of 2019 decreased 15.9% year on year to 31,000 units, amid a downturn in the number of units supplied for the first time in three years due to land acquisition difficulty. The average contract rate for the first month was 62.6%, lower than the 70% threshold from which market conditions are viewed as favorable for the fourth consecutive year. Each company is selling condominium units over time without cutting prices in order to secure the appropriate level of earnings, and accordingly, this market is expected to remain steady while the number of units sold being sluggish. In the build-for-sale detached house market, housing starts for the whole of 2019 numbered 63,000 units, an increase of 2.1% year on year. Favorable demand continues for detached houses amid sentiment that they are reasonably priced relative to escalating condominium prices (according to surveys by a private research institute and the Ministry of Land, Infrastructure, Transport and Tourism).

The office leasing market of Tokyo's five business wards has been performing favorably. The average vacancy rate as of January 2020 was lowest ever at 1.53% (a decrease of 0.29 percentage points year on year). The average asking rent was ¥22,448 per tsubo (1 tsubo = 3.30 square meters) (an increase of ¥1,438 year on year), rising for the 73rd consecutive month. In 2020, the floor space of 300,000 tsubo is planned to be newly supplied, and there is a concern about the secondary vacancies at some existing buildings. However, the strength in the leasing market is expected to continue as companies continue to experience a high level of needs for relocation for expansion due to their expanded business operations as well as for relocation to a better location (according to a survey by a private research institute).

In the Tokyo metropolitan area's logistics facility leasing market, leasable stock in January 2020 amounted to 5.78 million tsubo (an increase of 14.9% year on year) given substantial supply in anticipation of growing demand. The vacancy rate has remained at the low level of 1.9% amid a situation of tight supply relative to demand (according to a survey by a private research institute).

In the real estate fund market, the market scale continues to expand. The securitization market scale expanded to ¥38.4 trillion, which consists of ¥19.2 trillion in J-REIT assets under management in January 2020 (an increase of ¥1.1 trillion year on year) and ¥19.2 trillion in assets under management in private placement funds (as of June 2019; an increase of ¥2.3 trillion year on year) (according to a survey by a private research institute).

In the Tokyo business hotel market, the average guest room occupancy rate in the whole of 2019 was 84.2%, and the monthly occupancy rates generally exceeded the 80% threshold from which market conditions are viewed as favorable. The total number of hotel guests in Tokyo encompassing all types of accommodation was roughly unchanged and amounted to 66.20 million overnight stays (an increase of 0.1% year on year). As for foreign tourists visiting Japan, the proportion of overseas guests was 37.4% (a 2.3 percentage point increase year on year) with the total number of hotel guests from overseas having increased by 6.6% year on year to 24.73 million overnight stays. However, demand for accommodation started to decline from the beginning of 2020 due to the outbreak of COVID-19, which was first reported in December 2019. As this decline is becoming evident since February, the prolonged spread of COVID-19 has been concerned (according to a survey by the Japan Tourism Agency).

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

As a result, consolidated revenue for the three months ended February 29, 2020 totaled ¥23,468 million (up 37.6% year on year), operating profit was ¥5,535 million (up 77.1%), profit before tax was ¥5,359 million (up 79.4%), and profit for the period was ¥3,587 million (down 76.2%).

Performance by business segment is shown below.

Revitalization Business

During the three months ended February 29, 2020, the segment sold 18 properties it had renovated, including Kagurazaka Plaza Building (Shinjuku-ku, Tokyo), Kannai Wise Building (Yokohama-shi, Kanagawa), T's garden Kita Kashiwa (Kashiwa-shi, Tokyo). In addition, the segment sold two units in the Restyling Business from Ecology Ochiai Residence (Shinjuku-ku, Tokyo) and others.

During the three months ended February 29, 2020, it also acquired a total of five income-generating office buildings and apartments and three land lots for renovation and sales purposes.

As a result, revenue in this segment was ¥18,760 million (up 183.2% year on year) and the segment profit was ¥5,003 million (up 251.3%).

Development Business

During the three months ended February 29, 2020, the segment focused on the sale of detached houses for which there was firm demand. The segment sold 12 detached houses at such properties as THE Palms Court Kokubunji Koigakubo (Kokubunji-shi, Tokyo) and THE Palms Court Funabashi Hoten (Funabashi-shi, Chiba). In addition, the segment sold one commercial facility.

During the three months ended February 29, 2020, it also acquired one land lot for apartment project, and land lots for 31 detached houses.

As a result, there were no condominiums that contributed to the business performance in the first quarter of the previous fiscal year, revenue in this segment was ¥1,046million (down 85.1% year on year) and the segment loss was ¥18 million (in comparison with segment profit of ¥1,045 million in the same period of the previous fiscal year).

Rental Business

During the three months ended February 29, 2020, while the segment sold 10 buildings of its inventory assets held for leasing purposes, it newly acquired four properties including income-generating office buildings and apartments. In addition, the segment made efforts to lease vacancies out following acquisitions and also focused on leasing activities for its holding non-current assets and inventory assets.

As a result, revenue in this segment was ¥1,298 million (down 11.7% year on year) and the segment profit was ¥464 million (down 23.5%).

Fund and Consulting Business

During the three months ended February 29, 2020, while ¥31,972 million was added due to new asset management contracts, ¥3,343 million was subtracted due mainly to property dispositions by funds, from to the balance of assets under management (Note) ¥846,478 million for the end of the previous fiscal year. The balance of assets under management as of February 29, 2020, was ¥875,107 million.

As a result, revenue in this segment was ¥936 million (up 55.2% year on year) and the segment profit was ¥586 million (up 97.2%).

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

Property Management Business

During the three months ended February 29, 2020, the segment made efforts to win new contracts and maintain existing contracts. Consequently, the total number of properties under management was 666 as of February 29, 2020, an increase of 40 from February 28, 2019, with the total comprising 422 office buildings, hotels, schools and other such properties, and 244 condominiums and apartments.

As a result, revenue in this segment was ¥1,212 million (up 14.0% year on year) and segment profit was ¥178 million (up 48.3%).

Hotel Business

During the three months ended February 29, 2020, the Group worked towards increasing the average daily rate and occupancy rate for Tosei Hotel COCONE Kanda and Tosei Hotel COCONE Ueno. On the other hand, expenses related to the opening of Tosei Hotel COCONE Asakusa Kuramae, Tosei Hotel COCONE Ueno Okachimachi, and Tosei Hotel & Seminar Makuhari, which are scheduled to open, have been incurred.

As a result, revenue in this segment was ¥213 million (down 15.4% year on year) and segment loss was ¥166 million (in comparison with segment profit of ¥48 million in the same period of the previous fiscal year).

2) Analysis and contents for discussion of Operating Results

Revenue and profit for the three months ended February 29, 2020 increased sharply, driven by sales of properties in the Revitalization Business, with consolidated revenue of ¥23,468 million (up 37.6% year on year), profit before tax of ¥5,359 million (up 79.4%), and profit for the period of ¥3,587 million (up 76.2%), which account for more than 40% of the full-year profit plan. In addition, sales in the Development Business were strong as the segment successfully concluded contracts for sale of all 243 units of THE Palms Sagami Park Brightia, a condominium scheduled to be completed in May 2020.

On the other hand, the spread of COVID-19 has been causing rapidly growing uncertainty. At the end of February 2020, no significant changes were seen in the appetite for real estate acquisition among investors and financing conditions in the real estate investment market, which is the Group's main target market. However, the Company recognizes that it needs to be more cautious of a possible decline in real estate liquidity and prices caused by a chain reaction of credit crunch. The Company will watch the investment market trends closely and make investment decisions carefully.

(2) Qualitative Information Regarding Consolidated Financial Positions

1) Analysis of Financial Positions

As of February 29, 2020, total assets were ¥160,297 million, a decrease of ¥1,596 million compared with November 30, 2019, while total liabilities were ¥100,687 million, a decrease of ¥2,900 million. Total assets were due to a decrease in inventories. Total liabilities were due to a decrease in borrowings and a decrease in Provisions.

Total equity increased by ¥1,303 million to ¥59,609 million, mainly due to an increase in retained earnings and payment of cash dividends.

2) Analysis of Cash Flows

Cash and cash equivalents (hereinafter "cash") as of February 29, 2020 totaled ¥32,364 million, up ¥365 million compared with November 30, 2019.

The cash flows for the three months ended February 29, 2020 and factors contributing to those amounts are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥6,668 million (in comparison with segment net cash used in operating activities of ¥6,395 million in the same period of the previous fiscal year). This is mainly due to a decrease in inventories of ¥2,805 million and income taxes paid of ¥1,855 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥240 million (up 19.2% year on year). This is primarily due to purchase of investment properties of ¥172 million and purchase of intangible assets of ¥53 million.

Cash Flows from Financing Activities

Net cash used in financing activities totaled ¥6,062 million (in comparison with segment net cash provided by financing activities of ¥3,980 million in the same period of the previous fiscal year). This mainly reflects ¥11,971 million in the repayments of non-current borrowings and ¥1,944 million in cash dividends paid, despite ¥7,387 million in proceeds from non-current borrowings.

(3) Qualitative Information Regarding Consolidated Earnings Forecasts

The business results during the three months ended February 29, 2020 basically remained stable as planned and there is no change on the full-year consolidated earnings forecasts, announced on January 9, 2020.

Since February 2020, hotel guest room occupancy rates have been plummeting as people voluntarily opt to stay home following the outbreak of COVID-19. The number of foreign visitors to Japan is predicted to plunge owing to worldwide travel restrictions and other actions, which will severely affect the revenue from the Hotel Business for the foreseeable future. However, the impact on the consolidated results for the fiscal year ending November 30, 2020 would be limited within a certain range because the Hotel Business revenue accounts for only about 2% of the overall revenue in the fiscal year plan. Despite concerns that the spread of COVID-19 would prompt a prolonged slowdown in the global economy that could lead to a recession and lower demand for real estate investment, the real estate market continued to hold firm at the end of February 2020 on the back of low interest rates. Consequently, the Company does not expect a change in the sales plan for the fiscal year ending November 30, 2020 at this time.

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

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

No item to report.

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

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

Changes in accounting policies

The Group applied the following standards effective from the first quarter of the fiscal year ending November 30, 2020.

Standard	Name of standard	Overview of new establishment and amendment
IFRS 16	Leases	Replacement of IAS 17 with IFRS 16 regarding lease accounting

The Group implemented IFRS 16 ‘Leases’ as of December 1, 2019. The Group applied this standard, which is recognized as a transitional measure, with the cumulative effect of initially applying this standard recognized at the date of initial application. In applying IFRS 16, the Group uses a practical expedient, in which an entity is not required to reassess whether a contract is or contains a lease at date of initial application, and the Group also uses practical expedients to the contracts that were previously identified as operating leases stipulated in the previous accounting standard.

For leases that the Group as lessee previously classified as operating leases applying IAS 17, right-of-use assets and lease liabilities were recognized at the date of initial application. Lease liabilities have been measured at the present value of outstanding lease payments discounted using the lessee’s incremental borrowing rate at the date of initial application. The weighted average of the lessee’s incremental borrowing rate is 1.06% to 1.10%. Right-of-use assets are initially measured at the initial measurement amount of the lease liability. The Group has elected the exemptions from recognition that allow a lessee not to apply the requirements of IFRS 16 to short-term leases (with a lease term of 12 months or less) and leases for low-value assets.

For leases that The Group as lessee previously classified as finance leases applying IAS 17, the book value of right-of-use assets and lease liabilities at the date of initial application were the book value of lease assets and lease liabilities, respectively, immediately before the date measured applying IAS 17.

Right-of-use asset is included in “Property, plant and equipment” and “Investment properties” in the condensed quarterly consolidated statement of financial position. The lease liability is included in “Borrowings” in the condensed quarterly consolidated statement of financial position.

The following is a reconciliation of non-cancellable operating lease contracts applying IAS 17 as of November 30, 2019 and lease liabilities recognized in the Condensed Consolidated Statement of Financial Position at the date of initial application.

	(¥ thousand)
Non-cancellable operating lease contracts	1,052,331
Finance lease liabilities	27,840
Cancellable operating lease contracts, etc.	154,467
Lease liabilities as of December 1, 2019	1,234,639

Right-of-use assets additionally recognized at the beginning of the current fiscal year were ¥1,206,799 thousand. There was no material impact on profit and loss of the first quarter of the current fiscal year from the changes.

3. Condensed Quarterly Consolidated Financial Statements and notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(¥ thousand)

	As of November 30, 2019	As of February 29, 2020
Assets		
Current assets		
Cash and cash equivalents	31,998,929	32,364,783
Trade and other receivables	3,747,782	3,392,029
Inventories	73,573,663	70,819,251
Other current assets	13,247	14,899
Total current assets	109,333,622	106,590,963
Non-current assets		
Property, plant and equipment	8,671,827	8,885,661
Investment properties	37,868,133	39,519,476
Intangible assets	87,760	147,471
Trade and other receivables	1,102,277	927,293
Other financial assets	4,252,691	3,827,087
Deferred tax assets	573,729	395,137
Other non-current assets	4,014	4,014
Total non-current assets	52,560,434	53,706,142
Total assets	161,894,056	160,297,105
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	6,448,300	7,346,732
Borrowings	16,291,247	14,590,849
Current income tax liabilities	1,658,894	1,296,921
Provisions	655,782	202,586
Total current liabilities	25,054,225	23,437,090
Non-current liabilities		
Trade and other payables	3,761,836	3,530,306
Borrowings	73,552,021	72,565,316
Retirement benefits obligations	521,213	513,968
Provisions	6,971	7,010
Deferred tax liabilities	691,288	633,535
Total non-current liabilities	78,533,331	77,250,137
Total Liabilities	103,587,557	100,687,227
Equity		
Share capital	6,579,844	6,600,204
Capital reserves	6,575,240	6,595,672
Retained earnings	45,839,423	47,428,608
Treasury shares	(1,000,037)	(1,000,037)
Other components of equity	312,028	(14,569)
Total equity attributable to owners of parent	58,306,499	59,609,878
Total equity	58,306,499	59,609,878
Total liabilities and equity	161,894,056	160,297,105

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(¥ thousand)

	Three months ended February 28, 2019	Three months ended February 29, 2020
Revenue	17,059,457	23,468,579
Cost of revenue	11,914,383	15,685,646
Gross profit	5,145,073	7,782,933
Selling, general and administrative expenses	2,055,136	2,251,710
Other income	39,533	6,225
Other expenses	4,144	2,286
Operating profit	3,125,326	5,535,162
Finance income	40,770	427
Finance costs	178,921	176,080
Profit before tax	2,987,175	5,359,510
Income tax expense	951,493	1,771,693
Profit for the period	2,035,682	3,587,817
Other comprehensive income Items that will not be reclassified to profit or loss		
Net change in financial assets measured at fair values through other comprehensive income	33,039	(296,617)
Subtotal	33,039	(296,617)
Other comprehensive income Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,713)	(4,707)
Net change in fair values of cash flow hedges	154	(25,273)
Subtotal	(1,558)	(29,980)
Other comprehensive income for the period, net of tax	31,480	(326,598)
Total comprehensive income for the period	2,067,162	3,261,219
Profit attributable to:		
Owners of the parent	2,035,682	3,587,817
Total comprehensive income attributable to:		
Owners of the parent	2,067,162	3,261,219
Earnings per share attributable to owners of the parent		
Basic earnings per share (¥)	41.97	75.37
Diluted earnings per share (¥)	41.94	74.95

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

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

(¥ thousand)

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

Three months ended February 29, 2020 (December 1, 2019 – February 29, 2020)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Total equity
Balance at December 1, 2019	6,579,844	6,575,240	45,839,423	(1,000,037)	312,028	58,306,499	58,306,499
Profit for the period			3,587,817			3,587,817	3,587,817
Other comprehensive income					(326,598)	(326,598)	(326,598)
Total comprehensive income for the period	—	—	3,587,817	—	(326,598)	3,261,219	3,261,219
Amount of transactions with owners							
Issuance of new shares	20,360	11,516				31,876	31,876
Dividends of surplus			(1,998,632)			(1,998,632)	(1,998,632)
Share-based payment		8,916				8,916	8,916
Balance at February 29, 2020	6,600,204	6,595,672	47,428,608	(1,000,037)	(14,569)	59,609,878	59,609,878

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(¥ thousand)

	Three months ended February 28, 2019	Three months ended February 29, 2020
Cash flows from operating activities		
Profit before tax	2,987,175	5,359,510
Depreciation expense	216,410	274,990
Increase (decrease) in provisions and retirement benefits obligations	(390,497)	(460,377)
Interest and dividend income	(40,770)	(427)
Interest expenses	178,921	176,080
Decrease (increase) in trade and other receivables	(702,625)	966,453
Decrease (increase) in inventories	(5,748,288)	2,805,261
Increase (decrease) in trade and other payables	(115,288)	(658,784)
Other, net	(400)	8,701
Subtotal	(3,615,362)	8,471,407
Interest and dividend income received	40,745	52,800
Income taxes paid	(2,820,729)	(1,855,572)
Net cash from (used in) operating activities	(6,395,347)	6,668,635
Cash flows from investing activities		
Purchase of property, plant and equipment	(24,651)	(19,281)
Purchase of investment properties	(4,840)	(172,636)
Purchase of intangible assets	(9,811)	(53,004)
Payments of loans receivable	(126,730)	—
Collection of loans receivable	19	5,694
Purchase of other financial assets	(48,529)	(1,000)
Other, net	13,070	—
Net cash from (used in) investing activities	(201,471)	(240,228)
Cash flows from financing activities		
Net increase (decrease) in current borrowings	(19,000)	720,000
Proceeds from non-current borrowings	17,236,745	7,387,800
Repayments of non-current borrowings	(11,390,358)	(11,971,420)
Repayments of lease obligations	(913)	(62,370)
Proceeds from issuance of new shares	—	31,768
Cash dividends paid	(1,409,822)	(1,944,227)
Purchase of treasury shares	(166,172)	—
Interest expenses paid	(269,490)	(223,659)
Net cash from (used in) financing activities	3,980,987	(6,062,109)
Net increase (decrease) in cash and cash equivalents	(2,615,831)	366,297
Cash and cash equivalents at beginning of period	26,520,569	31,998,929
Effect of exchange rate change on cash and cash equivalents	(184)	(443)
Cash and cash equivalents at end of period	23,904,554	32,364,783

(5) Notes on Going Concern Assumption

No item to report.

(6) Notes on Condensed Quarterly Consolidated Financial Statements

1. Segment Information

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

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

Three months ended February 28, 2019

(December 1, 2018 – February 28, 2019)

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

Three months ended February 29, 2020

(December 1, 2019 – February 29, 2020)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	18,760,384	1,046,475	1,298,853	936,123	1,212,915	213,827	—	23,468,579
Intersegment revenue	—	—	13,980	1,929	287,200	730	(303,841)	—
Total	18,760,384	1,046,475	1,312,833	938,052	1,500,116	214,557	(303,841)	23,468,579
Segment profit or loss	5,003,613	(18,525)	464,142	586,275	178,238	(166,562)	(512,019)	5,535,162
Finance income/costs, net								(175,652)
Profit before tax								5,359,510

2. Dividends

Dividends paid in the three months ended February 28, 2019 and February 29, 2020 are as follows:

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

Three months ended February 29, 2020				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on February 26, 2020	42	1,998,632	November 30, 2019	February 27, 2020

3. Earnings per Share

	Three months ended February 28, 2019	Three months ended February 29, 2020
Profit attributable to owners of the parent (¥ thousand)	2,035,682	3,587,817
Net income used to figure diluted net income per share (¥ thousand)	2,035,682	3,587,817
Weighted average number of outstanding ordinary shares (shares)	48,505,245	47,605,745
The number of increased ordinary shares used to figure diluted earnings per share (shares)	31,524	265,697
The weighted-average number of ordinary shares used to figure diluted earnings per share (shares)	48,536,769	47,871,442
Basic earnings per share (¥)	41.97	75.37
Diluted net income per share (¥)	41.94	74.95

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

(7) Notes on Significant Subsequent Events

Repurchase of the treasury shares

The Company resolved to repurchase its own shares pursuant to Article 156 of the Companies Act which is applicable in lieu of Article 165, Paragraph 3 of this act, at the board of directors' meeting held on April 6, 2020.

1. Reason for repurchase of the treasury shares

Stock will be repurchased to raise the level of shareholder returns and improve capital efficiency.

2. Details of repurchase

(1) Class of shares to be repurchased	Common share of Tosei Corporation
(2) Total number of shares to be repurchased	Up to 700,000 shares (1.5% of issued shares (excluding treasury shares))
(3) Total value of shares to be repurchased	Up to 0.5 billion yen
(4) Period for repurchase	From April 8, 2020 to October 31, 2020
(5) Method of repurchase	Discretionary investment by a securities company