Please note that this document is a translation of the official announcement that was released on October 5, 2012. The translation is prepared and provided for the purpose of the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version of the news release for complete and accurate information.

Summary of Consolidated Financial Statements for the First Nine Months of the Fiscal Year Ending November 30, 2012 (Japanese Accounting Standards)

October 5, 2012

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Scheduled date of filing of quarterly report: October 10, 2012
Start of distribution of dividends: -
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: No

1. Consolidated Operating Results for the First Nine Months of the Fiscal Year Ending November 30, 2012

(December 1, 2011 – August 31, 2012)

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

(1) Revenues and Income (cumulative)

(Percentages represent change compared with the previous fiscal year.)

	Revenues		Operating income		Ordinary income		Net income	
	(¥ million)	Change (%)	(¥ million)	Change (%)	(¥ million)	Change (%)	(¥ million)	Change (%)
Nine months ended Aug. 31, 2012	14,767	(9.3)	1,387	(21.4)	818	(27.5)	444	(33.0)
Nine months ended Aug. 31, 2011	16,277	(26.7)	1,765	(39.9)	1,128	(51.7)	662	(51.4)

(Note) Comprehensive income: The First Nine Months of the FY Ending November 30, 2012: ¥444 million (- 32.8%)
The First Nine Months of the FY Ended November 30, 2011: ¥661 million (－%)

	Earnings per share	Earnings per share (diluted)
	(¥)	(¥)
Nine months ended Aug. 31, 2012	972.57	－
Nine months ended Aug. 31, 2011	1,451.22	－

(1) Financial Position

	Total assets	Net assets	Equity ratio
	(¥ million)	(¥ million)	(%)
As of Aug. 31, 2012	62,284	25,192	40.4
As of Nov. 30, 2011	59,967	24,976	41.6

(Reference) Equity: As of Aug. 31, 2012: ¥25,192 million As of November 30, 2011: ¥24,976 million

2. Dividends

(Record Date)	Dividends per share (¥)				
	1Q-end	2Q-end	3Q-end	Year-end	Full year
	(¥)		(¥)		(¥)
Year ended Nov. 30, 2011	－	0.00	－	500.00	500.00
Year ending Nov. 30, 2012	－	0.00	－		
Year ending Nov. 30, 2012 (projected)				500.00	500.00

(Note) Corrections regarding the latest dividend forecast: No

3. Projected Results for the Fiscal Year Ending November 30, 2012 (December 1, 2011 - November 30, 2012)

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

	Revenues		Operating income		Ordinary income		Net income		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(¥ million)	(%)	(¥ million)	(¥)
Full year	25,046	1.2	3,035	27.1	2,241	42.4	1,384	84.1	3,029.86

(Note) Corrections regarding the latest consolidated forecast figures: Yes

4. Other

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

(2) Application of special accounting methods to quarterly financial statements : No

(3) Changes in accounting policies, accounting estimates, and retrospective restatements

(a) Changes in accounting policies associated with revision of accounting standards: Yes

(b) Changes in accounting policies other than (a) above: No

(c) Changes in accounting estimates: Yes

(d) Retrospective restatements: No

Note: These are subject to Article 10-5 of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements. For details, please refer to "2. Matters Concerning Other Information (3) Changes in accounting policy, accounting estimates, and retrospective restatements" on page 5 of the attached documents.

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

(a) Number of shares issued and outstanding at end of period (including treasury stock)	As of Aug. 31, 2012	456,840 shares	As of Nov. 30, 2011	456,840 shares
(b) Treasury stock at end of period	As of Aug. 31, 2012	—	As of Nov. 30, 2011	—
(c) Average number of issued shares during the period:	Nine months ended Aug. 31, 2012	456,840 shares	Nine months ended Aug. 31, 2011	456,840 shares

(* Information regarding the implementation of quarterly review procedures)

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, we have not completed the review process for these consolidated statements.

(* Proper use of the earnings forecasts and other notes)

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts due to a number of factors. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance (3) Qualitative Information Regarding the Consolidated Performance Forecasts" on page 5 of the attached documents for cautionary notes concerning assumptions for earnings forecasts and use of earnings forecasts.

○ Contents of attached documents

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results

During the nine months ended August 31, 2012 (December 1, 2011 to August 31, 2012), the Japanese economy showed a gradual recovery against the backdrop of the demand for post-disaster reconstruction, yet there still remain uncertainties attributed to the fallout from the European sovereign debt crisis such as the downturn in world economy, the turbulence in the financial and capital markets, and the Japan's deflation risks.

In the real estate industry where Tosei Group operates, the contracted rate of condos in the greater Tokyo area had been topping the bottom-or-bust threshold of 70% during the period from January 2010 to August 2012.

The expectation for active real estate transactions is now rising, after having seen the foreign investors resuming their investments in Japan and J-REITs' active acquisitions.

In the market for leased office building in the five business wards of Tokyo, the average vacancy rate edged up to 9.43% at the end of June 2012, up 0.62% from the same month last year. However, it declined to 9.17% at the end of August 2012 for the second consecutive month of declines, when there were closings of large-scale contracts. The average asking rent in the area also has a downward trend, and the data as at the end of August 2012 showed that it decreased by ¥403 from the same month of the previous year to ¥16,733/tsubo.

In the market for securitized real estate, the balance of assets under management of funds as of June 30, 2012 increased by ¥0.9 trillion compared with December 31, 2011 to ¥27.0 trillion overall, including an increase of ¥0.4 trillion to ¥8.7 trillion in J-REITs and a rise of ¥0.5 trillion to ¥18.3 trillion in private placement funds. The primary factors were the favorable financing environment where banks have been stepping up their lending and a situation in which the origination of funds became easier because of a recovery in the trading of real estate for investment.

In this operating environment, Tosei Group has promoted sale of "Restyling" properties in its Revitalization business and the condominiums and detached houses in its Development business whose deliveries are planned in the next quarter. We have also made strategic moves to further expand our business by fully resuming acquisitions of office buildings and by accelerating purchase of highly marketable properties such as residential land lots and rental-income generating condominiums.

As a result, for the first nine months ended August 31, 2012, consolidated revenues totaled ¥14,767 million, (a decrease of 9.3% compared with the same period of the previous fiscal year), operating income was ¥1,387 million (a decrease of 21.4%), ordinary income was ¥818 million (a decrease of 27.5%), and net income was ¥444 million (a decrease of 33.0%).

Segment results were as follows.

Revitalization Business

During the nine months ended August 31, 2012, the Company sold a total of 80 units under its Restyling business, including Hilltop Yokohama Negishi (Yokohama City, Kanagawa Prefecture), Hilltop Yokohama Higashi Terao (Yokohama City, Kanagawa Prefecture), and Estage Kaminoge (Setagaya Ward, Tokyo). In addition, the Company sold 4 buildings it had revitalized such as Uchikanda Kitahara Building (Chiyoda Ward, Tokyo).

As a result, segment revenues became ¥4,529 million, a decrease of 49.9% compared with the same period last year, and the segment operating income was ¥412 million, a decrease of 70.4%.

Development Business

During the nine months ended August 31, 2012, the Development business sold Nihonbashi Hongokucho Tosei Building (Chuo Ward, Tokyo), the land in Hiro 5-Chome (Shibuya Ward, Tokyo), 48 newly-built condominiums including THE Palms Takadanobaba (Shinjuku Ward, Tokyo), THE Palms Mitaka Leggero and THE Palms Mitaka Vivace (Mitaka City, Tokyo), as well as 3 detached houses in Palms Court Yokohama Negishi (Yokohama City, Kanagawa Prefecture).

As a result, segment revenues came to ¥ 4,619 million, an increase of 178.5% compared with the same period last year, and the segment operating income came to ¥645million. (The segment operating loss of

the same period last year was ¥ 362 million.)

Rental Business

During the nine months ended August 31, 2012, the Company worked to sustain a certain level of occupancy rate amid the challenging market condition of rental office buildings where vacancy rates are rising due to companies' downsizing and transfers of their offices under the current prolonged recession.

As a result, segment revenues were ¥1,770 million, a decrease of 3.2% compared with the same period last year, and the segment operating income was ¥856million, a decrease of 7.0%.

Fund Business

During the first nine months, asset management fees declined compared with the end of the same period of the previous fiscal year in association with the lower fee rate, although the balance of assets under management increased.

As a result, the segment revenues were ¥607 million, a decrease of 48.5% compared with the same period last year, and the segment operating income was ¥159 million, a decrease of 73.6%. The primary factor for the substantial year-on-year decrease is that the brokerage fees concerning the sale of large-scale properties had been recorded in the same period last year.

As of August 31, 2012, the balance of assets under management* totaled ¥284,002 million.

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

Property Management Business

During the nine months ended August 31, 2012, regarding the sector for office buildings, parking lots and schools, the number of properties managed by the Company as at July 31, 2012 decreased by 2 to 308 properties, while the number of condominiums and rental apartments, increased by 38 to 232 properties, which brought up the overall total to 540, an increase of 36 compared with the same period last year.

As a result, the segment revenues were ¥2,552 million, an increase of 4.5% compared with the same period last year, and the segment operating income was ¥119 million, an increase of 58.0%.

Alternative Investment Business

During the nine months ended August 31, 2012, 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 like-kind exchanges. As a result, the segment earned interest income and revenues from sale of properties and loan receivables, as well as rental income from properties acquired through like-kind exchanges.

Consequently, segment revenues came to ¥688 million, an increase of 412.3% compared with the same period last year, and the segment operating income was ¥47 million, an increase of 900.4%.

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets as of August 31, 2012 were ¥62,284 million, an increase of ¥2,316 million from the end of the previous fiscal year. The primary factor is an increase in inventory attributed to the Company's accelerated purchase of residential land lots under its Development business.

Total liabilities also increased by ¥2,100 million to ¥37,091 million, contributed by an increase in borrowings that were made to conduct property acquisitions.

Net assets increased by ¥216 million to ¥25,192 million, primarily in response to an increase in retained earnings.

(3) Qualitative Information Regarding the Consolidated Performance Forecasts

The Company has revised its full-year consolidated results forecasts for the fiscal year ending November 30, 2012 (December 1, 2011 to November 30, 2012), which was announced on January 10, 2012. Details are as follows:

The forecast for full-year consolidated net sales was revised downward by ¥4,017 million, to ¥25,046 million. This principally reflects the fact that sales of certain Restyling properties are behind schedule in the Revitalization business and the expectation made in the sales forecast for the fourth quarter that sales of certain properties for entire-building sales will be postponed to the next fiscal year.

On the profit front, however, forecasts for full-year consolidated ordinary income and net income have been revised upwards by ¥14 million, to ¥2,241 million, and by ¥105 million, to ¥1,384 million, respectively. The major factor is that profit margins are likely to be higher than planned for properties recorded up to the third quarter and those to be recorded in the fourth quarter, although this will be offset somewhat by lower profits associated with the reduced sales mentioned above is expected.

The business result during the nine months ended August 31, 2012 basically remained stable as planned. There has not been any revision on the performance forecasts for the full-year ending November 30, 2012, announced on January 10, 2012.

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

2. Matters Concerning Other Information

(1) Changes in Major Subsidiaries During the Period:

No

(2) Application of Special Accounting Methods to Quarterly Financial Statements:

No

(3) Changes in Accounting Policy, Accounting Estimates, and Retrospective Restatements:

(Changes in Accounting Policy Difficult to be differentiated from Changes in Accounting Estimates)

In response to the revision of the Corporation Tax Act, the Company and its subsidiaries adopted the depreciation method, which is based on the revised Act, to be applied to the assets acquired on and after April 1, 2012. The change has been put into effect as from the current quarter of the fiscal year ending November 30, 2012.

The impact on the profits and losses of the first nine months of the current fiscal year is minor.

(4) Additional Information:

(Application of Accounting Standard for Accounting Changes and Error Corrections)

The Company adopted “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No.24, December 4, 2009) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No.24, December 4, 2009) as from the beginning of the first three months of the fiscal year.

(Effects of Changes in Corporation Tax Rates)

Following the promulgation on December 2, 2011 of the "Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011), corporation tax rate used to measure differed tax assets and liabilities for the period from December 1, 2012 to November 30, 2015 will be 38.01%. The rate to be applied for the consolidated fiscal years beginning on or after December 1, 2015 will be 35.64%.

As a result, the differed tax asset in current assets decreased by ¥14,792 thousand, the differed tax asset in fixed assets decreased by ¥66,194 thousand, the valuation difference on available-for-sale securities increased by ¥145 thousand and the income taxes-deferred increased by ¥80,840 thousand.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

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

	As of Aug. 31, 2012	As of Nov. 30, 2011
ASSETS		
Current assets		
Cash and deposits	6,486,439	8,326,305
Notes and accounts receivable	350,165	399,856
Marketable securities	10,000	10,000
Real estate for sale	27,791,649	27,360,973
Real estate for sale in progress	8,902,563	6,374,335
Purchased receivables	6,277	81,361
Other	2,377,789	1,361,100
Allowance for doubtful accounts	(7,750)	(5,697)
Total current assets	45,917,134	43,908,234
Fixed assets		
Tangible fixed assets		
Buildings and structures	5,653,569	5,337,567
Accumulated depreciation	(1,149,656)	(947,482)
Buildings and structures (net)	4,503,913	4,390,084
Land	10,026,571	10,175,285
Other	141,122	127,756
Accumulated depreciation	(97,632)	(93,573)
Other (net)	43,489	34,183
Total tangible fixed assets	14,573,973	14,599,553
Intangible fixed assets		
Other	395,532	67,705
Total intangible fixed assets	395,532	67,705
Investments and other assets	1,397,812	1,392,110
Total fixed assets	16,367,319	16,059,369
Total assets	62,284,453	59,967,603
LIABILITIES		
Current liabilities		
Notes and accounts payable	925,249	806,396
Short-term debt	577,000	—
Long-term debt due within one year	6,036,971	6,170,937
Income taxes payable	69,943	79,271

	As of Aug. 31, 2012	As of Nov. 30, 2011
Accrued bonuses to employees	75,729	150,520
Other	1,411,195	1,584,090
Total current liabilities	9,096,088	8,791,215
Long-term liabilities		
Long-term debt	25,414,673	23,904,245
Accrued severance costs	143,373	133,154
Accrued retirement benefits to officers	322,790	312,586
Other	2,114,919	1,850,349
Total long-term liabilities	27,995,756	26,200,336
Total liabilities	37,091,845	34,991,552
NET ASSETS		
Shareholders' equity		
Common stock	5,454,673	5,454,673
Additional paid-in capital	5,538,149	5,538,149
Retained earnings	14,201,485	13,985,597
Total shareholders' equity	25,194,308	24,978,420
Accumulated amount of other comprehensive income		
Unrealized gain (loss) on securities	(1,751)	(2,369)
Foreign currency translation adjustment	52	—
Accumulated total of other comprehensive income	(1,699)	(2,369)
Total net assets	25,192,608	24,976,051
Total liabilities and net assets	62,284,453	59,967,603

(2) Quarterly Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Operations

(For the Nine Months Period)

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

	Nine months ended Aug. 31, 2012 (Dec. 1, 2011-Aug. 31, 2012)	Nine months ended Aug. 31, 2011 (Dec. 1, 2010-Aug. 31, 2011)
Revenues	14,767,812	16,277,113
Cost of revenues	11,117,027	12,264,941
Gross profit	3,650,784	4,012,171
Selling, general and administrative expenses	2,263,023	2,246,295
Operating income	1,387,760	1,765,875
Non-operating income		
Interest income	1,514	2,600
Dividend income	2,217	2,217
Amortization of negative goodwill	—	1,118
Other	13,126	20,402
Total non-operating income	16,858	26,338
Non-operating expenses		
Interest expense	582,464	662,497
Other	4,100	1,107
Total non-operating expense	586,565	663,605
Ordinary income	818,053	1,128,609
Extraordinary loss		
Loss on sales of fixed assets	18,874	—
Loss on retirement of fixed assets	2,377	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	19,932
Total extraordinary losses	21,252	19,932
Income before income taxes	796,801	1,108,676
Current income taxes	94,828	41,448
Deferred income taxes	257,665	404,252
Total income taxes	352,493	445,701
Income before minority interests	444,307	662,974
Net income	444,307	662,974

Quarterly Consolidated Statements of Comprehensive Income

(For the Nine Months Period)

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

	Nine months ended Aug. 31, 2012 (Dec. 1, 2011-Aug. 31, 2012)	Nine months ended Aug. 31, 2011 (Dec. 1, 2010-Aug. 31, 2011)
Income before minority interests	444,307	662,974
Other comprehensive income		
Valuation difference on available-for-sale securities	617	(1,188)
Foreign currency translation adjustment	52	—
Total of other comprehensive income	669	(1,188)
Comprehensive income	444,977	661,786

(3) Notes on Going-Concern Assumption

None

(4) Segment Information

(Business Segment Information)

I Nine months ended Aug. 31, 2012 (December 1, 2011 to August 31, 2012)

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

	Reportable segments							Adjustment (Note 1)	Income According to Quarterly Consolidated Statements of Operations (Note 2)
	Revitalization Business	Development Business	Rental Business	Fund Business	Property Management Business	Alternative Investment Business	Total		
Revenues									
Outside Customers	4,529,756	4,619,149	1,770,558	607,378	2,552,015	688,954	14,767,812	—	14,767,812
Intersegment and Transfers	—	274,003	39,283	20,889	238,365	2,269	574,813	(574,813)	—
Total	4,529,756	4,893,153	1,809,842	628,268	2,790,380	691,224	15,342,625	(574,813)	14,767,812
Segment Operating Income	412,107	645,829	856,033	159,526	119,998	47,596	2,241,090	(853,330)	1,387,760

Note 1. The downward adjustment of segment operating income (loss) by -¥853,330 thousand includes the elimination of intersegment transactions of -¥24,452 thousand and general expenses that cannot be allocated to any particular reportable segment of -¥828,877 thousand. General expenses mainly consist of SG&A expenses of the parent company that are not attributable to any particular reportable segment.

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

II Nine months ended Aug. 31, 2011 (December 1, 2010 to August 31, 2011)

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

	Reportable segments							Adjustment (Note 1)	Income According to Quarterly Consolidated Statements of Operations (Note 2)
	Revitalization Business	Development Business	Rental Business	Fund Business	Property Management Business	Alternative Investment Business	Total		
Revenues									
Outside Customers	9,033,574	1,658,736	1,828,209	1,179,939	2,442,172	134,481	16,277,113	—	16,277,113
Intersegment and Transfers	—	—	36,016	15,092	386,486	—	437,594	(437,594)	—
Total	9,033,574	1,658,736	1,864,225	1,195,031	2,828,658	134,481	16,714,708	(437,594)	16,277,113
Segment Operating Income (loss)	1,391,648	(362,235)	919,990	603,208	75,942	4,757	2,633,312	(867,436)	1,765,875

Note 1. The downward adjustment of segment operating income (loss) by -¥867,436 thousand includes the elimination of intersegment transactions of -¥20,796 thousand and general expenses that cannot be allocated to any particular reportable segment of -¥846,640 thousand. General expenses mainly consist of SG&A expenses of the parent company that are not attributable to any particular reportable segment.

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

(5) Significant Changes in Shareholders' Equity

None

(6) Events Subsequent To Balance Sheet Date

The Board of Representatives of Japan Housing Construction Industry Association at a meeting held on September 24, 2012 approved the withdrawal of the Company's consolidated subsidiary Tosei Community Co., Ltd., from the said association. As a result, the withdrawal contribution of ¥76,442 thousand will be recorded under the extraordinary loss in the Group's consolidated financial statements for the year ending November 30, 2012.