

English translation based on Japanese original

Quarterly report

(First Quarter of 27th term)

From April 1, 2011 to June 30, 2011

NTT Urban Development Corporation

4-14-1, Sotokanda, Chiyoda-ku, Tokyo

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Document submitted	Quarterly report
Applicable law clause	Article 24-4-7, Paragraph 1 of Financial Instruments and Exchange Act
Destination	Director General of the Kanto Finance Bureau
Date of submission	August 5, 2011
Quarterly accounting period	First quarter of 27th term (from April 1, 2011 to June 30, 2011)
Corporate name	NTT Toshi Kaihatsu Kabushiki Kaisha
Corporate name in English	NTT URBAN DEVELOPMENT CORPORATION
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Contact person	Satoshi Shinoda, Senior Director, Senior Executive Manager, Accounting and Finance Department
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

Chapter1 Corporate Information

Section 1 Overview of the company's situation

1. Changes in major financial data

Term	26th term Cumulative period for consolidated first quarter	27th term Cumulative period for consolidated first quarter	26th term
Account period	(From April 1, 2010 to June 30, 2010)	(From April 1, 2011 to June 30, 2011)	(From April 1, 2010 to March 31, 2011)
Operating revenue (million yen)	31,927	28,177	145,693
Ordinary income (million yen)	5,745	4,799	18,554
Net income (million yen)	2,761	2,716	9,307
Comprehensive income (million yen)	2,888	2,911	10,658
Net assets (million yen)	186,299	191,399	190,783
Total assets (million yen)	901,759	918,615	910,492
Net income per share (yen)	839.01	825.48	2,827.98
Net income per share (fully diluted) (yen)	—	—	—
Ratio of shareholders' equity to assets (%)	16.7	17.0	17.1

- (Notes)
1. Since the Company has prepared quarterly financial statements, changes in major financial data of the submitting company are omitted.
 2. Operating revenue does not include consumption tax.
 3. Since there was no potential dilution, net income per share (fully diluted) for the quarter is omitted.
 4. For the calculation of comprehensive income for the first quarter of the 26th term (cumulative period), the Company retroactively applied the Accounting Standard for Presentation of Comprehensive Income (Accounting Standards Board of Japan (ASBJ) Statement No.25 issued on June 30, 2010).

2. Businesses

In the cumulative period for consolidated first quarter under review, there were no significant changes in the major operations managed by the NTT Urban Development Group (the Company and its affiliates). In addition, there were no changes in major affiliates.

Section 2 Business situation

1. Operating risks

In the cumulative period for consolidated first quarter under review, no new operating risks emerged.

In addition, there were no significant changes in the operating risks described in the annual securities report for the previous fiscal year.

2. Significant management contracts

There was no significant management contracts determined or concluded in the first quarter under review.

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

The forward-looking statements in the following text are based on the judgments of the Group as of the date of the submission of the quarterly report.

(1) Financial results

The Japanese economy continued to face challenging circumstances in the first quarter under review (cumulative period), evidenced by the slowing growth in corporate earnings and the pausing of the recovery in employment, although production and exports did begin to improve after their contraction in the immediate wake of the Great East Japan Earthquake and consumer spending was bottom out. Looking ahead, although the economy is expected to rebound, mainly backed by a restoration of production activities as supply chains are rebuilt, the economy faces downside risks such as constraints on electric power supply and high crude oil prices.

In the office leasing market, the average vacancy rate for office buildings in the five wards of central Tokyo remained just below 9%, and market rents continued to be weak. The condominium sales market experienced a temporary dip in sales because of the effects of the earthquake, but buying motivation of consumers showed recovery trend, supported by tax benefits and low interest rates.

In this environment, NTT Urban Development Corporation (the Company) acquired “1 King William Street”, its second office building in London, U.K. through its U.K. subsidiary UD Europe Limited.

As a result, the Company posted a decrease in sales in the leasing business and the residential property sales business during the first quarter under review (cumulative period). Overall, operating revenue amounted to ¥28,177 million (down ¥3,750 million, or 11.7% year on year), operating income was ¥6,162 million (down ¥819 million, or 11.7%), ordinary income was ¥4,799 million (down ¥945 million, or 16.5%), and net income was ¥2,716 million (down 44 million, or 1.6%).

Operating revenue by business segment in the first quarter under review (cumulative period) is as follows. Operating revenue in each segment in the text include inter-segment internal revenues and transfers.

(i) Leasing Business

In the leasing business, operating revenue decreased and operating income increased from the year-ago period, due primarily to income including rent income from new properties such as Urbannet Shijo-Karasuma Building (Kyoto-shi, Kyoto) and other recently completed properties and a fall in rent income from pre-existing properties.

Given that the average vacancy rate in the market for office buildings remained elevated, albeit trending downward, the average vacancy rate for office buildings owned by the Group in the five wards of central Tokyo rose slightly, from 3.6% at the end of March 2011 to 3.7% at the end of June 2011. The average vacancy rate nationwide increased from 5.7% at the end of March 2011 to 6.0% at the end of June 2011.

In the new building development business, projects in progress include Urbannet Tenjin Building (Fukuoka-shi, Fukuoka), Umekita (Osaka Station North District) Phase 1 Development Area Project (Osaka-shi, Osaka), Otemachi 1-Chome No. 2 Urban Area Redevelopment Project Type 1 (Chiyoda-ku, Tokyo), Urbannet Kanda Building (Chiyoda-ku, Tokyo), and Upper-Level Section Redevelopment Project associated with the reconstruction of the Shibaura Water Reclamation Center (Minato-ku, Tokyo). Urbannet Uchihonmachi Building (Osaka-shi, Osaka) was completed during the first quarter under review (cumulative period).

As a result of these activities, in the first quarter under review (cumulative period), operating revenue of ¥22,623 million (down ¥393 million, or 1.7%), operating expenses of ¥15,180 million (down ¥424 million, or 2.7%), and operating income of ¥7,443 million (up ¥31 million, or 0.4%) were recorded in the leasing business. The operating margin increased to 32.9%, up from 32.2% for the year-ago period.

(ii) Residential Property Sales Business

With respect to the residential property sales business, a total of 30 condominiums completed in previous fiscal years were delivered in the first quarter under review (cumulative period). In the first quarter under review (cumulative period), the Company began selling The Midland Avenue (Koto-ku, Tokyo). In terms of detached houses, Wellith Court Honfujisawa (Fujisawa-shi, Kanagawa) was sold, and with respect to building lot sales, Common Stage Korigaoka (Hirakata-shi, Osaka) and other lots were delivered.

In the residential property sales business, operating revenue and operating income declined from the year-ago period, mainly because of a decline in the number of condominiums delivered.

As a result, the Company posted operating revenue of ¥2,758 million (down ¥4,383 million, or 61.4% year on year), operating expenses of ¥2,660 million (down ¥3,498 million, or 56.8%), and operating income of ¥97 million (down ¥885 million, or 90.1%).

(iii) Other

Operating revenue in other business in the first quarter under review (cumulative period) were ¥3,986 million (up ¥895 million, or 29.0% year on year), and operating income was ¥398 million (up 216 million, or 118.4%), primarily reflecting the posting of sales from Otemachi 1-Chome No. 2 Urban Area Redevelopment Project Type 1, to which the percentage of completion method is applied.

(2) Operational and financial challenges to meet

In the cumulative period for consolidated first quarter under review, there were no significant changes in challenges facing the Company.

(3) Research and development

Not applicable.

(4) Operating revenue

The table below shows operating revenue by business segment in the first quarter under review (cumulative period). Operating revenue in each segment in the text include inter-segment internal revenues and transfers. (Million yen)

Business segment	Cumulative period for consolidated first quarter (From April 1, 2011 to June 30, 2011)	Year on year (%)
Leasing Business	22,623	98.3
Residential Property Sales Business	2,758	38.6
Total operating revenue in reported segments	25,381	84.2
Other	3,986	129.0
Eliminations	(1,191)	—
Total	28,177	88.3

(Notes) 1. The numbers do not include consumption tax. Operating revenue of each segment include inter-segment internal revenues and transfers.

2. "Eliminations" refers to internal revenues and transfers duplicated in more than one segment.

The following shows breakdowns of operating revenue in the leasing business and residential property sales business, major businesses of the Group:

Leasing Business

The table below shows operating revenue etc. by use of property in the leasing business. All figures are consolidated results.

Classification		Cumulative period for previous consolidated first quarter (From April 1, 2010 to June 30, 2010)	Cumulative period for consolidated first quarter under review (From April 1, 2011 to June 30, 2011)
Office/Retail	Sales (million yen)	21,567	21,119
	Rentable area	1,140,147 m ² (Of the above, sub-leases: 16,326 m ²)	1,161,340 m ² (Of the above, sub-leases: 16,326 m ²)
Residential/Other	Sales (million yen)	1,449	1,504
Total operating revenue (million yen)		23,016	22,623

(Notes) 1. "Rentable areas" figures are as of June 30.

2. The rentable area of sub-leases does not include the area of sub-leases that have been agreed upon between the Company and its consolidated subsidiaries.

The table below shows the vacancy rate by area.

Classification	June 2010	September 2010	December 2010	March 2011	June 2011
Central Tokyo (Tokyo 5 wards)	4.9%	4.1%	3.7%	3.6%	3.7%
Nationwide	6.2%	6.0%	6.4%	5.7%	6.0%

(Note) 1. The numbers above are vacancy rates as of the end of each month.

2. Tokyo 5 wards are Chiyoda-ku, Chuo-ku, Minato-ku, Shibuya-ku, and Shinjuku-ku.

Residential Property Sales Business

The table below shows operating revenue in the residential property sales business by operation type and area.

Classification		Cumulative period for previous consolidated first quarter (From April 1, 2010 to June 30, 2010)		Cumulative period for consolidated first quarter under review (From April 1, 2011 to June 30, 2011)	
		Units/Lots	Sales (million yen)	Units/Lots	Sales (million yen)
Condominiums					
Units delivered	Tokyo region	40	1,684	20	1,013
	Other regions	27	966	10	404
Completed in inventory		198	—	96	—
Building Lots					
Lots delivered	Tokyo region	3	1,222	6	281
	Other regions	111	1,657	10	1,059
Completed in inventory		48	—	27	—
Residential (Condominiums/Building lots)					
Units/Lots delivered	Tokyo region	43	2,906	26	1,294
	Other regions	138	2,623	20	1,463
Completed in inventory		246	—	123	—
Other					
Units/Lots delivered	Tokyo region	—	—	—	—
	Other regions	1	1,612	—	—
Completed in inventory		—	—	—	—
Grand total (Sales)		—	7,142	—	2,758

(Notes) 1. For joint projects, the number of units, corresponding to the Company's share in the project, is rounded down to the nearest unit.

2. "Completed in inventories" figures are as of the end of June of each fiscal year. The condominiums completed in inventories for the previous first three months and the first three months under review (cumulative period) include 40 units and 54 units, respectively, for which a contract has been completed but ownership has not yet been transferred. The building lots completed in inventories for the previous first three months and the first three months under review (cumulative period) include 12 lots and 3 lots, respectively, for which a contract has been completed but ownership has not yet been transferred.
3. Of the building lots delivered in the previous first three months, 104 lots (collectively worth ¥2,580 million) were delivered through sales of lands. Of the building lots delivered in the first three months under review, 3 lots (collectively worth ¥773 million) were delivered through sales of lands.
4. "Other" in the previous first three months (cumulative period) includes the sale of a condominium (apartment building).
5. The Tokyo region includes Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma and Tochigi prefectures.

(5) Factors affecting financial results and situation of and outlook for management strategy

In the leasing business, operating revenue decreased and operating income increased year on year in the first quarter under review (cumulative period), due primarily to income including rent income from new properties and a fall in rent income from pre-existing properties. The vacancy rate remains high, and pressure to cut rents continues, although some tenants started to show a willingness to move or expand their leased spaces, with rents falling. In addition, given the uncertain outlook for the Japanese economy following the Great East Japan Earthquake, the leasing market is likely to continue to face severe conditions. Nonetheless, we will strive to secure sales through measures such as maintaining and improving the occupancy rate by strengthening our sales force, improving relations with tenants, and undertaking strategic renewals.

In the residential property sales business, operating revenue and operating income fell year on year in the first quarter under review (cumulative period), mainly because of a decline in the number of condominiums delivered. Although consumer confidence fell in the wake of the Great East Japan Earthquake and has yet to recover fully in the condominium sales market, we believe that demand for condominiums for purchase and replacement is firm, underpinned by tax benefits and low interest rates. The Company will seek to create stable income through the acquisition of carefully selected sites for condominiums and other properties, and through the provision of high-quality housing in which high asset values can be maintained indefinitely.

(6) Analysis of financial resources for capital and liquidity of funds

The Company raised funds through borrowings from financial institutions in the first quarter under review (cumulative period) in response to capital needs, including the repayment of borrowings, operating funds, and investments.

(7) Basic policy on the control of the Stock Company

Since the parent company holds more than 50% of the voting rights, the Company has not established any basic policy relating to the Stock Company and has not introduced any takeover defense.

Section 3 Situation of submitting company

1. Shares of the company

(1) Total number of shares and other information

(i) Total number of shares

Type	Total number of shares authorized to be issued by the company
Common stocks	10,500,000
Total	10,500,000

(ii) Shares issued

Type	Number of shares issued at end of first quarter (June 30, 2011)	Number of shares issued on the date of submission (August 5, 2011)	Stock exchange or registered financial instruments dealers association	Remarks
Common stocks	3,291,200	3,291,200	The First Section of the Tokyo Stock Exchange	The Company does not employ a share unit system.
Total	3,291,200	3,291,200	—	—

(Note) The number of issued and outstanding shares includes 306,300 shares of an investment in kind (with buildings, etc. of ¥927 million and land (89,492 m²) of ¥2,144 million yen).

(2) Stock acquisition rights

Not applicable.

(3) Exercise of bonds with subscription rights to shares with amendments to exercise prices

Not applicable.

(4) Features of rights plan

Not applicable.

(5) Changes in number of shares outstanding and capital

Date	Change in number of shares outstanding (shares)	Number of shares outstanding (shares) at end of period	Change in capital (million yen)	Capital at end of period (million yen)	Change in capital reserves (million yen)	Capital reserves at end of period (million yen)
From April 1, 2011 to June 30, 2011	—	3,291,200	—	48,760	—	34,109

(6) Major shareholders

There are no items to state as the quarter under review is the first quarter.

(7) Voting rights

Since the Company cannot confirm the contents of the shareholder register as of the end of the first quarter under review, it cannot describe voting rights as of that date. The Company describes voting rights based on the shareholder register as of the latest base date (March 31, 2011) instead.

(i) Shares issued

As of June 30, 2011

Classification	Number of shares	Number of voting rights	Remarks
Nonvoting shares	—	—	—
Shares with limited voting rights (treasury stock)	—	—	—
Shares with limited voting rights (other shares)	—	—	—
Shares with complete voting rights (treasury stock)	—	—	—
Shares with complete voting rights (other shares)	Common stocks 3,291,200	3,291,200	—
Fractional shares	—	—	—
Total number of shares issued	3,291,200	—	—
Number of voting rights of all shareholders	—	3,291,200	—

(Note) Shares with complete voting rights (other shares) include 8 shares under the name of the Japan Securities Depository Center. The number of voting rights includes 8 shares with complete voting rights under the name of the Japan Securities Depository Center.

(ii) Treasury stock

As of June 30, 2011

Owner	Address of owner	Number of shares held under the owner's own name (shares)	Number of shares held under the name of any other person (shares)	Total number of shares held (shares)	Ratio of holdings to the number of shares issued (%)
—	—	—	—	—	—
Total	—	—	—	—	—

2. Officers

Not applicable.

Section 4 Financial status

1. Methods of preparing quarterly consolidated financial statements

The quarterly consolidated financial statements of the Company are prepared under the Regulations Concerning the Terminology, Forms, and Preparation Methods of the Quarterly Consolidated Financial Statements (Cabinet Ordinance No. 64 of 2007).

2. Audit certification

Under the provision of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the quarterly consolidated financial statements of the Company for the first quarter under review (from April 1, 2011 to June 30, 2011) and for the first cumulative quarter under review (from April 1, 2011 to June 30, 2011) have received a quarterly review by KPMG AZSA LLC.

1. Quarterly financial statements

(1) Quarterly consolidated balance sheets

(Million yen)

	Previous consolidated fiscal year (March 31, 2011)	Consolidated first quarter (June 30, 2011)
Assets		
Current assets		
Cash and deposits	10,270	9,737
Notes and operating accounts receivable	6,458	4,323
Real estate for sale	7,630	16,763
Real estate for sale in process	72,648	82,250
Costs on uncompleted construction contracts	269	295
Raw materials and supplies	63	50
Leased investment assets	2,394	2,388
Deposits paid	8,417	1,047
Deferred tax assets	1,723	1,512
Other	3,887	5,140
Allowance for doubtful accounts	(2)	(2)
Total current assets	113,762	123,507
Non-current assets		
Property, plant and equipment		
Buildings and structures	683,708	686,726
Accumulated depreciation	(354,323)	(358,901)
Buildings and structures (net)	329,385	327,824
Machinery, equipment and vehicles	13,500	13,554
Accumulated depreciation	(11,368)	(11,483)
Machinery, equipment and vehicles (net)	2,132	2,071
Land	400,206	400,209
Lease assets	651	623
Accumulated depreciation	(448)	(429)
Lease assets (net)	203	193
Construction in progress	9,718	10,032
Other property, plant and equipment	14,823	14,961
Accumulated depreciation	(11,205)	(11,469)
Other property, plant and equipment (net)	3,618	3,492
Total property, plant and equipment	745,265	743,824
Intangible assets	4,969	5,081
Investments and other assets		
Investment securities	21,150	21,054
Long-term prepaid expenses	17,982	17,901
Deferred tax assets	373	376
Other	6,990	6,870
Allowance for doubtful accounts	(0)	—
Total investments and other assets	46,495	46,202
Total non-current assets	796,729	795,108
Total assets	910,492	918,615

(Million yen)

	Previous consolidated fiscal year (March 31, 2011)	Consolidated first quarter (June 30, 2011)
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	8,083	4,979
Short-term loans payable	—	2,475
Lease obligations	101	93
Current portion of long-term loans payable	67,360	50,361
Current portion of bonds	1,611	1,611
Income taxes payable	5,662	1,551
Provision for loss on disaster	574	509
Other	21,428	21,703
Total current liabilities	104,822	83,286
Non-current liabilities		
Bonds payable	123,704	123,303
Long-term loans payable	295,102	325,441
Lease obligations	196	184
Lease and guarantee deposits received	88,081	87,710
Negative goodwill	30,186	29,740
Deferred tax liabilities	68,644	68,571
Provision for retirement benefits	5,889	5,927
Provision for directors' retirement benefits	121	94
Provision for loss on warranty	60	60
Asset retirement obligations	2,737	2,753
Other	159	142
Total non-current liabilities	614,886	643,929
Total liabilities	719,709	727,216
Net assets		
Shareholders' equity		
Capital stock	48,760	48,760
Capital surplus	34,109	34,109
Retained earnings	72,628	73,370
Total shareholders' equity	155,498	156,240
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	257	92
Foreign currency translation adjustment	(221)	(147)
Total accumulated other comprehensive income	36	(54)
Minority interests	35,248	35,212
Total net assets	190,783	191,399
Total liabilities and net assets	910,492	918,615

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Quarterly consolidated statements of income

Cumulative period for consolidated first quarter	(Million yen)	
	Cumulative period for previous consolidated first quarter (From April 1, 2010 to June 30, 2010)	Cumulative period for consolidated first quarter under review (From April 1, 2011 to June 30, 2011)
Operating revenue	31,927	28,177
Operating cost	20,875	18,449
Operating gross profit	11,051	9,727
Selling, general and administrative expenses	4,069	3,565
Operating income	6,981	6,162
Non-operating income		
Interest income	15	17
Dividends income	26	42
Amortization of negative goodwill	481	481
Equity in earnings of affiliates	60	41
Other	188	106
Total non-operating income	772	689
Non-operating expenses		
Interest expenses	1,983	1,968
Other	26	84
Total non-operating expenses	2,009	2,052
Ordinary income	5,745	4,799
Extraordinary income		
Gain on sales of non-current assets	204	—
Total extraordinary income	204	—
Extraordinary losses		
Loss on sales of non-current assets	8	—
Loss on retirement of non-current assets	269	229
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,001	—
Loss on disaster	—	3
Total extraordinary losses	1,279	232
Income before income taxes and minority interests	4,670	4,566
Income taxes	1,565	1,561
Income before minority interests	3,104	3,004
Minority interests in income	343	287
Net income	2,761	2,716

Quarterly consolidated statements of comprehensive income

Cumulative period for consolidated first quarter

(Million yen)

	Cumulative period for previous consolidated first quarter (From April 1, 2010 to June 30, 2010)	Cumulative period for consolidated first quarter under review (From April 1, 2011 to June 30, 2011)
Income before minority interests	3,104	3,004
Other comprehensive income		
Valuation difference on available-for-sale securities	(155)	(166)
Foreign currency translation adjustment	(60)	73
Total other comprehensive income	(216)	(92)
Comprehensive income	2,888	2,911
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,545	2,626
Comprehensive income attributable to minority interests	343	285

Additional information

Consolidated first quarter under review (From April 1, 2011 to June 30, 2011)
(Application of the Accounting Standard for Accounting Changes and Error Corrections, etc.)
The Company applied the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24 issued on December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24 issued on December 4, 2009) to reflect accounting changes made after the beginning of the first quarter under review and the correction of past errors.

Notes

(Quarterly consolidated statements of cash flows)

The quarterly consolidated statement of cash flows for the first quarter under review and the quarterly consolidated statement of cash flows for the first quarter of the previous fiscal year have not been prepared. Depreciation and amortization (including the depreciation and amortization of intangible assets other than goodwill) and the amortization of goodwill and negative goodwill for the first quarters are as follows:

(Million yen)

Cumulative period for previous consolidated first quarter (From April 1, 2010 to June 30, 2010)		Cumulative period for consolidated first quarter under review (From April 1, 2011 to June 30, 2011)	
Depreciation and amortization	5,925	Depreciation and amortization	5,893
Amortization of goodwill	35	Amortization of goodwill	35
Amortization of negative goodwill	481	Amortization of negative goodwill	481

(Shareholders' equity)

I. Cumulative period for previous consolidated first quarter (from April 1, 2010 to June 30, 2010)

Dividends

Dividends paid

(Resolution)	Type of shares	Total dividends (Million yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Ordinary shareholders' meeting held on June 18, 2010	Common stocks	1,974	Retained earnings	600	March 31, 2010	June 21, 2010

II. Cumulative period for consolidated first quarter under review (from April 1, 2011 to June 30, 2011)

Dividends

Dividends paid

(Resolution)	Type of shares	Total dividends (Million yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Ordinary shareholders' meeting held on June 21, 2011	Common stocks	1,974	Retained earnings	600	March 31, 2011	June 22, 2011

(Segment information, etc.)

Segment information

I. Cumulative period for previous consolidated first quarter (from April 1, 2010 to June 30, 2010)

1. Information on operating revenue and profits or losses by reported segment

(Million yen)

	Reported segments			Other (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statement of Income
	Leasing	Residential property sales	Total				
Operating revenue							
(1) Operating revenue from third parties	22,824	7,142	29,967	1,960	31,927	–	31,927
(2) Inter-segment internal revenues and transfers	192	–	192	1,130	1,322	(1,322)	–
Total	23,016	7,142	30,159	3,090	33,249	(1,322)	31,927
Segment profits	7,412	983	8,395	182	8,578	(1,596)	6,981

(Note) 1. Other is the business segment that is not included in the reported segments. It includes office building maintenance and air-conditioning services associated with the leasing segment, construction for leasing buildings upon requests from tenants for office renovation, and management of restaurant facilities as incidental facilities of office buildings.

2. Adjustment of ¥1,596 million in segment profits includes elimination of inter-segment transactions of ¥28 million and company-wide expenses of ¥1,567 million which is not allotted to the reported segments. Company-wide expenses are primarily selling, general and administrative expenses that are not attributable to reported segments.

3. Segment profits are adjustment of operating income reported on consolidated statement of income.

2. Information on impairment loss of non-current assets, goodwill and other information in reported segments

Not applicable

II. Cumulative period for consolidated first quarter under review (from April 1, 2011 to June 30, 2011)

1. Information on operating revenue and profits or losses by reported segment

(Million yen)

	Reported segments			Other (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statement of Income
	Leasing	Residential property sales	Total				
Operating revenue							
(1) Operating revenue from third parties	22,433	2,758	25,192	2,985	28,177	–	28,177
(2) Inter-segment internal revenues and transfers	189	–	189	1,001	1,191	(1,191)	–
Total	22,623	2,758	25,381	3,986	29,368	(1,191)	28,177
Segment profits	7,443	97	7,540	398	7,939	(1,777)	6,162

(Note) 1. Other is the business segment that is not included in the reported segments. It includes office building maintenance and air-conditioning services associated with the leasing segment, construction for leasing buildings upon requests from tenants for office renovation, and management of restaurant facilities as incidental facilities of office buildings.

2. Adjustment of ¥1,777 million in segment profits includes elimination of inter-segment transactions of ¥17 million and company-wide expenses of ¥1,759 million which is not allotted to the reported segments. Company-wide expenses are primarily selling, general and administrative expenses that are not attributable to reported segments.

3. Segment profits are adjustment of operating income reported on consolidated statement of income.

2. Information on impairment loss of non-current assets, goodwill and other information in reported segments

Not applicable

(Per-share information)

The amount of net income per share and the basis for calculation are as follows:

	Cumulative period for previous consolidated first quarter (From April 1, 2010 to June 30, 2010)	Cumulative period for consolidated first quarter under review (From April 1, 2011 to June 30, 2011)
Net income per share	¥839.01	¥825.48
(Basis for calculation)		
Net income (million yen)	2,761	2,716
Amount not attributable to common stockholders (million yen)	—	—
Net income relating to common stock (million yen)	2,761	2,716
Number of shares during the period	3,291,200	3,291,200

(Note) Since there is no potential dilution, diluted net income per share is omitted.

(Significant subsequent events)

Not applicable.

2. Other

Not applicable.

Chapter 2 Information on the Guarantee Company of the Submitting Company

Not applicable.