

The figures for these Financial Statements are prepared in accordance with accounting principles generally accepted in Japan. Accordingly, they do not necessarily match the figures in the Annual Report issued by the Company, which present the same statements in a form that is more familiar to foreign readers through certain reclassifications or summarization of accounts. This English text is a translation of the Japanese original. The original is authoritative.

SUMMARY OF FINANCIAL STATEMENTS (Consolidated) (Japanese Accounting Standards) For the First Half of the Year Ending March 31, 2012

November 7, 2011

NTT URBAN DEVELOPMENT CORPORATION

Stock Exchange: Tokyo Stock Exchange

Code Number: 8933

URL: <http://www.nttud.co.jp/>

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Filing of quarterly report: November 8, 2011

Scheduled date for commencing payment of dividend: December 5, 2011

Supplementary documents for quarterly results: Yes

Quarterly results briefing: Yes (for institutional investors and analysts)

(Note that all amounts have been rounded down to the nearest million yen, unless otherwise specified.)

1. Consolidated Financial Results for the First Half of the Year Ending March 31, 2012 (April 1, 2011 through September 30, 2011)

(1) Consolidated Results of Operations (cumulative) (Figures in percentages denote the year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2011	63,856	(11.4)	13,224	(8.1)	10,376	(10.2)	5,561	(8.0)
Six months ended September 30, 2010	72,048	6.5	14,385	272.2	11,560	–	6,045	–

(Note) Comprehensive income: Six months ended September 30, 2011: 5,666 million yen (15.0%)
Six months ended September 30, 2010: 6,670 million yen –%

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Six months ended September 30, 2011	1,689.72	–
Six months ended September 30, 2010	1,836.72	–

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of shareholders' equity to assets
	Million yen	Million yen	%
As of September 30, 2011	926,308	193,859	17.1
As of March 31, 2011	910,492	190,783	17.1

(Reference) Shareholders' equity: As of September 30, 2011: 158,633 million yen
As of March 31, 2011: 155,534 million yen

2. Dividends

	Dividends per share				
	End of the 1st quarter	Interim period end	End of the 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2011	–	600.00	–	600.00	1,200.00
Year ending March 31, 2012	–	600.00	–	600.00	1,200.00
(Forecast) Year ending March 31, 2012	–	600.00	–	600.00	1,200.00

(Note) Revisions to dividend forecasts published most recently: No

3. Forecast of Consolidated Financial Results (April 1, 2011 through March 31, 2012)

(Figures in percentages denote the year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Annual	144,000	(1.2)	24,500	0.7	18,700	0.8	9,500	2.1	2,886.49

(Note) Revisions to earnings forecast published most recently: No

4. Other

- (1) Important changes in subsidiaries during this quarter (changes in specified subsidiaries resulting in change in scope of consolidation): Not applicable
New: —
Exception: —
- (2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: Not applicable
- (3) Changes in accounting principles and changes or restatement of accounting estimates
(i) Changes in accounting principles due to amendment of accounting standards, etc.: Not applicable
(ii) Changes in accounting principles other than (i): Not applicable
(iii) Changes in accounting estimates: Not applicable
(iv) Restatement: Not applicable
- (4) Number of shares outstanding (common stock)
(i) Total number of shares outstanding (including treasury stock) as of the end of each period:
As of September 30, 2011: 3,291,200 shares
As of March 31, 2011: 3,291,200 shares
(ii) Total number of treasury stock as of the end of each period:
As of September 30, 2011: — shares
As of March 31, 2011: — shares
(iii) Average number of issued shares for each period (cumulative period):
As of September 30, 2011: 3,291,200 shares
As of September 30, 2010: 3,291,200 shares

* Status of a quarterly review

The quarterly consolidated financial statements under the Financial Instruments and Exchange Act have been reviewed at the time of the announcement of this financial summary.

* Cautionary note regarding use of the Forecast of Financial Results, and other special notations

Descriptions regarding the future, such as the forecast of financial results herein, are calculated based on the information which is available to the Company as of the date hereof. Please note that actual results may be different due to various factors such as subsequent changes in business environment. For assumptions underlying the forecasts and notes to the forecasts, refer to “(3) Qualitative information on consolidated earnings forecast” of “1. Qualitative Information on Consolidated Operating Results, etc. for the First Half” on page 6 of the accompanying materials.

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1. Qualitative Information on Consolidated Operating Results, etc. for the First Half

(1) Qualitative information on consolidated financial results

The Japanese economy recovered more moderately in the first half under review, reflecting the flattening out of exports due to a weaker rebound in overseas economies and the slower recovery of production, despite evidence of a turnaround from the effects of the Great East Japan Earthquake. Looking ahead, although the economy is expected to be buoyed by the bounce back of production activities associated with progress in the restoration of supply chains, downside risks to the economy remain, including constraints on power supply, the effects of the nuclear disaster, the downturn of overseas economies, and fluctuations in foreign exchange rates and share prices.

In the office leasing market, the average vacancy rate remained high for office buildings in the five wards of central Tokyo, and market rents continued to be weak although the fall in rents was becoming smaller. In the condominium sales market, the buying motivation of consumers was rebounding, backed by tax benefits and low interest rates, although the impact of the economic uncertainty on sales was a concern.

As a result, the Company posted a decrease in sales in the leasing business and the residential property sales business during the first half under review. Overall, operating revenue amounted to ¥63,856 million (down ¥8,191 million, or 11.4% year on year), operating income was ¥13,224 million (down ¥1,160 million, or 8.1%), ordinary income was ¥10,376 million (down ¥1,183 million, or 10.2%), and net income was ¥5,561 million (down ¥483 million, or 8.0%).

The table below shows operating revenue by business segment in the first half under review. Operating revenue in each segment in the text include inter-segment internal revenues and transfers.

Business segment	(Million yen)	
	Previous first six months (From April 1, 2010 to September 30, 2010)	First six months under review (From April 1, 2011 to September 30, 2011)
Leasing Business	46,539	45,724
Residential Property Sales Business	19,893	11,164
Total operating revenue in reported segments	66,433	56,889
Other	8,057	9,505
Eliminations	(2,442)	(2,538)
Total	72,048	63,856

(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.

1) Leasing Business

In the leasing business, operating revenue and operating income decreased 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 properties completed in the previous fiscal year 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 fell from 3.6% at the end of March 2011 to 2.7% at the end of September 2011. The average vacancy rate nationwide was 5.7%, the same as the rate at the end of March 2011.

In the new building development business, projects in progress include 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). In the first half under review, an office building Urbannet Uchihonmachi Building (Osaka-shi, Osaka), a commercial and office building Urbannet Tenjin Building (Fukuoka-shi, Fukuoka), and UD Nakasu Building (Fukuoka-shi, Fukuoka) operated by a hotel operator were completed.

As a result of these activities, in the first half under review, operating revenue of ¥45,724 million (down ¥814 million, or 1.7%), operating expenses of ¥31,106 million (up ¥63 million, or 0.2%), and operating income of ¥14,618 million (down ¥877 million, or 5.7%) were recorded in the leasing business. The operating margin decreased to 32.0%, down from 33.3% for the year-ago period.

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

(Million yen)

Classification		Previous first six months (From April 1, 2010 to September 30, 2010)	First six months under review (From April 1, 2011 to September 30, 2011)
Office/Commercial	Sales	43,191	42,545
	Rentable area	1,139,997 m ² (Of the above, sub-leases: 16,326 m ²)	1,184,898 m ² (Of the above, sub-leases: 16,326 m ²)
Residential/Other	Sales	3,347	3,179
Total operating revenue		46,539	45,724

(Notes) 1. "Rentable areas" figures are as of September 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	September 2010	December 2010	March 2011	June 2011	September 2011
Central Tokyo (Tokyo 5 wards)	4.1%	3.7%	3.6%	3.7%	2.7%
Nationwide	6.0%	6.4%	5.7%	6.0%	5.7%

(Notes) 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.

2) Residential Property Sales Business

With respect to the residential property sales business, a total of 204 condominiums including those completed in previous fiscal years were delivered in the first half under review, including WELLITH Tokiwadai (Itabashi-ku, Tokyo) and WELLITH Kyoto Shugakuin (Kyoto-shi, Kyoto) completed in the first half under review. During this period, the Company also commenced sales of Brillia WELLITH Tsukishima (Chuo-ku, Tokyo) and other condominiums. In terms of detached houses, WELLITH Park Minami-Nagasaki (Nagasaki-shi, Nagasaki) and others were sold. 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 ¥11,164 million (down ¥8,729 million, or 43.9% year on year), operating expenses of ¥10,416 million (down ¥7,938 million, or 43.3%), and operating income of ¥748 million (down ¥791 million, or 51.4%). The operating margin decreased to 6.7%, down from 7.7% for the year-ago period.

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

Classification		Previous first six months (From April 1, 2010 to September 30, 2010)		First six months under review (From April 1, 2011 to September 30, 2011)	
		Units/Lots	Sales (million yen)	Units/Lots	Sales (million yen)
Condominiums					
Units delivered	Tokyo region	263	12,524	157	7,559
	Other regions	56	2,017	47	2,026
Completed in inventories		163	–	100	–
Building Lots					
Lots delivered	Tokyo region	11	1,578	6	281
	Other regions	121	1,829	19	1,296
Completed in inventories		30	–	18	–
Residential (Condominiums/Building lots)					
Units/Lots delivered	Tokyo region	274	14,102	163	7,841
	Other regions	177	3,846	66	3,323
Completed in inventories		193	–	118	–
Other					
Units/Lots delivered	Tokyo region	–	–	–	–
	Other regions	1	1,944	–	–
Completed in inventories		–	–	–	–
Grand total (Sales)		–	19,893	–	11,164

- (Note)
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 September of each fiscal year. The condominiums completed in inventories for the previous first six months and the first six months under review include 33 units and 18 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 six months and the first six months under review include 1 lot each, for which a contract has been completed but ownership has not yet been transferred.
 3. Of the building lots delivered in the previous first six months, 110 lots (collectively worth ¥2,630 million) were delivered through sales of lands. Of the building lots delivered in the first six months under review, 4 lots (collectively worth ¥847 million) were delivered through sales of lands.
 4. "Other" in the previous first six months includes the sale of a condominium (apartment building).
 5. The Tokyo region includes Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma and Tochigi prefectures.

3) Other

Operating revenue in other business in the first half under review were ¥9,505 million (up ¥1,448 million, or 18.0% year on year), and operating income was ¥1,128 million (up ¥630 million, or 126.6%), 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) Qualitative information on consolidated financial position

1) Consolidated balance sheet

Assets, liabilities and net assets at the end of the first half under review increased from the end of the previous fiscal year.

(Assets)

Total assets were ¥926,308 million (up ¥15,816 million from the end of the previous fiscal year).

Current assets were ¥129,222 million (up ¥15,460 million), primarily attributable to an increase of ¥8,703 million in real estate for sale and an increase of ¥8,282 million in real estate for sale in process.

Non-current assets were ¥797,085 million (up ¥355 million).

(Liabilities)

Total liabilities were ¥732,448 million (up ¥12,739 million).

Current liabilities were ¥103,447 million (down ¥1,375 million). Major factors included an increase of ¥767 million in the current portion of long-term loans payable and a decline of ¥2,394 million in income taxes payable.

Non-current liabilities were ¥629,001 million (up ¥14,114 million). The main factors included an increase of ¥16,671 million in long-term loans payable.

Interest-bearing debt at the end of the first half under review was ¥504,414 million (up ¥16,634 million).

(Net assets)

Net assets were ¥193,859 million (up ¥3,076 million), reflecting a rise of ¥3,586 million in retained earnings and other factors.

2) Consolidated cash flows

Cash and cash equivalents (hereinafter “cash”) at the end of the first half under review decreased ¥6,946 million from the end of the previous fiscal year, to ¥11,068 million. Free cash flows in the first half under review declined ¥35,722 million from the year-ago level, to negative ¥20,990 million.

(Note) The calculating formula of the free cash flow is as follows:

$$\text{Free cash flow} = \text{Cash flow from operating activities} + \text{Cash flow from investing activities}$$

The following is the situation and factors for each category of cash flow for the first half under review:

(Cash flows from operating activities)

Cash used in operating activities was ¥7,329 million, with inflow decreasing ¥40,196 million year on year. This was primarily attributable to an increase in cash due to income before income taxes and minority interests of ¥9,435 million and depreciation and amortization of ¥11,976 million and a decrease in cash mainly due to an increase in inventories of ¥17,182 million, income taxes paid of ¥5,446 million and interest expenses paid of ¥3,958 million.

(Cash flows from investing activities)

Cash used in investing activities was ¥13,660 million, with inflow increasing ¥4,474 million year on year, primarily reflecting cash used for the purchase of property, plant and equipment of ¥13,178 million.

(Cash flows from financing activities)

Cash provided by financing activities was ¥14,026 million, with inflow increasing ¥29,760 million year on year. Major factors included an increase in cash due to proceeds from long-term loans payable of ¥45,000 million and a decrease in cash primarily owing to the repayment of long-term loans payable of ¥27,561 million and cash dividends paid of ¥1,974 million.

(3) Qualitative information on consolidated earnings forecast

Results in the first half under review were almost in line with the earnings forecast, and so the consolidated earnings forecast announced on May 11, 2011 has not been changed.

The consolidated earnings forecast for the fiscal year ending March 2012 is as follows:

Consolidated Earnings Forecast for Fiscal Year Ending March 2012 (million yen)

Item	Annual
Operating revenue	144,000
Operating income	24,500
Ordinary income	18,700
Net income	9,500

Consolidated Segment Forecast for Fiscal Year Ending March 2012 (million yen)

Item	Annual
Operating revenue	144,000
Leasing	91,100
Residential property sales	35,600
Other	22,100
Eliminations	(4,800)
Operating income	24,500
Leasing	27,200
Residential property sales	1,500
Other	3,000
Eliminations/Corporate	(7,200)

In the leasing business, operating revenue and operating income declined year on year in the first half under review, due primarily to a fall in rent income. In the leasing market, the vacancy rate remains high and the pressure to cut rents continues, although moves to relocate to younger buildings and more affordable buildings were observed. The sense of uncertainty about the future of the Japanese economy continues, given risks such as the downturn of overseas economies and the appreciation of the yen. 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 implementing strategic renewal.

In the residential property sales business, operating revenue and operating income fell year on year in the first half under review, mainly because of a decline in the number of condominiums delivered. Although the impact of the uncertain economy on sales is a concern in the overall 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.

(Note) Forward-looking statements in this section are based on judgments of the Group as of the date of the announcement of this summary.

2. Matters Relating to Summary Information (Other)

(1) Changes in significant subsidiaries during the first half under review

In the first half under review, there were no significant changes in the major operations managed by the NTT Urban Development Group (the Company and its affiliates). Changes in major affiliates are as follows.

In the first half under review, the following affiliates completed their liquidation:

Name	Address	Capitalization or investments (million yen)	Main business	Voting rights ownership percentage	Relations
Consolidated Subsidiaries Nagasaki Shintomachi New Town Development Tokutei Mokuteki Kaisha	Minato, Tokyo	200	Residential Property Sales	100.0	Development of Nagasaki Shintomachi New Town Concurrent officers: –
Equity-Method Affiliates Crossfield Management Corporation	Chiyoda, Tokyo	10	Others	38.0	Development and management of Akihabara Crossfield (IT Center of it) Concurrent officers: 1

(Notes) 1. Nagasaki Shintomachi New Town Development Tokutei Mokuteki Kaisha resolved to dissolve on April 1, 2011 and completed its liquidation on August 30, 2011.

2. Crossfield Management Corporation resolved to dissolve on March 31, 2011 and completed its liquidation on September 26, 2011.

3. In main business, the names in segment information are written.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	Previous consolidated fiscal year (March 31, 2011)	Consolidated first half (September 30, 2011)
Assets		
Current assets		
Cash and deposits	10,270	9,017
Notes and operating accounts receivable	6,458	10,278
Real estate for sale	7,630	16,334
Real estate for sale in process	72,648	80,931
Costs on uncompleted construction contracts	269	313
Raw materials and supplies	63	49
Leased investment assets	2,394	2,383
Deposits paid	8,417	2,761
Deferred tax assets	1,723	1,661
Other	3,887	5,494
Allowance for doubtful accounts	(2)	(2)
Total current assets	113,762	129,222
Non-current assets		
Property, plant and equipment		
Buildings and structures	683,708	692,970
Accumulated depreciation	(354,323)	(362,417)
Buildings and structures (net)	329,385	330,553
Machinery, equipment and vehicles	13,500	13,717
Accumulated depreciation	(11,368)	(11,603)
Machinery, equipment and vehicles (net)	2,132	2,113
Land	400,206	400,279
Lease assets	651	608
Accumulated depreciation	(448)	(425)
Lease assets (net)	203	183
Construction in progress	9,718	9,690
Other property, plant and equipment	14,823	15,185
Accumulated depreciation	(11,205)	(11,714)
Other property, plant and equipment (net)	3,618	3,470
Total property, plant and equipment	745,265	746,291
Intangible assets	4,969	4,977
Investments and other assets		
Investment securities	21,150	20,899
Long-term prepaid expenses	17,982	17,704
Deferred tax assets	373	386
Other	6,990	6,827
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	46,495	45,817
Total non-current assets	796,729	797,085
Total assets	910,492	926,308

(Million yen)

	Previous consolidated fiscal year (March 31, 2011)	Consolidated first half (September 30, 2011)
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	8,083	6,411
Lease obligations	101	86
Current portion of long-term loans payable	67,360	68,127
Current portion of bonds	1,611	1,611
Income taxes payable	5,662	3,267
Provision for loss on disaster	574	651
Other	21,428	23,290
Total current liabilities	104,822	103,447
Non-current liabilities		
Bonds payable	123,704	122,901
Long-term loans payable	295,102	311,774
Lease obligations	196	172
Lease and guarantee deposits received	88,081	86,975
Negative goodwill	30,186	29,294
Deferred tax liabilities	68,644	68,566
Provision for retirement benefits	5,889	6,012
Provision for directors' retirement benefits	121	95
Provision for loss on warranty	60	60
Asset retirement obligations	2,737	3,010
Other	159	138
Total non-current liabilities	614,886	629,001
Total liabilities	719,709	732,448
Net assets		
Shareholders' equity		
Capital stock	48,760	48,760
Capital surplus	34,109	34,109
Retained earnings	72,628	76,215
Total shareholders' equity	155,498	159,085
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	257	(80)
Foreign currency translation adjustment	(221)	(370)
Total accumulated other comprehensive income	36	(451)
Minority interests	35,248	35,225
Total net assets	190,783	193,859
Total liabilities and net assets	910,492	926,308

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income
Consolidated first half

(Million yen)

	Previous consolidated first half (From April 1, 2010 to September 30, 2010)	Consolidated first half under review (From April 1, 2011 to September 30, 2011)
Operating revenue	72,048	63,856
Operating cost	49,342	43,257
Operating gross profit	22,705	20,598
Selling, general and administrative expenses	8,319	7,373
Operating income	14,385	13,224
Non-operating income		
Interest income	32	33
Dividends income	26	42
Amortization of negative goodwill	963	963
Equity in earnings of affiliates	81	51
Other	241	122
Total non-operating income	1,344	1,214
Non-operating expenses		
Interest expenses	3,979	3,950
Other	189	111
Total non-operating expenses	4,169	4,062
Ordinary income	11,560	10,376
Extraordinary income		
Gain on sales of non-current assets	204	–
Total extraordinary income	204	–
Extraordinary loss		
Loss on sales of non-current assets	8	–
Loss on retirement of non-current assets	396	663
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,001	–
Loss on disaster	–	276
Total extraordinary losses	1,406	940
Income before income taxes and minority interests	10,359	9,435
Income taxes	3,635	3,277
Income before minority interests	6,723	6,158
Minority interests in income	678	597
Net income	6,045	5,561

Consolidated Statements of Comprehensive Income
Consolidated first half

(Million yen)

	Previous consolidated first half (From April 1, 2010 to September 30, 2010)	Consolidated first half under review (From April 1, 2011 to September 30, 2011)
Income before minority interests	6,723	6,158
Other comprehensive income		
Valuation difference on available-for-sale securities	80	(342)
Foreign currency translation adjustment	(133)	(149)
Total other comprehensive income	(53)	(491)
Comprehensive income	6,670	5,666
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,991	5,073
Comprehensive income attributable to minority interests	678	593

(3) Consolidated Statements of Cash Flows

(Million yen)

	Previous consolidated first half (From April 1, 2010 to September 30, 2010)	Consolidated first half under review (From April 1, 2011 to September 30, 2011)
Cash flows from operating activities		
Income before income taxes and minority interests	10,359	9,435
Depreciation and amortization	11,601	11,976
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,001	–
Loss on disaster	–	276
Amortization of negative goodwill	(963)	(963)
Amortization of goodwill	70	70
Increase (decrease) in allowance for doubtful accounts	(0)	(1)
Interest and dividends income	(58)	(76)
Interest expenses	3,979	3,950
Equity in (earnings) losses of affiliates	(81)	(51)
Loss (gain) on sales of non-current assets	(196)	–
Loss on retirement of non-current assets	396	663
Decrease (increase) in notes and accounts receivable-trade	8,850	(3,822)
Decrease (increase) in inventories	2,903	(17,182)
Increase (decrease) in notes and accounts payable-trade	1,507	(1,671)
Increase (decrease) in lease and guarantee deposits received	(1,030)	(49)
Others, net	(650)	(590)
Subtotal	37,689	1,965
Interest and dividends income received	95	110
Interest expenses paid	(4,046)	(3,958)
Income taxes paid	(869)	(5,446)
Net cash provided by (used in) operating activities	32,867	(7,329)
Cash flows from investing activities		
Purchases of property, plant and equipment	(15,006)	(13,178)
Proceeds from sales of property, plant and equipment	1,275	–
Purchases of investment securities	(3,127)	(8)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(294)	–
Others, net	(982)	(474)
Net cash provided by (used in) investing activities	(18,135)	(13,660)
Cash flows from financing activities		
Net increase (decrease) in commercial papers	(4,999)	–
Proceeds from long-term loans payable	10,000	45,000
Repayments of long-term loans payable	(16,919)	(27,561)
Redemption of bonds	(1,055)	(805)
Cash dividends paid	(1,974)	(1,974)
Cash dividends paid to minority shareholders	(718)	(615)
Others, net	(67)	(16)
Net cash provided by (used in) financing activities	(15,734)	14,026
Effect of exchange rate change on cash and cash equivalents	(6)	17
Net increase (decrease) in cash and cash equivalents	(1,008)	(6,946)
Cash and cash equivalents at the beginning of period	20,508	18,015
Cash and cash equivalents at the end of the period	19,500	11,068

(4) Notes regarding the premise of a going concern

Not applicable

(5) Segment information, etc.

Segment information

I. Previous consolidated first half (from April 1, 2010 to September 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 (Note 3)
	Leasing	Residential property sales	Total				
Operating revenue							
(1) Operating revenue from third parties	46,156	19,893	66,050	5,997	72,048	–	72,048
(2) Inter-segment internal revenues and transfers	382	–	382	2,059	2,442	(2,442)	–
Total	46,539	19,893	66,433	8,057	74,490	(2,442)	72,048
Total segment profits	15,496	1,539	17,036	498	17,534	(3,148)	14,385

(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 ¥3,148 million in segment profits includes elimination of inter-segment transactions of ¥27 million and company-wide expenses of ¥3,121 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. Consolidated first half under review (from April 1, 2011 to September 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 (Note 3)
	Leasing	Residential property sales	Total				
Operating revenue							
(1) Operating revenue from third parties	45,348	11,164	56,512	7,343	63,856	–	63,856
(2) Inter-segment internal revenues and transfers	376	–	376	2,162	2,538	(2,538)	–
Total	45,724	11,164	56,889	9,505	66,395	(2,538)	63,856
Total segment profits	14,618	748	15,367	1,128	16,495	(3,270)	13,224

(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 ¥3,270 million in segment profits includes elimination of inter-segment transactions of ¥52 million and company-wide expenses of ¥3,218 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

(6) Note if there is a considerable change to shareholders' equity

Not applicable

(7) Significant subsequent events

Consolidated second quarter under review (From July 1, 2011 to September 30, 2011)	
(Issue of domestic straight bonds)	
The Company issued domestic straight bonds as described below by resolution approved at a Board of Directors meeting held on September 26, 2011.	
11th series of unsecured bonds (with special agreement on limited equal priority among bonds)	
(1) Issue date	October 28, 2011
(2) Total amount issued	10,000 million yen
(3) Issue price	¥99.96 per face value of ¥100
(4) Interest rate	1.12%
(5) Maturity date	September 17, 2021
(6) Use	Repayment of borrowings
12th series of unsecured bonds (with special agreement on limited equal priority among bonds)	
(1) Issue date	October 28, 2011
(2) Total amount issued	5,000 million yen
(3) Issue price	¥99.95 per face value of ¥100
(4) Interest rate	1.99%
(5) Maturity date	September 19, 2031
(6) Use	Repayment of borrowings