

Quarterly Report

(First Quarter of 33rd term)

From April 1, 2017
to June 30, 2017

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 4, 2017
Quarterly accounting period	First quarter of 33rd term (from April 1, 2017 to June 30, 2017)
Corporate name	NTT Toshi Kaihatsu Kabushiki Kaisha
Corporate name in English	NTT URBAN DEVELOPMENT CORPORATION
Name and title of representative	Hiroshi Nakagawa, President and Chief Executive Officer
Address of home office	4-14-1, Sotokanda, Chiyoda-ku, Tokyo
Telephone number	+81-3-6811-6300 (key number)
Contact person	Yutaka Torigoe, Senior Vice President, Accounting and Finance
Nearest contact point	4-14-1, Sotokanda, Chiyoda-ku, Tokyo
Telephone number	+81-3-6811-6424
Contact person	Yutaka Torigoe, Senior Vice President, Accounting and Finance
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

Chapter 1 Corporate Information

Section 1 Overview of the Company's situation

1. Changes in major financial data

Term	32nd term Three months ended June 30, 2016	33rd term Three months ended June 30, 2017	32nd term
Account period	From April 1, 2016 to June 30, 2016	From April 1, 2017 to June 30, 2017	From April 1, 2016 to March 31, 2017
Operating revenue (million yen)	33,255	40,776	188,633
Ordinary income (million yen)	4,439	9,287	28,710
Profit attributable to owners of parent (million yen)	2,832	6,172	16,682
Comprehensive income (million yen)	638	5,904	14,422
Net assets (million yen)	249,151	261,020	258,556
Total assets (million yen)	1,019,653	1,017,837	1,005,898
Net income per share (yen)	8.61	18.75	50.69
Net income per share (fully diluted) (yen)	—	—	—
Ratio of shareholders' equity to assets (%)	19.9	21.1	21.1

(Note 1) Since the Company has prepared quarterly consolidated financial statements, changes in major financial data of the submitting company are omitted.

(Note 2) Operating revenue does not include consumption tax.

(Note 3) Since there was no potential dilution, net income per share (fully diluted) is omitted.

2. Businesses

During the three months ended June 30, 2017, 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;

The following companies became affiliates of the submitting company in the first quarter under review.

(Consolidated Subsidiaries)

Name	Address	Capitalization (million yen)	Main business	Voting rights ownership percentage	Relations
Stuart Street Holdings LLC	Massachusetts, U.S.A.	(Dollar) 98,520,000	Offices/Retail	98.0 (Note 4)	Investment in and management of real estate in the U.S.A.

(Note 1) Apart from the above, the Company established two consolidated subsidiary affiliated with UD USA Inc. The end of the fiscal years of the three companies is December 31, which is different from the consolidated closing date.

(Note 2) There was no provisional settlement of accounts for creating the consolidated financial statements for the three months ended June 30, 2017. The consolidated financial statements have been adjusted for significant transactions that occurred from the foundation of the three companies to the quarterly consolidated closing date. (Other transactions will be recorded in the consolidated financial statements for the six months ended September 30, 2017.)

(Note 3) In the major business column, the names of segment information are entered.

(Note 4) Shareholding ratios are provided in lieu of voting rights ownership percentage.

(Equity-Method Affiliates)

The company newly invest in six companies, and the six companies are accounted for by applying the equity method.

Section 2 Business situation

1. Operating risks

During the three months ended June 30, 2017, 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 were no significant management contracts determined or concluded during the three months ended June 30, 2017.

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

In the office leasing market for the three months ended June 30, 2017, the vacancy rates continued to improve, and market rents were rising in some areas. In the condominium sales market, demand remained firm for condominiums in central areas of Tokyo, although sales prices continued to increase due. In the suburbs, however, there were some condominiums for which sales were prolonged.

In this environment, operating revenue amounted to ¥40,776 million (up ¥7,521 million, or 22.6% year-on-year), operating income was ¥9,321 million (up ¥4,096 million, or 78.4%), and ordinary income was ¥9,287 million (up ¥4,848 million, or 109.2%). Profit attributable to owners of parent was ¥ 6,172 million (up ¥3,339 million, or 117.9%).

(i) Offices/Retail Business

In the offices/ retail business for the three months ended June 30, 2017, operating revenue increased ¥2,829 million to ¥23,422 million (up 13.7% year-on-year), the result of posting transient compensation revenue from urban redevelopment projects, in addition to a contribution to revenue associated with the termination of free rent at existing properties such as Shinagawa Season Terrace (Minato-ku, Tokyo) , Urbannet Nihonbashi 2-Chome Building (Chuo-ku, Tokyo) and Urbannet Ginza 1-Chome Building (Chuo-ku, Tokyo).

Operating income increased ¥3,788 million to ¥9,616 million (up 65.0% year-on-year).

Development projects currently under way include Otemachi 2-Chome Area 1st class Urban Redevelopment Project Building A (Chiyoda-ku, Tokyo), Shimbashi 1-chome Project (Minato-ku, Tokyo) and Universal City Station Project (Osaka-shi, Osaka), etc.

(ii) Residential business

In the residential business, the number of condominiums delivered amounted to 292 units, newly completed condominiums of Wellith Musashino Sekimachi (Nerima-ku, Tokyo), continuing sale property from the previous term of Wellith Urawamisono South Terrace (Saitama-shi, Saitama). The average sales price per unit was ¥39 million.

As a result, for the three months ended June 30, 2017, operating revenue in the residential business increased ¥5,467 million, or 62.4%, to ¥14,236 million, and operating income was increased ¥681 million, or 201.5%, to ¥1,020 million.

In the three months ended June 30, 2017, the Company began marketing of Wellith Kunitachi (Kunitachi-shi, Tokyo) and Wellith Shinjuku Wasedanomori (Shinjuku-ku, Tokyo).

(iii) Other

Operating revenue in other business for the three months ended June 30, 2017 was ¥4,354 million (down ¥759 million, or 14.8%), and operating income was ¥268 million (down ¥126 million, or 32.1%).

(2) Operational and financial challenges to meet

During the three months ended June 30, 2017, 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 for the three months ended June 30, 2017. Operating revenue in each segment in the text includes inter-segment internal revenues and transfers.

(Million yen)

Business segment	Three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)	Year-on-year (%)
Offices/Retail Business	23,422	113.7
Residential Business	14,236	162.4
Total operating revenue in the reported segments	37,659	128.3
Other	4,354	85.2
Eliminations	(1,237)	—
Total	40,776	122.6

(Note1) The numbers do not include consumption tax. Operating revenue in each segment includes inter-segment internal revenues and transfers.

(Note2) “Eliminations” refers to internal revenues and transfers duplicated in more than one segment.

The following shows breakdowns of operating revenue, etc. in the offices/retail business and residential business, major businesses of the Group.

(Offices/Retail Business)

The table below shows operating revenue in the Offices/Retail business. All figures are consolidated results.

(Million yen)

Classification		Three months ended June 30, 2016	Three months ended June 30, 2017
Offices/ Retail leasing	Operating revenue	20,566	20,757
	Rentable floor space	1,137,132 m ² (Of the above, sub-leases: 99,140 m ²)	1,104,272 m ² (Of the above, sub-leases: 92,750m ²)
Sales of income- generating properties	Operating revenue	—	—
Other	Operating revenue	27	2,665
Total operating revenue		20,593	23,422

(Note1) “Rentable floor space” figures are as of the end of June of each fiscal year.

(Note2) The rentable area of sub-leases does not include the area that has been agreed upon between the Company and its consolidated subsidiaries.

The table below shows the vacancy rate by area.

Classification	June 2016	September 2016	December 2016	March 2017	June 2017
Five wards of central Tokyo	4.2%	3.9%	2.9%	3.2%	2.1%
Nationwide	4.8%	4.5%	4.1%	4.1%	3.6%

(Note1) The numbers above are vacancy rate as of the end of each month.

(Note2) Five wards of central Tokyo are Chiyoda-ku, Chuo-ku, Minato-ku, Shibuya-ku and Shinjuku-ku.

(Residential Business)

The table below shows operating revenue in the residential business. All figures are consolidated results.

(Million yen)

Classification	Three months ended June 30, 2016	Three months ended June 30, 2017
Residential property sales	8,329	13,732
Residential rentals	439	503
Other	—	—
Total operating revenue	8,769	14,236

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

Classification		Three months ended June 30, 2016		Three months ended June 30, 2017	
		Units/Lots	Operating revenue (million yen)	Units/Lots	Operating revenue (million yen)
Condominiums					
Units delivered	Tokyo metropolitan area	65	4,749	260	10,392
	Other regions	21	2,740	31	1,306
Completed in inventories		382	—	627	—
Residential Lots, etc.					
Units/Lots delivered	Tokyo metropolitan area	8	296	13	448
	Other regions	27	543	56	835
Completed in inventories		35	—	304	—
Subtotal (Condominiums and Residential Lots, etc.)					
Units/Lots delivered	Tokyo metropolitan area	73	5,045	273	10,840
	Other regions	49	3,284	88	2,142
Completed in inventories		417	—	931	—
Residential property sales other					
Units/Lots delivered	Tokyo metropolitan area	—	—	—	—
	Other regions	—	—	1	750
Completed in inventories		—	—	—	—
Operating revenue		—	8,329	—	13,732

(Note1) For joint projects, the number of units, corresponding to the Company's share in the project, is rounded down to the nearest unit.

(Note2) "Completed in inventories" figures are as of the end of June of each fiscal year. The condominiums completed in inventories for the three months ended June 30, 2016 and for the three months ended June 30, 2017 include 64 units and 66 units, respectively, for which a contract has been completed but ownership has not yet been transferred. The residential lots, etc. completed in inventories for the three months ended June 30, 2016 and for the three months ended June 30, 2017 include 20 lots and 254 lots, for which a contract has been completed but ownership has not yet been transferred.

(Note3) Tokyo metropolitan area 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 Offices/Retail Business, the Company will focus on securing profitability by reinforcing its relationships with customers and will strengthen competitiveness by enhancing the efficiency and the quality of building services and by implementing strategic renewals, thereby seeking to ensure stable growth.

In addition, the Company will aim to strengthen its revenue sources by implementing hotel development in locations with universal value and mixed-use property development and will continue its efforts in the global business for the purpose of diversifying its asset portfolio.

In the Residential Business, the Company will focus on product planning to reflect changes in customer demands with an eye to the growing tendency to return to the city center in light of changing lifestyles and population dynamics and will expand initiatives for the renovation, etc. of used condos. Moreover, the Company will endeavor to expand its business domains, including the business for senior citizens, such as serviced senior housing, and the business for rental housing.

In the Other Business, the Company will seek to boost the value of the assets in which it is involved by implementing asset replacement, using the real estate investment trust (REIT) to which the Company is linked, and grow the fee business, including building management and property management operations.

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

The Company raised funds primarily through borrowings from financial institutions during the three months ended June 30, 2017 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	1,050,000,000
Total	1,050,000,000

(ii) Shares issued

Type	Number of shares issued as of June 30, 2017	Number of shares issued on the date of the submission of the report (August 4, 2017)	Stock exchange or registered financial instruments dealers association	Remarks
Common stocks	329,120,000	329,120,000	The First Section of the Tokyo Stock Exchange	Number of shares of one share unit 100
Total	329,120,000	329,120,000	—	—

(Note) The number of shares issued includes 30,630,000 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)	Change in capital (million yen)	Capital (million yen)	Change in capital reserve (million yen)	Capital reserve (million yen)
From April 1, 2017 to June 30, 2017	—	329,120,000	—	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 June 30, 2017, 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, 2017) instead.

(i) Shares issued

As of June 30, 2017

Classification	Number of shares	Number of voting rights	Remarks
Nonvoting shares	–	–	–
Shares with limited voting rights (treasury share, etc.)	–	–	–
Shares with limited voting rights (other shares)	–	–	–
Shares with complete voting rights (treasury share, etc.)	–	–	–
Shares with complete voting rights (other shares)	Common shares 329,114,200	3,291,142	–
Fractional shares	Common shares 5,800	–	–
Total number of shares issued	329,120,000	–	–
Number of voting rights of all shareholders	–	3,291,142	–

(Note1) Shares with complete voting rights (other shares) include 800 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.

(Note2) Fractional shares include 77 shares of treasury shares.

(ii) Treasury stock

As of June 30, 2017

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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017) and for the three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017) have received a quarterly review by KPMG AZSA LLC.

1. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheets

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2017)	Three months ended June 30, 2017 (As of June 30, 2017)
Assets		
Current assets		
Cash and deposits	16,945	27,005
Notes and operating accounts receivable	9,026	8,505
Real estate for sale	25,156	29,891
Real estate for sale in progress	68,204	63,329
Costs on uncompleted construction contracts	423	467
Raw materials and supplies	81	53
Lease investment assets	2,074	2,035
Deposits paid	7,208	7,194
Deferred tax assets	572	511
Other	8,123	7,194
Allowance for doubtful accounts	(0)	(0)
Total current assets	137,816	146,188
Non-current assets		
Property, plant and equipment		
Buildings and structures	633,167	635,633
Accumulated depreciation	(348,630)	(352,520)
Buildings and structures (net)	284,536	283,113
Machinery, equipment and vehicles	11,731	11,741
Accumulated depreciation	(10,438)	(10,515)
Machinery, equipment and vehicles (net)	1,292	1,225
Land	501,023	500,674
Lease assets	201	201
Accumulated depreciation	(138)	(144)
Lease assets (net)	63	57
Construction in progress	7,998	9,876
Other property, plant and equipment	14,108	14,253
Accumulated depreciation	(11,465)	(11,611)
Other property, plant and equipment (net)	2,642	2,642
Total property, plant and equipment	797,557	797,589
Intangible assets	25,228	25,021
Investments and other assets		
Investment securities	22,518	26,439
Long-term prepaid expenses	14,571	14,507
Net defined benefit asset	276	279
Deferred tax assets	440	437
Other	8,292	8,177
Allowance for doubtful accounts	(802)	(802)
Total investments and other assets	45,296	49,039
Total non-current assets	868,081	871,649
Total assets	1,005,898	1,017,837

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2017)	Three months ended June 30, 2017 (As of June 30, 2017)
Liabilities		
Current liabilities		
Notes and operating accounts payable–trade	6,002	6,735
Short-term loans payable	6,611	8,040
Lease obligations	32	31
Current portion of long-term loans payable	27,364	17,116
Current portion of bonds	19,998	19,998
Income taxes payable	6,748	2,661
Deferred tax liabilities	4	4
Other	46,030	25,712
Total current liabilities	112,792	80,301
Non-current liabilities		
Bonds payable	90,982	90,983
Long-term loans payable	377,125	419,435
Lease obligations	49	43
Lease and guarantee deposits received	75,024	75,205
Negative goodwill	21,037	20,558
Deferred tax liabilities	59,367	59,233
Provision for directors' retirement benefits	34	26
Net defined benefit liability	7,731	7,762
Asset retirement obligations	2,803	3,057
Other	392	208
Total non-current liabilities	634,548	676,515
Total liabilities	747,341	756,816
Net assets		
Shareholders' equity		
Capital stock	48,760	48,760
Capital surplus	31,648	31,648
Retained earnings	129,195	132,406
Treasury shares	(0)	(0)
Total shareholders' equity	209,604	212,814
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,590	2,371
Deferred gains or losses on hedges	1	5
Foreign currency translation adjustment	1,100	517
Remeasurements of defined benefit plans	(625)	(611)
Total accumulated other comprehensive income	3,067	2,283
Non-controlling interests	45,884	45,922
Total net assets	258,556	261,020
Total liabilities and net assets	1,005,898	1,017,837

(2) Quarterly consolidated statements of income and quarterly statements of comprehensive income
(Quarterly consolidated Statements of Income)
(Three month ended June 30, 2016 and 2017)

(Million yen)

	Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)
Operating revenue	33,255	40,776
Operating cost	23,814	26,261
Operating gross profit	9,440	14,514
Selling, general and administrative expenses	4,214	5,192
Operating income	5,225	9,321
Non-operating income		
Interest income	2	2
Dividends income	71	159
Amortization of negative goodwill	481	481
Equity in earnings of affiliates	99	386
Other	154	63
Total non-operating income	808	1,093
Non-operating expenses		
Interest expenses	1,312	1,111
Other	282	16
Total non-operating expenses	1,594	1,127
Ordinary income	4,439	9,287
Extraordinary loss		
Loss on retirement of non-current assets	42	66
Total extraordinary losses	42	66
Income before income taxes and minority interests	4,396	9,221
Total income taxes	1,019	2,534
Profit	3,377	6,687
Profit attributable to non-controlling interests	544	515
Profit attributable to owners of parent	2,832	6,172

(Quarterly consolidated statements of comprehensive income)
(Three month ended June 30, 2016 and 2017)

(Million yen)

	Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)
Profit	3,377	6,687
Other comprehensive income		
Valuation difference on available-for-sale securities	(303)	(218)
Deferred gains or losses on hedges	(54)	4
Foreign currency translation adjustment	(2,404)	(583)
Remeasurements of defined benefit plans	22	14
Total other comprehensive income	(2,739)	(783)
Comprehensive income	638	5,904
(Breakdown)		
Comprehensive income attributable to owners of parent	93	5,388
Comprehensive income attributable to non-controlling interests	544	515

Notes

(Change in the scope of consolidation or the scope of application of the equity method)

(1) Significant changes in the scope of consolidation

The Company newly included three consolidated subsidiary affiliated with UD USA Inc. in the scope of consolidation from the three months ended June 30, 2017.

(2) Significant changes in the scope of application of the equity method

The company newly invested in six companies, and the six companies are accounted for by applying the equity method from the three months ended six 30, 2017.

(Quarterly consolidated statement of cash flows)

The consolidated statement of cash flows for the three months ended June 30, 2017 has 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 three months ended June 30, 2017 are as follows:

	(Million yen)	
	Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)
Depreciation and amortization	4,663	4,674
Amortization of goodwill	2	2
Amortization of negative goodwill	481	481

(Shareholders' equity)

I. Three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

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, 2016	Common stocks	2,962	Retained earnings	9	March 31, 2016	June 22, 2016

II. Three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

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 22, 2017	Common stocks	2,962	Retained earnings	9	March 31, 2017	June 23, 2017

(Segment information, etc.)

Segment information

I. Three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

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

(Million yen)

	Reported segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in consolidated financial statement (Note 3)
	Offices/ Retail Business	Residential Business	Total				
Operating revenue							
(1) Operating revenue to third parties	20,345	8,763	29,109	4,146	33,255	—	33,255
(2) Inter-segment internal revenues and transfers	248	5	253	967	1,221	(1,221)	—
Total	20,593	8,769	29,362	5,114	34,476	(1,221)	33,255
Segment profits	5,828	338	6,166	395	6,562	(1,336)	5,225

(Note1) Other is the business segment that is not included in the reported segments and other business activities that generate revenue. It includes design of building and other, construction and supervision of construction, office building maintenance and air-conditioning services, and management of restaurant facilities as incidental facilities of office buildings.

(Note2) Adjustment of - ¥1,336 million in segment profits includes elimination of inter-segment transactions of ¥7 million and company-wide expenses of - ¥1,343 million which is not allotted to the reported segments and other. Company-wide expenses are primarily selling, general and administrative expenses that are not attributable to reported segments and other.

(Note3) Segment profits are adjustment of operating income reported on quarterly consolidated statement of income.

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

Not applicable

II. Three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

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

(Million yen)

	Reported segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in consolidated financial statement (Note 3)
	Offices/ Retail Business	Residential Business	Total				
Operating revenue							
(1) Operating revenue to third parties	23,152	14,233	37,386	3,390	40,776	—	40,776
(2) Inter-segment internal revenues and transfers	270	2	273	964	1,237	(1,237)	—
Total	23,422	14,236	37,659	4,354	42,014	(1,237)	40,776
Segment profits	9,616	1,020	10,637	268	10,905	(1,583)	9,321

(Note1) Other is the business segment that is not included in the reported segments and other business activities that generate revenue. It includes design of building and other, construction and supervision of construction, office building maintenance and air-conditioning services, and management of restaurant facilities as incidental facilities of office buildings.

(Note2) Adjustment of - ¥1,583 million in segment profits includes elimination of inter-segment transactions of ¥10 million and company-wide expenses of - ¥1,594 million which is not allotted to the reported segments and other. Company-wide expenses are primarily selling, general and administrative expenses that are not attributable to reported segments and other.

(Note3) Segment profits are adjustment of operating income reported on quarterly 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:

	Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)
Net income per share	¥8.61	¥18.75
(Basis for calculation)		
Profit attributable to owners of parent (million yen)	2,832	6,172
Amount not attributable to common stockholders (million yen)	—	—
Profit attributable to owners of parent relating to common stock (million yen)	2,832	6,172
Average number of shares during the period	329,119,923	329,119,923

(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