

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended November 30, 2021	(¥) –	(¥) 0.00	(¥) –	(¥) 38.00	(¥) 38.00
Fiscal year ending November 30, 2022	–	0.00			
Fiscal year ending November 30, 2022 (Forecast)			–	47.00	47.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending November 30, 2022 (December 1, 2021 – November 30, 2022)

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal year ending November 30, 2022	80,000	29.6	12,762	16.4	12,000	16.5	7,954	18.3	166.47

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

* Notes

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

(2) Changes in accounting policies and changes in accounting estimates

(a) Changes in accounting policies required by IFRS: No
(b) Changes in accounting policies due to other reasons: No
(c) Changes in accounting estimates: No

(3) Number of issued shares (ordinary shares)

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

As of May 31, 2022	48,683,800 shares
As of November 30, 2021	48,683,800 shares

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

As of May 31, 2022	1,353,722 shares
As of November 30, 2021	900,022 shares

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

Six months ended May 31, 2022	47,504,621 shares
Six months ended May 31, 2021	47,058,545 shares

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

* Proper use of earnings forecasts and other notes

The forward-looking statements, including outlook of future performance, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual performance and other results may differ substantially from these statements due to various factors. For the assumptions on which the earnings forecasts are based and cautions concerning the use thereof, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance (3) Qualitative Information Regarding Consolidated Earnings Forecasts” on page 5 of the attached materials.

Contents of Attached Materials

1. Qualitative Information on Quarterly Consolidated Financial Performance.....	2
(1) Qualitative Information Regarding Consolidated Operating Results.....	2
(2) Qualitative Information Regarding Consolidated Financial Positions.....	4
(3) Qualitative Information Regarding Consolidated Earnings Forecasts	5
2. Matters Related to Summary Information (Notes)	5
(1) Changes in Significant Subsidiaries during the Period.....	5
(2) Changes in Accounting Policies and Changes in Accounting Estimates	5
(3) Additional information.....	5
3. Condensed Quarterly Consolidated Financial Statements and notes.....	6
(1) Condensed Quarterly Consolidated Statement of Financial Position.....	6
(2) Condensed Quarterly Consolidated Statement of Comprehensive Income	7
(3) Condensed Quarterly Consolidated Statement of Changes in Equity	8
(4) Condensed Quarterly Consolidated Statement of Cash Flows.....	9
(5) Notes on Going Concern Assumption.....	10
(6) Notes on Condensed Quarterly Consolidated Financial Statements	10
(7) Notes on Significant Subsequent Events.....	12

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Operating Results

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

During the six months ended May 31, 2022, the Japanese economy showed signs of recovery, despite the lingering effects of COVID-19. Meanwhile, we are facing challenging circumstances including supply chain strains and soaring resource prices due to the Russian invasion of Ukraine as well as the rapid depreciation of the yen. It is necessary to monitor multiple factors such as the ensuing changes in the financial situation and the pressure on corporate earnings and domestic household finances.

In the real estate industry where Tosei Group operates, domestic real estate investments for the three months from January to March 2022 decreased 40% year on year to ¥730.4 billion. While the transaction volume dropped due to a decrease in large transactions and other factors, office investment demand is expected to grow as full-fledged, in-person work at the offices resumes. Furthermore, Japanese real estate with a high level of stability continues to be an attractive investment target, as seen in the increase in the percentage of investments into residential properties (according to a survey by a private research institute).

In the Tokyo metropolitan area condominium market, although the number of newly built units from January to April 2022 decreased 4.9% year on year to 8,333 units, the average contract rate for the first month exceeded 70%, maintaining the strong performance as previous fiscal year. In addition, in the Tokyo metropolitan area pre-owned condominium market, while the number of units contracted from January to April 2022 declined 15.7% year on year to 12,405 units, the market is booming, as evidenced by the rising trend in contract prices. In the build-for-sale detached house market, housing starts for the three months from January to March 2022 came to 13,000 units (up 7.8% year on year) (according to a survey by a private research institute).

Regarding construction costs for the four months from January to April 2022, average costs per tsubo for steel reinforced concrete structure were ¥1,359 thousand (1 tsubo = 3.30 square meters) (an increase of 11.0% year on year), and average costs per tsubo for wooden structure were ¥575 thousand (an increase of 1.3% year on year). The rise in the price of building materials due to the military conflict between Russia and Ukraine, two major steel exporting countries, has begun to affect construction costs (according to a survey by the Ministry of Land, Infrastructure, Transportation and Tourism).

In the office leasing market of Tokyo's five business wards, the average vacancy rate as of April 2022 was 6.4% (an increase of 0.7 percentage points year on year), and the average asking rent was ¥20,328 per tsubo (a decrease of ¥1,087 year on year), demonstrating a downward trend, although it seems to have bottomed out in certain areas. A massive supply of new office buildings is expected in 2023 and it remains necessary to continue monitoring the trends in supply and demand (according to a survey by a private research institute).

Meanwhile, the condominium leasing market remained robust and the average asking rent of apartments in the Tokyo metropolitan area as of April 2022 was ¥11,143 per tsubo (an increase of 3.1% year on year) and the average occupancy rate at condominiums held by J-REIT in the Tokyo Area as of January 31, 2022 was 96.1% (a decrease of 0.3 percentage points year on year). The rent of apartments for singles in the 23 wards of Tokyo, which had been falling in the previous fiscal year, appears to have bottomed out (according to a survey by a private research institute).

In the Tokyo metropolitan area's logistics facility leasing market, leasable stock in April 2022 amounted to 7.65 million tsubo (an increase of 16.0% year on year). The vacancy rate was 3.0%. Although this was an increase from the level of 2.5% observed in January 2022, rent continues to gradually increase. Amid cases in which certain leasing projects are taking more time due to the oversupply against leasing demand, it remains necessary to continue monitoring the balance of supply and demand as new supplies are also expected going forward (according to a survey by a private research institute).

In the real estate fund market, the market scale continues to expand. J-REIT assets under management in April 2022 totaled ¥21.5 trillion (an increase of ¥0.8 trillion year on year) and assets under management in private placement funds totaled ¥24.1 trillion (as of December 31, 2021, an increase of ¥1.6 trillion year on year). Combining the two, the real estate securitization market scale grew to ¥45.6 trillion (according to a survey by a private research institute).

In the Tokyo business hotel market, in the three months from January to March 2022, the average guest room occupancy rate was 47.1% (33.5% in the same period of the previous fiscal year), and the total number of hotel guests in Tokyo encompassing all types of accommodation amounted to 11.04 million (an increase of 56.8% year on year). While the threat of COVID-19 continues to linger, expectations are high for the recovery of the hotel market with the uptick in foot traffic thanks to the easing of restrictions and as

the signs of increasing personal consumption become more evident (according to a survey by the Japan Tourism Agency).

Amid this operating environment, in the Fund and Consulting Business, the Group increased its balance of assets under management, while in the Revitalization Business and the Development Business, the Group proceeded with property sales and the acquisition of income-generating properties and various types of land for development as future sources of income.

As a result, consolidated revenue for the six months ended May 31, 2022 totaled ¥43,552 million (up 6.4% year on year), operating profit was ¥9,357 million (up 1.4%), profit before tax was ¥9,000 million (up 0.5%), and profit attributable to owners of the parent was ¥6,107 million (down 0.2%).

Performance by business segment is shown below.

From the three months ended February 28, 2022, the Company changed the name of its “Real Estate Securitization Business” (in Japanese. In English, the segment has been known as the “Revitalization Business” and remains the same) to the “Revitalization Business.” As this is merely a change of the segment name, there will be no impact on segment information.

Revitalization Business

During the six months ended May 31, 2022, the segment sold 28 properties it had renovated and 74 pre-owned condominium units, including Central Minami-Otsuka No.1 Building (Toshima-ku, Tokyo), NAC Building (Tachikawa-shi, Tokyo), Kazo Warehouse (Kazo-shi, Saitama).

During the six months ended May 31, 2022, it also acquired a total of 21 income-generating office buildings, apartments, three land lots and 75 pre-owned condominium units.

In addition, the Group reviewed the valuation of its income-generating properties, recording a reversal of Inventories valuation loss of ¥532 million.

As a result, revenue in this segment was ¥28,951 million (up 19.7% year on year) and the segment profit was ¥6,067 million (down 5.7%).

Development Business

During the six months ended May 31, 2022, the segment sold T'S BRIGHTIA Minami-Aoyama EAST (Minato-ku, Tokyo). In addition, the segment focused on the sale of detached houses, for which there was firm demand. The segment sold 45 detached houses at such properties as THE Palms Court Setagaya Hachimanyama (Setagaya-ku, Tokyo) and THE Palms Court Mitaka Rumie (Mitaka-shi, Tokyo).

During the six months ended May 31, 2022, it also acquired two land lots for rental apartment project, two land lots for rental wooden apartment project, one land lot for income-generating office building and land lots for 44 detached houses.

In addition, the Group reviewed the valuation of its income-generating properties, recording a reversal of inventories valuation loss of ¥73 million.

As a result, revenue in this segment was ¥5,056 million (down 44.1% year on year) and the segment profit was ¥797 million (down 34.2% year on year).

Rental Business

During the six months ended May 31, 2022, while the segment sold 21 buildings of its inventory assets held for leasing purposes, it newly acquired 20 properties including income-generating office buildings and apartments. In addition, the segment made efforts to lease vacancies out following acquisitions and also focused on leasing activities for its holding non-current assets and inventory assets.

As a result, revenue in this segment was ¥2,884 million (up 4.5% year on year) and the segment profit was ¥1,446 million (down 0.0%).

Fund and Consulting Business

During the three months ended May 31, 2022, while ¥87,192 million was subtracted due mainly to property dispositions by funds, ¥312,166 million added due to new asset management contracts, from the balance of assets under management (Note) ¥1,420,867 million for the end of the previous fiscal year. The balance of assets under management as of May 31, 2022, was ¥1,645,841 million.

As a result, revenue in this segment was ¥2,709 million (up 19.3% year on year) and the segment profit

was ¥1,761 million (up 12.5%).

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

Property Management Business

During the six months ended May 31, 2022, the segment made efforts to win new contracts and maintain existing contracts. Consequently, the total number of properties under management was 777 as of May 31, 2022, an increase of 76 from May 31, 2021, with the total comprising 469 office buildings, hotels, logistic facilities and other such properties, and 308 condominiums and apartments.

As a result, revenue in this segment was ¥3,127 million (up 24.6% year on year) and segment profit was ¥545 million (up 29.3%).

Hotel Business

While the impact of COVID-19 still persisted in the six months ended May 31, 2022, the Company strived to improve the occupancy rates at existing hotels, resulting in improvements in revenue and segment loss from the same period of the previous fiscal year.

As a result, revenue in this segment was ¥821 million (up 408.9% year on year) and segment loss was ¥259 million (in comparison with segment loss of ¥408 million in the same period of the previous fiscal year).

2) Analysis and contents for discussion of Operating Results

In the real estate investment market, which is the Group's mainstay market, robust transactions prevailed amid a favorable fund-raising environment backed by low interest rates. Under such an operating environment, for the six months ended May 31, 2022, the Group's business performed well, achieving 54.4% of the full-year forecast based on revenue and 75.0% based on profit before tax. In the Revitalization Business, progress was made in the sales of office buildings, logistics facilities, income-generating apartments, etc., resulting in an upward swing in the profit margin that was higher than projected at the beginning of the fiscal year, which, in turn, drove the Group's overall profits. In the Development Business, while operating profit for the first half of the year stood at 36.9% of the full-year forecast, given that completion and delivery of condominiums are expected in the fourth quarter of the fiscal year under review, performance exceeded that of the internal first half plan.

In addition, in the Stock and Fee Business, the Company's stable source of income, the Rental Business and the Property Management Business performed according to plan, while in the Fund and Consulting Business, which supports the real estate funds of investors, the balance of assets under management further increased and exceeded ¥1.6 trillion (a year-on-year increase of ¥224.9 billion). With the widening gap between Japanese and US interest rates and the increasing appeal of inbound investments by overseas real estate investors, we continue to steadily grow by capturing the investment demand of these investors. Furthermore, the Hotel Business, which was adversely impacted by COVID-19, is seeing a gradual return in customer traffic, in conjunction with the lifting of the state of emergency.

While there are concerns over increasing uncertainty in the future operating environment including the tightening of monetary policies in Europe and the US, the soaring prices of energy and natural resources triggered by the prolonged Russian invasion of Ukraine, and the slowdown of the global economy, the Company will closely monitor the trends in the real estate market and continue to proactively promote its purchasing and sales activities.

(2) Qualitative Information Regarding Consolidated Financial Positions

1) Analysis of Financial Positions

As of May 31, 2022, total assets were ¥199,129 million, an increase of ¥4,118 million compared with November 30, 2021, while total liabilities were ¥129,242 million, an increase of ¥190 million.

Increase in total assets were due to an increase in inventories and other financial assets despite a decrease in investment properties. Increase in total liabilities were due to an increase in trade and other payables and interest-bearing liabilities.

Total equity increased by ¥3,927 million to ¥69,886 million, mainly due to an increase in retained earnings, payment of cash dividends and purchase of treasury shares.

2) Analysis of Cash Flows

Cash and cash equivalents (hereinafter “cash”) as of May 31, 2022 totaled ¥34,311 million, up ¥750 million compared with November 30, 2021.

The cash flows for the six months ended May 31, 2022 and factors contributing to those amounts are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥7,958 million (down 9.6% year on year). This is mainly due to profit before tax of ¥9,000 million, a decrease in inventories of ¥2,038 million and income taxes paid of ¥3,611 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥6,186 million (down 51.9% year on year). This is primarily due to purchase of other financial assets of ¥2,895 million and payments for acquisition of subsidiaries of ¥2,154 million.

Cash Flows from Financing Activities

Net cash used by financing activities totaled ¥1,027 million (in comparison with segment net cash provided in financing activities of ¥2,043 million in the same period of the previous fiscal year). This mainly reflects ¥20,440 million in proceeds from non-current borrowings, despite ¥19,394 million in the repayments of non-current borrowings and ¥1,815 million in cash dividends paid.

(3) Qualitative Information Regarding Consolidated Earnings Forecasts

The business results during the six months ended May 31, 2022 basically remained stable as planned and there is no change on the full-year consolidated earnings forecasts, announced on January 12, 2022.

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

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

No item to report.

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

No item to report.

(3) Additional information

Effect of the spread of COVID-19 on accounting estimates

In determining accounting estimates regarding the valuation of inventory assets, impairment accounting for non-current assets, the recoverability of deferred tax assets, and other items, the Group has assumed that the spread of COVID-19 will exert a degree of impact on future income.

The Group considers that real estate markets other than hotels and commercial facilities are already recovering as of May 31, 2022. It predicts that the impact of COVID-19 on hotels and commercial facilities will persist for the time being, and that it will be next fiscal year or later before a recovery takes place.

3. Condensed Quarterly Consolidated Financial Statements and notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(¥ thousand)

	As of November 30, 2021	As of May 31, 2022
Assets		
Current assets		
Cash and cash equivalents	33,560,679	34,311,177
Trade and other receivables	4,139,380	5,308,665
Inventories	85,210,849	87,470,419
Other current assets	46,903	19,178
Total current assets	122,957,812	127,109,440
Non-current assets		
Property, plant and equipment	23,860,236	23,398,501
Investment properties	39,812,070	37,995,403
Goodwill	1,401,740	1,401,740
Intangible assets	191,758	191,189
Trade and other receivables	1,509,310	1,360,414
Other financial assets	4,511,800	7,173,161
Deferred tax assets	752,916	485,895
Other non-current assets	13,254	13,254
Total non-current assets	72,053,087	72,019,561
Total assets	195,010,899	199,129,001
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,976,342	6,253,117
Interest-bearing liabilities	11,432,641	10,863,837
Current income tax liabilities	2,625,593	1,592,124
Provisions	788,366	486,485
Total current liabilities	19,822,944	19,195,565
Non-current liabilities		
Trade and other payables	4,373,252	3,604,995
Interest-bearing liabilities	103,521,924	104,630,433
Retirement benefits obligations	646,515	659,044
Provisions	15,284	15,367
Deferred tax liabilities	672,238	1,137,552
Total non-current liabilities	109,229,215	110,047,393
Total Liabilities	129,052,159	129,242,958
Equity		
Share capital	6,624,890	6,624,890
Capital reserves	6,790,172	6,788,009
Retained earnings	53,250,370	57,533,296
Treasury shares	(911,662)	(1,389,049)
Other components of equity	204,969	328,895
Total equity attributable to owners of parent	65,958,740	69,886,043
Total equity	65,958,740	69,886,043
Total liabilities and equity	195,010,899	199,129,001

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(¥ thousand)

	Six months ended May 31, 2021	Six months ended May 31, 2022
Revenue	40,932,878	43,552,312
Cost of revenue	27,143,570	28,835,086
Gross profit	13,789,307	14,717,225
Selling, general and administrative expenses	4,603,725	5,679,284
Other income	114,657	325,234
Other expenses	67,394	5,292
Operating profit	9,232,845	9,357,882
Finance income	135,891	188,728
Finance costs	409,062	545,879
Profit before tax	8,959,674	9,000,732
Income tax expense	2,836,815	2,893,477
Profit for the period	6,122,858	6,107,254
Other comprehensive income		
Other comprehensive income items that will not be reclassified to profit or loss		
Net change in financial assets measured at fair values through other comprehensive income	630,430	89,194
Remeasurements of defined benefit pension plans	—	(8,544)
Subtotal	630,430	80,649
Other comprehensive income items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	12,722	23,444
Net change in fair values of cash flow hedges	(11,445)	11,287
Subtotal	1,276	34,731
Other comprehensive income for the period, net of tax	631,706	115,381
Total comprehensive income for the period	6,754,565	6,222,635
Profit attributable to:		
Owners of parent	6,120,465	6,107,254
Non-controlling interests	2,393	—
Profit for the period	6,122,858	6,107,254
Total comprehensive income attributable to:		
Owners of parent	6,752,172	6,222,635
Non-controlling interests	2,393	—
Total comprehensive income for the period	6,754,565	6,222,635
Earnings per share attributable to owners of the parent		
Basic earnings per share (¥)	130.06	128.56
Diluted earnings per share (¥)	129.90	128.46

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Six months ended May 31, 2021 (December 1, 2020 – May 31, 2021)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at December 1, 2020	6,624,890	6,627,004	47,442,372	(1,500,055)	(224,688)	58,969,524	—	58,969,524
Profit for the period			6,120,465			6,120,465	2,393	6,122,858
Other comprehensive income					631,706	631,706		631,706
Total comprehensive income for the period	—	—	6,120,465	—	631,706	6,752,172	2,393	6,754,565
Amount of transactions with owners								
Purchase of treasury shares		(258)		(373,109)		(373,368)		(373,368)
Disposal of treasury shares		117		1,003		1,120		1,120
Dividends of surplus			(896,333)			(896,333)		(896,333)
Change from newly consolidated subsidiary						—	117,600	117,600
Transfer from other components of equity to retained earnings			(86)		86	—		—
Share-based payment		12,075				12,075		12,075
Balance at May 31, 2021	6,624,890	6,638,938	52,666,418	(1,872,162)	407,105	64,465,190	119,993	64,585,183

Six months ended May 31, 2022 (December 1, 2021 – May 31, 2022)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Total equity
Balance at December 1, 2021	6,624,890	6,790,172	53,250,370	(911,662)	204,969	65,958,740	65,958,740
Profit for the period			6,107,254			6,107,254	6,107,254
Other comprehensive income					115,381	115,381	115,381
Total comprehensive income for the period	—	—	6,107,254	—	115,381	6,222,635	6,222,635
Amount of transactions with owners							
Purchase of treasury shares		(1,569)		(499,895)		(501,465)	(501,465)
Disposal of treasury shares		(592)		22,509		21,916	21,916
Dividends of surplus			(1,815,783)			(1,815,783)	(1,815,783)
Transfer from other components of equity to retained earnings			(8,544)		8,544	—	—
Balance at May 31, 2022	6,624,890	6,788,009	57,533,296	(1,389,049)	328,895	69,886,043	69,886,043

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(¥ thousand)

	Six months ended May 31, 2021	Six months ended May 31, 2022
Cash flows from operating activities		
Profit before tax	8,959,674	9,000,732
Depreciation expense	742,936	784,741
Increase (decrease) in provisions and retirement benefits obligations	(234,106)	(289,175)
Interest and dividend income	(135,891)	(188,728)
Interest expenses	409,062	545,879
Decrease (increase) in trade and other receivables	(76,930)	18,472
Decrease (increase) in inventories	2,321,590	2,038,981
Increase (decrease) in trade and other payables	(2,055,535)	(199,209)
Other, net	(9,331)	(252,262)
Subtotal	9,921,468	11,459,430
Interest and dividend income received	137,902	110,733
Income taxes paid	(1,609,761)	(3,611,223)
Income taxes refund	354,107	—
Net cash from (used in) operating activities	8,803,715	7,958,940
Cash flows from investing activities		
Purchase of property, plant and equipment	(839,047)	(22,470)
Purchase of investment properties	(12,052,748)	(1,052,617)
Purchase of intangible assets	(12,124)	(24,508)
Payments of loans receivable	—	(434,300)
Collection of loans receivable	42	3,080
Purchase of other financial assets	(62,053)	(2,895,915)
Collection of other financial assets	104,194	363,270
Payments for acquisition of subsidiaries	—	(2,154,339)
Other, net	4,330	31,406
Net cash from (used in) investing activities	(12,857,406)	(6,186,394)
Cash flows from financing activities		
Net increase (decrease) in current borrowings	2,876,000	1,084,000
Proceeds from non-current borrowings	27,502,650	20,440,050
Repayments of non-current borrowings	(26,420,134)	(19,394,045)
Redemption of bonds	—	(40,678)
Repayments of lease obligations	(120,339)	(212,353)
Capital contribution from non-controlling interests	117,600	—
Cash dividends paid	(895,469)	(1,815,748)
Purchase of treasury shares	(373,109)	(499,895)
Proceeds from disposal of treasury shares	1,006	22,132
Interest expenses paid	(645,146)	(610,729)
Net cash from (used in) financing activities	2,043,057	(1,027,268)
Net increase (decrease) in cash and cash equivalents	(2,010,633)	745,277
Cash and cash equivalents at beginning of period	37,039,600	33,560,679
Effect of exchange rate change on cash and cash equivalents	1,042	5,220
Cash and cash equivalents at end of period	35,030,009	34,311,177

(5) Notes on Going Concern Assumption

No item to report.

(6) Notes on Condensed Quarterly Consolidated Financial Statements

1. Segment Information

The Group's reportable segments are components of the Group about which separate financial information is available that the Board of Directors regularly conducts deliberations to determine the allocation of management resources and to assess the performance.

The Group draws up comprehensive strategies for each of the following six business segments and conducts business activities accordingly; "Revitalization Business", "Development Business", "Rental Business", "Fund and Consulting Business", "Property Management Business" and "Hotel Business". In the Revitalization Business, the Group acquires the properties whose asset values have declined, renovates, and resells them. In the Development Business, the Group sells condominium units and detached houses to individual customers as well as rental apartments and office buildings to investors. In the Rental Business, the Group rents office buildings and apartments. The Fund and Consulting Business mainly provides asset management services for the properties placed in real estate funds. The Property Management Business provides comprehensive property management services. The Hotel Business provides mainly hotel operating services.

From the three months ended February 28, 2022, the Company changed the name of its "Real Estate Securitization Business" (in Japanese. In English, the segment has been known as the "Revitalization Business" and remains the same) to the "Revitalization Business." As this is merely a change of the segment name, there will be no impact on segment information. Segment information for the six months ended May 31, 2021 is also provided based on the changed segment name.

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

Six months ended May 31, 2021

(December 1, 2020 – May 31, 2021)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue to external customers	24,185,920	9,043,204	2,760,865	2,271,615	2,509,846	161,424	—	40,932,878
Intersegment revenue	—	—	26,573	6,757	653,834	50	(687,215)	—
Total	24,185,920	9,043,204	2,787,439	2,278,373	3,163,681	161,474	(687,215)	40,932,878
Segment profit or loss	6,437,315	1,211,348	1,447,111	1,565,707	421,904	(408,294)	(1,442,247)	9,232,845
Finance income/costs, net								(273,171)
Profit before tax								8,959,674

Six months ended May 31, 2022
(December 1, 2021 – May 31, 2022)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue to external customers	28,951,915	5,056,317	2,884,941	2,709,943	3,127,640	821,552	—	43,552,312
Intersegment revenue	—	—	73,598	8,071	696,978	2,613	(781,260)	—
Total	28,951,915	5,056,317	2,958,540	2,718,014	3,824,618	824,165	(781,260)	43,552,312
Segment profit or loss	6,067,999	797,109	1,446,700	1,761,183	545,654	(259,062)	(1,001,703)	9,357,882
Finance income/costs, net								(357,150)
Profit before tax								9,000,732

2. Dividends

Dividends paid in the six months ended May 31, 2021 and May 31, 2022 are as follows:

Six months ended May 31, 2021				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on February 25, 2021	19	896,333	November 30, 2020	February 26, 2021

Six months ended May 31, 2022				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on February 25, 2022	38	1,815,783	November 30, 2021	February 28, 2022

3. Earnings per Share

	Six months ended May 31, 2021	Six months ended May 31, 2022
Profit attributable to owners of parent (¥ thousand)	6,120,465	6,107,254
Net income used to figure diluted net income per share (¥ thousand)	6,120,465	6,107,254
Weighted average number of outstanding ordinary shares (shares)	47,058,545	47,504,621
The number of increased ordinary shares used to figure diluted earnings per share (shares)	58,421	36,332
The weighted-average number of ordinary shares used to figure diluted earnings per share (shares)	47,116,966	47,540,953
Basic earnings per share (¥)	130.06	128.56
Diluted net income per share (¥)	129.90	128.46

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

(7) Notes on Significant Subsequent Events

Repurchase of the treasury shares

The Company resolved to repurchase its own shares pursuant to Article 156 of the Companies Act which is applicable in lieu of Article 165, Paragraph 3 of this act, at the board of directors' meeting held on July 5, 2022.

1. Reason for repurchase of the treasury shares

Stock will be repurchased to raise the level of shareholder return and improve capital efficiency, enabling the Company to flexibly execute capital policies that responds to changes in the business environment.

2. Details of repurchase

(1) Class of shares to be repurchased	Common share of Tosei Corporation
(2) Total number of shares to be repurchased	Up to 600,000 shares (1.3% of issued shares (excluding treasury shares))
(3) Total value of shares to be repurchased	Up to 0.5 billion yen
(4) Period for repurchase	From July 6, 2022 to December 31, 2022
(5) Method of repurchase	Discretionary investment by a securities company