SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
For the Third Quarter of FY 2015

February 2, 2016

NTT URBAN DEVELOPMENT CORPORATION
Stock Exchange: Tokyo Stock Exchange
Code Number: 8933
URL: http://www.nttud.co.jp/english/
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Filing of quarterly report: February 3, 2016
Scheduled date for commencing payment of dividend: —
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 Third Quarter of FY 2015
(April 1, 2015 through December 31, 2015)

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

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2015	105,728	4.4	17,904	3.3	15,298	9.5	7,885	(8.5)
Nine months ended December 31, 2014	101,251	(22.3)	17,330	(33.2)	13,972	(35.1)	8,622	(51.4)

(Note) Comprehensive income: Nine months ended December 31, 2015: 7,717 million yen (32.7%)
Nine months ended December 31, 2014: 11,458 million yen (44.0%)

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Nine months ended December 31, 2015	23.96	—
Nine months ended December 31, 2014	26.20	—

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of shareholders' equity to total assets
	Million yen	Million yen	%
As of December 31, 2015	1,062,129	243,633	18.7
As of March 31, 2015	1,033,220	245,641	19.4

(Reference) Shareholders' equity: As of December 31, 2015: 198,636 million yen
As of March 31, 2015: 200,910 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, 2015	—	8.00	—	8.00	16.00
Year ending March 31, 2016	—	8.00	—		
Year ending March 31, 2016 (Forecast)				8.00	16.00

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

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2016 (April 1, 2015 through March 31, 2016)

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

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Annual	180,000	18.4	35,000	40.9	31,500	54.4	15,000	(7.6)	45.58

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

* Notes

(1) Important changes in subsidiaries for the nine months ended December 31, 2015 (changes in specified subsidiaries resulting in change in scope of consolidation): Applicable

New: 2 companies NS Boston Holdings Ⅱ LLC, NS Two Oliver LLC

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 restatements of accounting estimates

(i) Changes in accounting principles due to amendment of accounting standards, etc.: Applicable

(ii) Changes in accounting principles other than (i): Not applicable

(iii) Changes in accounting estimates: Not applicable

(iv) Restatement of accounting estimates: 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 December 31, 2015:	329,120,000 shares
As of March 31, 2015:	329,120,000 shares

(ii) Total number of treasury stock as of the end of each period:

As of December 31, 2015:	77 shares
As of March 31, 2015:	– shares

(iii) Average number of issued shares for each period (cumulative period):

As of December 31, 2015:	329,119,979 shares
As of December 31, 2014:	329,120,000 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. Therefore, they do not constitute a guarantee that they will be realized. Please note that actual results may be different due to various factors. For preconditions 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 Third Quarter of FY 2015” on page 6 of the accompanying materials.

Accompanying Materials — Contents

1. Qualitative Information on Consolidated Operating Results, etc. for the Third Quarter of FY 2015

(1) Qualitative information on consolidated financial results

In the nine months ended December 31, 2015, the Japanese economy continued to follow a moderate recover trend, although some sluggish movement was evident. Looking forward, the Japanese economy is expected to be on a moderate expanding trend because domestic demand is likely to follow an uptrend, with a virtuous cycle from income to spending being maintained in both the household and corporate sectors, and because exports are expected to increase moderately on the back of emerging economies moving out of their deceleration phase. However, there is uncertainty regarding the global economy. It is difficult to deduce the pace of growth of economies in emerging countries, particularly China, and resource rich countries, and their impact on the global economy, given that the uncertainties surrounding those economies remain high and that there are negative effects of the declines in resource prices. In addition, there is a need to monitor the risks that could put downward pressure on the Japanese economy, such as development in the U.S. economy and other countries and the influence of its monetary policy response to them on the global financial markets.

In the office leasing market, the vacancy rate continued to improve, and it seems that market rents have bottomed out, with some rents rising. In the condominium sales market, despite the decreasing number of units supplied and concerns about the negative effect of a falsified data problem in piling work for condominiums and other buildings, sales remained strong overall, driven by strong consumer sentiment encouraged by low-interest rates.

As a consequence, operating revenue amounted to ¥105,728 million (up ¥4,477 million, or 4.4% year-on-year), operating income was ¥17,904 million (up ¥573 million, or 3.3%), and ordinary income was ¥15,298 million (up ¥1,326 million, or 9.5%). Profit attributable to owners of parent was ¥7,885 million (down ¥736 million, or 8.5%).

Non-operating income was ¥1,915 million, up ¥291 million year-on-year. This was due mainly to an increase of ¥109 million in amortization of negative goodwill. Non-operating expenses were ¥4,521 million, down ¥460 million. This was due mainly to a decrease of ¥269 million in interest expenses. As a result, ordinary income was ¥15,298 million, an increase of ¥1,326 million (up 9.5%).

Extraordinary income was ¥395 million, an increase of ¥16 million year-on-year. This was due mainly to ¥13 million recorded in gain on sales of investment securities. Extraordinary loss was ¥3,507 million, an increase of ¥2,875 million. This was due mainly to ¥1,759 million recorded in loss on sales of non-current assets and ¥1,043 million recorded in impairment loss. As a result, income before income taxes and minority interests was ¥12,168 million, a decrease of ¥1,533 million (down 11.2%), and profit attributable to owners of parent was ¥7,885 million, a decrease of ¥736 million (down 8.5%).

The table below shows operating revenue by business segment for the nine months ended December 31, 2015. Operating revenue in each segment in the text include inter-segment internal revenues and transfers.

(Million yen)

Business segment	Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)	Nine months ended December 31, 2015 (From April 1, 2015 to December 31, 2015)
Leasing business	64,676	68,330
Residential business	27,813	28,985
Total operating revenue in the reported segments	92,490	97,316
Other	12,361	12,830
Eliminations	(3,600)	(4,417)
Total	101,251	105,728

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

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

1) Leasing business

In the leasing business for the nine months ended December 31, 2015, the Company generates earnings from rent income of the property newly completed in the previous fiscal year, such as Trad Mejiro (Toshima-ku, Tokyo) and Shinagawa Season Terrace (Minato-ku, Tokyo), and the existing properties that were fairly filled by leasing activities in the previous fiscal year.

Operating revenue increased ¥3,653 million, to ¥68,330 million (up 5.6% year-on-year) due to an increase in rent income from new properties and lower vacancy rates in existing properties. Operating income increased ¥227, million to ¥17,250 million (up 1.3% year-on-year) due to the improvement of earnings from existing buildings and sales of properties etc., despite of factors including the increase in depreciation etc. related to completion of new property.

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

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

(Million yen)

Classification		Nine months ended December 31, 2014	Nine months ended December 31, 2015
Office/Commercial	Operating revenue	60,144	64,516
	Rentable area	1,179,597 m^2 (Of the above, sub-leases: 28,901 m^2)	1,211,517 m^2 (Of the above, sub-leases: 65,967 m^2)
Residential/Other	Operating revenue	4,532	3,814
Total operating revenue		64,676	68,330

(Note1) "Rentable areas" figures are as of the end of December 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 of the Group by area.

Classification	December 2014	March 2015	June 2015	September 2015	December 2015
Five wards of central Tokyo	2.9%	14.7% 1.7%	14.2% 2.2%	10.8% 1.3%	9.2% 1.3%
Nationwide	6.7%	10.9% 6.2%	10.5% 6.1%	8.7% 5.3%	7.5% 4.6%

(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.

(Note3) Properties of which leases were suspended for future redevelopment, etc. are excluded from the above calculation.

(Note4) The rate written above shows the vacancy rate including Shinagawa Season Terrace, which was completed February 2015. The rate written below shows that of excluding Shinagawa Season Terrace.

2) Residential business

In the residential business, the number of condominiums delivered amounted to 684 units, centering on newly completed condominiums. The average sales price per unit also rose to ¥43 million, reflecting the delivery of high-priced condominiums, such as Wellith Ginza 2-Chome, etc., in the nine months ended December 31, 2015.

As a result, for the nine months ended December 31, 2015, operating revenue in the residential business increased ¥1,171 million, or 4.2%, to ¥28,985 million thanks to an increase in the number of condominiums deliveries, though the average sales price decreased year on year. Operating income was increased ¥838 million, or 27.2%, to ¥3,922 million due to deliveries of condominiums with high profit margin in central Tokyo.

In the three months ended December 31, 2015, the Company began distribution of Wellith Kamakura-yuigahama (Kamakura-shi, Kanagawa).

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

Classification			Nine months ended December 31, 2014		Nine months ended December 31, 2015	
			Units/Lots	Operating revenue (million yen)	Units/Lots	Operating revenue (million yen)
Condominiums						
	Units delivered	Tokyo metropolitan area	363	18,741	479	20,520
		Other regions	223	8,281	168	7,616
	Completed in inventories		161	—	368	—
Building Lots, etc.						
	Units/Lots delivered	Tokyo metropolitan area	2	50	1	151
		Other regions	43	739	35	696
	Completed in inventories		40	—	62	—
Residential Subtotal (Condominiums/Building lots, etc.)						
	Units/Lots delivered	Tokyo metropolitan area	365	18,792	480	20,672
		Other regions	266	9,021	204	8,312
	Completed in inventories		201	—	430	—
Other						
	Units/Lots delivered	Tokyo metropolitan area	—	—	—	—
		Other regions	—	—	—	—
	Completed in inventories		—	—	—	—
Operating revenue			—	27,813	—	28,985

(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 December of each fiscal year. The condominiums completed in inventories for the nine months ended December 31, 2014 and for the nine months ended December 31, 2015 include 23 units and 73 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 nine months ended December 31, 2014 and for the nine months ended December 31, 2015 include 31 lots and 55 lots for which a contract has been completed but ownership has not yet been transferred.

(Note 3) 1 lot (worth ¥151 million) of residential lots delivered for the nine months ended December 31, 2015 were delivered through a portion sale of land.

(Note 4) Tokyo metropolitan area includes Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma and Tochigi prefectures.

3) Other

Operating revenue in other business for the nine months ended December 31, 2015 was ¥12,830 million (up ¥469 million, or 3.8%), and operating income was ¥984 million (down ¥22 million, or 2.2%).

(2) Qualitative information on consolidated financial position

Assets, liabilities and net assets as of December 31, 2015 increased from the end of the previous fiscal year.

(Assets)

Total assets as of December 31, 2015 were ¥1,062,129 million, up ¥28,908 million from the end of the fiscal year ended March 2015.

Current assets stood at ¥157,538 million, rising ¥29,026 million from the end of the fiscal year ended March 2015. This result was attributable mainly to an increase of ¥29,575 million in real estate for sale (including real estate for sale in progress) supported by the progress of acquisition in the residential business.

Non-current assets amounted to ¥904,590 million, decreasing ¥118 million from the end of the fiscal year ended March 2015. This chiefly reflected a decrease of ¥3,711 million in property, plant and equipment (resulting from an increase of ¥23,063 million through investments in overseas properties and new development properties and a decrease from depreciation of ¥16,391 million and the sale of properties of ¥8,418 million associated with the asset portfolio realignment), despite an increase of ¥2,719 million in investments and other assets due to investments in affiliates, etc., and increase of ¥873 million in intangible assets associated with investment in information system.

(Liabilities)

Total liabilities as of December 31, 2015 were ¥818,495 million, up ¥30,916 million from the end of the fiscal year ended March 2015. The main factors for this included an increase of ¥46,697 million in interest-bearing debt (¥593,886 million as of December 31, 2015) from the end of the fiscal year ended March 2015 due to the progress of acquisition in the residential business and increase of ¥2,143 million associated with the application of the retroactive processing in accordance with the “Accounting Standard for Business Combination” (ASBJ Statement No,21), offsetting decreases of ¥4,278 million in notes and operating accounts payable-trade due to payments of condominium construction costs, and ¥2,025 million in income taxes payable due to the interim payment of corporate taxes, and decrease of ¥12,559 million in accounts payable-facilities, included in “Others” of current liabilities and non-current liabilities, by payment of construction cost, etc.

Net interest-bearing debt, interest-bearing debt less cash and cash equivalents, etc., were ¥575,287 million, rising ¥48,361 million from the end of the fiscal year ended March 2015.

(Net assets)

Net assets as of December 31, 2015 were ¥243,633 million, down ¥2,007 million from the end of the fiscal year ended March 2015. This decrease mainly reflected a decline of ¥960 million in shareholders’ equity (an increase of ¥7,885 million in profit attributable to owners of parent, a decrease of ¥5,265 million due to payment of cash dividends, a decrease of ¥3,579 million due to the application of the retroactive processing in accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21), and a decline of ¥0 million in treasury stock), a decrease of ¥1,312 million in accumulated other comprehensive income (a decline of ¥286 million in valuation difference on available-for-sale securities, a decline of ¥37 million in deferred gains or losses on hedges, a decline of ¥940 million in foreign currency translation adjustment, and a decline of ¥48 million in remeasurements of defined benefit plans), and an increase of ¥265 million in non-controlling interests.

(3) Qualitative information on consolidated earnings forecast

Results for the nine months ended December 31, 2015 were almost in line with the earnings forecast. Therefore, the consolidated earnings forecast announced on November 4, 2015 has not been changed.

The consolidated earnings forecast for the fiscal year ending March 2016 is as follows:

Consolidated earnings forecast for fiscal year ending March 2016

(Million yen)

Item	Annual
Operating revenue	180,000
Operating income	35,000
Ordinary income	31,500
Profit attributable to owners of parent	15,000

Consolidated segment forecast for fiscal year ending March 2015

(Million yen)

Item	Annual
Operating revenue	180,000
Leasing business	120,000
Residential property sales business	47,000
Other	19,000
Eliminations	(6,000)
Operating income	35,000
Leasing business	35,000
Residential property sales business	5,000
Other	1,500
Eliminations/Corporate	(6,500)

In the office market, the vacancy rate is improving, and the rent level is bottoming out. The Company will place a higher emphasis on the “build-and-sell” approach than on the “build-and-own” approach and will strive to increase revenues by strengthening its development capabilities through efforts such as collaborations with other companies, launching mixed use property development projects of retail and residential properties, etc. and participating in regional redevelopment projects.

The condominium sales market remains generally firm. Looking forward, although the impact of rising conduction costs and higher land and property prices, particularly in the Tokyo metropolitan area, is uncertain, the Company will strive to secure revenues by making efforts to reduce costs. The Company has also decided to work on further deepening its brand with the rebuilding of its brand concept by renewing the brand logo to “Wellith” so that consumers will feel a stronger affinity with it. brand.

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

2. Matters Relating to Summary Information (Notes)

(1) Important changes in subsidiaries for the nine months ended December 31, 2015

During the nine months ended December 31, 2015, 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 nine months ended December 31, 2015.
(Consolidated Subsidiary)

Name	Address	Capitalization (million yen)	Main business	Voting rights ownership percentage	Relations
NS Boston Holdings Ⅱ LLC	Delaware, U.S.A.	(Dollar) 80,000,000	Leasing	98.0 (Note 3)	Investment in and management of real estate in the U.S.A.
NS Two Oliver LLC	Delaware, U.S.A.	(Dollar) 80,000,000	Leasing	98.0 (Note 3)	Investment in and management of real estate in the U.S.A.

(Note1) Apart from the above, the Company established a 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) In the major business column, the names of segment information are entered.
(Note 3) Shareholding ratios are provided in lieu of voting rights ownership percentage.

The Company conducted an absorption-type merger which the surviving company was NTT Urban Development Builservice Co., and the company that ceased to exist was NTT Urban Development West BS Co. on October 1, 2015.

(Equity-Method Affiliates)

Two companies are newly accounted for by applying the equity method in the nine months ended December 31, 2015.

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements

Not applicable

(3) Changes in accounting principles and changes or restatements of accounting estimates

(Change in accounting principles)

(Application of Revised Accounting Standard for Business Combination, etc.)

Effective from the fiscal year beginning on or after April 1, 2014, “Revised Accounting Standard for Business Combination” (ASBJ Statement No.21, September 13, 2013 (hereinafter, “Statement No.21”)), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, September 13, 2013 (hereinafter, “Statement No.22”)) and “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No.7, September 13, 2013 (hereinafter, “Statement No.7”)) (together, the “Business Combination Accounting Standards”), are permitted to be applied. The Company and its subsidiaries adopted these accounting standards from this current fiscal year, as a result, changed the accounting policies: to recognize in capital surplus the differences arising from the changes in the Company’s ownership interest of subsidiaries over which the Company continues control; and to record acquisition related costs as expenses in the fiscal year in which the costs are incurred. In addition, the Company changed the accounting policies for the reallocation of acquisition costs due to the completion of the provisional accounting to reflect such reallocation in the consolidated financial statements for the fiscal year in which the business combination took place. In addition, the Company has changed the title of net income and other items and the title of minority interests to non-controlling interest. To reflect these changes, the quarterly consolidated financial statements and consolidated financial statements for the nine months ended December 31, 2014, and fiscal year ended March 31, 2015, have been replaced.

With regard to the application of the Business Combination Accounting Standards, the Company followed the provisional treatments in article 58-2 (3) of Statement No.21, article 44-5 (3) of Statement No.22 and article 57-4 (3) of Statement No.7 and recognized in capital surplus or retained earnings the cumulative effect as of the beginning of the current fiscal year that resulted from the retrospective application of the new accounting policies for all of the prior fiscal years.

As a result, goodwill, capital surplus and retained earnings as of the beginning of the current fiscal year decreased by ¥1,682 million, ¥2,461 million and ¥1,118 million, and negative goodwill increased ¥1,897 million respectively. For the nine months ended December 31, 2015, Operating income increased by ¥90 million, and ordinary income and income before tax increased by ¥199 million respectively.

3. Quarterly Consolidated Financial statements

(1) Quarterly consolidated balance sheets

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2015)	Nine months ended December 31, 2015 (As of December 31, 2015)
Assets		
Current assets		
Cash and deposits	17,891	18,134
Notes and operating accounts receivable	5,569	4,815
Real estate for sale	33,361	35,160
Real estate for sale in progress	59,987	87,764
Costs on uncompleted construction contracts	169	313
Raw materials and supplies	52	51
Lease investment assets	3,837	3,785
Deposits paid	2,412	504
Deferred tax assets	1,075	979
Other	4,189	6,039
Allowance for doubtful accounts	(35)	(9)
Total current assets	128,512	157,538
Non-current assets		
Property, plant and equipment		
Buildings and structures	714,920	712,648
Accumulated depreciation	(392,856)	(400,559)
Buildings and structures (net)	322,063	312,088
Machinery, equipment and vehicles	13,593	13,361
Accumulated depreciation	(11,777)	(11,803)
Machinery, equipment and vehicles (net)	1,815	1,557
Land	505,999	507,210
Lease assets	347	320
Accumulated depreciation	(219)	(220)
Lease assets (net)	128	100
Construction in progress	2,212	7,845
Other property, plant and equipment	15,486	15,288
Accumulated depreciation	(12,913)	(13,009)
Other property, plant and equipment (net)	2,573	2,278
Total property, plant and equipment	834,792	831,080
Intangible assets	24,556	25,430
Investments and other assets		
Investment securities	22,841	25,842
Long-term prepaid expenses	15,635	15,217
Net defined benefit asset	396	409
Deferred tax assets	354	404
Other	6,131	6,204
Total investments and other assets	45,359	48,079
Total non-current assets	904,708	904,590
Total assets	1,033,220	1,062,129

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2015)	Nine months ended December 31, 2015 (As of December 31, 2015)
Liabilities		
Current liabilities		
Notes and operating accounts payable–trade	8,473	4,194
Short-term loans payable	—	60,917
Lease obligations	48	44
Current portion of long-term loans payable	53,200	31,293
Current portion of bonds	—	19,999
Income taxes payable	2,684	659
Deferred tax liabilities	405	402
Other	34,062	35,706
Total current liabilities	98,874	153,218
Non-current liabilities		
Bonds payable	130,968	110,974
Long-term loans payable	363,020	370,702
Lease obligations	123	93
Lease and guarantee deposits received	68,715	68,752
Negative goodwill	21,286	23,430
Deferred tax liabilities	59,555	59,622
Provision for directors’ retirement benefits	23	24
Net defined benefit liability	6,335	6,573
Asset retirement obligations	3,267	3,338
Other	35,407	21,765
Total non-current liabilities	688,704	665,277
Total liabilities	787,579	818,495
Net assets		
Shareholders’ equity		
Capital stock	48,760	48,760
Capital surplus	34,109	31,648
Retained earnings	108,264	109,765
Treasury shares	—	(0)
Total shareholders’ equity	191,134	190,173
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,837	2,550
Deferred gains or losses on hedges	—	(37)
Foreign currency translation adjustment	6,429	5,489
Remeasurements of defined benefit plans	509	461
Total accumulated other comprehensive income	9,776	8,463
Non-controlling interests	44,730	44,996
Total net assets	245,641	243,633
Total liabilities and net assets	1,033,220	1,062,129

(2) Quarterly consolidated statements of income and quarterly statements of comprehensive income
(Quarterly consolidated Statements of Income)
(Nine month ended December 31, 2014 and 2015)

(Million yen)

	Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)	Nine months ended December 31, 2015 (From April 1, 2015 to December 31, 2015)
Operating revenue	101,251	105,728
Operating cost	72,157	75,383
Operating gross profit	29,093	30,345
Selling, general and administrative expenses	11,762	12,440
Operating income	17,330	17,904
Non-operating income		
Interest income	17	8
Dividends income	73	93
Amortization of negative goodwill	1,335	1,444
Equity in earnings of affiliates	73	253
Other	124	114
Total non-operating income	1,624	1,915
Non-operating expenses		
Interest expenses	4,751	4,481
Other	230	39
Total non-operating expenses	4,982	4,521
Ordinary income	13,972	15,298
Extraordinary income		
Gain on sales of non-current assets	379	382
Other	―	13
Total extraordinary income	379	395
Extraordinary loss		
Loss on sales of non-current assets	―	1,759
Loss on retirement of non-current assets	632	705
Impairment loss	―	1,043
Total extraordinary losses	632	3,507
Income before income taxes and minority interests	13,719	12,186
Total income taxes	4,053	3,155
Profit	9,665	9,030
Profit attributable to non-controlling interests	1,043	1,145
Profit attributable to owners of parent	8,622	7,885

(Quarterly consolidated statements of comprehensive income)
(Nine month ended December 31, 2014 and 2015)

(Million yen)

	Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)	Nine months ended December 31, 2015 (From April 1, 2015 to December 31, 2015)
Profit	9,665	9,030
Other comprehensive income		
Valuation difference on available-for-sale securities	1,207	(286)
Deferred gains or losses on hedges	―	(37)
Foreign currency translation adjustment	613	(940)
Remeasurements of defined benefit plans	(27)	(48)
Total other comprehensive income	1,792	(1,312)
Comprehensive income	11,458	7,717
(Breakdown)		
Comprehensive income attributable to owners of parent	10,415	6,572
Comprehensive income attributable to non-controlling interests	1,043	1,145

(3) Notes regarding quarterly consolidated financial statements

(Notes regarding the premise of a going concern)

Not applicable

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

Not applicable

(Segment information, etc.)

Segment information

I. Nine months ended December 31, 2014 (from April 1, 2014 to December 31, 2014)

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

(Million yen)

	Reported segments			Other (Note 1)	Total	Adjustment (Note 2)	Amount stated in consolidated financial statement (Note 3)
	Leasing	Residential	Total				
Operating revenue							
(1) Operating revenue to third parties	63,980	27,809	91,790	9,460	101,251	—	101,251
(2) Inter-segment internal revenues and transfers	695	4	700	2,900	3,600	(3,600)	—
Total	64,676	27,813	92,490	12,361	104,851	(3,600)	101,251
Segment profits	17,022	3,083	20,106	1,006	21,112	(3,781)	17,330

(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 -¥3,781 million in segment profits includes elimination of inter-segment transactions of ¥21 million and company-wide expenses of -¥3,803 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. Nine months ended December 31, 2015 (from April 1, 2015 to December 31, 2015)

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

(Million yen)

	Reported segments			Other (Note 1)	Total	Adjustment (Note 2)	Amount stated in consolidated financial statement (Note 3)
	Leasing	Residential	Total				
Operating revenue							
(1) Operating revenue to third parties	67,667	28,980	96,647	9,081	105,728	—	105,728
(2) Inter-segment internal revenues and transfers	663	4	668	3,749	4,417	(4,417)	—
Total	68,330	28,985	97,316	12,830	110,146	(4,417)	105,728
Segment profits	17,250	3,922	21,172	984	22,156	(4,252)	17,904

(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 -¥4,252 million in segment profits includes elimination of inter-segment transactions of ¥7 million and company-wide expenses of -¥4,260 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

(Significant Asset Impairment Losses)

(Million yen)

	Leasing business	Residential business	Other	Eliminations	Total
Impairment losses	1,043	—	—	—	1,043

3. Change in reported segments

(Application of Revised Accounting Standard for Business Combination, etc.)

As stated in “Change in accounting principles”, the Company and its subsidiaries adopted the accounting standards from this current fiscal year, and as a result, changed the accounting policies: to recognize in capital surplus the differences arising from the changes in the Company’s ownership interest of subsidiaries over which the Company continues control; and to record acquisition related costs as expenses in the fiscal year in which the costs are incurred. In addition, the Company changed the accounting policies for the reallocation of acquisition costs due to the completion of the provisional accounting to reflect such reallocation in the consolidated financial statements for the fiscal year in which the business combination took place.

As a result, the segment profit in “Leasing business” and in “Other” for the nine months ended December 31, 2015, increased by ¥89 million and ¥0 million, respectively.

(Significant subsequent events)

Not applicable