SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
For the First Quarter of FY 2016

August 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: August 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 First Three Months of the Fiscal Year Ending March 2017
(April 1, 2016 through June 30, 2016)

(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	%
Three months ended June 30, 2016	33,255	24.6	5,225	33.4	4,439	42.6	2,832	28.8
Three months ended June 30, 2015	26,681	(26.4)	3,918	(37.3)	3,113	(40.3)	2,198	(37.4)

(Note) Comprehensive income: Three months ended June 30, 2016: 638 million yen (55.8%)
Three months ended June 30, 2015: 1,442 million yen (61.9%)

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Three months ended June 30, 2016	8.61	—
Three months ended June 30, 2015	6.68	—

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of shareholders' equity to total assets
	Million yen	Million yen	%
As of June 30, 2016	1,019,653	249,151	19.9
As of March 31, 2016	1,033,557	251,905	19.9

(Reference) Shareholders' equity: As of June 30, 2016: 203,165 million yen
As of March 31, 2016: 206,034 million yen

2. Dividends

	Dividends per share				
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	—	8.00	—	9.00	17.00
Year ending March 31, 2017	—				
Year ending March 31, 2017 (Forecast)		9.00	—	9.00	18.00

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

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 2017 (April 1, 2016 through March 31, 2017)
(Figures in percentages denote the year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Annual	190,000	3.8	31,000	(17.9)	28,000	(17.2)	17,000	2.7	51.65

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

(1) Important changes in subsidiaries for the three months ended June 30, 2016 (changes in specified subsidiaries resulting in change in scope of consolidation): Not applicable

New: –

Exception: –

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: Not applicable

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

(i) Changes in accounting principles due to amendment of accounting standards, etc.: Not applicable

(ii) Changes in accounting principles other than (i): Applicable

(iii) Changes in accounting estimates: Not applicable

(iv) Restatement of accounting estimates: Not applicable

For more information, refer to "(3) Changes in accounting principles and changes or restatements of accounting estimates" of "2. Matters Relating to Summary Information (Notes)" on page 7 of the accompanying materials.

(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 June 30, 2016:	329,120,000 shares
As of March 31, 2016:	329,120,000 shares

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

As of June 30, 2016:	77 shares
As of March 31, 2016:	77 shares

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

As of June 30, 2016:	329,119,923 shares
As of June 30, 2015:	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 three months ended June 30, 2016" on page 6 of the accompanying materials.

Accompanying Materials — Contents

1. Qualitative Information on Consolidated Operating Results, etc. for the First Quarter of FY2016

(1) Qualitative information on consolidated financial results

The Japanese economy continued to follow a moderate recovery trend, albeit with continued weakness, during the three months ended June 30, 2016. Looking ahead, the economy is expected to continue to recover moderately, reflecting the ongoing improvements in the employment and income situation, thanks in part to government policies. However, concerns remain in overseas economies, and weaker-than-expected economies in emerging countries in Asia such as China and resource-rich countries could place downward pressure on the Japanese economy. Given these conditions, attention needs to be paid to rising uncertainty over international affairs, such as Brexit, and the effects of changes in the financial and capital markets.

In the office leasing market, 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 Tokyo areas, although sales prices continued to go up due to rising land prices and the hovering of construction costs at a high level. In the suburbs, however, there were some condominiums for which sales were prolonged.

In this environment, operating revenue amounted to ¥33,255 million (up ¥6,573 million, or 24.6% year-on-year), operating income was ¥5,225 million (up ¥1,307 million, or 33.4%), and ordinary income was ¥4,439 million (up ¥1,326 million, or 42.6%). Profit attributable to owners of parent was ¥2,832 million (up ¥634 million, or 28.8%).

The segment classification was changed in the first quarter of the consolidated fiscal year under review. Operating revenue in each segment in the text includes inter-segment internal revenues and transfers.

(Million yen)

Business segment	Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)	Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)
Offices/Retail Business	20,386	20,593
Residential Business	3,790	8,769
Total operating revenue in reported segments	24,176	29,362
Other	3,710	5,114
Eliminations	(1,205)	(1,221)
Total	26,681	33,255

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

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

(Note3) Operating results for the first quarter of the previous consolidated fiscal year have been reclassified into the segment classification that was changed in the first quarter of the consolidated fiscal year under review.

1) Offices/Retail Business

In the offices/retail business for the three months ended June 30, 2016, the Company generates earnings from contribution of the property newly completed in the previous fiscal year, such as Urbannet Nihonbashi 2-Chome Building (Chuo-ku, Tokyo) and Urbannet Ginza 1-Chome Building (Chuo-ku, Tokyo), and the existing properties that were fairly filled by leasing activities.

Operating revenue increased ¥207 million to ¥20,593 million (up 1.0% year-on-year) due to an increase in rent income from new properties and lower vacancy rates in existing properties. Operating income increased ¥1,241 million to ¥5,828 million (up 27.1% year-on-year).

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

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

(Million yen)

Classification		Three months ended June 30, 2015	Three months ended June 30, 2016
Offices/ Retail leasing	Operating revenue	20,344	20,566
	Rentable floor space	1,235,590 m^2 (Of the above, sub-leases: 65,967 m^2)	1,137,132 m^2 (Of the above, sub-leases: 99,140 m^2)
Sales of revenue-generating real estate	Operating revenue	—	—
Other	Operating revenue	41	27
Total operating revenue		20,386	20,593

(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.

(Note3) Operating results for the first quarter of the previous consolidated fiscal year have been reclassified into the segment classification that was changed in the first quarter of the consolidated fiscal year under review.

The table below shows the vacancy rate by area.

Classification	June 2015	September 2015	December 2015	March 2016	June 2016
Five wards of central Tokyo	14.2%	10.8%	9.2%	6.3%	4.2%
Nationwide	10.5%	8.7%	7.5%	5.7%	4.8%

(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.

2) Residential business

In the residential business, the number of condominiums delivered amounted to 87 units, centering on newly completed condominiums.The average sales price per unit was ¥38 million because the delivery was carried out mainly in suburban area in the three months ended June 30, 2016.

As a result, for the three months ended June 30, 2016, operating revenue in the residential business increased ¥4,978 million, or 131.3%, to ¥8,769 million, and operating income was down ¥101 million, or 23.1%, to ¥338 million.

In the three months ended June 30, 2016, the Company began distribution of Wellith Funabashi Natsumi (Funabashi-shi, Chiba) and Wellith Azamino (Yokohama-shi, Kanagawa).

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

(Million yen)

Classification	Three months ended June 30, 2015	Three months ended June 30, 2016
Residential property sales	3,097	8,329
Residential rentals	693	439
Other	—	—
Total operating revenue	3,790	8,769

(Note) Operating results for the first quarter of the previous consolidated fiscal year have been reclassified into the segment classification that was changed in the first quarter of the consolidated fiscal year under review.

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

Classification			Three months ended June 30, 2015		Three months ended June 30, 2016	
			Units/Lots	Operating revenue (million yen)	Units/Lots	Operating revenue (million yen)
Condominiums						
	Units delivered	Tokyo metropolitan area	44	1,650	65	4,749
		Other regions	21	869	21	2,740
	Completed in inventories		153	—	382	—
Residential Lots, etc.						
	Units/Lots delivered	Tokyo metropolitan area	1	151	8	296
		Other regions	20	425	27	543
	Completed in inventories		42	—	35	—
Subtotal (Condominiums and Residential Lots, etc.)						
	Units/Lots delivered	Tokyo metropolitan area	45	1,802	73	5,045
		Other regions	41	1,294	49	3,284
	Completed in inventories		196	—	417	—
Residential property sales other						
	Units/Lots delivered	Tokyo metropolitan area	—	—	—	—
		Other regions	—	—	—	—
	Completed in inventories		—	—	—	—
Operating revenue			—	3,097	—	8,329

(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, 2015 and for the three months ended June 30, 2016 include 31 units and 64 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, 2015 and for the three months ended June 30, 2016 include 30 lots and 20 lots, for which a contract has been completed but ownership has not yet been transferred.

(Note3) 1 lot (worth ¥151 million) of residential lots delivered for the three months ended June 30, 2015 was delivered through a portion sale of land.

(Note4) Tokyo metropolitan area includes Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma and Tochigi prefectures.

3) Other

Operating revenue in other business for the three months ended June 30, 2016 was ¥5,114 million (up ¥1,403 million, or 37.8%), and operating income was ¥395 million (up ¥199 million, or 102.0%).

(2) Qualitative information on consolidated financial position

(Assets)

Total assets of June 30, 2016 were ¥1,019,653 million, down ¥13,904 million from the end of the fiscal year ended March 2016. Current assets stood at ¥170,437 million, decline ¥7,673 million from the end of the fiscal year ended March 2016. Main factors for this result was a decline of ¥5,981 million in note and operating accounts receivable attribute to delivery of condominium and of ¥2,116 million in inventory (real estate for sale and real estate for sale in progress), respectively.

Non-current assets amounted to ¥849,215 million, down ¥6,231 million from the end of the fiscal year ended March 2016. This was mainly reflected the acquisition ¥2,703 million of assets associated with investment in new development, despite a decline of property, plant and equipment attribute to depreciation(¥4,163 million) and foreign currency translation adjustment (¥2,778 million).

(Liabilities)

Total liabilities as of June 30, 2016 were ¥770,501 million, down ¥11,149 million from the end of the fiscal year ended March 2016.

This was mainly reflected an increase in interest-bearing debt of ¥5,410 million (balance at the end of the first quarter of FY2016 : ¥551,431 million) despite a decrease of 16,906 million in accounts payable of construction cost included in “Others” of current and non-current liabilities.

Net interest-bearing debt, interest-bearing debt less cash and cash equivalents, etc., were ¥534,361 million, rising ¥4,507 million from the end of the fiscal year ended March 2016.

(Net assets)

Net assets as of June 30, 2016 were ¥249,151 million, down ¥2,754 million from the end of the fiscal year ended March 2016. This reflected decline in shareholders’ equity (¥129 million) and accumulated other comprehensive income (¥2,739 million) and increase of minority interests (¥114 million).

(3) Qualitative information on consolidated earnings forecast

Results for the three months ended June 30, 2016 were almost in line with the earnings forecast. Therefore, the consolidated earnings forecast announced on May 11, 2016 has not been changed.

The consolidated earnings forecast for the fiscal year ending March 2017 is as follows:

Consolidated earnings forecast for fiscal year ending March 2017

(Million yen)

Item	Annual
Operating revenue	190,000
Operating income	31,000
Ordinary income	28,000
Profit attributable to owners of parent	17,000

The segment classification was changed in the first quarter of the consolidated fiscal year under review. The table below shows the segment forecast after change of business segments.

Consolidated segment forecast for fiscal year ending March 2017

(Million yen)

Item	Annual
Operating revenue	190,000
Offices/Retail Business	109,000
Residential Business	67,000
Other	18,000
Eliminations	(4,000)
Operating income	31,000
Offices/Retail Business	29,500
Residential Business	6,500
Other	1,500
Eliminations/Corporate	(6,500)

The offices/retail market indicated lower vacancy rates and signs of a bottoming out in rent levels. The Company aims to increase its development capacity and earnings by shifting its focus away from conventional development on the assumption of long-term ownership to increase properties for sale. It also intends to focus on activities such as collaboration with other companies, combined development of commercial, residential, and other businesses, and participation in the area redevelopment business.

In the condominium sales market, demand remained firm for condominiums in central Tokyo areas, although sales prices continued to go up due to rising land prices and the hovering of construction costs at a high level. In the suburbs, however, there were some condominiums for which sales were prolonged. The Company will strive to secure revenues by increasing added value and making efforts to reduce costs.

(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) Changes in significant subsidiaries during the three months ended June 30, 2016

Not applicable

(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)

(Change of Depreciation Method and Useful Life)

Although the Company and its consolidated subsidiaries in Japan applied the declining-balance method as the depreciation method for property, plant and equipment in the past, it switched to the straight-line method in the first quarter of the consolidated fiscal year under review.

The Group is reviewing the strategies for its businesses in the Revision of the Medium-Term Vision 2018 to respond to changes in the environment surrounding the Group. It believes the occupancy rate of office buildings will remain more stable by promoting investment in strategic renewal for existing flagship buildings and the future development pipeline.

Because the stable use of property, plant and equipment is expected in the future as a result of the review, we changed the depreciation method for property, plant and equipment, believing that is better to apply the straight-line method.

The Company and its consolidated subsidiaries in Japan have also revised the useful life for some property, plant and equipment based on their actual utilization from the first quarter of the consolidated fiscal year under review.

As a result, operating income, ordinary income, and income before income taxes and minority interests have increased ¥547 million.

The impact of this change on segment information is stated in the corresponding sections.

3. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheets

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2016)	Three months ended June 30, 2016 (As of June 30, 2016)
Assets		
Current assets		
Cash and deposits	14,846	16,281
Notes and operating accounts receivable	9,170	3,188
Real estate for sale	41,736	38,218
Real estate for sale in progress	99,374	100,775
Costs on uncompleted construction contracts	248	294
Raw materials and supplies	58	44
Lease investment assets	2,224	2,187
Deposits paid	1,360	828
Deferred tax assets	425	440
Other	8,665	8,177
Allowance for doubtful accounts	(0)	(0)
Total current assets	178,110	170,437
Non-current assets		
Property, plant and equipment		
Buildings and structures	617,052	617,279
Accumulated depreciation	(337,594)	(341,427)
Buildings and structures (net)	279,458	275,852
Machinery, equipment and vehicles	11,902	11,923
Accumulated depreciation	(10,345)	(10,425)
Machinery, equipment and vehicles (net)	1,557	1,497
Land	494,722	495,629
Lease assets	315	201
Accumulated depreciation	(222)	(131)
Lease assets (net)	92	69
Construction in progress	3,604	2,380
Other property, plant and equipment	13,675	13,741
Accumulated depreciation	(11,216)	(11,342)
Other property, plant and equipment (net)	2,459	2,399
Total property, plant and equipment	781,895	777,829
Intangible assets	25,994	25,760
Investments and other assets		
Investment securities	24,311	22,023
Long-term prepaid expenses	15,072	14,888
Net defined benefit asset	147	168
Deferred tax assets	556	575
Other	7,468	7,968
Total investments and other assets	47,557	45,625
Total non-current assets	855,447	849,215
Total assets	1,033,557	1,019,653

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2016)	Three months ended June 30, 2016 (As of June 30, 2016)
Liabilities		
Current liabilities		
Notes and operating accounts payable–trade	9,182	3,474
Short-term loans payable	6,530	30,670
Lease obligations	40	29
Current portion of long-term loans payable	36,775	31,438
Current portion of bonds	19,999	19,999
Income taxes payable	1,064	537
Deferred tax liabilities	380	374
Other	41,488	45,014
Total current liabilities	115,462	131,539
Non-current liabilities		
Bonds payable	110,975	110,977
Long-term loans payable	371,739	358,345
Lease obligations	87	65
Lease and guarantee deposits received	69,424	70,827
Negative goodwill	22,951	22,473
Deferred tax liabilities	58,658	58,641
Provision for directors’ retirement benefits	27	24
Net defined benefit liability	8,215	8,108
Asset retirement obligations	2,424	2,136
Other	21,684	7,362
Total non-current liabilities	666,189	638,962
Total liabilities	781,651	770,501
Net assets		
Shareholders’ equity		
Capital stock	48,760	48,760
Capital surplus	31,648	31,648
Retained earnings	118,437	118,308
Treasury shares	(0)	(0)
Total shareholders’ equity	198,846	198,717
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,003	2,699
Deferred gains or losses on hedges	(9)	(64)
Foreign currency translation adjustment	5,261	2,857
Remeasurements of defined benefit plans	(1,066)	(1,044)
Total accumulated other comprehensive income	7,187	4,448
Non-controlling interests	45,871	45,985
Total net assets	251,905	249,151
Total liabilities and net assets	1,033,557	1,019,653

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

(Quarterly consolidated Statements of Income)

(Three month ended June 30, 2015 and 2016)

(Million yen)

	Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)	Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)
Operating revenue	26,681	33,255
Operating cost	19,181	23,814
Operating gross profit	7,500	9,440
Selling, general and administrative expenses	3,581	4,214
Operating income	3,918	5,225
Non-operating income		
Interest income	14	2
Dividends income	62	71
Amortization of negative goodwill	481	481
Equity in earnings of affiliates	88	99
Other	76	154
Total non-operating income	723	808
Non-operating expenses		
Interest expenses	1,521	1,312
Other	7	282
Total non-operating expenses	1,529	1,594
Ordinary income	3,113	4,439
Extraordinary income		
Gain on sales of non-current assets	382	—
Total extraordinary income	382	—
Extraordinary loss		
Loss on retirement of non-current assets	54	42
Total extraordinary losses	54	42
Income before income taxes and minority interests	3,441	4,396
Total income taxes	874	1,019
Profit	2,567	3,377
Profit attributable to non-controlling interests	368	544
Profit attributable to owners of parent	2,198	2,832

(Quarterly consolidated statements of comprehensive income)

(Three month ended June 30, 2015 and 2016)

(Million yen)

	Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)	Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)
Profit	2,567	3,377
Other comprehensive income		
Valuation difference on available-for-sale securities	(43)	(303)
Deferred gains or losses on hedges	―	(54)
Foreign currency translation adjustment	(1,065)	(2,404)
Remeasurements of defined benefit plans	(16)	22
Total other comprehensive income	(1,125)	(2,739)
Comprehensive income	1,442	638
(Breakdown)		
Comprehensive income attributable to owners of parent	1,073	93
Comprehensive income attributable to non-controlling interests	368	544

(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. Three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)

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	20,160	3,788	23,949	2,732	26,681	—	26,681
(2) Inter-segment internal revenues and transfers	225	1	227	978	1,205	(1,205)	—
Total	20,386	3,790	24,176	3,710	27,887	(1,205)	26,681
Segment profits	4,586	440	5,027	195	5,222	(1,303)	3,918

(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 - ¥1,303 million in segment profits includes elimination of inter-segment transactions of ¥8 million and company-wide expenses of - ¥1,312 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, 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

3. Change in reported segments

(Change of Reported Segments)

Starting with the first quarter of the consolidated fiscal year under review, we changed the reported segments from the old Leasing Business and the Residential Property Sales Business to the Offices/Retail Business and the Residential Business, considering current status of market environment and the Group's organization.

Based on this change, we also transferred the residential rental business, which was included in the Leasing Business until the previous consolidated fiscal year, to the Residential Business segment for the purpose of integrated business management with residential property sales business.

Segment information of three months ended June 30, 2015, has been reclassified into the new segment classification from three months ended June 30, 2016.

(Change of Depreciation Method and Useful Life)

As stated in the "Change in accounting principles," we changed the depreciation method for property, plant and equipment to the straight-line method in the first quarter of the consolidated fiscal year under review. We also revised the useful life for some property, plant and equipment.

As a result, segment income increased ¥510 million in the Offices/Retail Business, ¥27 million in the Residential Business, and ¥2 million in Other. Corporate-wide expenses that are not attributable to reported segment and included in "Adjustments" decrease ¥6 million.