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Consolidated Financial Results
for the First Three Months of the Fiscal Year Ending November 30, 2021
<IFRS>

April 5, 2021

Company name: TOSEI CORPORATION Stock listing: TSE / SGX
Securities code number: 8923 / S2D
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Submission of Quarterly Securities Report (Shihanki-Houkokusho): April 9, 2021 (scheduled)
Commencement of dividend payments: —
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: No

Note: All amounts are rounded down to the nearest million yen.

1. Consolidated Financial Results for the Three Months Ended February 28, 2021 (December 1, 2020 – February 28, 2021)

(1) Consolidated Operating Results (cumulative) (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the period	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Three months ended February 28, 2021	25,101	7.0	4,640	(16.2)	4,468	(16.6)	3,079	(14.2)
Three months ended February 29, 2020	23,468	37.6	5,535	77.1	5,359	79.4	3,587	76.2

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)	(¥)
Three months ended February 28, 2021	3,079	(14.2)	3,422	4.9	65.31	65.23
Three months ended February 29, 2020	3,587	76.2	3,261	57.8	75.37	74.95

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	(¥ million)	(¥ million)	(¥ million)	(%)
As of February 28, 2021	158,003	61,522	61,404	38.9
As of November 30, 2020	161,684	58,969	58,969	36.5

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended November 30, 2020	–	0.00	–	19.00	19.00
Fiscal year ending November 30, 2021	–				
Fiscal year ending November 30, 2021 (Forecast)		0.00	–	29.00	29.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending November 30, 2021 (December 1, 2020 – November 30, 2021)

(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, 2021	69,535	8.8	8,707	35.5	8,001	35.6	5,218	44.9	110.61

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 February 28, 2021	48,683,800 shares
As of November 30, 2020	48,683,800 shares

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

As of February 28, 2021	1,601,922 shares
As of November 30, 2020	1,508,353 shares

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

Three months ended February 28, 2021	47,152,020 shares
Three months ended February 29, 2020	47,605,745 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 7 of the attached materials.

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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 three months ended February 28, 2021, the Japanese economy continued to face a harsh environment due to the impact of COVID-19. While there are expectations of COVID-19 settling down upon the roll-out of vaccinations and economic activities returning to normal, it is necessary to continue monitoring movements in the financial and capital markets.

In the real estate industry where Tosei Group operates, commercial real estate transactions for the whole of 2020 amounted to ¥4.5 trillion, decreasing by no more than 4% year on year. In Japan's highly stable real estate market, investment demand remained high attracting active transactions from overseas as well as Japanese investors. In terms of asset type, despite a slight decrease in the transaction amount of office buildings, investments increased for logistics facilities and residential properties, which can be expected to generate stable income. Going forward, ongoing monetary easing by various countries is expected to continue sustaining the flow of funds into the real estate market and robust transactions are foreseen in 2021 as well (according to a survey by a private research institute).

In the Tokyo metropolitan area condominium market, the number of units newly offered for sale in the whole of 2020 decreased 12.8% year on year to 27,000 units. In addition to voluntary sales restraints under the state of emergency, it is believed that the decrease was a result of companies limiting properties they offer to those securing an appropriate level of earnings. The average contract rate for the first month was 66.0% (an increase of 3.4 percentage points year on year), lower than the 70% threshold from which market conditions are viewed as favorable. However, the annual average price of condominiums rose for the second consecutive year and reached the ¥60 million levels for the first time since 1990. In 2021, newly supplied units are expected to reach 32,000 units (an increase of 17.5% year on year).

In the build-for-sale detached house market, despite robust sales as a result of an increase in customers seeking larger houses with more rooms due to the impact of the spread of working from home, housing starts for the whole of 2020 numbered 54,000 units, a decrease of 14.2% year on year (according to a survey by a private research institute).

Orders received for construction (50 major constructors) from April to December 2020 were ¥8,947.9 billion (a decrease of 6.4% year on year). Orders received from the public sector, which have been growing for the eleventh consecutive month, amounted to ¥2,323.4 billion (an increase of 29.6% year on year), while orders received from the private sector were ¥6,057.1 billion (a decrease of 12.5% year on year), remaining far below the previous fiscal year's level due to construction delays caused by COVID-19. Meanwhile, construction costs for the whole of 2020 remained at high levels, although the costs per tsubo for reinforced concrete structure dropped to ¥912 thousand per tsubo (1 tsubo = 3.30 square meters) (a decrease of 3.4% from ¥944 thousand per tsubo in the previous fiscal year). The construction costs per tsubo for wooden structure were ¥568 thousand (an increase of 1.1% from ¥562 thousand per tsubo in the previous fiscal year) and are continuing to rise gradually (according to a survey by a private research institute).

In the office leasing market of Tokyo's five business wards, the average vacancy rate as of January 2021 was 4.82% (an increase of 3.29 percentage points year on year), against the backdrop of tenants cutting back on office space as a result of deteriorating business performance and the spread of teleworking lifestyle in certain areas due to the impact of the spread of COVID-19, and a slowdown in expansion. The average asking rent was ¥21,846 per tsubo (a decrease of ¥602 year on year), which has continued to fall from August 2020, and the future trend in supply and demand needs to be monitored (according to a survey by a private research institute).

In the Tokyo metropolitan area's logistics facility leasing market, leasable stock in January 2021 amounted to 6.45 million tsubo (an increase of 11.6% year on year). The vacancy rate was 0.2%, and remained at the lowest level since surveys began in 2008, as new demand continued to exceed supply. The vacancy rate is expected to remain low for the time being, due to the continuously growing use of e-commerce (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 January 2021 totaled ¥20.5 trillion (an increase of ¥1.3 trillion year on year) and assets under management in private placement funds totaled ¥21.1 trillion (as of June 2020, an increase of ¥1.9 trillion year on year). Combining the two, the real estate securitization market scale grew to ¥41.6 trillion (according to a survey by a private research institute).

In the Tokyo business hotel market, the average guest room occupancy rate in the whole of 2020 was

37.0% (84.2% in the previous fiscal year) due to the severe impact of COVID-19. The total number of hotel guests in Tokyo encompassing all types of accommodation amounted to 29.78 million overnight stays (a decrease of 62.3% year on year). The environment is forecasted to remain harsh for the hotel market for the time being (according to a survey by the Japan Tourism Agency).

Amid this operating environment, in the Revitalization Business, the Group made steady progress in selling assets such as income-generating office buildings and apartments, while in the Development Business, the Group pushed ahead with sales of detached houses and logistics facilities. In addition, the Group also proceeded with 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 three months ended February 28, 2021 totaled ¥25,101 million (up 7.0% year on year), operating profit was ¥4,640 million (down 16.2%), profit before tax was ¥4,468 million (down 16.6%), and profit attributable to owners of the parent was ¥3,079 million (down 14.2%).

Performance by business segment is shown below.

Revitalization Business

During the three months ended February 28, 2021, the segment sold 21 properties it had renovated, including Ichikawashimamura Building (Ichikawa-shi, Chiba), MY Atsugi Building (Atsugi-shi, Kanagawa), T's garden Center Minami (Yokohama-shi, Kanagawa).

During the three months ended February 28, 2021, it also acquired a total of seven income-generating office buildings and apartments and one land lot for renovation and sales purposes.

As a result, revenue in this segment was ¥14,297 million (down 23.8% year on year) and the segment profit was ¥3,241 million (down 35.2%).

Development Business

During the three months ended February 28, 2021, the segment sold new logistic facilities T's Logi Hasuda (Hasuda-shi, Saitama). In addition, the segment focused on the sale of detached houses, for which there was firm demand. The segment sold 18 detached houses at such properties as THE Palms Court Kamakura Shiromeguri (Kamakura-shi, Kanagawa).

During the fiscal year under review, it also acquired one land lot for commercial facility project and land lots for nine detached houses.

As a result, revenue in this segment was ¥7,190million (up 587.1% year on year) and the segment profit was ¥655 million (in comparison with segment loss of ¥18 million in the same period of the previous fiscal year).

Rental Business

During the three months ended February 28, 2021, while the segment sold 10 buildings of its inventory assets held for leasing purposes, it newly acquired six 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 ¥1,382 million (up 6.4% year on year) and the segment profit was ¥728 million (up 57.0%).

Fund and Consulting Business

During the three months ended February 28, 2021, while ¥34,095 million was subtracted due mainly to property dispositions by funds, ¥65,220 million added due to new asset management contracts, from to the balance of assets under management (Note) ¥1,123,406 million for the end of the previous fiscal year. The balance of assets under management as of February 28, 2021, was ¥1,154,531 million.

As a result, revenue in this segment was ¥938 million (up 0.3% year on year) and the segment profit was ¥616 million (up 5.2%).

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

Property Management Business

During the three months ended February 28, 2021, the segment made efforts to win new contracts and

maintain existing contracts. Consequently, the total number of properties under management was 689 as of February 28, 2021, an increase of 23 from February 29, 2020, with the total comprising 447 office buildings, hotels, logistic facilities and other such properties, and 242 condominiums and apartments.

As a result, revenue in this segment was ¥1,209 million (down 0.3% year on year) and segment profit was ¥213 million (up 19.8%).

Hotel Business

During the three months ended February 28, 2021, the Group continued to put the safety and security of our customers first in our business, but the impact of COVID-19 was significant, and both revenue and segment loss in this segment were significantly lower than the same period of the previous fiscal year.

As a result, revenue in this segment was ¥82 million (down 61.4% year on year) and segment loss was ¥218 million (in comparison with segment loss of ¥166 million in the same period of the previous fiscal year).

2) Analysis and contents for discussion of Operating Results

During the three months ended February 28, 2021, the Group performed its sales activities under a state of emergency, which was declared again at the beginning of January. Although four out of the five hotels operated by the Group have been temporarily closed in response to the declaration, impact on the Group's financial results are immaterial under its portfolio management, as the Group shows steady performance. In the real estate investment market in the Tokyo metropolitan area, which is the Group's main target market, current real estate transactions have more or less recovered to levels before COVID-19, with the exception of hotels and commercial facilities. The Group also completed the sales of the logistics facility, "T's Logi Hasuda," its major development project, to a domestic real estate fund as planned. The Revitalization Business is also making steady progress in accumulating contracts for purchasing and sales of properties.

As a result of these business activities, for the three months ended February 28, 2021, profit before tax accounted for 55.8% of the full-year profit plan, thanks to the margin of the Revitalization Business exceeding the projections made at the beginning of the year, although it is a decline of 16.6% year on year as a reaction to the absence of sales of several large properties with high margin in the same period of the previous fiscal year. While there are concerns over the future business environment such as the rise in the vacancy rate of offices in the Tokyo metropolitan area as a result of the spread of teleworking at companies and deteriorating business performance, and the reversal of the monetary policies of various countries, the Company will closely monitor 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 February 28, 2021, total assets were ¥158,003 million, a decrease of ¥3,680 million compared with November 30, 2020, while total liabilities were ¥96,481 million, a decrease of ¥6,233 million.

Decrease in total assets were due to a decrease in inventories. Decrease in total liabilities were due to a decrease in borrowings and a decrease in Trade and other payables.

Total equity increased by ¥2,552 million to ¥61,522 million, mainly due to an increase in retained earnings and payment of cash dividends .

2) Analysis of Cash Flows

Cash and cash equivalents (hereinafter "cash") as of February 28, 2021 totaled ¥35,449 million, down ¥1,590 million compared with November 30, 2020.

The cash flows for the three months ended February 28, 2021 and factors contributing to those amounts are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥10,165 million (up 52.4% year on year). This is mainly attributed to the profit before tax of ¥4,468 million, a decrease in inventories of ¥8,834 million, a decrease in Trade and other payables of ¥1,747 million and income taxes paid of ¥1,603 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥5,907 million (in comparison with segment net cash used in investing activities of ¥240 million in the same period of the previous fiscal year). This is primarily due to purchase of investment properties of ¥5,963 million and collection of other financial assets of ¥97 million.

Cash Flows from Financing Activities

Net cash used in financing activities totaled ¥5,848 million (down 3.5% year on year). This mainly reflects ¥15,549 million in the repayments of non-current borrowings and ¥881 million in cash dividends paid, despite ¥10,006 million in proceeds from non-current borrowings.

(3) Qualitative Information Regarding Consolidated Earnings Forecasts

Vaccinations have commenced globally, giving rise to the expectation that the COVID-19 pandemic will be early contained and that the world economy will recover. Nevertheless, the Company believes that the real estate market including hotels and commercial facilities will fully recover in or after the following fiscal year. Based on this assumption, the business results for the three months ended February 28, 2021 are progressing basically as planned and currently there are no changes to the full-year consolidated earnings forecasts announced on January 12, 2021.

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

Impact of COVID-19 on Tosei's Financial Results

Although it is difficult to accurately assess the impact and the timing of containment of the COVID-19, as in the conventional assumption, the Group assumes COVID-19 will be contained by around autumn of 2021 and economic activity will gradually return to normal, and the real estate market will recover to the 2019 level in the fiscal year ending November 2022. The Group made an accounting estimate of inventory valuation, impairment losses on fixed assets, and recoverability of deferred tax assets, etc.

3. Condensed Quarterly Consolidated Financial Statements and notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(¥ thousand)

	As of November 30, 2020	As of February 28, 2021
Assets		
Current assets		
Cash and cash equivalents	37,039,600	35,449,599
Trade and other receivables	3,192,248	3,906,138
Inventories	65,416,925	56,980,592
Other current assets	15,298	16,151
Total current assets	105,664,073	96,352,481
Non-current assets		
Property, plant and equipment	23,495,129	23,411,119
Investment properties	26,987,387	32,475,640
Intangible assets	209,663	200,364
Trade and other receivables	779,470	795,696
Other financial assets	3,972,309	4,366,030
Deferred tax assets	572,454	398,591
Other non-current assets	4,014	4,014
Total non-current assets	56,020,429	61,651,456
Total assets	161,684,503	158,003,938
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	5,466,127	4,687,858
Borrowings	11,794,730	11,254,772
Current income tax liabilities	925,671	691,334
Provisions	600,264	212,419
Total current liabilities	18,786,795	16,846,384
Non-current liabilities		
Trade and other payables	3,649,593	3,281,032
Borrowings	79,192,778	75,118,636
Retirement benefits obligations	546,421	563,911
Provisions	7,129	7,170
Deferred tax liabilities	532,260	664,484
Total non-current liabilities	83,928,183	79,635,235
Total Liabilities	102,714,978	96,481,620
Equity		
Share capital	6,624,890	6,624,890
Capital reserves	6,627,004	6,634,312
Retained earnings	47,442,372	49,625,575
Treasury shares	(1,500,055)	(1,598,026)
Other components of equity	(224,688)	118,227
Total equity attributable to owners of parent	58,969,524	61,404,980
Non-controlling interests	—	117,337
Total equity	58,969,524	61,522,318
Total liabilities and equity	161,684,503	158,003,938

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(¥ thousand)

	Three months ended February 29, 2020	Three months ended February 28, 2021
Revenue	23,468,579	25,101,589
Cost of revenue	15,685,646	18,271,682
Gross profit	7,782,933	6,829,907
Selling, general and administrative expenses	2,251,710	2,252,671
Other income	6,225	63,801
Other expenses	2,286	583
Operating profit	5,535,162	4,640,454
Finance income	427	23,134
Finance costs	176,080	195,085
Profit before tax	5,359,510	4,468,503
Income tax expense	1,771,693	1,389,229
Profit for the period	3,587,817	3,079,274
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	(296,617)	338,840
Subtotal	(296,617)	338,840
Other comprehensive income Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(4,707)	5,495
Net change in fair values of cash flow hedges	(25,273)	(1,419)
Subtotal	(29,980)	4,075
Other comprehensive income for the period, net of tax	(326,598)	342,915
Total comprehensive income for the period	3,261,219	3,422,190
Profit attributable to:		
Owners of the parent	3,587,817	3,079,536
Non-controlling interests	—	(262)
Profit for the period	3,587,817	3,079,274
Total comprehensive income attributable to:		
Owners of the parent	3,261,219	3,422,452
Non-controlling interests	—	(262)
Total comprehensive income for the period	3,261,219	3,422,190
Earnings per share attributable to owners of the parent		
Basic earnings per share (¥)	75.37	65.31
Diluted earnings per share (¥)	74.95	65.23

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three months ended February 29, 2020 (December 1, 2019 – February 29, 2020)

(¥ 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, 2019	6,579,844	6,575,240	45,839,423	(1,000,037)	312,028	58,306,499	58,306,499
Profit for the period			3,587,817			3,587,817	3,587,817
Other comprehensive income					(326,598)	(326,598)	(326,598)
Total comprehensive income for the period	—	—	3,587,817	—	(326,598)	3,261,219	3,261,219
Amount of transactions with owners							
Issuance of new shares	20,360	11,516				31,876	31,876
Dividends of surplus			(1,998,632)			(1,998,632)	(1,998,632)
Share-based payment		8,916				8,916	8,916
Balance at February 29, 2020	6,600,204	6,595,672	47,428,608	(1,000,037)	(14,569)	59,609,878	59,609,878

Three months ended February 28, 2021 (December 1, 2020 – February 28, 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			3,079,536			3,079,536	(262)	3,079,274
Other comprehensive income					342,915	342,915		342,915
Total comprehensive income for the period	—	—	3,079,536	—	342,915	3,422,452	(262)	3,422,190
Amount of transactions with owners								
Purchase of treasury shares		(67)		(97,970)		(98,038)		(98,038)
Dividends of surplus			(896,333)			(896,333)		(896,333)
Change from newly consolidated subsidiary						—	117,600	117,600
Share-based payment		7,375				7,375		7,375
Balance at February 28, 2021	6,624,890	6,634,312	49,625,575	(1,598,026)	118,227	61,404,980	117,337	61,522,318

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(¥ thousand)

	Three months ended February 29, 2020	Three months ended February 28, 2021
Cash flows from operating activities		
Profit before tax	5,359,510	4,468,503
Depreciation expense	274,990	355,172
Increase (decrease) in provisions and retirement benefits obligations	(460,377)	(376,098)
Interest and dividend income	(427)	(23,134)
Interest expenses	176,080	195,085
Decrease (increase) in trade and other receivables	966,453	(68,132)
Decrease (increase) in inventories	2,805,261	8,834,312
Increase (decrease) in trade and other payables	(658,784)	(1,747,928)
Other, net	8,701	(2,535)
Subtotal	8,471,407	11,635,244
Interest and dividend income received	52,800	133,119
Income taxes paid	(1,855,572)	(1,603,036)
Net cash from (used in) operating activities	6,668,635	10,165,327
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,281)	(39,103)
Purchase of investment properties	(172,636)	(5,963,524)
Purchase of intangible assets	(53,004)	(2,800)
Collection of loans receivable	5,694	20
Purchase of other financial assets	(1,000)	—
Collection of other financial assets	—	97,500
Other, net	—	70
Net cash from (used in) investing activities	(240,228)	(5,907,836)
Cash flows from financing activities		
Net increase (decrease) in current borrowings	720,000	898,650
Proceeds from non-current borrowings	7,387,800	10,006,400
Repayments of non-current borrowings	(11,971,420)	(15,549,418)
Repayments of lease obligations	(62,370)	(60,508)
Proceeds from issuance of new shares	31,768	—
Capital contribution from non-controlling interests	—	117,600
Cash dividends paid	(1,944,227)	(881,253)
Purchase of treasury shares	—	(97,970)
Interest expenses paid	(223,659)	(281,500)
Net cash from (used in) financing activities	(6,062,109)	(5,848,001)
Net increase (decrease) in cash and cash equivalents	366,297	(1,590,510)
Cash and cash equivalents at beginning of period	31,998,929	37,039,600
Effect of exchange rate change on cash and cash equivalents	(443)	509
Cash and cash equivalents at end of period	32,364,783	35,449,599

(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 apartment 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.

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

Three months ended February 29, 2020

(December 1, 2019 – February 29, 2020)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	18,760,384	1,046,475	1,298,853	936,123	1,212,915	213,827	—	23,468,579
Intersegment revenue	—	—	13,980	1,929	287,200	730	(303,841)	—
Total	18,760,384	1,046,475	1,312,833	938,052	1,500,116	214,557	(303,841)	23,468,579
Segment profit or loss	5,003,613	(18,525)	464,142	586,275	178,238	(166,562)	(512,019)	5,535,162
Finance income/costs, net								(175,652)
Profit before tax								5,359,510

Three months ended February 28, 2021

(December 1, 2020 – February 28, 2021)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	14,297,775	7,190,590	1,382,179	938,707	1,209,761	82,575	—	25,101,589
Intersegment revenue	—	—	11,443	3,052	350,615	50	(365,161)	—
Total	14,297,775	7,190,590	1,393,623	941,759	1,560,377	82,625	(365,161)	25,101,589
Segment profit or loss	3,241,011	655,062	728,713	616,549	213,457	(218,288)	(596,051)	4,640,454
Finance income/costs, net								(171,950)
Profit before tax								4,468,503

2. Dividends

Dividends paid in the three months ended February 29, 2020 and February 28, 2021 are as follows:

Three months ended February 29, 2020				
Resolution	Dividends per share (¥)	Total dividends (¥ thousand)	Record date	Effective date
Ordinary General Meeting of Shareholders held on February 26, 2020	42	1,998,632	November 30, 2019	February 27, 2020

Three months ended February 28, 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

3. Earnings per Share

	Three months ended February 29, 2020	Three months ended February 28, 2021
Profit attributable to owners of the parent (¥ thousand)	3,587,817	3,079,536
Net income used to figure diluted net income per share (¥ thousand)	3,587,817	3,079,536
Weighted average number of outstanding ordinary shares (shares)	47,605,745	47,152,020
The number of increased ordinary shares used to figure diluted earnings per share (shares)	265,697	60,267
The weighted-average number of ordinary shares used to figure diluted earnings per share (shares)	47,871,442	47,212,287
Basic earnings per share (¥)	75.37	65.31
Diluted net income per share (¥)	74.95	65.23

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

No item to report.