

Financial Result Summary

For FY Nov 2012

January 11, 2013

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—PL— 『 Profit dropped versus forecast by applying MTM or lower of cost method. 』

- Sales remained as forecasted. Despite unstable economic outlook, standard type pre-owned condominium market held up well.
- Due to some impact from MTM or lower of cost method, recurring profit dropped to 87.6% of forecast.

■ PL

(Unit: JPY million)

	FY Nov 2011		FY Nov 2012 Forecast		FY Nov 2012		
	Amount	(%)	Amount	(%)	Amount	(%)	vs. Forecast
Sales	12,719	100.0%	12,912	100.0%	12,857	100.0%	99.6%
Gross profit	3,028	23.8%	2,964	23.0%	2,770	21.6%	93.5%
Selling, general and administrative expenses	1,170	9.2%	1,257	9.7%	1,229	9.6%	97.8%
Operating income	1,857	14.6%	1,706	13.2%	1,541	12.0%	90.3%
Non-operating income	2	0.0%	-	-	8	0.1%	-
Non-operating expenses	541	4.3%	-	-	560	4.4%	-
Recurring profit	1,318	10.4%	1,129	8.7%	989	7.7%	87.6%
Net income before income taxes	1,318	10.4%	1,129	8.7%	989	7.7%	87.6%
Net income	740	5.8%	624	4.8%	538	4.2%	86.3%
EPS (YEN)	8,005.76		6,893.96		5,948.30		
EPS after considering stock split (YEN)	80.06		68.94		59.48		

※On Dec. 1, 2012, stock split of 1 to 100.

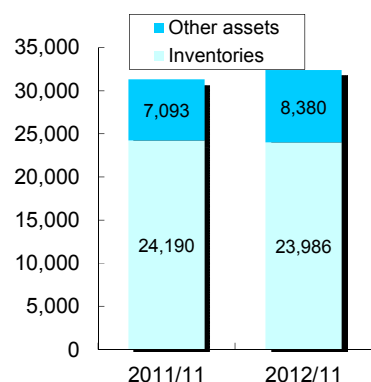
※Forecast EPS for FY Nov. 2012 is based on average number of stock issued during same FY.

※MTM = mark to market

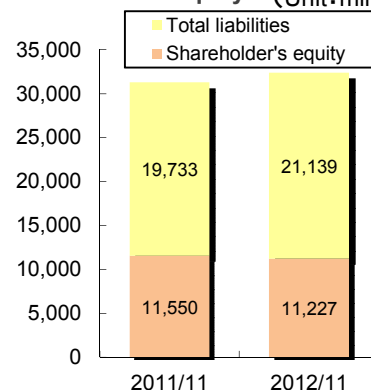
—BS— 『 Built stable financial position to prepare for future property acquisitions. 』

- Balance of properties for sales remained steady, same at previous FY end, JPY24billion.
- Fixed asset increased by JPY2billion compared to previous FY end, through investment in properties for long-term holding.
- After share buyback, capital to asset ratio remained at 31.4%, reflecting strong balance sheet.

■ Progress in Total assets, Inventories (Unit: million)



■ Progress in Total liabilities, Shareholder's equity (Unit: million)



■ BS

	FY Nov 2011		FY Nov 2012		(Unit:JPY million)				
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	
Current assets	27,117	86.7%	26,166	80.8%	Short-term liabilities	8,476	27.1%	7,388	22.8%
Cash and deposits	2,614	8.4%	1,891	5.8%	Debt	7,552	24.1%	6,506	20.1%
Inventories	24,190	77.3%	23,986	74.1%	other	923	3.0%	881	2.7%
Other	312	1.0%	288	0.9%	Long-term liabilities	11,256	36.0%	13,751	42.5%
Fixed assets	4,166	13.3%	6,200	19.2%	Debt	11,224	35.9%	13,661	42.2%
Properties	2,804	9.0%	4,786	14.8%	Total liabilities	19,733	63.1%	21,139	65.3%
Investment in Securities	1,090	3.5%	1,090	3.4%	Shareholder's equity	10,489	33.5%	10,151	31.4%
Other	272	0.9%	323	1.0%	Net Asset	11,550	36.9%	11,227	34.7%
Total assets	31,284	100.0%	32,367	100.0%	Total liabilities and Net Asset	31,284	100.0%	32,367	100.0%

※Most of the inventories are condos from condominium trading business
 ※Most of the fixed assets are properties from investment business
 ※Investment in securities is held through consolidated subsidiary (LLP)

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2. Business Outline and Results

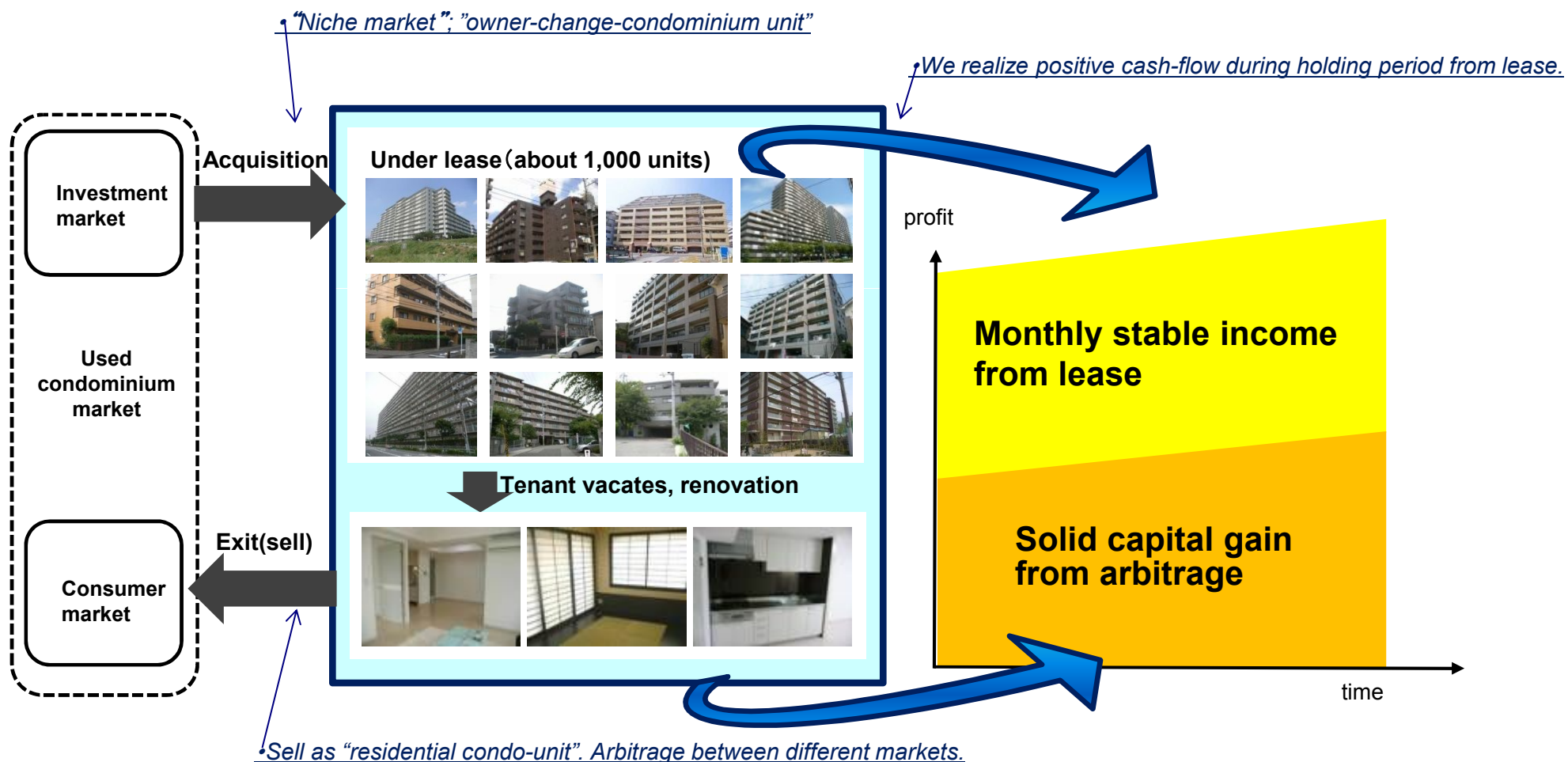
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Business model that produces “stable” profit

Hybrid business model combining “tenant revenue” and “capital gain”.



Impact from MTM or lower of cost method exceeded forecast.

- Pre-owned condominium business(sales), saw decline in profit margin. Along with mark to market loss, gross profit from pre-owned condominium business was 90.5% of forecast.
- Investment business had increase in profit from rent revenue of acquired properties.
- Advisory business had increase in profit from one-time revenue.

■ Composition of Gross profit

(Unit:JPY million)

Business Domains	FY Nov 2011		FY Nov 2012 Forecast		FY Nov 2012			
	Amount		Amount		Amount	(%)	vs. Forecast	
Sales	12,719		12,912		12,857	100.0%	99.6%	
Pre-owned Condominium business	11,833		12,134		11,775	91.6%	97.0%	
Rent	1,649		1,756		1,709	13.3%	97.3%	
Sales	10,184		10,377		10,065	78.3%	97.0%	
Investment business	584		536		774	6.0%	144.3%	
Advisory business	300		241		308	2.4%	127.6%	
	Amount	Profit margin	Amount	Profit margin	Amount	Profit margin	(%)	vs. Forecast
Gross profit	3,028	23.8%	2,964	23.0%	2,770	21.6%	100.0%	93.5%
Pre-owned Condominium business	2,562	21.7%	2,632	21.7%	2,381	20.2%	86.0%	90.5%
Rent	1,194	72.4%	1,268	72.2%	1,233	72.1%	44.5%	97.2%
Sales	1,518	14.9%	1,463	14.1%	1,334	13.3%	48.2%	91.2%
Mark-to-market loss	-150	-	-100	-	-186	-	-6.7%	186.0%
Investment business	165	28.2%	102	19.1%	122	15.8%	4.4%	119.5%
Advisory business	300	100.0%	229	94.9%	266	86.5%	9.6%	116.3%

※MTM = mark to market

Impact from MTM or Lower of Cost method for pre-owed condominium business

- Compared to previous FY end, market value of properties for sale, changed by 0.8%.
- Unrealized gain of properties declined to JPY4billion, due to overall decline in appraisal value.

■ Unrealized profit/loss considering MTM

(Unit: JPY million)

mark-to-market profit/loss	Nov 2010 end of year	Nov 2011 end of year	Nov 2012 end of year
Balance of inventories (book value) (a)	21,255	24,190	23,986
mark-to-market gain	19,859	22,231	22,201
real selling price	24,875	27,831	26,272
mark-to-market profit/loss	5,015	5,600	4,070
mark-to-market loss	964	1,910	1,942
real selling price	907	1,837	1,781
mark-to-market profit/loss (b)	△ 56	△ 72	△ 160
ratio (b)/(a)	-0.3%	-0.3%	-0.7%
FY MTM loss (c)	△ 107	△ 150	△ 186
ratio (c)/(a)	-0.5%	-0.6%	-0.8%

* Unrealized loss through the year is realized as part of cost of goods in 4Q

※Real selling price = expected selling price(appraisal) minus expected selling cost(brokerage fee, renovation cost)

※Above real selling price and mark-to-market profit/loss is based on accounting principles and does not imply future actual gain/loss

Condominium trading business ~five characteristics~

Unique business model

① Differentiation in what to invest

✓ Invest in condominium “unit”.

② Differentiation in investment strategy

✓ Taking arbitrage opportunity based on market price structure.

③ Differentiation in risk diversification

✓ Investment “portfolio” of condominium units.

Model that is hard to copy

④ Differentiation in operations

Entry barrier① Complex transaction and associated operation, management.

⑤ Differentiation in financing

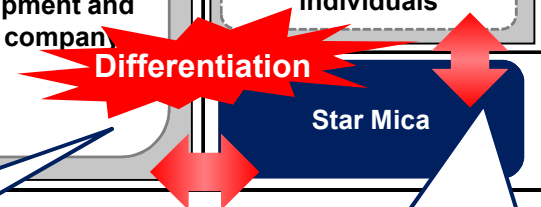
Entry barrier② Difficulty in obtaining finance.

“① Differentiation in what to invest”

What to invest in condominium trading business

- We buy leased unit-based family oriented condominiums.
- We invest in liquid, convenient-location units, mainly in Tokyo metropolitan area and Kansai area.

purpose of use		office	residential	
ownership type		one-building	one-building	condominium unit
owner's normal objective		investment	investment (one-room for investment)	residence (family oriented)
used	new	real estate development company	compact condominium development and sales company	condominium development company
	high-end	REIT/private placement fund/AM		high net worth individuals
	average	private placement fund/AM		Star Mica



Market is stable based on demand from residential condo-unit buyers. Less speculative money = low volatility in price.

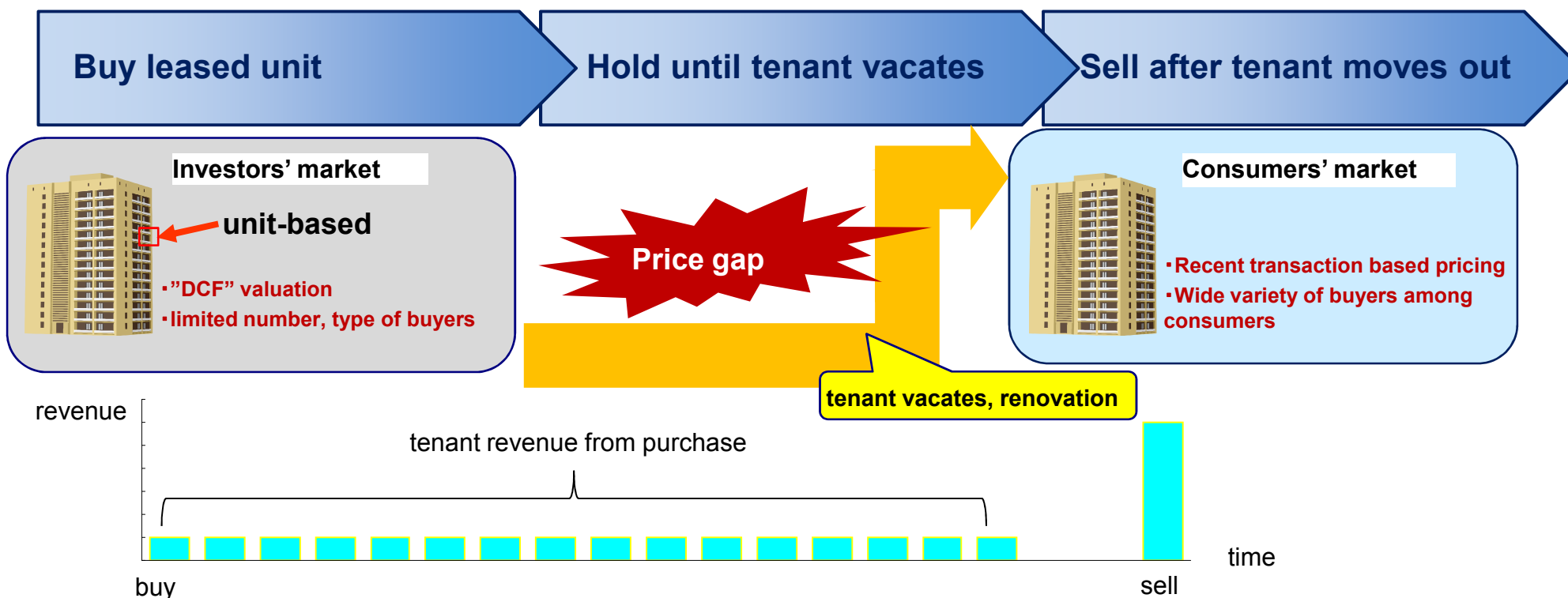
Since all units are leased at entry, there is no risk of vacant unit inventory. We will have positive cash-flow all the time.

※AM means real estate asset manager

“② Differentiation in investment strategy”

Investment strategy

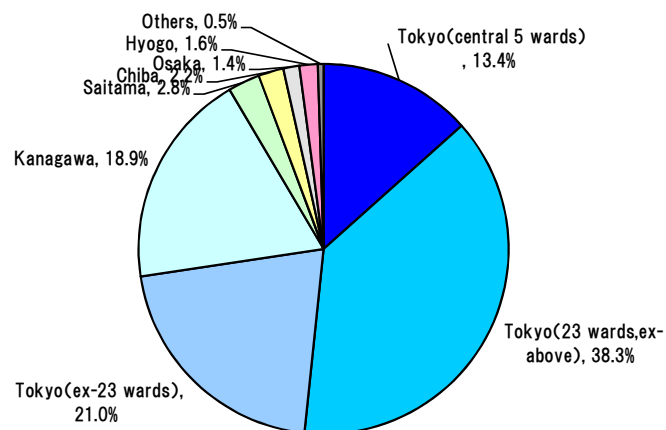
- We seek arbitrage trades that profit from price gaps, not only the capital gain. (Different from “value-up” or “reproduction”)
- We receive rent revenue from tenants during the holding period, we profit from capital gain when we sell at market.
- We supply condominium units to consumers as exit. (Different from Business-to-Business transaction)



“③ Differentiation in risk diversification”

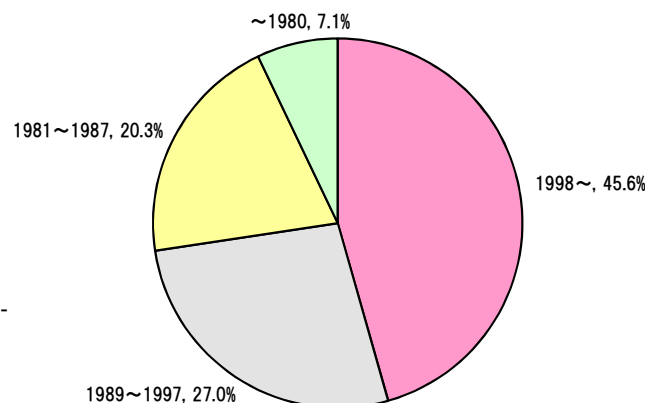
We seek to diversify risk (accident, natural disasters, price volatility, holding period) by holding over 1,000 condominium units as portfolio, from various locations, ages.

■ composition by region



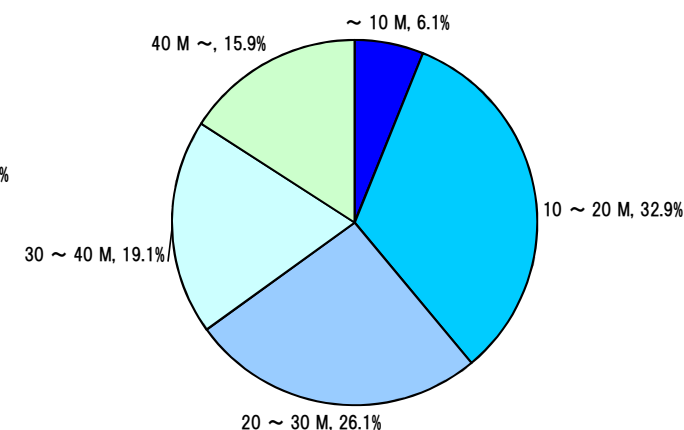
Composition by region	FY Nov 2011	FY Nov 2012
Tokyo (central 5 wards)	14.3%	13.4%
Tokyo (23 wards, ex-above)	35.4%	38.3%
Tokyo (ex-23 wards)	22.4%	21.0%
Kanagawa	16.4%	18.9%
Saitama	3.0%	2.8%
Chiba	2.6%	2.2%
Osaka	2.7%	1.4%
Hyogo	2.6%	1.6%
Others	0.6%	0.5%

■ composition by year built



Composition by year built	FY Nov 2011	FY Nov 2012
1998~	45.3%	45.6%
1989~1997	27.8%	27.0%
1981~1987	19.8%	20.3%
~1980	7.1%	7.1%

■ composition by purchase price



Purchase price level	FY Nov 2011	FY Nov 2012
~ 10 M	5.4%	6.1%
10 ~ 20 M	31.5%	32.9%
20 ~ 30 M	25.9%	26.1%
30 ~ 40 M	21.3%	19.1%
40 M ~	15.9%	15.9%

Average unit data	FY Nov 2011	FY Nov 2012
Avg size	66.15 m ²	64.88 m ²
Avg age	18.6 year	19.9 year
Avg acquisition price	20,860 K	20,127 K

※Asset portfolio is calculated based on number of units.(all condos) Ave acquisition price is based on purchase agreement and dose not include associated fees.
 ※Tokyo central 5 wards include Shibuya-ku, Sinjuku-ku, Chuo-ku, Chiyoda-ku, Minato-ku.
 ※By region, by years held (composition) are based on purchase agreement.

(K=thousand yen)

“④ Differentiation in operations”

- “No one does, no one can”. We have created a “system” to operate complex transactions.
- Strong profitability by taking advantage of business opportunity through related business.



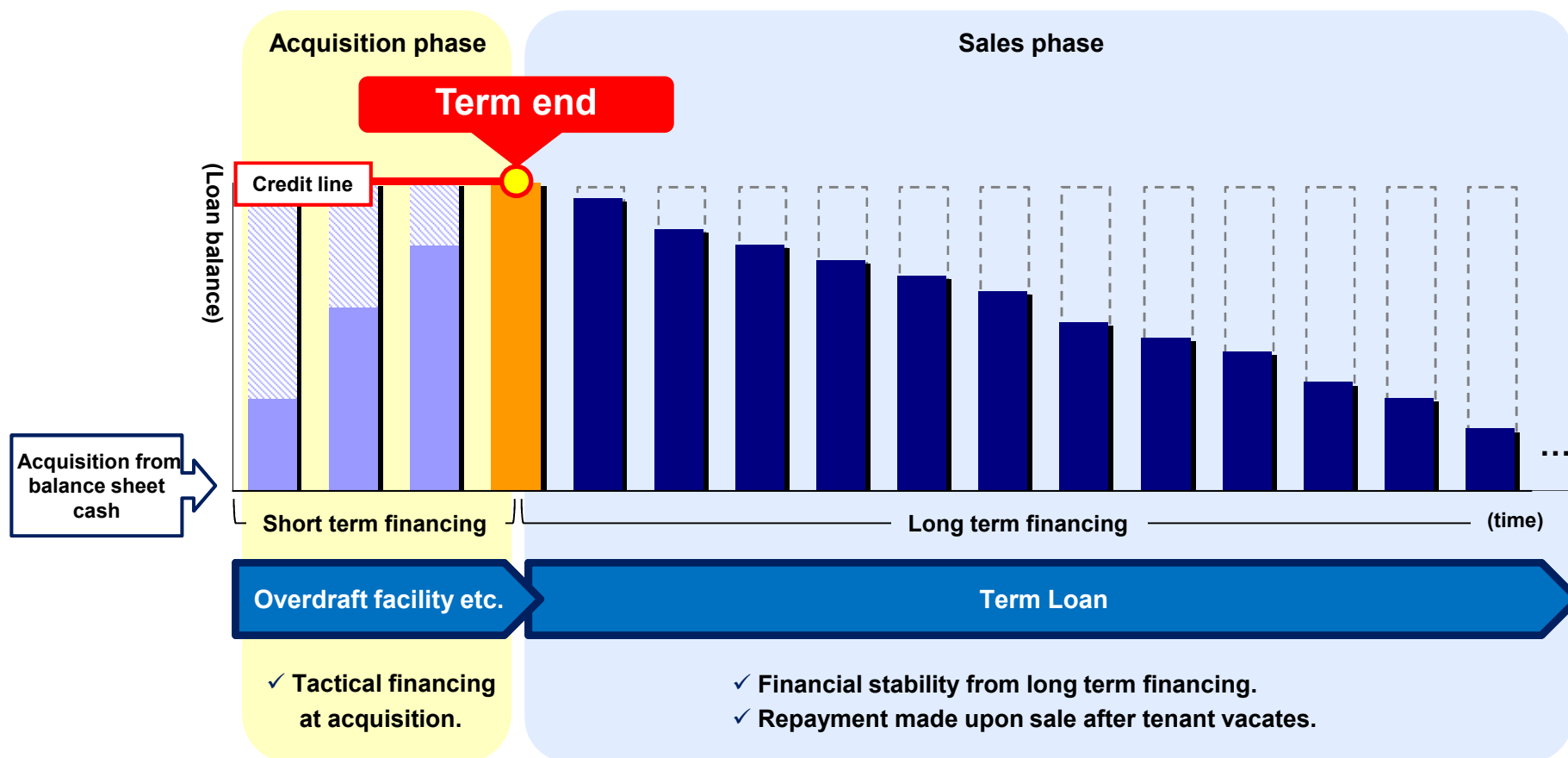
Unique operation system that we developed for our operation.

We use an effective system that enables us to complete tens of deals a month with small number of staff

“⑤ Differentiation in financing”

- We have condominium-unit-base long-term financing which is harder to obtain compared to one-building-based.
- We have tactical financing capability at acquisition phase, move on to long term financing at sales phase. This original financing structure fits well to our business model.

■ Financing structure



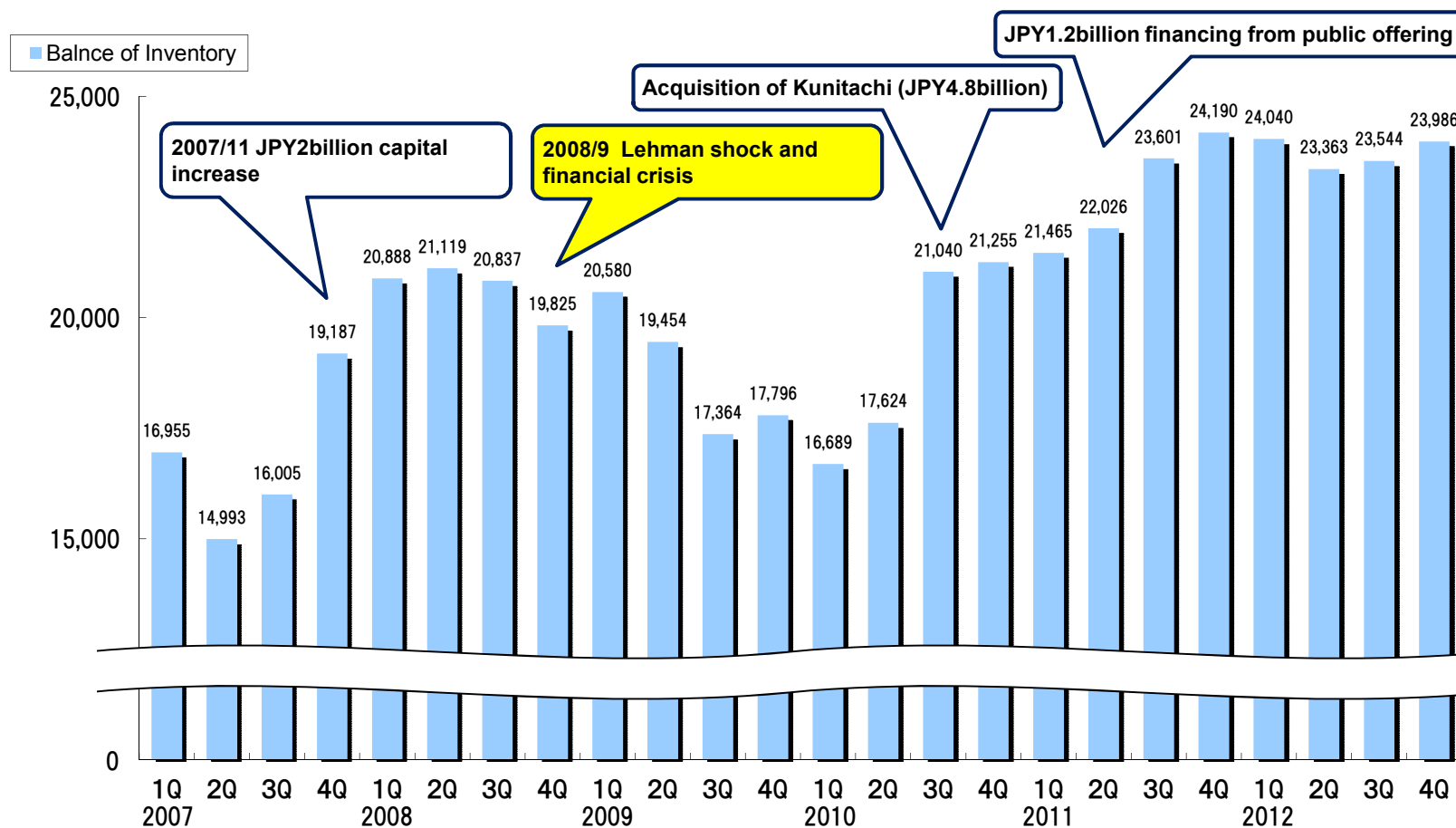
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— Condominium for sale —

- Balance of condominium for sale at November 2012 FY end was at JPY24billion, almost same level as previous FY end.
- Through this FY, we will continue to strive and acquire assets through careful assessment.

■ Progress in Inventory (at end of each quarter)

(Unit: JPY million)



※most of inventory is condominiums for sale from Codominium business

Corporate Strategy for FY Nov. 2013

Comprehensive growth by strengthening both BS and PL .

BS part:

- **Promote asset acquisitions**

Increase in properties held.

- **Uphold stable financial status**

Capital to asset ratio to maintain current level.

PL part:

- **Enhance profit opportunities**

Utilizing new subsidiary in real estate brokerage and related business.

FY forecast

Forecast stays conservative compared to previous year, due to unstable economic outlook.

(Unit: JPY million)

	FY 2011	FY 2012	FY 2013 Forecast	
	Amount	Amount	Amount	YoY Change
Sales	12,719	12,857	12,049	93.7%
Gross profit	3,028	2,770	2,797	100.9%
Operating income	1,857	1,541	1,563	101.4%
Recurring profit	1,318	989	1,005	101.7%
Net income before income taxes	1,318	989	1,005	101.7%
Net income	740	538	600	111.5%

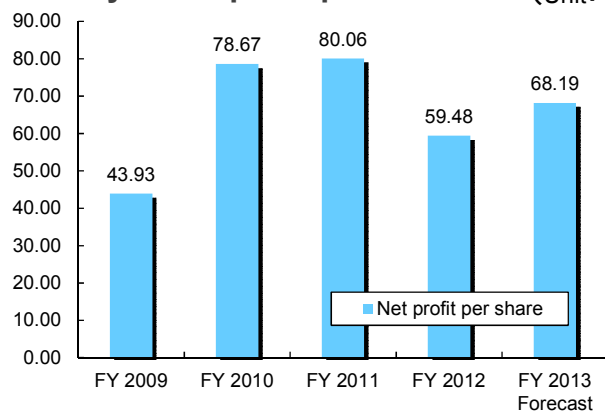
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Business Domains	FY 2011	FY 2012	FY 2013 Forecast	
	Amount	Amount	Amount	YoY Change
Sales	12,719	12,857	12,049	93.7%
Pre-owned Condominium	11,833	11,775	11,256	95.6%
Rent	1,649	1,709	1,760	103.0%
Sales	10,184	10,065	9,495	94.3%
Investment Business	584	774	527	68.1%
Advisory Business	300	308	266	86.2%
Gross profit	3,028	2,770	2,797	100.9%
Pre-owned Condominium	2,562	2,381	2,380	100.0%
Rent	1,194	1,233	1,262	102.4%
Sales	1,518	1,334	1,218	91.3%
MTM Loss	-150	-186	-100	53.8%
Investment Business	165	122	198	162.1%
Advisory Business	300	266	218	81.7%

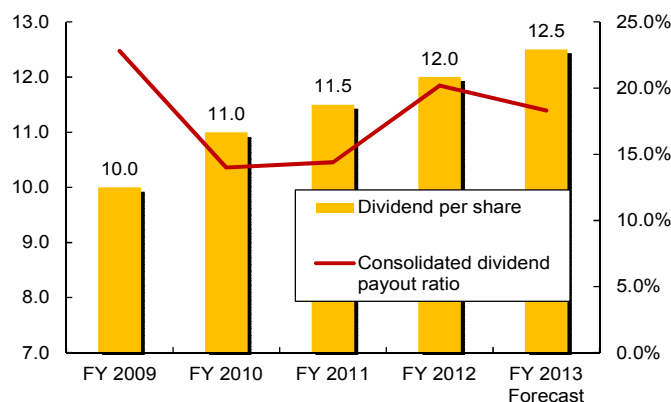
Dividend policy

- We will target long-term consolidated dividend payout ratio of 20%, continue to make dividend increases.
- Internal reserve is reinvested for growth.

■ History of net profit per share (※1) (Unit: Yen)



■ History of Dividend per share (※1) (Unit: Yen)



■ History of per share financial information and dividends, etc. (※1)

	(Unit: Yen)				
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 Forecast
Net asset per share	980.80	1,036.29	1,048.94	1,153.19	
Net profit per share	43.93	78.67	80.06	59.48	68.19 (※2)
Dividend per share	10.0	11.0	11.5	12.0	12.5
Mid-term	0.0	5.5	5.5	6.0	6.0
FY end	10.0	5.5	6.0	6.0	6.5
Annual dividend paid out (JPY million)	81	91	114	106	110 (※2)
Consolidated dividend payout ratio (※3)	22.8%	14.0%	14.4%	20.2%	18.3%

※1 All per-shares figures are calculated based on stock issued after stock split of 1 to 100 on Dec. 1, 2012.

※2 Forecast based on total number of stocks issued minus ownership shares (8,803,100 shares).

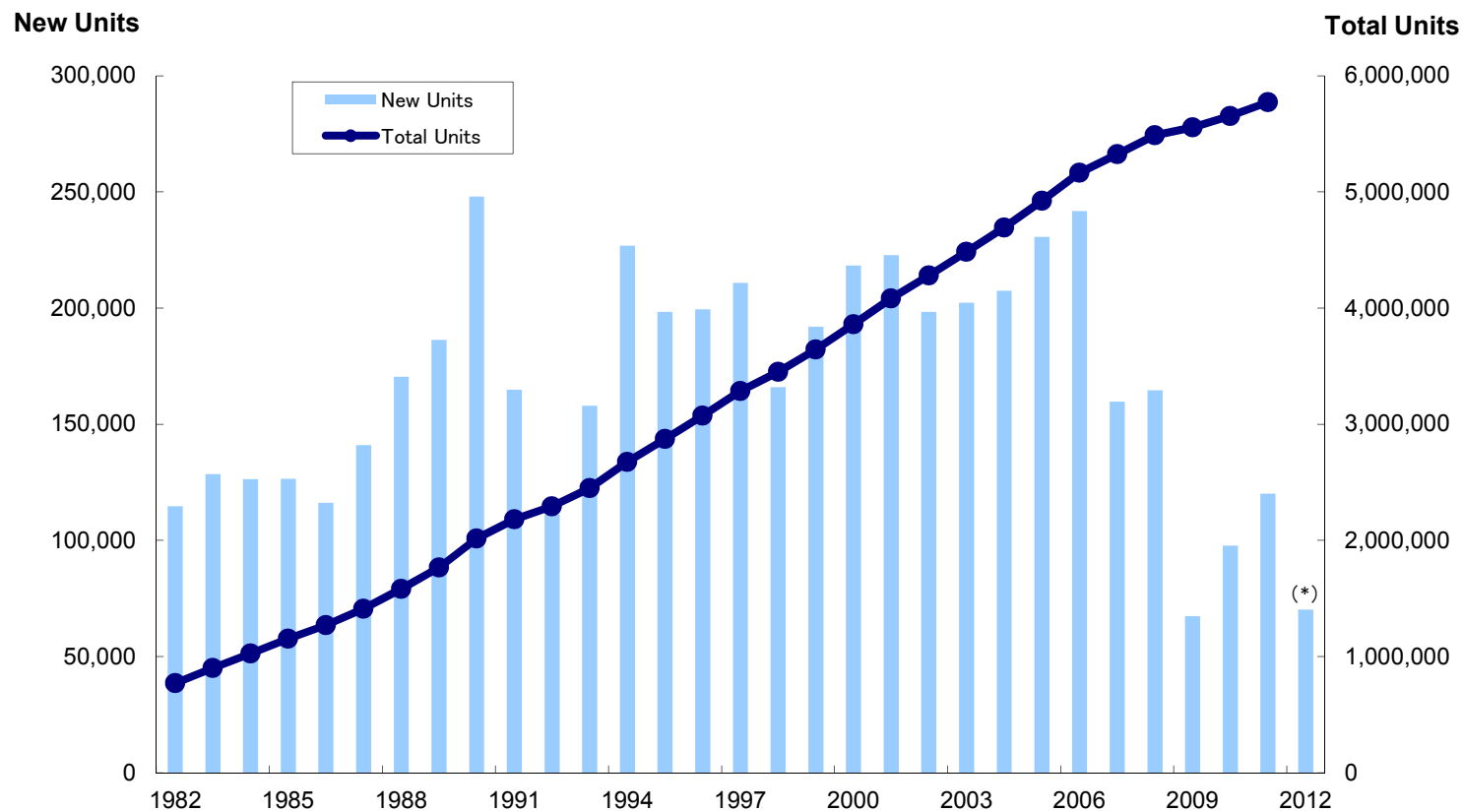
※3 Consolidated dividend payout ratio = Dividend per share / Net profit per share x 100

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Japanese condominium stock now above 5 million units

- Steady expansion in condo stock
- Rapid decrease in new units ⇒ Good prospects for continued growth in used condominium market

Japanese condominium market

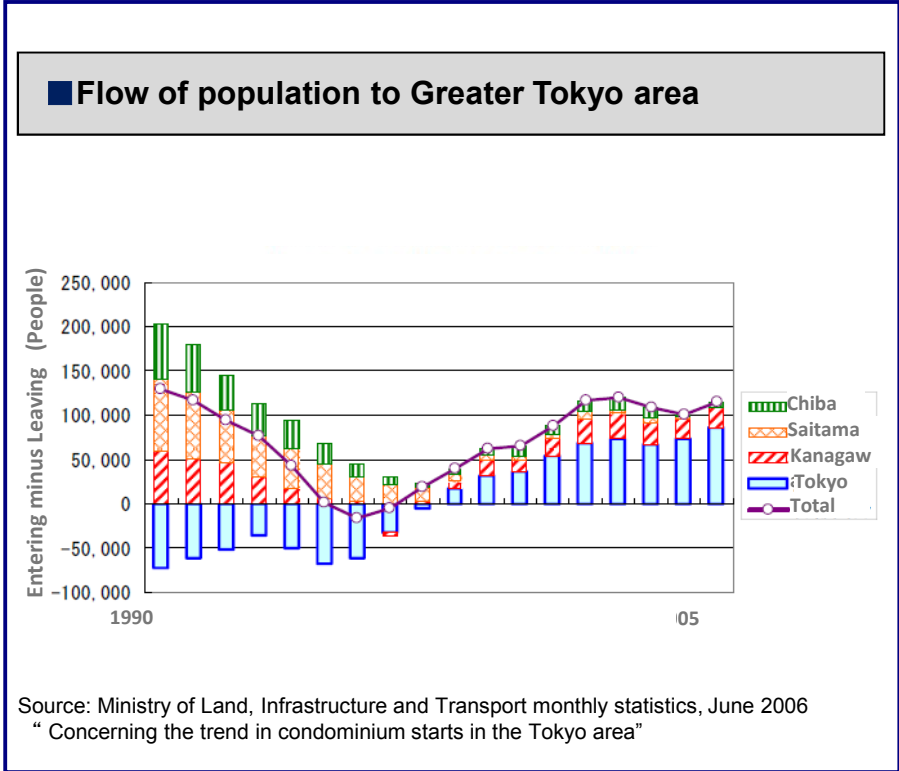
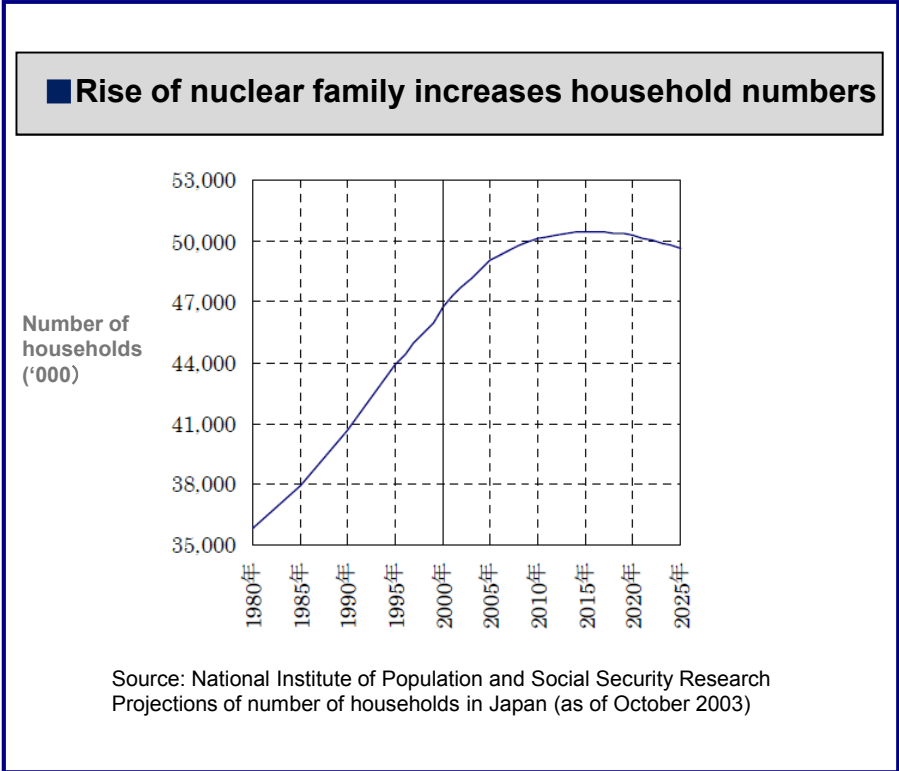


Source: Star Mica, based on Ministry of Land, Infrastructure, and Transport data

(*) For 2012 data is based on results as of Oct 2012 end.

Outlook for used condominium market

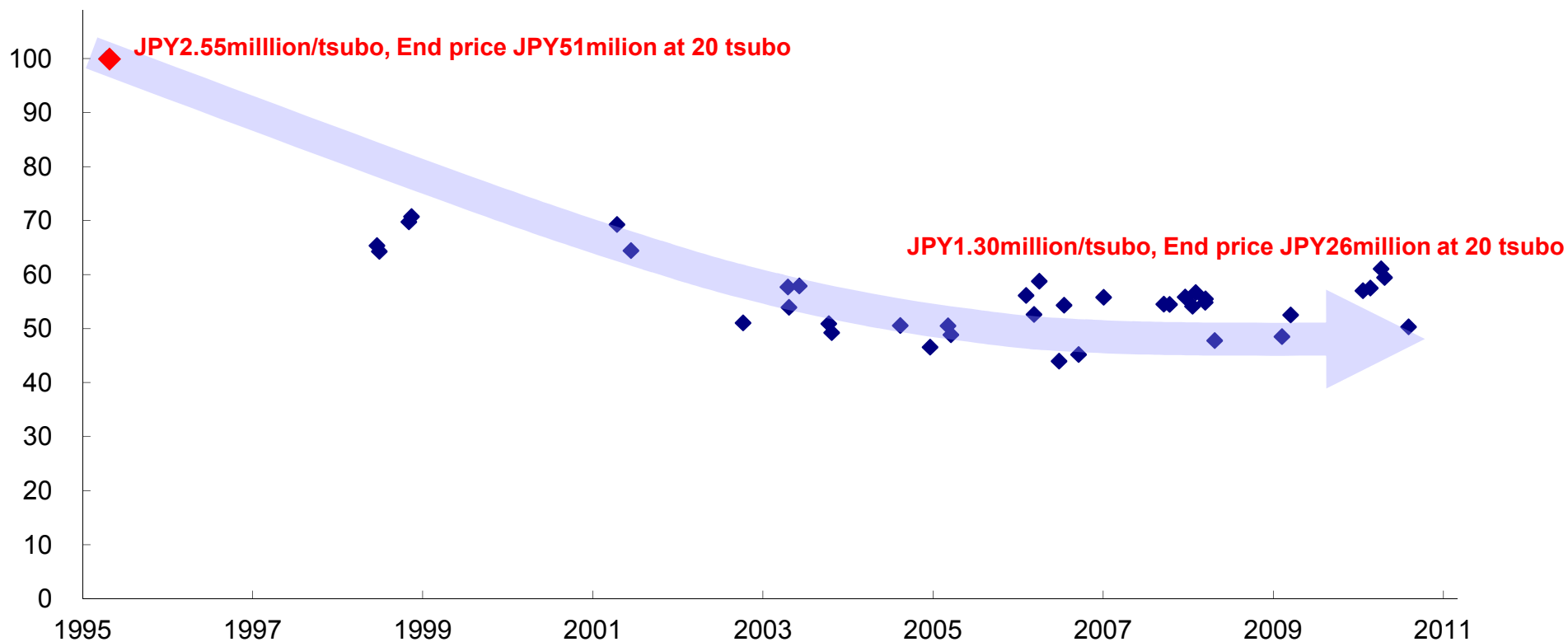
Growth in condo stock, increase in number of households, and continuous inflow of population to major urban/metropolitan areas, should accelerate growth in the used condominium markets of Japanese major cities.



Change in value of used condominium unit by age (from new construction)

Used condominium usually depreciate with age and bottom out after 10 years.

■ Change in value of used condominium unit (Initial sale price at 100)



Case: Konan-ku, Yokohama-shi, Kanagawa- pref. : 350units, Avg size 75m², Construction date July,1995
 Data from Tokyo kantei , Higashinohon REINS ,compiled by Star Mica.

Demand for affordable housing is strong

- Secondary condominiums that can be bought by paying below rent
- ✓ It is possible to purchase reasonable price range condominiums below current rent payment.
- ✓ Demand for this price range is high considering real income level.



■ Monthly repayment of mortgage loan (level payment, 35 years, 2.5%) (Unit: yen)

Initial loan amount	monthly repayment
10,000,000	35,750
15,000,000	53,624
20,000,000	71,499
25,000,000	89,374
30,000,000	107,249
35,000,000	125,123
40,000,000	142,998
45,000,000	160,873
50,000,000	178,748

■ Average secondary condominium(image) *

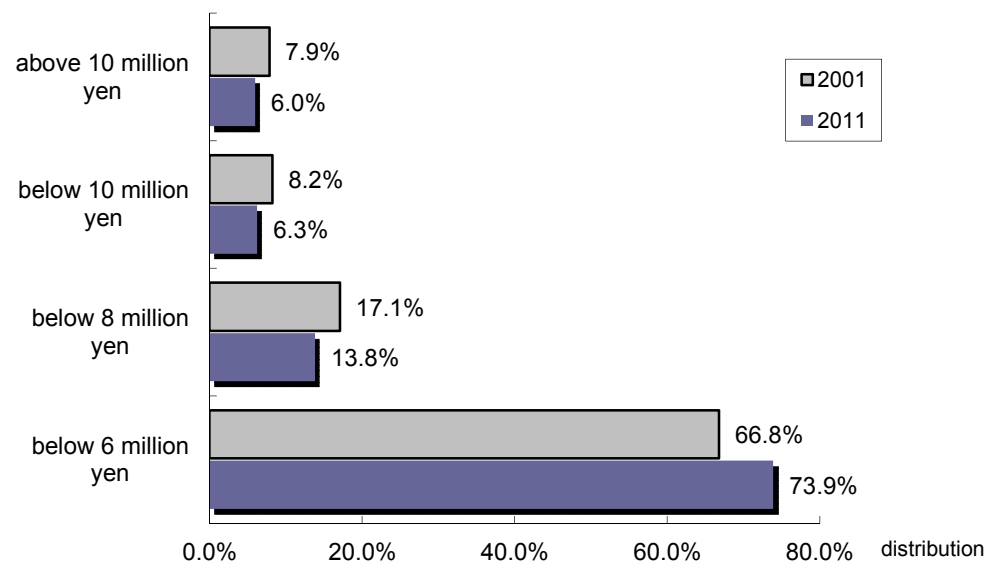
Avg price	27,302 K
Avg size	63.91 m ²
Avg age	19.9 year
Avg monthly rent	152 K
Avg monthly mgmt fee,etc	23 K

(K=thousand yen)

Monthly payment of 90K can reach to purchase standard secondary condominium unit.

* Based on our sales results (2011/12-2012/11)

■ Annual income distribution for employees



※Source: Star Mica based on the National Tax Administration Agency, 2001,2011, male statistics

Annual income below 6 million yen is 3/4 of total population.

Toward stimulation of the used home market

In Europe and US, used homes form the core (70-90%) of the housing market.

In Japan, used homes account for only about 10% of the housing market.

Ministry of Land, Infrastructure, and Transport
“Numerical targets for stimulation of used housing market”

2003: 13% → 2015: 23%

- June 8, 2006 Implementation of the Basic Housing Act
- September 19, 2006 Cabinet approves “Basic Plan for Housing (National Plan)”

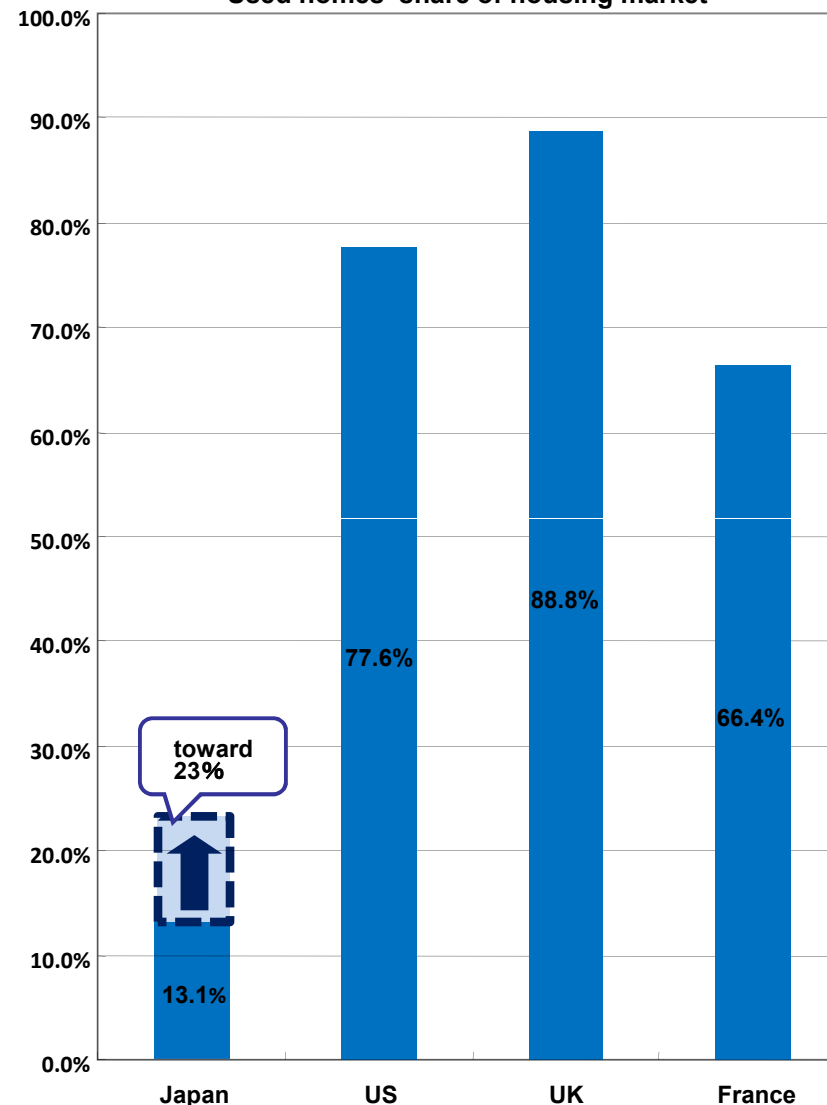
① Supply of high quality properties

- Long-term housing act/Diffusion of long-term quality property
- Housing warranty act/Protection to new home buyers

② Improve liquidity and enhance purchase of houses

- House quality security act(new, used),/enhance disclosure
- Mortgage loan tax break
- Relief to gift tax
- Favorable mortgage system by financial institution
- Government subsidy for home buyers

Used homes' share of housing market



Source: Star Mica, based on Ministry of Land, Infrastructure and Transport materials

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Company profile

■ as of Nov. 30 2012

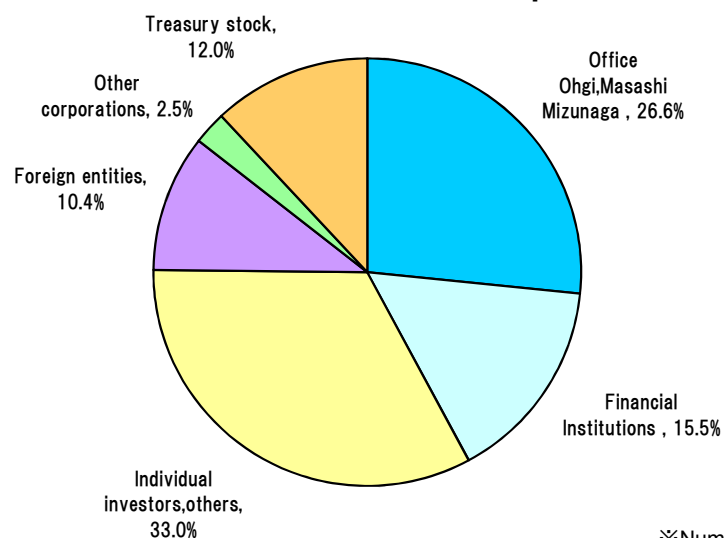
Company name	Star Mica Co., Ltd.
Representative	<p>President & representative director Masashi Mizunaga Brief resume • Mitsui & Co., Ltd.</p> <ul style="list-style-type: none"> ▪ MBA (University of California, Los Angeles) ▪ The Boston Consulting Group ▪ Goldman Sachs Japan Ltd.
Date of incorporation	May 1, 2001
Listing date	<p>October 2, 2006 Osaka Securities Exchanges JASDAQ Market (stock code: 3230)</p>
Capital	3,573 million
Offices	Tokyo head office (Minato Ward), Yokohama branch (Yokohama City)
Main Bank	Bank of Tokyo-Mitsubishi UFJ, Aozora Bank, Sumitomo Mitsui Banking Corporation, Resona Bank,Ltd., Mizuho Bank,Ltd.
Auditor	KPMG AZSA LLC
Employees	67
Businesses	Pre-owned Condominium business, Investment business, Advisory business

Major shareholders (as of 30 Nov 2012)

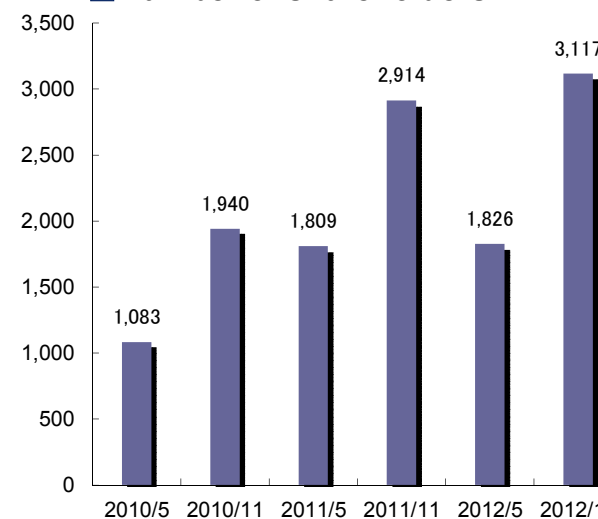
major shareholders

Shareholder	May 2012	Nov 2012	%	Notes
Office Ohgi	15,250	15,250	15.3%	Private Company of Masashi Mizunaga
Star Mica Co., Ltd	11,111	11,969	12.0%	Treasury stock
Masashi Mizunaga	10,774	11,346	11.3%	President & Representative Director
Japan Trustee Services Bank, Ltd. (Account in trust)	13,001	10,003	10.0%	
Hiroshi Taguchi	9,000	9,000	9.0%	
Yasumitsu Shigeta	3,910	7,324	7.3%	
Goldman Sachs International	1,562	5,358	5.4%	
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASH PB)	1,830	1,964	2.0%	
The Master Trust Bank of Japan, Ltd. (Account in trust)	6,843	1,619	1.6%	
ITJ Law Office	**	1,510	1.5%	
Others	26,719	24,657	24.7%	**Others not listed since out of top 10
Total	100,000	100,000	100.0%	

Distribution of share ownership



Number of shareholders



※Number of stock held by top 10 share holders is based on number of issued stock before stock split of Dec. 1, 2012.

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- This presentation contains forward-looking statements, including forecasts of business performance and operation plans and targets. These statements are based on information available to the company's management when this material was prepared and on current assumptions for uncertain factors affecting future earnings. Actual results may differ from the information presented in this report due to a host of factors that are unforeseeable and/or beyond the control of the company.
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- This presentation is not to be construed as a solicitation to invest in the company. Investors must make their own investment decisions.

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