

Financial Result Summary

For FY Nov 2013

January 10, 2014

Contents

1. Executive Summary

2. Business Outline

3. Corporate Strategy

4. Market Analysis and Reference

5. Company Profile

—PL— Great market environment. Achieved best ever earnings.

- High activity in pre-owned condominium market, while economy recovers and new condominium price rises.
- Net income was 744million yen, our record high.

	FY Nov 2012	FY Nov 2013	YoY Change
	(JPY million)	(JPY million)	
Sales	12,857	13,543	+5.3%
Gross profit	2,770	3,239	+16.9%
Operating income	1,541	1,803	+17.0%
Recurring profit	989	1,230	+24.4%
Net income	538	744	+38.2%
EBITDA (※)	1,726	2,061	+19.4%

※ EBITDA = Operating income + Depreciation/Amortization

Best ever result was led by pre-owned condominium business.

- Both rent and sales produced good results in pre-owned condominium business. Gross profit in pre-owned condominium business was 2.7billion yen, our record high.

	FY Nov 2012		FY Nov 2013		YoY Change
	(JPY million)		(JPY million)		
Sales	12,857		13,543		+5.3%
Pre-owned Condominium business	11,775		12,410		+5.4%
Rent	1,709		1,854		+8.5%
Sales	10,065		10,556		+4.9%
Investment business	774		762		-1.5%
Advisory business	308		369		+19.9%
	FY Nov 2012		FY Nov 2013		YoY Change
	(JPY million)		(JPY million)		
Gross profit	2,770	21.6%	3,239	23.9%	+16.9%
Pre-owned Condominium business	2,381	20.2%	2,765	22.3%	+16.1%
Rent	1,233	72.1%	1,359	73.3%	+10.2%
Sales	1,334	13.3%	1,434	13.6%	+7.5%
Mark-to-market loss	-186	-	-28	-	-84.9%
Investment business	122	15.8%	167	22.0%	+36.9%
Advisory business	266	86.5%	305	82.7%	+14.6%

—BS— Inventory of pre-owned condominium reached new record.

- As a result of aggressive acquisition of properties before increase in consumption tax, our inventory reached record high.

This accumulation of inventory will be source of profit in the coming months.

	FY Nov 2012	FY Nov 2013	YoY Change
	(JPY million)	(JPY million)	
Current assets	26,166	29,070	+11.1%
Cash and deposits	1,891	1,674	-11.5%
Inventories	23,986	26,977	+12.5%
Fixed assets	6,200	8,475	+36.7%
Total assets	32,367	37,545	+16.0%
Short-term liabilities	7,388	6,535	-11.5%
Long-term liabilities	13,751	20,055	+45.8%
Shareholder's equity	10,151	10,903	+7.4%
Capital-to-asset ratio	31.4%	29.0%	

※ Most of the inventories are condos from pre-owned condominium business
 ※ Most of the fixed assets are properties from investment business

1. Executive Summary

2. Business Outline

3. Corporate Strategy

4. Market Analysis and Reference

5. Company Profile

Corporate Philosophy

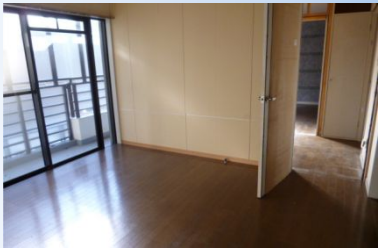


STAR MICA

**We strive to realize society
from "build" to "utilize"**

“Renovation” improves asset value.

- Utilize what we have now, adapt recycle, eco-friendly concept to housing.
- Improve asset value by renovating the condominium functionally to almost brand new.
- We have a track record of supplying over 400 condominiums in a year.



before



after

Case 1 : Renovation that supports “women”

- Pursue comfortable living from women’s perspective.
- Product planning focused in storage, line of human flow, and ease of maintenance.

<http://www.shiawase.starmica-r.co.jp/>



Case 2 : Renovation that supports “child care”

- Pursue comfortable living from parents’ perspective.
- Product planning focused in child care, child safety, including floor plan and facilities.



Case 3 : Renovation of the entire building

- Renovate condominium unit and also the entire building by large scale.
- Consider not only building exterior or facility but also in softwares such as security service and living environment.

— Case example —

STELLA SUITE

TAMAGAWADENENCHOFU

STELLA GARDEN MINAMIKUTA

STELLA SUITE OOI

STELLA GARDEN MIZONOKUCHI

etc.



3 Key reasons why pre-owned condominiums are preferred.

(1) Reasonable price

- ✓ To be able to own and live in an affordable condominium, less expensive than newly built condominium.

(2) Wide variety of choices

- ✓ To be able to select from large pool, according to one's preference of location, grade, floor plan, etc.

(3) Satisfaction of purchasing the actual condominium after viewing

- ✓ To be able to visit, and confirm living space, window view, maintenance, and neighborhood before making purchase decision.

We offer assurance and security in pre-owned condominium.

Renovation based on our long-term experience.

We supply 400 condominiums/year, over 3,000 condominiums to date.

We offer warranty after purchase to buyers.

We offer warranty to condominium to make sure the quality is up to our standard.

We offer total service in pre-owned condominium universe.

We offer variety of services including brokerage, reform, and management through group companies.

1. Executive Summary

2. Business Outline

3. Corporate Strategy

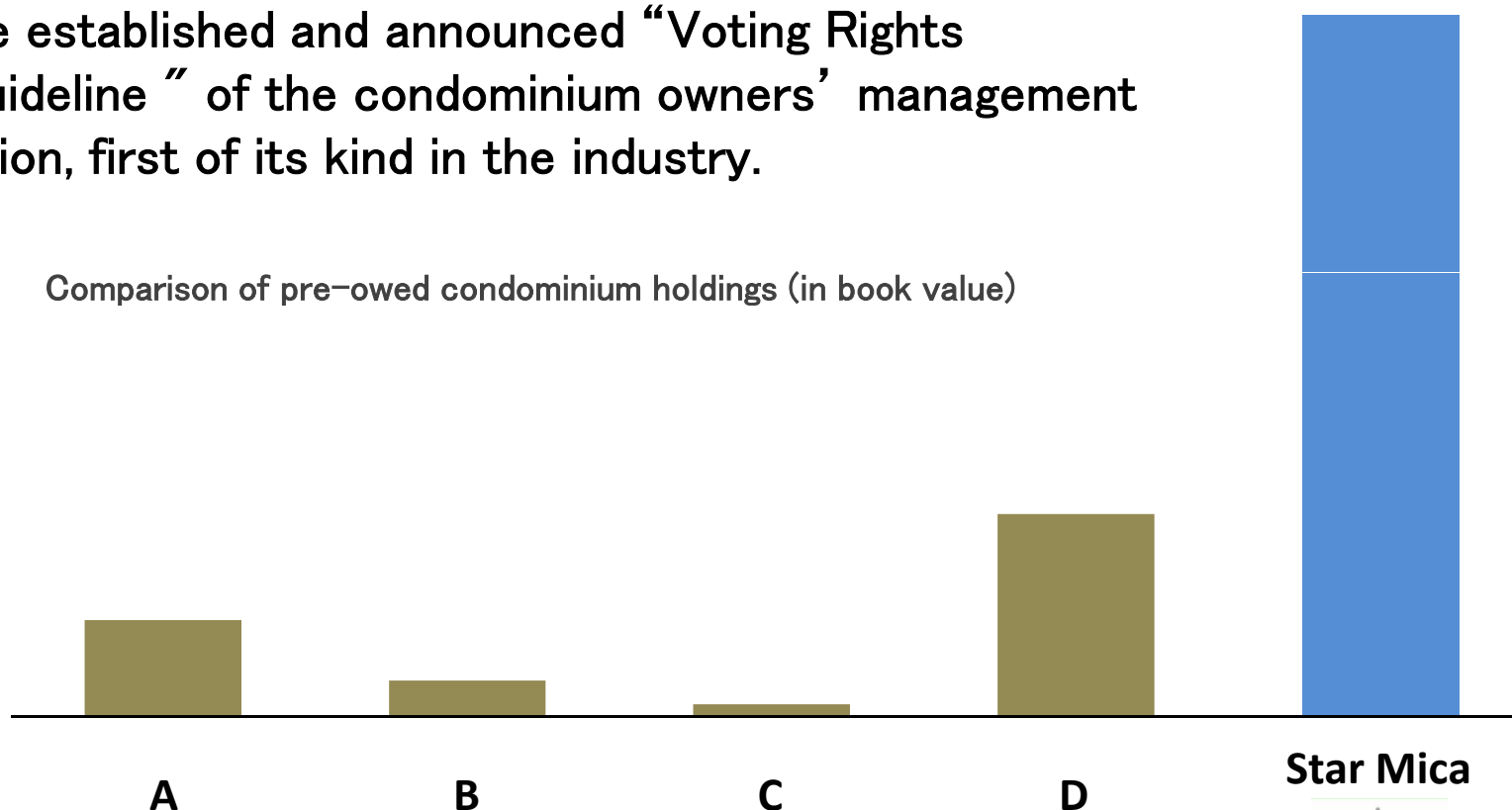
4. Market Analysis and Reference

5. Company Profile

We own largest number of pre-owned condominiums in the industry.

- We are able to supply pre-owned condominiums for sale from abundant inventory.
- Social mission as leading company
 - ✓ We established and announced “Voting Rights Guideline ” of the condominium owners’ management union, first of its kind in the industry.

Over
26billion yen



※Summarized by Star Mica from corporate fiscal reports



Unique Strategy

- We invest in less liquid pre-owned condominiums that are occupied, rather than liquid vacant condominiums.
- Our unique strategy was recognized by Porter Prize in 2011.

Porter Prize

Award named after Professor Michael E. Porter (Harvard Business School) in Corporate Strategy. This award is given to companies that have innovative product, process and management, with unique strategy and solid earning results.

Past awards

Kakaku.com, Inc.

Komatsu

Kirin Brewery

Gourmet Navigator

Fast Retailing Co., Ltd.

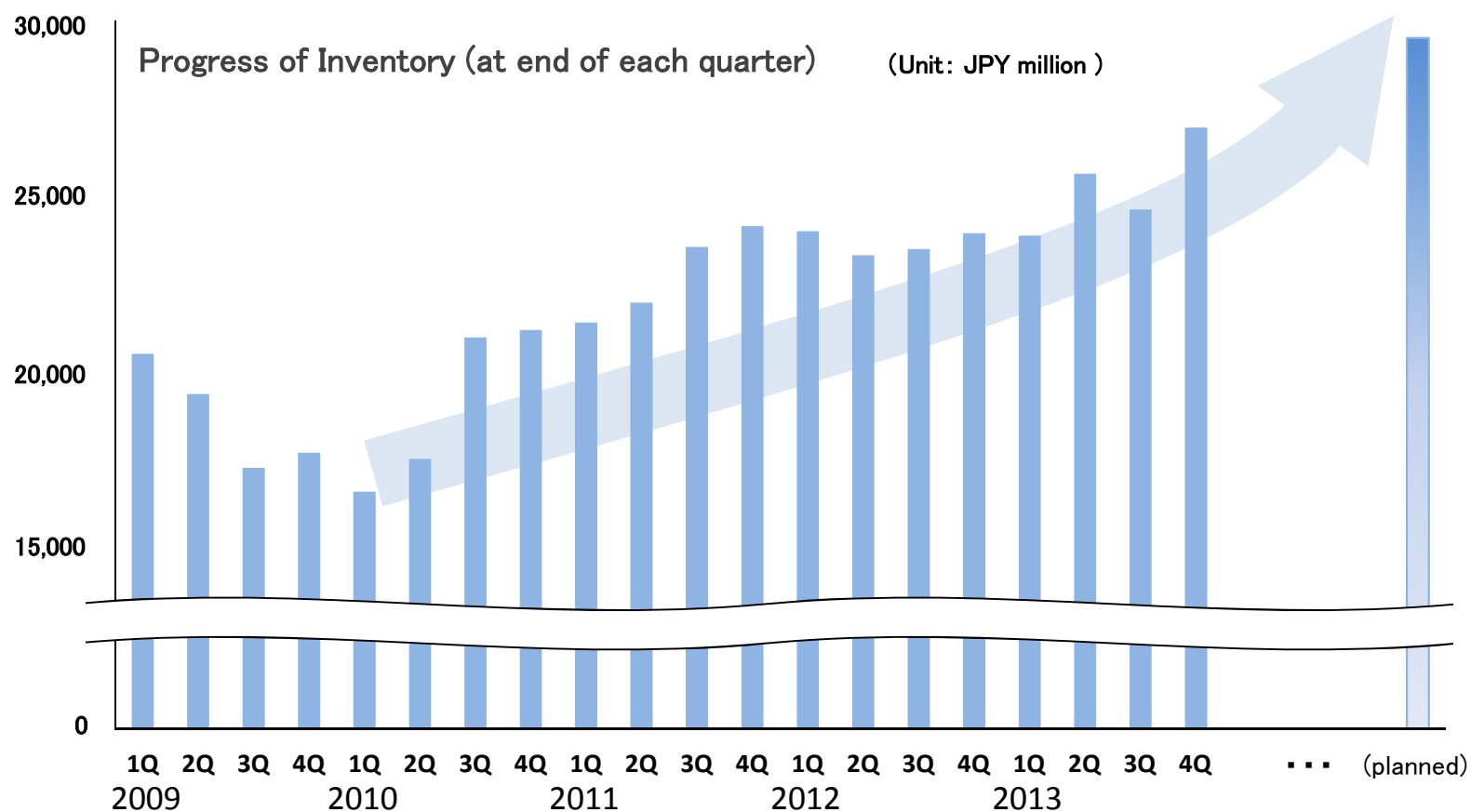
Oisix Inc.

etc.



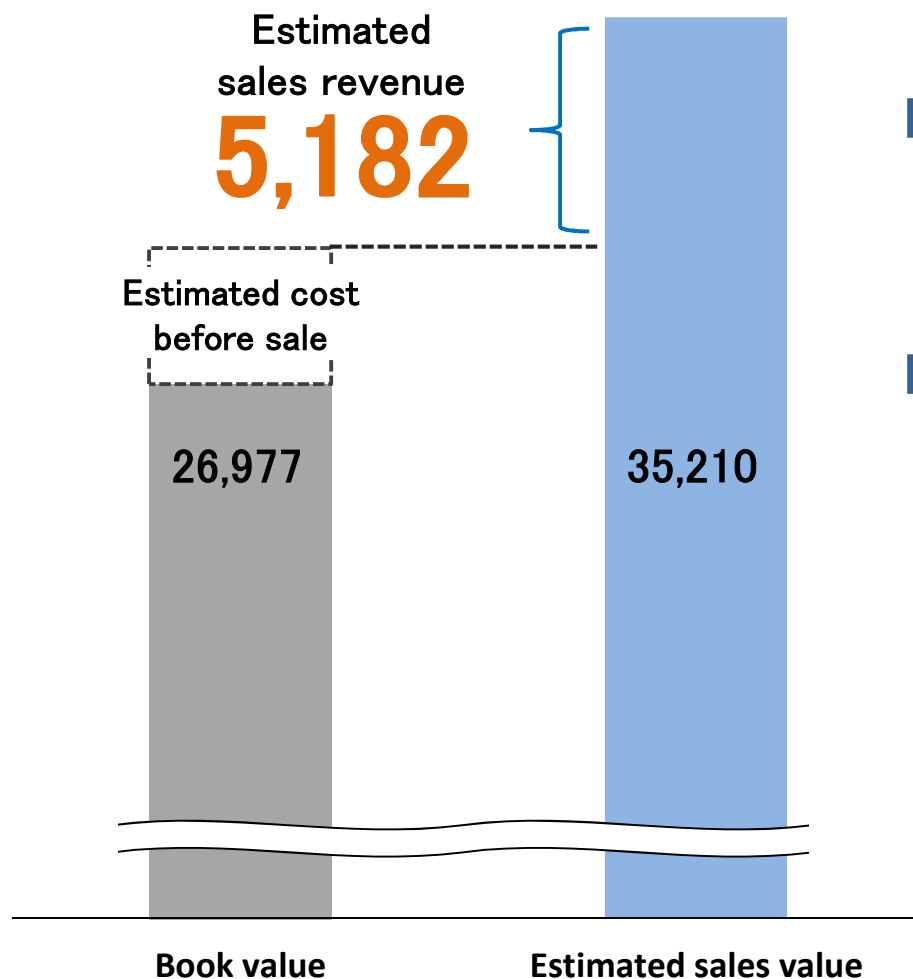
We plan to make aggressive acquisition, in pre-owned condominiums.

- Our Nov. 2013 FY end condominium holdings exceeded our past record high.
- From increased inventory of pre-owned condominiums, we anticipate improvement in rent revenue and sales revenue.



Unrealized gain in pre-owned condominiums are estimated to be over 5 billion yen.

Unrealized gain from recent FY end Book value
(Unit: JPY million)

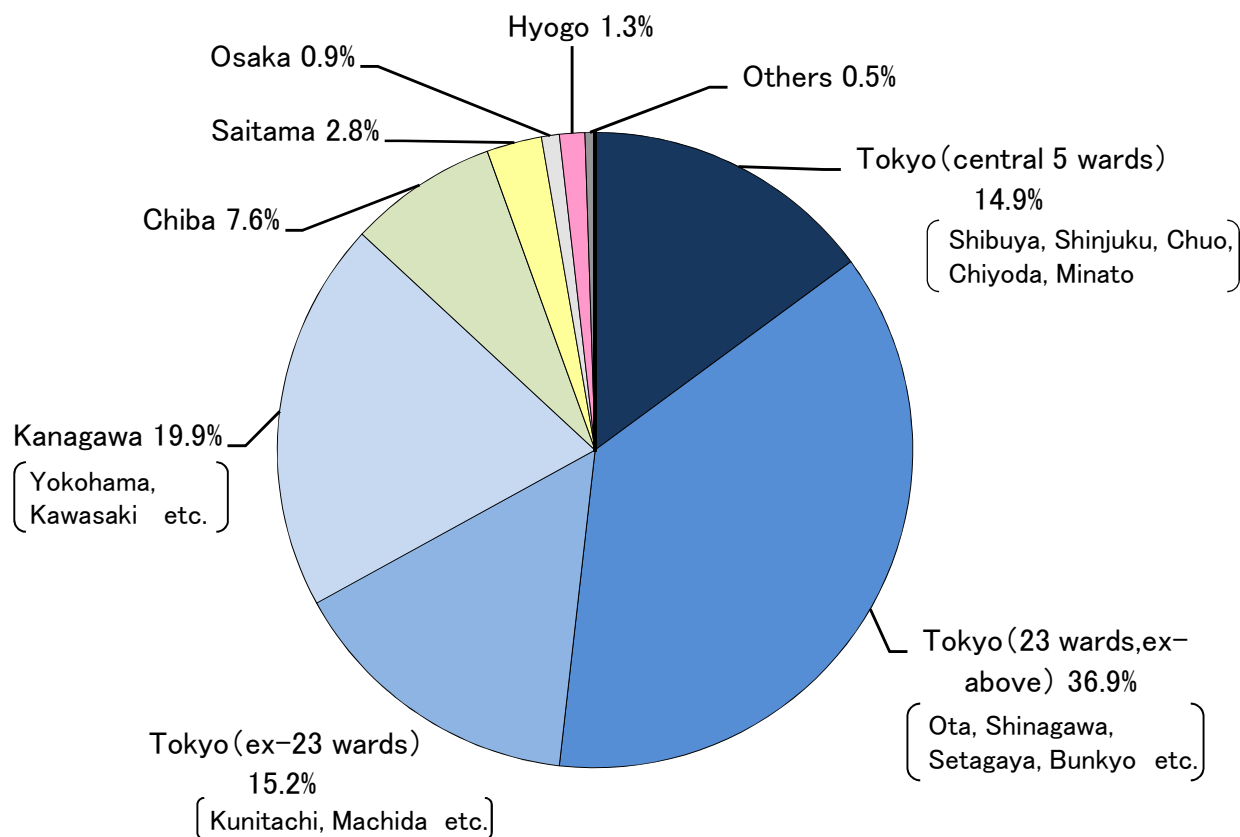


- Appraisal from third party appraiser reveals inventory value (Estimated sales value) of 35,210 million yen.
- Our estimated sales revenue is 5,182 million yen.

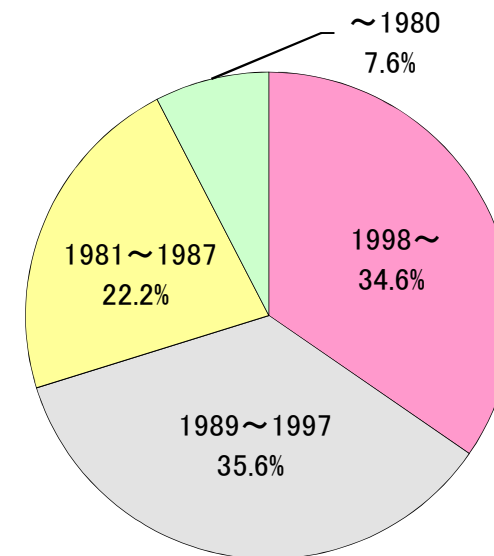
※ Estimated cost before sale is calculated based on past record of transaction fee and renovation cost
 ※ Above figures are based on projection under certain accounting method, this does not guarantee future capital gain revenue

A well diversified condominium portfolio

Composition by region



Composition by year built



Average unit data

Avg size	62.03 m ²
Avg age	21.8 year
Avg acquisition price	18,826 K

※ Above figures are as of November 2013
 ※ Average property figures are based on number of properties (all unit based)
 ※ Regional and Age segregation are based on acquisition amount (all unit based)

We are strengthening regional presence in Kansai Area.

- We will open Osaka branch on January 14th (planned).
- We will strengthen acquisition in Kansai area and aim to develop business further.

Address : Kita Hankyu Bldg 8th Floor
1-4-8 Shibata Kita-ku Osaka,
Osaka pref. 530-0012

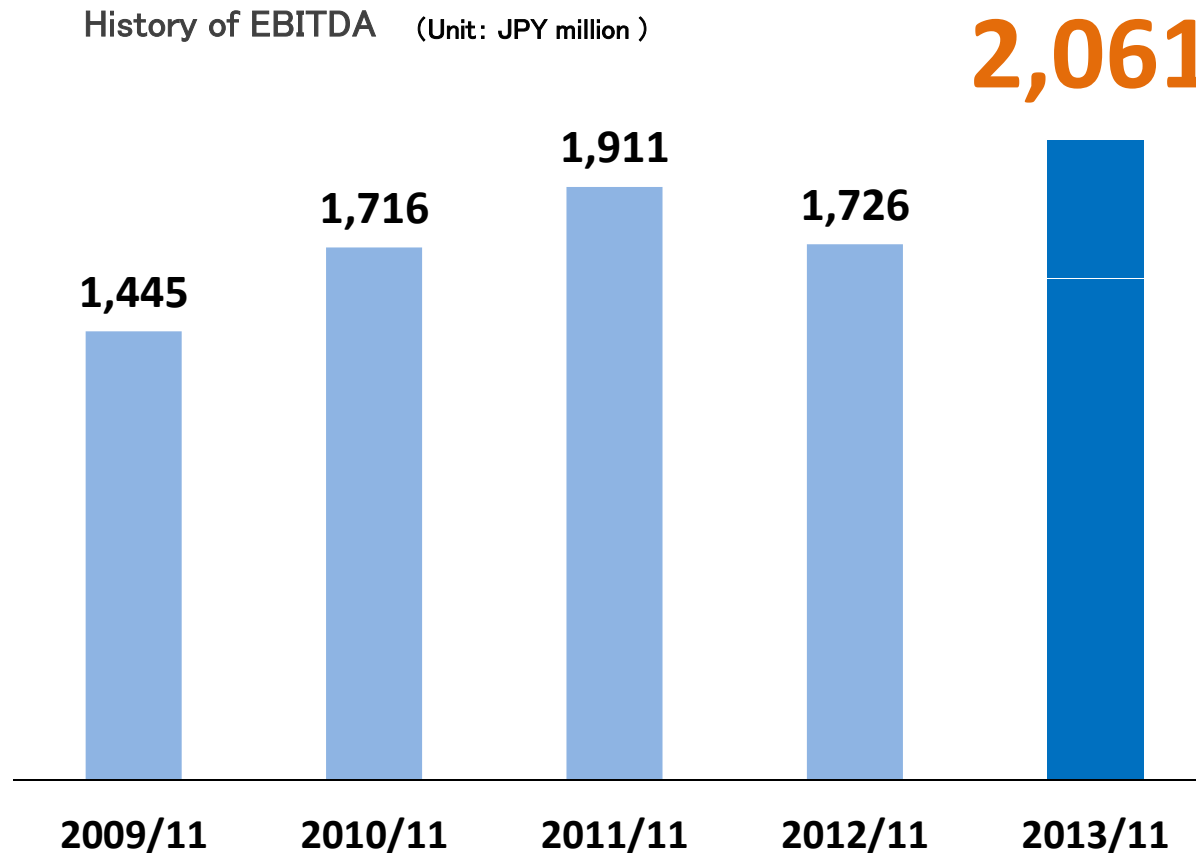
Opening : January 14th, 2014 (planned)



EBITDA reached all time high.

- EBITDA is over 2billion yen.
- Strive for continuous growth through business scale expansion.

History of EBITDA (Unit: JPY million)



※ EBITDA = Operating income + Depreciation/Amortization

We anticipate to achieve another best ever profit this year.

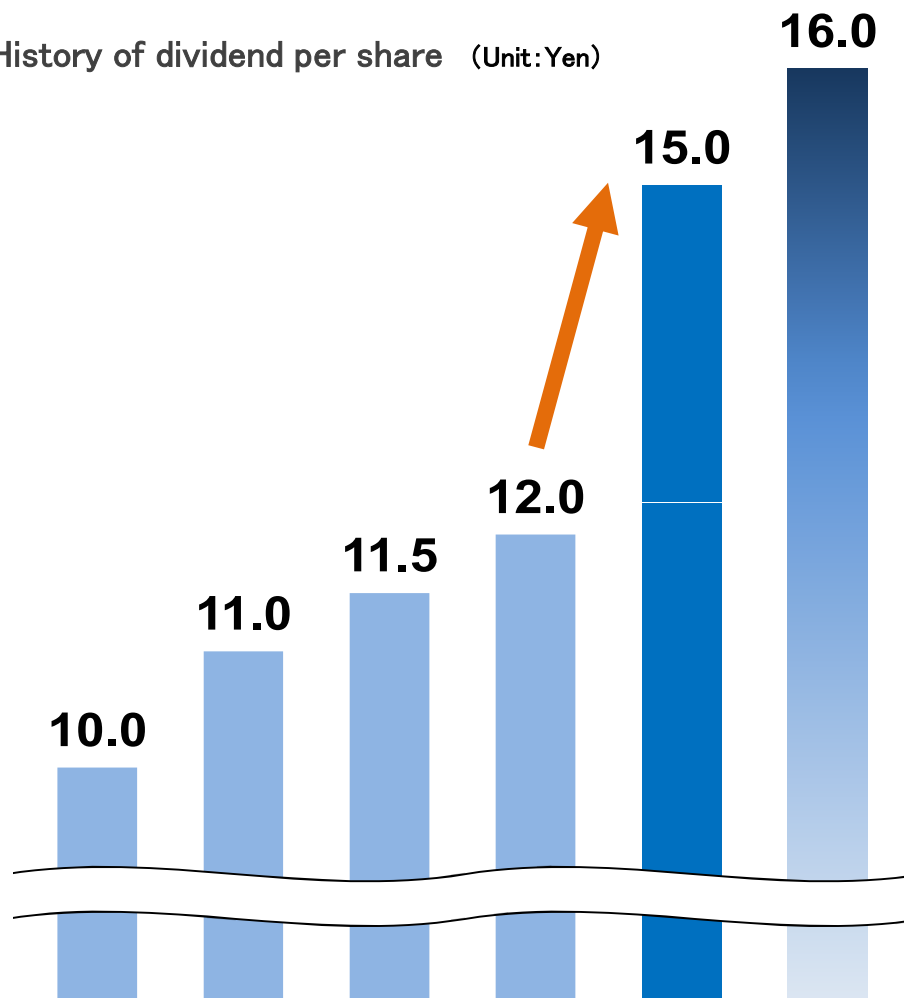
- We feel economy is strong enough to absorb impact from consumption tax hike in April.

	FY Nov 2013	FY Nov 2014 Forecast	YoY Change
	(JPY million)	(JPY million)	
Sales	13,543	14,251	+5.2%
Pre-owned Condominium business	12,410	13,122	+5.7%
Gross profit	3,239	3,354	+3.5%
Pre-owned Condominium business	2,765	2,851	+3.1%
Operating income	1,803	1,951	+8.2%
Recurring profit	1,230	1,330	+8.1%
Net income	744	802	+7.8%
EBITDA (※)	2,061	2,316	+12.4%

※ EBITDA = Operating income + Depreciation/Amortization

We plan to increase dividend, five consecutive year in a row.

History of dividend per share (Unit:Yen)



- We raised mid-long term dividend payout ratio target from 20% to **30%**.
- We continue to plan on increase in dividends.

Consolidated
dividend
payout ratio

Fiscal Year	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 Forecast
Consolidated dividend payout ratio	22.8%	14.0%	14.4%	20.2%	17.9%	17.9%

※ Due to stock split of 1-100 in December 2012, past per share dividends are adjusted

Continuous increase in company value.

- Book value per share doubled since stock listing (IPO).



History of BPS/EPS (Unit:Yen)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
BPS	582.79	880.49	946.96	980.80	1,036.29	1,048.94	1,153.19	1,213.27
EPS	72.38	98.67	77.25	43.93	78.67	80.06	59.48	83.87

※ Due to stock split of 1-100 in December 2012, past per share dividends are adjusted

1. Executive Summary

2. Business Outline

3. Corporate Strategy

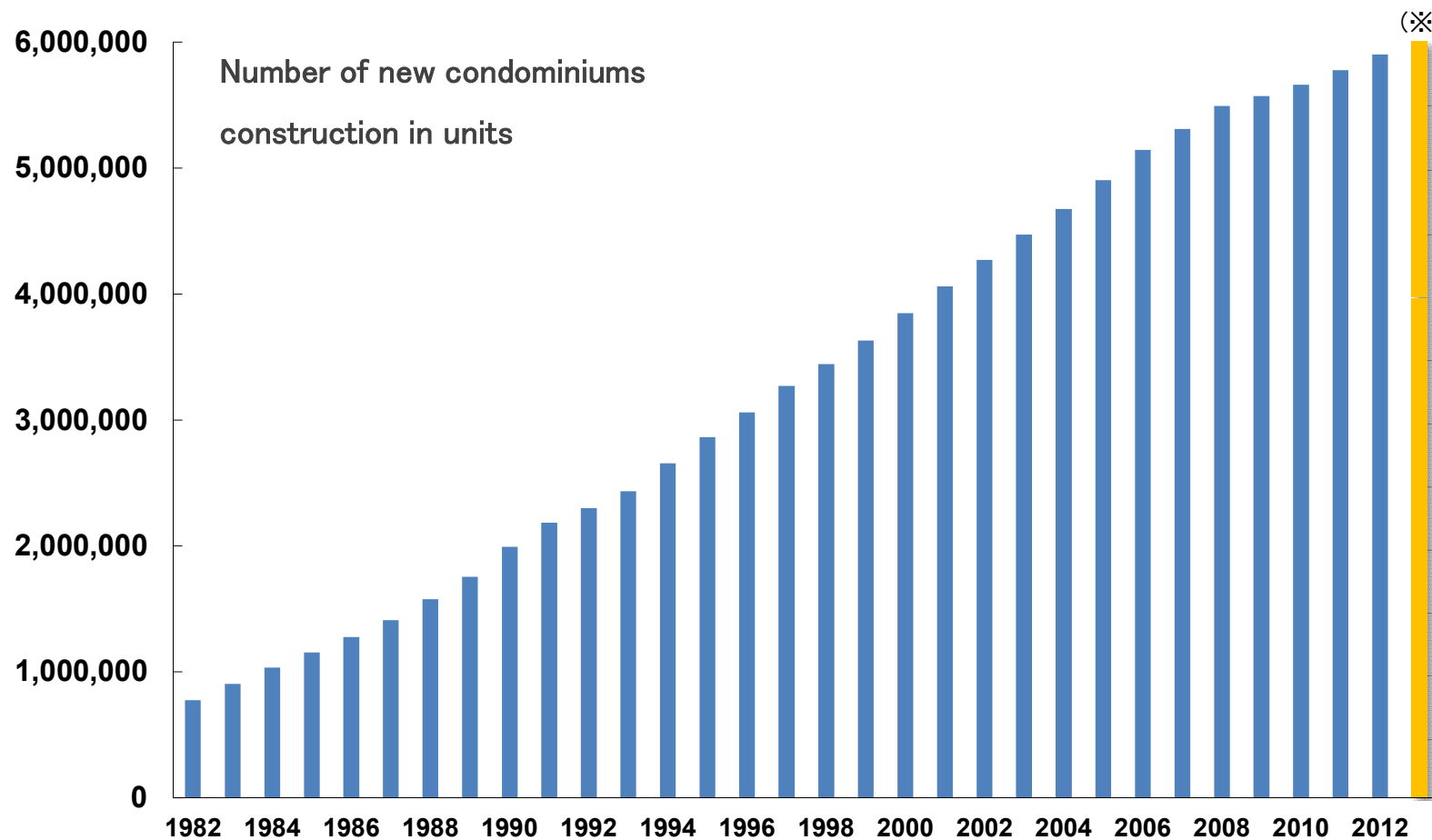
4. Market Analysis and Reference

5. Company Profile

Japanese pre-owned condominium stock now over 6million units.

- Supply of newly built condominiums are rising steadily.
- ⇒ We expect growth and development in Japanese condominium market.

Over 6million units

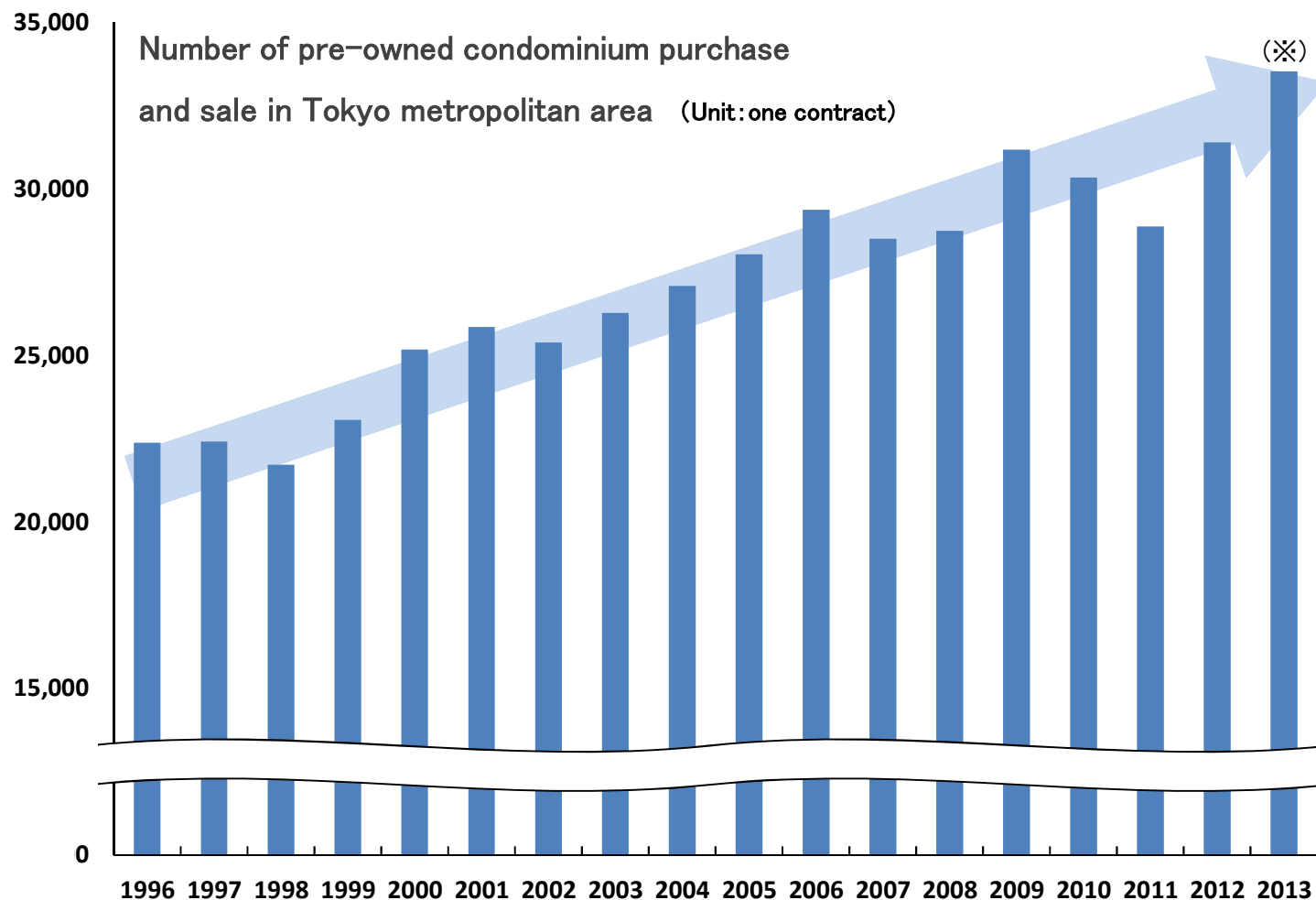


Source: Star Mica, based on Ministry of Land, Infrastructure, and Transport data

※ Year 2013 figures are at end of Nov. 2013

Condominium market is shifting towards pre-owned.

- Number of pre-owned condominium purchase and sale is growing.

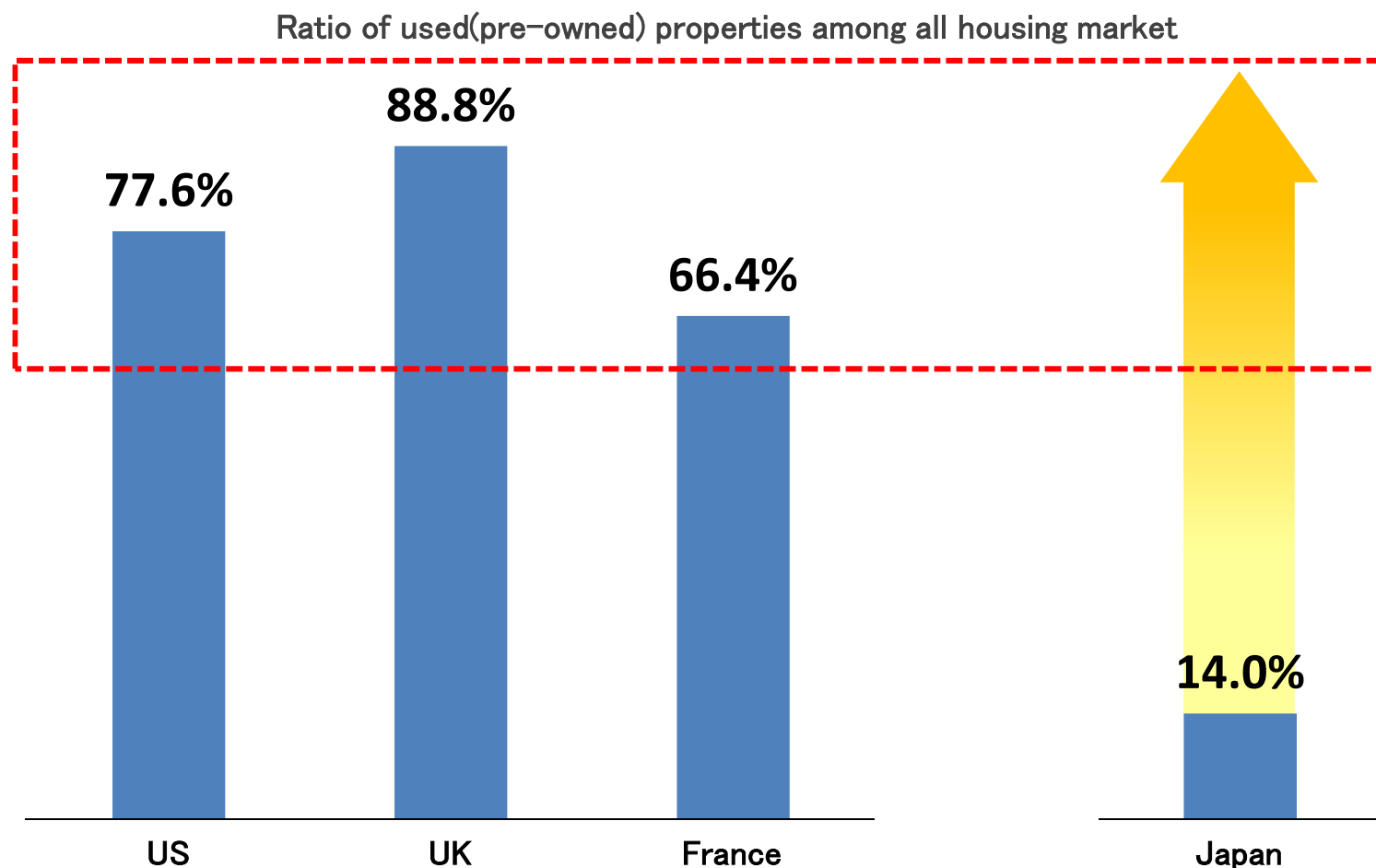


Source: Star Mica and REINS Market Trend

※ Year 2013 figures are at end of Nov. 2013

Potential upside in market growth, in a global perspective.

- **70–90%** of housing market in developed countries are used(pre-owned) properties, whereas 10% in Japan.
- Along with maturing social infrastructure, we prefigure this as a growth market.



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

Future outlook of renovation business.

- Households can own higher grade “for-sale condominiums” compared to lower grade “for-rent condominiums”, with same economics.
- Planning, renovating and warranty by experienced company like us can offer reliable housing to households.

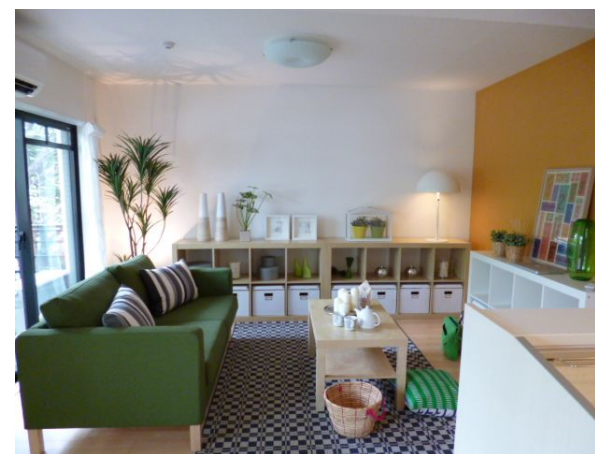
Standard monthly rent (※1)

152
thousand yen



Monthly mortgage repayment (※2)

85
thousand yen



※1 Based on our corporate results at November 2013, Average sales price of 30.77million yen, average space of 70.8 square meters

※2 Assumed mortgage of 30 million yen, at 1%, for 30 years

-
1. Executive Summary
 2. Business Outline
 3. Corporate Strategy
 4. Market Analysis and Reference

5. Company Profile

Company profile (as of 30 Nov 2013)

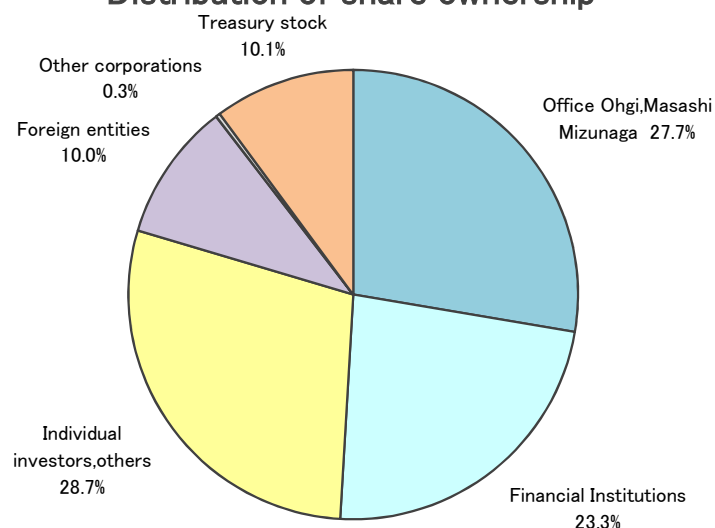
Company name	Star Mica Co., Ltd.
Representative	President & representative director Masashi Mizunaga
Date of incorporation	May 1, 2001
Listing date	October 2, 2006 Tokyo Stock Exchange JASDAQ Market (stock code: 3230)
Capital	3,573 million
Offices	Tokyo head office (Minato Ward), Yokohama branch (Yokohama City)
Main Bank	Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Banking Corporation, Aozora Bank, Resona Bank,Ltd., Mizuho Bank,Ltd.
Auditor	KPMG AZSA LLC
Employees	69
Businesses	Pre-owned Condominium business, Investment business, Advisory business

Major shareholders (as of 30 Nov 2013)

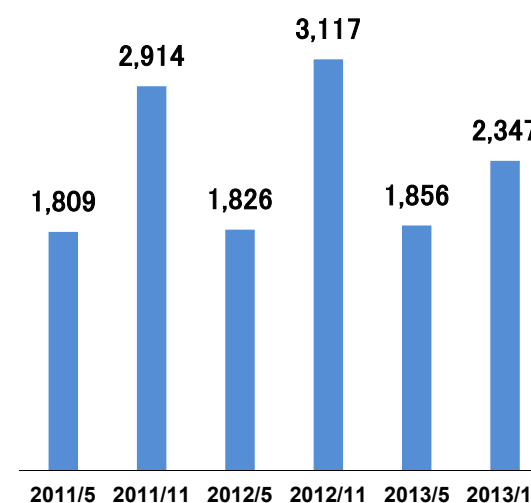
Major shareholders (Unit: shares)

Shareholder	May 2012	Nov 2012	% Holdings	% Voting Rights	Notes
Office Ohgi	1,525,000	1,525,000	15.3%	17.0%	Private Company of Masashi Mizunaga
Masashi Mizunaga	1,142,100	1,240,000	12.4%	13.8%	President & Representative Director
Star Mica Co., Ltd	1,136,700	1,012,741	10.1%	—	Treasury stock
Yasumitsu Shigeta	954,000	954,000	9.5%	10.6%	
Hiroshi Taguchi	900,000	900,000	9.0%	10.0%	
Japan Trustee Services Bank, Ltd. (Account in trust)	659,800	838,200	8.4%	9.3%	
The Nomura Trust and Banking Co., Ltd. (Account in investment trust)	599,100	699,100	7.0%	7.8%	
The Master Trust Bank of Japan, Ltd. (Account in trust)	397,500	664,700	6.6%	7.4%	
Royal Bank of Canada Trust Company (Cayman) Ltd.	559,400	466,000	4.7%	5.2%	
The Bank Of New York Mellon (International) Limited 131800	185,100	217,200	2.2%	2.4%	
Others	1,941,300	1,483,059	14.8%	16.5%	
Total	10,000,000	10,000,000	100.0%	100.0%	

Distribution of share ownership



Number of shareholders (Unit: people)



Cautionary Statement / Contact Information



- 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.
- The information in this presentation includes data believed by the company to be reliable and has been obtained from public sources believed to be reliable. However, the company makes no representation as to the accuracy or completeness of such information.
- This presentation is not to be construed as a solicitation to invest in the company. Investors must make their own investment decisions.

For further information please contact:
Star Mica Co., Ltd., Corporate Planning Department
E-mail: ir.group@starmica.co.jp