

**Summary of Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2016
(Nine Months Ended December 31, 2015)**

[Japanese GAAP]

Company name: Nippon Commercial Development Co., Ltd. Listing: TSE/NSE, First Sections
Securities code: 3252 URL: <http://www.ncd-jp.com>
Representative: Tetsuya Matsuoka, President
Contact: Kenji Irie, Director, General Manager of Finance and Accounting Division
Tel: +81-(0)6-4706-7501

Scheduled date of filing of Quarterly Report: February 12, 2016
Scheduled date of payment of dividend: -
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2015
(April 1, 2015 – December 31, 2015)**

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2015	14,228	52.7	5,507	296.7	5,287	473.0	3,526	554.4
Nine months ended Dec. 31, 2014	9,315	100.0	1,388	94.8	922	141.1	538	91.3

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2015: 3,415 (up 509.0 %)
Nine months ended Dec. 31, 2014: 560 (up 89.0 %)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2015	205.38	184.65
Nine months ended Dec. 31, 2014	37.79	31.82

Note: The Company conducted a 3-for-1 stock split on September 1, 2014 under the August 11, 2014 Board of Directors' resolution.
Net income per share and diluted net income per share have been calculated as if this stock split had taken place at the beginning of the fiscal year ended March 31, 2015.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2015	32,045	11,578	35.9
As of Mar. 31, 2015	24,104	8,510	34.9

Reference: Shareholders' equity (million yen) As of Dec. 31, 2015: 11,503 As of Mar. 31, 2015: 8,405

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2015	-	0.00	-	30.00	30.00
Fiscal year ending Mar. 31, 2016	-	0.00	-		
Fiscal year ending Mar. 31, 2016 (forecasts)				45.00	45.00

Note: Revisions to the most recently announced dividend forecast: None

* Breakdown of dividends for the fiscal year ended Mar. 31, 2015: Ordinary dividends: 27 yen; Commemorative dividends: 3 yen

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	17,300	6.4	6,100	71.9	5,500	84.1	3,500	87.8	203.86

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: Please refer to “2. Matters Related to Summary Information (Notes), (2) Changes in Accounting Policies and Accounting-based Estimates, and Restatements” on page 4 of the attachments for further information.

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Dec. 31, 2015:	17,469,200 shares	As of Mar. 31, 2015:	16,931,600 shares
----------------------	-------------------	----------------------	-------------------

2) Number of treasury shares at the end of the period

As of Dec. 31, 2015:	141 shares	As of Mar. 31, 2015:	141 shares
----------------------	------------	----------------------	------------

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2015:	17,168,935 shares	Nine months ended Dec. 31, 2014:	14,257,495 shares
----------------------------------	-------------------	----------------------------------	-------------------

Note: The Company conducted a 3-for-1 stock split on September 1, 2014 under the August 11, 2014 Board of Directors’ resolution. The number of outstanding shares (common shares) has been calculated as if this stock split had taken place at the beginning of the fiscal year ended March 31, 2015.

* Information regarding the implementation of quarterly review procedures

The current quarterly financial summary is exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for the quarterly financial statements have not been completed.

* Cautionary statement with respect to forward-looking statements, and other special items

Earnings forecasts regarding future performance in this material are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts for a number of factors. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3 of the attachments for assumptions for forecasts and notes of caution for usage.

Stock split

The Company conducted a 3-for-1 stock split on September 1, 2014 under the August 11, 2014 Board of Directors’ resolution. Net income per share, diluted net income per share, and the number of outstanding shares (common shares) have been calculated as if this stock split had taken place at the beginning of the fiscal year ended March 31, 2015.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
2. Matters Related to Summary Information (Notes)	4
(1) Changes in Significant Subsidiaries during the Period	4
(2) Changes in Accounting Policies and Accounting-based Estimates, and Restatements	4
3. Quarterly Consolidated Financial Statements	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	7
Quarterly Consolidated Statement of Income	7
For the Nine-month Period	
Quarterly Consolidated Statement of Comprehensive Income	8
For the Nine -month Period	
(3) Notes to Quarterly Consolidated Financial Statements	9
Going Concern Assumption	9
Segment and Other Information	9

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first nine months of the fiscal year ending on March 31, 2016, Shinzo Abe's reshuffled cabinet set its goals called "three new arrows" as the second initiative of Abenomics's economic stimulus package, while the outlook for Japan's economy grew even more uncertain due to overseas factors such as an interest rate hike in the United States, a slowdown in the Chinese economy, and falling crude oil prices that caused the flight of money from resource-rich countries and emerging countries.

In the Japanese real estate and real estate finance industries, the uncovered incidents of data falsification in piling works had a far-reaching impact, bringing some real estate deals to a halt. Despite the concerns caused by the scandal, the overall real estate market conditions remained steady.

Against these backdrops, the Nippon Commercial Development Group sold its retail properties (Inageya Yokohama Minami-Honjuku Store and WELCIA Kishiwada Kamori Store) to Kenedix Retail REIT Corporation in October 2015.

On November 19, 2015, Nippon Commercial Development acquired shares in New Real Property Corporation (with 30.60% of its voting rights) through three limited liability companies (*Godo Kaisha*) and made this company an associate accounted for under the equity method. New Real Property owns real estate in Japan and other countries and has a network of offices along with an infrastructure for collecting real estate information. The two companies use this opportunity to discuss how to strengthen our relationship in Japan and overseas aimed at expanding the JINUSHI Business.

Nippon Commercial Development has successfully become more competitive than many of its competitors in bidding and negotiation transactions for the purchase of land. We have won bids and acquired properties within a shorter space of time than ever, and added sales and profits from these deals to our financial results for the next term, the term after next, or thereafter.

In the first nine months, net sales rose 52.7% from one year earlier to 14,228 million yen, operating income was up 296.7% to 5,507 million yen, ordinary income rose 473.0% to 5,287 million yen, and profit attributable to owners of parent climbed 554.4% to 3,526 million yen.

To respond to the increase in personnel associated with the growth of the JINUSHI Business, the Tokyo Branch moved to the 18th floor of Marunouchi Eiraku Building (located at 1-4-1 Marunouchi, Chiyoda-ku, Tokyo) on Monday, February 1, 2016. Nippon Commercial Development aims to enhance its branch function in new location to make it more convenient for our stakeholders.

Results by business segment were as follows:

a. Real Estate Investment Business

In the real estate investment business segment, sales increased 54.8% from one year earlier to 13,999 million yen and the segment profit increased 223.0% from one year earlier to 6,359 million yen.

b. Subleasing, Leasing and Fund Fee Business

In the subleasing, leasing and fund fee business segment, sales increased 3.4% from one year earlier to 225 million yen and the segment profit increased 64.0% from one year earlier to 52 million yen.

c. Planning and Brokerage Business

In the planning and brokerage business segment, sales decreased 93.4% from one year earlier to 3 million yen and the segment profit decreased 93.0% from one year earlier to 3 million yen.

(2) Explanation of Financial Position

Total assets increased 7,941 million yen from the end of the previous fiscal year to 32,045 million yen at the end of the third quarter. This increase was attributable mainly to an increase of three line items. Real estate for sale increased 3,633 million yen thanks to accelerated purchase of high-quality properties while we conduct sales. Cash and deposits increased 1,258 million yen through collecting proceeds from sales, etc. Furthermore, investment securities increased 2,294 million yen, as we acquired the shares of New Real Property Corporation (with 30.60% of its voting rights) through three limited liability companies and made it an associate accounted for under the equity method.

Total liabilities increased 4,873 million yen from the end of the previous fiscal year to 20,467 million yen at the end of the third quarter. This increase was mainly attributable to an increase in interest-bearing debt by 3,773 million yen which was caused by accelerated purchase of high-quality properties.

Net assets increased 3,067 million yen from the end of the previous fiscal year to 11,578 million yen, primarily due to booking of profit attributable to owners of parent of 3,526 million yen.

Consequently, compared with the end of the previous fiscal year, the equity ratio rose from 34.9% to 35.9% at the end of the third quarter.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

Both sales and earnings for the first nine months of the fiscal year ending on March 31, 2016 remain at higher levels than those in our initial plan. As for our full-year consolidated forecast for this fiscal year, sales and earnings are expected to keep a record-high level, as we announced in the “Notice Regarding Revisions to Earnings and Dividend Forecast (Dividend Increase)” on December 14, 2015 (Japanese version only). There are no revisions to the earnings forecast in the said notice.

Regarding our business environment, Nippon Commercial Development has performed well in the procurement process of ten properties in total. Since last October, we have won two tenders in quick succession and completed five negotiated transactions with an aggregate transaction amount of about 11,000 million yen. Furthermore, we have obtained preferential negotiating rights for three other properties. We expect our sales and earnings in the next fiscal year and afterward to grow even faster than those in the current fiscal year. The main reasons for our growth prospects are as follows. The amount of our properties for sale that are held or contracted has reached about 30,000 million yen. Debt financing cost has reduced because Bank of Japan decided to introduce a negative interest rate policy, which enable us to grow fund procurement and borrow money on more preferable terms and conditions. Moreover, it can reasonably be supposed that there will be even higher expectations for our products and services going forward.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Changes in Accounting Policies and Accounting-based Estimates, and Restatements

Application of the Accounting Standard for Business Combinations, etc.

The Company has applied the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. from the first quarter of the current fiscal year. Accordingly, difference arising from changes in the Company’s ownership interests in subsidiaries in cases where control is retained is recognized in capital surplus, and the acquisition costs in connection with business combinations are recognized as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the first quarter of the current fiscal year, the Company has revised the method to reflect reviewed allocation of the acquisition costs arising from determination of the provisional accounting treatment on the quarterly consolidated financial statements to which the date of the business combination belongs. In addition, the presentation of net income and other items has been revised, and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the first nine months of the previous fiscal year and the previous fiscal year have been revised.

The Company has adopted these accounting standards, etc. from the beginning of the first quarter of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

The application of these standards does not have a material effect on income.

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	Third quarter of FY3/16 (As of Dec. 31, 2015)
Assets		
Current assets		
Cash and deposits	10,404,331	11,662,908
Operating accounts receivable	531	28,129
Real estate for sale	12,640,797	16,274,604
Advance payments-trade	207,337	376,573
Prepaid expenses	81,189	191,278
Other	89,588	464,915
Total current assets	23,423,776	28,998,410
Non-current assets		
Property, plant and equipment		
Buildings, net	17,534	11,705
Tools, furniture and fixtures, net	5,710	4,910
Land	3,758	3,758
Leased assets, net	32,413	29,600
Total property, plant and equipment	59,416	49,973
Intangible assets		
Other	1,161	4,001
Total intangible assets	1,161	4,001
Investments and other assets		
Investment securities	307,837	2,602,790
Investments in capital	4,461	4,461
Lease and guarantee deposits	179,327	240,963
Long-term prepaid expenses	77,880	92,485
Other	50,934	52,760
Allowance for doubtful accounts	(625)	(300)
Total investments and other assets	619,815	2,993,160
Total non-current assets	680,393	3,047,136
Total assets	24,104,169	32,045,546
Liabilities		
Current liabilities		
Operating accounts payable	32,572	18,562
Short-term loans payable	191,000	250,000
Current portion of long-term loans payable	5,791,518	427,687
Accounts payable-other	182,807	12,313
Income taxes payable	1,041,841	2,032,359
Accrued consumption taxes	16,305	1,753
Current portion of guarantee deposits received	542,387	658,372
Other	92,224	112,120
Total current liabilities	7,890,657	3,513,169

	(Thousands of yen)	
	FY3/15 (As of Mar. 31, 2015)	Third quarter of FY3/16 (As of Dec. 31, 2015)
Non-current liabilities		
Long-term loans payable	7,512,568	16,593,452
Long-term lease and guarantee deposited	165,455	178,555
Other	24,867	182,026
Total non-current liabilities	7,702,891	16,954,035
Total liabilities	15,593,548	20,467,204
Net assets		
Shareholders' equity		
Capital stock	2,524,080	2,618,249
Capital surplus	2,502,525	2,596,694
Retained earnings	3,383,907	6,402,199
Treasury shares	(79)	(79)
Total shareholders' equity	8,410,432	11,617,064
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(5,154)	(10,071)
Foreign currency translation adjustment	-	(103,239)
Total accumulated other comprehensive income	(5,154)	(113,311)
Subscription rights to shares	18,900	18,721
Non-controlling interests	86,442	55,867
Total net assets	8,510,620	11,578,341
Total liabilities and net assets	24,104,169	32,045,546

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Nine-month Period)**

(Thousands of yen)

	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Net sales	9,315,514	14,228,551
Cost of sales	7,234,742	7,707,835
Gross profit	2,080,772	6,520,715
Selling, general and administrative expenses	692,424	1,012,886
Operating income	1,388,347	5,507,829
Non-operating income		
Interest income	331	153
Dividend income	234	381
Gain on investments in partnership	307	-
Interest on securities	-	5,007
Share of profit of entities accounted for using equity method	-	114,859
Other	234	562
Total non-operating income	1,108	120,965
Non-operating expenses		
Interest expenses	201,465	210,708
Financing expenses	201,334	123,622
Other	63,922	7,098
Total non-operating expenses	466,723	341,429
Ordinary income	922,732	5,287,364
Extraordinary losses		
Loss on cancellation of interest rate swaps	15,232	-
Loss on cancellation of leases	130	-
Impairment loss	-	5,369
Office transfer expenses	-	19,429
Total extraordinary losses	15,363	24,799
Income before income taxes and non-controlling interests	907,369	5,262,565
Income taxes-current	405,815	2,097,583
Income taxes-deferred	(68,067)	(358,678)
Total income taxes	337,748	1,738,904
Profit	569,620	3,523,660
Profit (loss) attributable to non-controlling interests	30,799	(2,575)
Profit attributable to owners of parent	538,820	3,526,236

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

	(Thousands of yen)	
	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Profit	569,620	3,523,660
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,769)	(261)
Share of other comprehensive income of entities accounted for using equity method	-	(107,894)
Total other comprehensive income	(8,769)	(108,156)
Comprehensive income	560,850	3,415,504
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	530,050	3,418,079
Comprehensive income attributable to non-controlling interests	30,799	(2,575)

(3) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Segment and Other Information

Segment information

I. First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment			Total	Adjustments	Amounts shown on quarterly consolidated statement of income
	Real Estate Investment Business	Subleasing, Leasing and Fund Fee Business	Planning and Brokerage Business			
Net sales						
(1) Sales to external customers	9,045,140	218,353	52,021	9,315,514	-	9,315,514
(2) Inter-segment sales and transfers	-	-	-	-	-	-
Total	9,045,140	218,353	52,021	9,315,514	-	9,315,514
Segment profit	1,968,586	32,294	48,646	2,049,527	(661,179)	1,388,347

2. Reconciliation of reported quarterly consolidated statement of income with total profit for reportable segments

(Thousands of yen)

Profit	Amounts
Total reportable segment	2,049,527
Corporate expenses (Note)	(661,179)
Operating income of quarterly consolidated statement of income	1,388,347

Note: Corporate expenses mainly include selling, general and administrative expenses that cannot be attributed to reportable segments.

3. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Not applicable.

II. First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment			Total	Adjustments	Amounts shown on quarterly consolidated statement of income
	Real Estate Investment Business	Subleasing, Leasing and Fund Fee Business	Planning and Brokerage Business			
Net sales						
(1) Sales to external customers	13,999,328	225,806	3,416	14,228,551	-	14,228,551
(2) Inter-segment sales and transfers	-	-	-	-	-	-
Total	13,999,328	225,806	3,416	14,228,551	-	14,228,551
Segment profit	6,359,185	52,952	3,416	6,415,554	(907,725)	5,507,829

2. Reconciliation of reported quarterly consolidated statement of income with total profit for reportable segments

(Thousands of yen)

Profit	Amounts
Total reportable segment	6,415,554
Corporate expenses (Note)	(907,725)
Operating income of quarterly consolidated statement of income	5,507,829

Note: Corporate expenses mainly include selling, general and administrative expenses that cannot be attributed to reportable segments.

3. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Not applicable.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.