

**Financial Results for the First Quarter
of the Year Ended August 2011
(September 1, 2010 – November 30, 2010)
(Non-Consolidates)
< Under Japanese GAAP >**

December 29, 2010

Described below is a translation in English of the financial result (Tanshin Report) that was released today in Japan. The translation is prepared and provided for readers' convenience only. Therefore, all readers are strongly advised to refer to the original version in Japanese for complete and accurate information. In the event of any discrepancy between this translated document and the original Japanese document, the original Japanese document shall prevail.

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 Stock exchange listing: Tokyo Stock Exchange, Mothers
 Stock code: 2478
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 Scheduled date for filing of quarterly report: January 7, 2011
 Scheduled date for dividend payment: -
 Availability of supplementary briefing material on quarterly results: Yes
 Schedule of quarterly results briefing session: No

(Figures are rounded down to the nearest million Yen.)

1. Financial Results for the First Quarter (from September 1, 2010 to November 30, 2010)

(1) Financial results (% change is year on year)

	Net sales		Operating income(loss)		Ordinary income(loss)		Net income(loss)	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
FY 8/11 1Q	167	(2.9)	(57)	—	(56)	—	(97)	—
FY 8/10 1Q	172	—	(44)	—	(60)	—	(60)	—

	Net income(loss) per share (basic, yen)	Net income(loss) per share (diluted, yen)
FY 8/11 1Q	(621.43)	—
FY 8/10 1Q	(995.39)	—

(Note) Figures of percentage change concerning net sales of FY 8/10 1Q is not described since the company has released only consolidated financial results during FY 8/09.

(2) Financial conditions

	Total assets (million yen)	Net assets (million yen)	Equity ratio (%)	Net assets per share (yen)
FY 8/11 1Q	5,202	5,126	97.3	32,193.49
FY 8/10	5,298	5,217	97.4	32,814.70

Reference: Shareholders' equity FY 8/11 1Q: 5,064 million yen FY 8/10: 5,161 million yen

2. Dividends

	Dividend per share (yen)				
	First quarter	Second quarter	Third quarter	Fourth quarter	Fiscal year
FY 8/10	—	0.00	—	0.00	0.00
FY 8/11	—	—	—	—	—
FY 8/11 (Expected)	—	—	—	—	—

(Note) Changes in Expected Dividends: None

3. Forecast for the Fiscal Year Ending August 2011 (from September 1, 2010 to August 31, 2011)

(% change is year on year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (yen)
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	
First half	459	(12.6)	(72)	—	(72)	—	(73)	—	(470.28)
Fiscal year	1,227	(73.6)	50	(73.2)	50	21.8	46	290.2	293.70

(Note) Changes in Forecast for the Fiscal Year Ending August 2011: None

4. Others (Note: For details, please see "2. Other information" on page 4 of the Attachment.)

- (1) Application of simple accounting treatments and accounting treatments in particular to quarterly financial statements : Yes
(Note: This refers to applications of simple accounting treatments and accounting treatments in particular to quarterly financial statements.)
- (2) Changes in accounting principle, procedure and presentation in preparing quarterly financial statements
- (i) Changes due to amendment of accounting standard: Yes
 - (ii) Changes due to other than the above: None
- (Note: This refers to the changes in accounting policies and procedures and the method of presentation for preparing the quarterly non-consolidated financial statements stated in "Changes in Basis of Presentation of Quarterly Non-consolidated Financial Statements.")
- (3) Number of outstanding shares (common shares)
- (i) Number of outstanding shares including treasury stock
FY 8/11 1Q: 157,304 FY 8/10: 157,304
 - (ii) Number of treasury stock
FY 8/11 1Q: — FY 8/10: —
 - (iii) Average number of outstanding shares (for the quarter)
FY 8/11 1Q: 157,304 FY 8/10: 60,670

Status of execution of the quarterly review of financial statements:

Because this Summary of Financial Statements is not subject to the review of quarterly financial statements under the Financial Instruments and Exchange Act, the procedures for said review were not complete at the moment of disclosing this Financial Results.

Statement regarding the proper use of financial forecasts and other special remarks:

The statements contained in this document are based on various assumptions which the management believes reasonable and do not constitute any guarantee or definite promise that projections of future performance or related business policies will actually be realized. For details of assumptions for financial forecasts and other related matters, see "1. Qualitative Information on Non-Consolidated Business Results, etc., during the Period under Review (3)Qualitative Information on Forecast for the FY 2011" on page 4 of the Attachment.

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1. Qualitative information on Financial Statements etc.

(1) Qualitative Information on Operating Results

In FY 2011 1Q (Year-to-date) (Sep. 1, 2010 – Nov. 30, 2010), Japanese economy remained weak with high unemployment rate, concerns over another crisis in world economy especially in Europe, and Yen's appreciation. On the other hand, steady demand on Japanese products by primarily Asian developing countries, stimulus package by the government, and recovery of corporate earnings were signs of improvement.

In real estate investment industry which the company belongs, we were not able to confirm recovery of the market as office vacancy rate remained high and office rent kept declining except in some regions. However, we saw a promising sign of increasing investors who recognizes relatively high return of real estate investments. We observed more real estate transactions and higher transaction prices in the market, especially with residential properties. Also we saw REIT market prices surged mainly because of Bank of Japan's REIT purchase package. Some lenders have started lending actively to real estate loans.

Under such conditions, we have been focusing on new fundraising, *AM Replacement* (note 1) and *Debt Restructuring* (note 2) in order to expand Asset Management business and to seek profitable opportunities. Also, we have been concentrating on adding values to Assets Under Management (AUM) mainly through leasing activities.

We have added 11.2 billion Yen of new AUM, and sold 19.6 billion Yen of existing AUM as a result of successful value up activities. As a result, AUM as of the end of FY 8/11 1Q have become 131.0 billion Yen (decreased by 6.0% from the end of FY 8/10). Addition of AUM contains AM Backup projects, which we believe the proof of financial institution's reliance over the company.

This quarter's profit was almost as projected, and our sales activities are gaining steady outputs as described above. In order to materialize 600 billion Yen of AUM in our middle term projection, we need more personnel to strengthen deal sourcing forces and to improve organizational structure with limited rise of monthly rent we posted 34,799 thousand Yen of loss for impairment of fixed assets in current head-quarter as we have decided to remove them and to move and expand our head-quarter in order to accommodate increasing personnel needed for organizational growth.

As a result of the above, our financial results for the quarter are as follows; Net sales 167,505 thousand Yen (decreased by 2.9% from the same quarter of FY 8/10), Operating loss 57,454 thousand Yen(44,938 thousand Yen, same quarter of FY 8/10), Ordinary loss 56,954 thousand Yen(60,335 thousand Yen, same quarter of FY 8/10), and Net loss 97,753 thousand Yen(60,390 thousand Yen, same quarter of FY 8/10). For your information, segment information is not provided as we have single segment; Asset Management business.

(note 1) *Debt Restructuring*

Restructuring solution for real estate investment projects, whose loan already defaulted, or to default in near future. Asset manager arrange new financial structure, extend loans, restructure loans of SPCs, or combine these tactics to acquire new asset management contracts.

(note 2) *AM Replacement*

Restructuring solution for real estate investment projects which have been forced to replace asset managers due to bankruptcy or falling credibility of such asset managers, or solution for improvement of the project's credit rating and/or improvement of asset management services.

(2). Qualitative Information on Financial Status

(i) Status of assets, liabilities and net assets

At the end of FY 2011 1Q, total assets have decreased by 95,488 thousand Yen to 5,202,717 thousand Yen, compared to previous FY (FY 2010) end. Main reasons for the decrease are as follows; Cash and deposits have increased by 76,785 thousand Yen, Accounts receivable-trade have decreased by 22,188 thousand Yen, Operating loan have decreased by 114,491 thousand Yen, Tangible assets have decreased by 36,835 thousand Yen, Investment securities have decreased by 99,966 thousand Yen and Others (Investments and other assets) have increased by 121,444 thousand Yen.

Liabilities have decreased by 4,417 thousand Yen to 76,570 thousand Yen, compared to previous FY (FY 2010) end. Main reason for the decrease is that Income taxes payable have decreased by 5,617 thousand Yen.

Net assets have decreased by 91,071 thousand Yen to 5,126,146 thousand Yen, compared to previous FY (FY 2010) end. Main reason for the decrease is net loss 97,753 thousand Yen.

(ii) Status of cash flow

At the end of FY 2011 1Q, Cash and cash equivalents (hereafter "cash") increased by 76,875 thousand Yen (increased by 1.8% from the end of FY 8/10) from previous FY (FY 2010) end, and become 4,382,901 thousand Yen.

Status of each activities and their factors are as follows.

(Operating activities)

Cash used in operating activities have decreased by 13,110 thousand Yen (decreased by 36.5% from the end of FY 8/10) from previous FY (FY 2010) end, and become 22,774 thousand Yen. Main reasons for the decrease are that we posted net loss before income taxes 96,803 thousand Yen, impairment loss 34,799 thousand Yen and accounts receivable have decreased by 18,131 thousand Yen.

(Investing activities)

Cash provided by investing activities have increased by 84,746 thousand Yen (increased by 565.8% from the same quarter of FY 8/10) from previous FY (FY 2010) end, and become 99,725 thousand Yen. Main reason for the increase was redemption of investment securities 100,000 thousand Yen.

(Financing activities)

Cash used in financing activities have decreased by 16,809 thousand Yen (decreased by 99.6% from the same quarter of FY 8/10) from previous FY (FY 2010) end, and become 74 thousand Yen. The reason for the decrease was payment in dividend 74 thousand Yen.

(3) Qualitative Information on Forecast for the FY 2011

Forecast for the Fiscal Year Ending August 2011 has not changed from the release which was disclosed on October 8, 2010.

2. Other Information

(1) Simplified Accounting Methods and Accounting Treatments in Particular to Quarterly Financial Statements

(i) Simplified accounting treatments

None

(ii) Accounting treatments in particular to quarterly financial statements

Tax expenses are computed by multiplying quarterly net income by the normal effective tax rate which is reasonably estimated after applying the tax effect accounting to the net income before tax for the quarter.

(2) Changes in Accounting Principle, Procedure and Presentation in Preparing Quarterly Financial Statements

Changes in accounting principle

Application of the Accounting Standard for Asset Retirement Obligations

“Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, issued on March 31,

2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21,

issued on March 31, 2008) were applied from the first quarter of the fiscal year under review.

Although these changes had minimal impacts on operating/ordinary loss of the company, loss before income taxes for this quarter was increased by 6,059 thousand Yen.

3. Quarterly Non-Consolidated Financial Statements
(1) Quarterly Non-Consolidated Balance Sheets

(Thousands of yen)

	FY 2011 1Q (As of Nov. 30, 2010)	FY 2010 (As of Aug. 31, 2010)
Assets		
Current assets		
Cash and deposits	4,382,901	4,306,025
Accounts receivable-trade	272,867	295,055
Operating loans	775,696	890,188
Other	78,450	84,904
Allowance for doubtful accounts	(593,908)	(709,523)
Total current assets	4,916,007	4,866,650
Noncurrent assets		
Property, plant and equipment	18,996	55,831
Intangible assets	15,363	17,347
Investments and other assets		
Investment securities	26,318	126,284
Investments in other securities of subsidiaries and affiliates	166,414	166,414
Other	187,119	65,675
Allowance for doubtful accounts	(127,502)	—
Total investment and other assets	252,350	358,375
Total noncurrent assets	286,709	431,554
Total assets	5,202,717	5,298,205
Liabilities		
Current liabilities		
Accounts payable-trade	8,602	10,496
Income taxes payable	4,136	9,754
Other	63,831	60,736
Total current liabilities	76,570	80,987
Total liabilities	76,570	80,987
Net Assets		
Shareholders' equity		
Common stock	3,402,288	3,402,288
Capital surplus	1,747,794	1,747,794
Retained earnings (loss)	(85,914)	11,839
Total shareholders' equity	5,064,168	5,161,922
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(4)	(38)
Total valuation and translation adjustments	(4)	(38)
Subscription rights to shares	61,982	55,334
Total net assets	5,126,146	5,217,218
Total liabilities and net assets	5,202,717	5,298,205

(2) Quarterly Non-Consolidated Statements of Income

	<i>(Thousands of yen)</i>	
	FY 2010 1Q (Sep. 1, 2009 – Nov. 30, 2009)	FY 2011 1Q (Sep. 1, 2010 – Nov. 30, 2010)
Net sales	172,587	167,505
Cost of sales	30,107	4,897
Gross profit (loss)	142,479	162,607
Selling, general and administrative expenses	187,418	220,062
Operating income(loss)	(44,938)	(57,454)
Non-operating income		
Interest income	29	—
Interest on refund	344	—
Insurance received	246	—
Subsidy income	—	500
Miscellaneous income	437	—
Total Non-operating income	1,058	500
Non-operating expenses		
Interest expenses	16,455	—
Total Non-operating expenses	16,455	—
Ordinary income (loss)	(60,335)	(56,954)
Extraordinary loss		
Loss on valuation of investment securities	54	—
Impairment loss	—	34,799
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	5,049
Total Extraordinary losses	54	39,849
Income (loss) before income taxes	(60,390)	(96,803)
Income taxes -current	—	950
Total income taxes	—	950
Net income (loss)	(60,390)	(97,753)

(3) Quarterly Non-Consolidated Statements of Cash Flows

	<i>(Thousands of yen)</i>	
	FY 2010 1Q (Sep. 1, 2009 – Nov. 30, 2009)	FY 2011 1Q (Sep. 1, 2010 – Nov. 30, 2010)
Operating activities		
Income(loss) before taxes	(60,390)	(96,803)
Depreciation and amortization	5,313	4,294
Impairment loss	—	34,799
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	5,049
Increase (decrease) in allowance for doubtful accounts	18,094	11,887
Interest and dividends income	(29)	—
Interest expenses	16,455	—
Stock based compensation expense	7,118	6,648
Decrease (increase) in notes and accounts receivable-trade	(7,587)	18,131
Decrease (increase) in operating loans receivable	(1,000)	—
Decrease (increase) in real estate for sale	(2,225)	—
Increase (decrease) in notes and accounts payable-trade	2,477	(1,893)
Increase (decrease) in lease deposits received	18,210	—
Other, net	(24,951)	(1,154)
Subtotal	<u>(28,516)</u>	<u>(19,039)</u>
Interest and dividends income received	29	—
Interest expenses paid	(16,741)	—
Income taxes paid or refund(paid)	9,342	(3,735)
Net cash provided used for operating activities	<u>(35,885)</u>	<u>(22,774)</u>
Investing activities		
Purchase of property, plant and equipment	(1,042)	(275)
Proceeds from redemption of investment securities	—	100,000
Proceeds from withdrawal of trust deposits	19,020	—
Payment for investments in capital	(3,000)	—
Net cash provided used for investing activities	<u>14,978</u>	<u>99,725</u>
Financing activities		
Repayment of long-term loans payable	(16,800)	—
Cash dividends paid	(83)	(74)
Net cash provided used for financing activities	<u>(16,883)</u>	<u>(74)</u>
Net increase (decrease) in cash and cash equivalents	<u>(37,790)</u>	<u>76,875</u>
Cash and cash equivalents at beginning of the period	<u>2,243,234</u>	<u>4,306,025</u>
Cash and cash equivalents at end of the period	<u>2,205,443</u>	<u>4,382,901</u>

(4) Notes on the Premise of a Going Concern

None

(5) Segment information

Statements on segment information is not provided as the company has single segment; Asset Management business and auxiliary business which are composed from proposals on acquisitions and operations, arrangements of investment structuring and trustee of operation and management concerning real estate.

(Additional information)

“Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, issued on March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, issued on March 21, 2008) were applied from the first quarter of the fiscal year under review.

(6) Notes on a Significant Change in Shareholder’s Equity

None

4. Other Information

(1) Conditions of production, order and sales

The main business of the company is composed of single business segment; mainly Asset Management business.

(i) Production performance

Production performance is not described since the main business of the company is Asset Management business has difficulty in defining production performance.

(ii) Order performance

Order performance is not described since the company does not produce anything by order.

(iii) Sales performance

The company applies single business segment. Sales performance during FY 2011/8 1Q by Business are as follows:

Business	sales volume (Thousands of yen)	year-on-year changes (%)
Asset management	167,069	164.2
Others	436	7.0
Total	167,505	97.1

(Note) 1. Principle sales destinations and shares to total sales are as follows;

Sale destination	FY 2010 1Q (Sep. 1, 2009 – Nov. 30, 2009)		FY 2011 1Q (Sep. 1, 2010 – Nov. 30, 2010)	
	sales volume (Thousands of yen)	share (%)	sales volume (Thousands of yen)	share (%)
Tokutei Mokuteki Kaisya Orient Building Fund 10	—	—	21,432	12.8
Godokaisya Rokko Realty	—	—	21,249	12.7
Godokaisya Carpe Diem	—	—	17,900	10.7

(Note) 2. Figures above do not include consumption taxes.

(Note) 3. Sales volume of Godokaisya Carpe Diem during FY 2010 1Q is not provided as the share was less than 10%.