First Quarter Fiscal Year Ending March 31, 2022
Consolidated Earnings Announcement (Japanese GAAP)

August 5, 2021

Company Name: **Hoosiers Holdings** Listed market: Tokyo Stock Exchange First Section

Stock Code: 3284 URL: https://www.hoosiers.co.jp/

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Scheduled date to file quarterly report: August 10, 2021 Scheduled date to commence dividend payment: -

Preparation of supplemental information of quarterly financial results: Yes

Holding of quarterly financial results briefing: No

(Figures are rounded down to the nearest million yen)

1. 1st Quarter FY3/22 Consolidated Earnings Results (April 1, 2021 to June 30, 2021)

(1) Consolidated Earnings (Cumulative)

(% indicates changes from the same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1st Quarter FY3/22	9,585	(7.4)	19	—	(115)	—	(194)	—
1st Quarter FY3/21	10,346	1.9	(173)	—	(177)	—	(367)	—

(Note) Comprehensive income: 1st Quarter FY3/22 ¥35 million (-%) 1st Quarter FY3/21 ¥(416) million (-%)

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
1st Quarter FY3/22	(5.49)	—
1st Quarter FY3/21	(6.45)	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of June 30, 2021	133,278	35,735	21.1
As of March 31, 2021	136,030	36,368	21.2

(Reference) Shareholders' equity: As of June 30, 2021 ¥28,169 million As of March 31, 2021 ¥28,861 million

2. Dividends

	Dividend per Share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Year	Annual
	Yen	Yen	Yen	Yen	Yen
FY3/21	—	6.00	—	18.00	24.00
FY3/22	—				
FY3/22 (Forecast)		17.00	—	19.00	36.00

(Note) Changes in the latest forecasts released: No

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 2022 (From April 1, 2021 to March 31, 2022)

(% indicates changes from the same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	76,000	(5.3)	5,700	4.9	5,000	8.3	3,100	7.7	87.62

(Note) Changes in the latest forecasts released: No

*** Matters to be noted**

(1) Changes in important subsidiaries during the quarter under review: No

(2) Application of specific accounting treatments in preparing the quarterly consolidated financial statements: No

(3) Changes in accounting principles, changes in accounting estimates and retrospective restatements

(a) Changes in accounting principles in accordance with revisions to accounting and other standards: Yes

(b) Changes in accounting principles other than above (a): No

(c) Changes in accounting estimates: No

(d) Retrospective restatements: No

Note: Please refer to "2. Consolidated Quarterly Financial Statements and Main Notes, (3) Matters to be Noted regarding Consolidated Quarterly Financial Statements (Changes in accounting principles)" on page 10.

(4) Outstanding shares (Common stock)

(a) Number of outstanding shares at the end of period (Including treasury shares)	June 30, 2021	36,916,775 shares	March 31, 2021	36,916,775 shares
(b) Number of treasury shares at the end of period	June 30, 2021	1,537,512 shares	March 31, 2021	1,537,512 shares
(c) Average number of shares during the period (Quarterly cumulative period)	1st Quarter FY3/22	35,379,263 shares	1st Quarter FY3/21	56,996,795 shares

The number of treasury shares includes 410,550 shares of our company that are held by Board Benefit Trust as of the end of the first quarter under review.

*Earnings Announcement is out of scope of quarterly reviews by certified public accountants or an audit corporation.

*Explanatory statement regarding the proper use of financial forecasts and other notes

All forecasts provided in this document are based on certain reasonable assumptions and beliefs in light of information currently available and, therefore, it is not intended for guaranteeing to meet them. Actual results may differ from our forecasts due to various unforeseen reasons.

*The year-on-year percentage change is indicated as"-" if figures for the three months ended June 30, 2021 and/or 2020 were negative.

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1. Qualitative Information on the Financial Statements for the Quarter under Review

(1) Explanation about business performance

During the first quarter under review, the number of contracted units was 315 and 1 building, and that of delivered units was 172 and 2 buildings. As of the end of the first quarter, we managed 18,551 units. Consequently, as the results for the first quarter, we posted net sales of ¥9,585 million (down 7.4% year over year), operating income of ¥19 million (operating loss of ¥173 million a year earlier), ordinary loss of ¥115 million (ordinary loss of ¥177 million a year earlier), and loss attributable to owners of parent of ¥194 million (loss attributable to owners of parent of ¥367 million a year earlier).

In our Real Estate Development, CCRC, and Real Estate Investment, sales are booked upon delivery to customers, not at the time purchase and sales contracts are executed. As a result, this tends to cause a deviation in quarterly sales depending on the timing of delivery.

Results by segment are as follows.

(I) Real Estate Development

During the first quarter under review, the Group recorded net sales of ¥5,238 million (down 34.0% year over year) and operating income of ¥22 million (down 93.1 % year over year) due to a delivery of 132 condominium units such as “Duo Hills Yamagata Nanukamachi Tower,” and 7 detached houses such as “Duo Avenue Motoyama Hills.”

(II) CCRC

During the first quarter under review, the Group recorded net sales of ¥1,454 million (up 372.8% year over year) and operating loss of ¥33 million (operating loss of ¥271 million a year earlier) due to a delivery of 29 condominium units such as “Duo Scene Kunitachi.”

(III) Real Estate Investment

We recorded net sales of ¥1,385 million (up 44.5% year over year) and operating loss of ¥62 million (operating loss of ¥85 million a year earlier) during the first quarter under review.

(1) Real Estate Sales

Due to the sales of inventory assets, we recorded net sales of ¥648 million (up 127.7% year over year).

(2) Rental Revenue

We recorded net sales of ¥649 million (up 8.3% year over year) due to the stable operation of owned income-producing properties.

(IV) Condominium Management and Related Services

We recorded net sales of ¥1,492 million (up 32.9% year over year) and operating income of ¥53 million (operating loss of ¥149 million a year earlier) during the first quarter under review.

(1) Condominium Management

We recorded net sales of ¥471 million (up 7.9% year over year) due to the start of the new management contracting of “Duo Hills Yamagata Nanukamachi Tower”, etc. in condominium management.

(2) Sports Club Operation Revenue

We recorded net sales of ¥819 million (up 60.2% year over year) mainly due to the operation of sports clubs.

(3) Other Income

We recorded net sales of ¥200 million (up 15.5% year over year) in hotel business and consigned construction, etc.

Sports club and hotel businesses closed some of their facilities, as was the case last fiscal year, in response to the “declaration of a state of emergency” by the Japanese Government. Fix costs incurred by those facilities during the temporary closure were recorded as loss due to the spread of COVID-19 in extraordinary losses.

(V) Other

We recorded net sales of ¥14 million (down 7.9% year over year) and operating income of ¥5 million (operating income of ¥0 million a year earlier) through PFI operations.

The progress status of the annual delivery plan in the Real Estate Sales is shown below. In Condominium apartments, the main business of the Group, 69.3% of the contracts have been executed.

FY3/22	Number of units to be delivered	Number of contracts signed	Progress
Condominium apartments	783	543	69.3%
Condominium apartments for seniors	517	286	55.3%
Detached houses	89	46	51.7%
Total	1,389	875	63.0%

(Notes) 1. "Condominium apartments" show the total number of family condominiums and compact condominiums.
2. The number of units for joint venture properties is shown with consideration for the joint venture ratio. (by rounding down to the nearest integer)

(2) Qualitative information on consolidated financial position

As of the end of the first quarter under review, total assets amounted to ¥133,278 million (down 2.0% from March 31, 2021), total liabilities amounted to ¥97,542 million (down 2.1% from March 31, 2021), and total net assets amounted to ¥35,735 million (down 1.7% from March 31, 2021), mainly due to a decrease in inventories.

(3) Qualitative information on consolidated earnings forecasts

The earnings forecasts for the fiscal year ending March 31, 2022 remain unchanged from those announced on May 13, 2021 as results and sales status for the first quarter under review have progressed as planned and the Group's operating environment is within the scope of the assumption.

2. Consolidated Quarterly Financial Statements and Main Notes

(1) Consolidated Quarterly Balance Sheets

(Million yen)

	End of Previous Fiscal Year (March 31, 2021)	End of 1st Quarter under Review (June 30, 2021)
Assets		
Current assets		
Cash and deposits	29,293	29,170
Accounts receivable - trade	382	619
Merchandise	34	33
Real estate for sale	31,122	30,383
Real estate for sale in process	37,029	36,033
Operational investment securities	1,463	1,244
Prepaid expenses	1,539	1,598
Other	4,295	3,554
Allowance for doubtful accounts	(17)	(16)
Total current assets	105,142	102,621
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,081	11,496
Machinery, equipment and vehicles, net	91	0
Tools, furniture and fixtures, net	107	100
Land	11,166	11,241
Construction in progress	3	3
Total property, plant and equipment	22,449	22,841
Intangible assets		
Goodwill	177	174
Other	271	281
Total intangible assets	448	455
Investments and other assets	7,990	7,360
Total non-current assets	30,888	30,657
Total assets	136,030	133,278
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,045	686
Short-term loans payable	11,216	11,178
Current portion of bonds	3,582	3,582
Current portion of long-term loans payable	14,826	15,022
Income taxes payable	1,332	88
Advances received	4,517	5,476
Provision for bonuses	315	167
Provision for after-sales services	48	48
Other	4,644	4,029
Total current liabilities	41,530	40,280
Non-current liabilities		
Bonds payable	2,628	2,618
Long-term loans payable	51,845	50,950
Deferred tax liabilities	909	912
Allowance for share provision to directors	223	223
Net defined benefit liability	160	157
Asset retirement obligations	469	510
Other	1,894	1,889
Total non-current liabilities	58,131	57,262
Total liabilities	99,661	97,542

(Million yen)

	End of Previous Fiscal Year (March 31, 2021)	End of 1st Quarter under Review (June 30, 2021)
Net assets		
Shareholders' equity		
Capital stock	15,882	5,000
Capital surplus	—	10,882
Retained earnings	14,042	13,203
Treasury shares	(990)	(990)
Total shareholders' equity	28,934	28,095
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112	90
Foreign currency translation adjustment	(185)	(16)
Total accumulated other comprehensive income	(72)	74
Subscription rights to shares	0	0
Non-controlling interests	7,507	7,566
Total net assets	36,368	35,735
Total liabilities and net assets	136,030	133,278

(2) Consolidated Quarterly Income Statement and Comprehensive Income Statement

Consolidated Quarterly Income Statement

Consolidated Income Statements for the First Quarter (Cumulative)

(Million yen)

	Previous 1st Quarter (From April 1, 2020 to June 30, 2020)	1st Quarter under Review (From April 1, 2021 to June 30, 2021)
Net sales	10,346	9,585
Cost of sales	8,298	7,471
Gross profit	2,047	2,113
Selling, general and administrative expenses	2,221	2,093
Operating income (loss)	(173)	19
Non-operating income		
Interest income	15	15
Dividend income	10	123
Contract cancellations	23	38
Foreign exchange gains	87	—
Subsidy income	118	37
Gain on investments in partnership	74	6
Other	23	36
Total non-operating income	343	258
Non-operating expenses		
Interest expenses	255	251
Commission fee	28	57
Amortization of share issuance cost	7	—
Foreign exchange losses	—	52
Share of loss of entities accounted for using equity method	53	25
Other	2	6
Total non-operating expenses	347	393
Ordinary loss	(177)	(115)
Extraordinary income		
Gain on sales of non-current assets	—	1
Gain on sales of investment securities	1	—
Total extraordinary income	1	1
Extraordinary losses		
Loss on disaster	—	18
Loss due to the spread of COVID-19	255	44
Total extraordinary losses	255	63
Loss before income taxes	(432)	(176)
Income taxes - current	53	13
Income taxes - deferred	(110)	(62)
Total income taxes	(57)	(49)
Loss attributable to	(374)	(127)
Non-controlling interests	(7)	66
Owners of parent	(367)	(194)

Consolidated Quarterly Comprehensive Income Statements

Consolidated Income Statements for the First Quarter (Cumulative)

(Million yen)

	Previous 1st Quarter (From April 1, 2020 to June 30, 2020)	1st Quarter under Review (From April 1, 2021 to June 30, 2021)
Loss	(374)	(127)
Other comprehensive income		
Valuation difference on available-for-sale securities	10	(21)
Foreign currency translation adjustment	(65)	190
Share of other comprehensive income of entities accounted for using equity method	13	(5)
Total other comprehensive income	(41)	162
Comprehensive income	(416)	35
Comprehensive income attributable to		
Owners of parent	(407)	(47)
Non-controlling interests	(8)	82

(3) Matters to be Noted regarding Consolidated Quarterly Financial Statements

(Notes on the premise of a going concern)

Not applicable.

(Notes on the significant change in the shareholders' equity amount)

Pursuant to the resolution at the 8th annual general meeting of shareholders held on June 25, 2021, capital reduction became effective on June 28, 2021, and the Company reduced capital stock by ¥10,882 million and transferred the entire amount to capital surplus.

As a result, capital stock and capital surplus as of June 30, 2021 amounted to ¥5,000 million and ¥10,882 million, respectively.

(Changes in accounting principles)

(Application of the accounting standard for revenue recognition)

On April 1, 2021, the Company applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020, "Accounting Standard for Revenue Recognition"), etc. and recognizes revenue at an amount that it expects to receive in exchange for the promised goods or services when the control of the goods or services is transferred to a customer.

In applying the Accounting Standard for Revenue Recognition, etc. from April 1, 2021, the Company followed the transitional treatment stipulated by a provisory clause of Paragraph 84 of the Accounting Standard for Revenue Recognition, and any cumulative effects of the retrospective application, assuming the new accounting principle had been applied to periods prior to April 1, 2021, were adjusted to the balance of retained earnings as of April 1, 2021.

The application has no impact on loss before income taxes for the three months ended June 30, 2021 or the balance of retained earnings as of April 1, 2021.

(Application of the accounting standard for fair value measurement)

On April 1, 2021, the Company applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019, "Accounting Standard for Fair Value Measurement"), etc., and the new accounting principle stipulated in the Accounting Standard for Fair Value Measurement, etc. is applied prospectively pursuant to the transitional treatment stipulated by Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The application has no impact on the quarterly consolidated financial statements.

(Segment information, etc.)

[Segment information]

Previous 1st Quarter (From April 1, 2020 to June 30, 2020)

1. Information on the amount of net sales and profit/loss for each reportable segment

(Million yen)

	Reportable Segment						Adjustment	Consolidated quarterly income statement amount
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Other	Total		
Net Sales								
Sales to external customers	7,940	307	958	1,122	16	10,346	－	10,346
Intersegment sales or transfers	12	31	70	65	－	180	(180)	－
Total	7,952	339	1,029	1,188	16	10,526	(180)	10,346
Segment income (loss)	329	(271)	(85)	(149)	0	(176)	3	(173)

(Notes) 1. The adjustment for segment income (loss) consists of elimination of intersegment transactions of ¥(21) million and income (loss) of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥24 million.

2. The segment income (loss) is adjusted with the operating loss in the consolidated quarterly income statement.

1st Quarter under Review (From April 1, 2021 to June 30, 2021)

1. Information on the amount of net sales and profit/loss for each reportable segment

(Million yen)

	Reportable Segment						Adjustment	Consolidated quarterly income statement amount
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Other	Total		
Net Sales								
Sales to external customers	5,238	1,454	1,385	1,492	14	9,585	－	9,585
Intersegment sales or transfers	1	0	86	75	－	164	(164)	－
Total	5,239	1,455	1,471	1,567	14	9,749	(164)	9,585
Segment income (loss)	22	(33)	(62)	53	5	(14)	33	19

(Notes)1. The adjustment for segment income (loss) consists of elimination of intersegment transactions of ¥(14) million, the amounts unable to be allocated to reportable segments of ¥(1) million and income (loss) of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥49 million.

2. The segment income (loss) is adjusted with the operating income in the consolidated quarterly income statement.

3. Other Information

(1) Records of Sales

Segment Name	Previous 1st Quarter (From April 1, 2020 to June 30, 2020) Net sales (Million yen)	1st Quarter under Review (From April 1, 2021 to June 30, 2021) Net sales (Million yen)	YoY Change (%)
(I) Real Estate Development			
(1) Real Estate Sales	7,903	5,206	(34.1)
(2) Other Income	37	31	(16.1)
Total Real Estate Development	7,940	5,238	(34.0)
(II) CCRC			
(1) Real Estate Sales	181	1,214	570.3
(2) Other Income	126	239	89.7
Total CCRC	307	1,454	372.8
(III) Real Estate Investment			
(1) Real Estate Sales	284	648	127.7
(2) Rental Revenue	599	649	8.3
(3) Other Income	74	87	17.2
Total Real Estate Investment	958	1,385	44.5
(IV) Condominium Management and Related Services			
(1) Condominium Management	437	471	7.9
(2) Sports Club Operation Revenue	511	819	60.2
(3) Other Income	173	200	15.5
Total Condominium Management and Related Services	1,122	1,492	32.9
(V) Other	16	14	(7.9)
Total	10,346	9,585	(7.4)

(Notes) 1. Consumption tax, etc. are excluded from the above amounts.
2. Intersegment transactions are offset and omitted.
3. In the Real Estate Development, CCRC, and Real Estate Investment, sales are booked upon delivery to customers, not at the time purchase and sales contracts are executed. As a result, this tends to cause a deviation in quarterly sales depending on the timing of delivery.
4. In the Real Estate Development and CCRC, Rental Revenue is included in Other Income as the amount is immaterial.

(2) Real Estate Sales Information

	Previous 1st Quarter (From April 1, 2020 to June 30, 2020)			
	Outstanding Contracts at Beginning of Period	New Contracts Signed during Period	Number of Delivery during Period	Outstanding Contracts at End of Period
	Transaction volume	Transaction volume (YoY comparison)	Transaction volume (YoY comparison)	Transaction volume (YoY comparison)
Real Estate Development	719 Units — Block — Building 26,430 (Million yen)	183 Units 2 Blocks — Building 8,219 (Million yen) (62.9%)	205 Units 2 Blocks — Building 7,903 (Million yen) (118.3%)	697 Units — Block — Building 26,745 (Million yen) (97.2%)
CCRC	238 Units — Block — Building 9,383 (Million yen)	40 Units — Block — Building 1,533 (Million yen) (68.1%)	5 Units — Block — Building 181 (Million yen) (72.3%)	274 Units — Block — Building 10,736 (Million yen) (137.7%)
Real Estate Investment	2 Units — Block — Building 82 (Million yen)	4 Units — Block 2 Buildings 514 (Million yen) (55.5%)	2 Units — Block 1 Building 284 (Million yen) (48.0%)	4 Units — Block 1 Building 312 (Million yen) (73.8%)
Total	959 Units — Block — Building 35,896 (Million yen)	227 Units 2 Blocks 2 Buildings 10,267 (Million yen) (63.2%)	212 Units 2 Blocks 1 Building 8,369 (Million yen) (111.2%)	975 Units — Block 1 Building 37,794 (Million yen) (105.8%)

	1st Quarter under Review (From April 1, 2021 to June 30, 2021)			
	Outstanding Contracts at Beginning of Period	New Contracts Signed during Period	Number of Delivery during Period	Outstanding Contracts at End of Period
	Transaction volume	Transaction volume (YoY comparison)	Transaction volume (YoY comparison)	Transaction volume (YoY comparison)
Real Estate Development	502 Units — Block — Building 19,860 (Million yen)	245 Units — Block — Building 8,860 (Million yen) (107.8%)	139 Units — Block — Building 5,206 (Million yen) (65.9%)	608 Units — Block — Building 23,513 (Million yen) (87.9%)
CCRC	219 Units — Block — Building 8,538 (Million yen)	67 Units — Block — Building 2,762 (Million yen) (180.1%)	29 Units — Block — Building 1,214 (Million yen) (670.3%)	257 Units — Block — Building 10,086 (Million yen) (94.0%)
Real Estate Investment	1 Unit — Block 3 Buildings 1,844 (Million yen)	3 Units — Block 1 Building 447 (Million yen) (86.9%)	4 Units — Block 2 Buildings 648 (Million yen) (227.7%)	— Units — Block 2 Buildings 1,642 (Million yen) (525.7%)
Total	722 Units — Block 3 Buildings 30,243 (Million yen)	315 Units — Block 1 Building 12,070 (Million yen) (117.6%)	172 Units — Block 2 Buildings 7,070 (Million yen) (84.5%)	865 Units — Block 2 Buildings 35,243 (Million yen) (93.2%)

(Notes) 1. Consumption tax, etc. are excluded from the above amounts.

2. Transaction volume means the total amount of tax-excluded selling prices of condominium apartments, detached houses, etc. The number of units and transaction volume for joint venture properties are calculated by multiplying by the investment ratio and rounded down to the nearest integer.