Third quarter Fiscal Year Ending March 31, 2022
Consolidated Earnings Announcement (Japanese GAAP)

February 10, 2022

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: February 14, 2022 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. 3rd Quarter FY3/22 Consolidated Earnings Results (April 1, 2021 to December 31, 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	%
3rd Quarter FY3/22	45,876	(11.2)	3,462	13.5	2,741	0.7	1,569	(28.6)
3rd Quarter FY3/21	51,686	(5.5)	3,049	(14.5)	2,723	(3.0)	2,199	19.2

(Note) Comprehensive income: 3rd Quarter FY3/22 ¥2,087 million (10.9%) 3rd Quarter FY3/21 ¥1,882 million (10.7%)

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
3rd Quarter FY3/22	44.37	44.31
3rd Quarter FY3/21	38.60	38.56

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of December 31, 2021	129,445	37,157	22.8
As of March 31, 2021	136,030	36,368	21.2

(Reference) Shareholders' equity: As of December 31, 2021 ¥29,510 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	—	17.00	—		
FY3/22 (Forecast)				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 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

(4) Outstanding shares (Common stock)

(a) Number of outstanding shares at the end of period (Including treasury shares)	December 31, 2021	36,916,775 shares	March 31, 2021	36,916,775 shares
(b) Number of treasury shares at the end of period	December 31, 2021	1,537,512 shares	March 31, 2021	1,537,512 shares
(c) Average number of shares during the period (Quarterly cumulative period)	3rd Quarter FY3/22	35,379,263 shares	3rd Quarter FY3/21	56,996,788 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 third 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.

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

(1) Explanation about business performance

During the third quarter under review, the number of contracted units was 996 and 9 buildings, and that of delivered units was 832 and 8 buildings. As of the end of the third quarter, we managed 18,894 units. Consequently, as the results for the third quarter, we posted net sales of ¥45,876 million (down 11.2% year over year), operating income of ¥3,462 million (up 13.5% year over year), ordinary income of ¥2,741 million (up 0.7 % year over year), and profit attributable to owners of parent of ¥1,569 million (down 28.6 % year over year).

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 third quarter under review, the Group recorded net sales of ¥18,346 million (down 50.5% year over year) and operating income of ¥655 million (down 76.5 % year over year) due to a delivery of 370 condominium units such as “PROUD Setagaya Daita” and “Duo Veel Sendai Kamisugi,” and 64 detached houses such as “Duo Avenue Motoyama Grand.”

(II) CCRC

During the third quarter under review, the Group recorded net sales of ¥16,487 million (up 187.9% year over year) and operating income of ¥2,056 million (operating income of ¥56 million a year earlier) due to a delivery of 390 condominium units such as “Duo Scene Omiya.”

(III) Real Estate Investment

We recorded net sales of ¥6,265 million (up 41.2% year over year) and operating income of ¥364 million (up 242.9% year over year) during the third quarter under review.

(1) Real Estate Sales

Due to the sales of inventory assets, we recorded net sales of ¥3,962 million (up 66.1% year over year).

(2) Rental Revenue

We recorded net sales of ¥2,007 million (up 10.6% year over year) due to the stable operation of owned income-producing properties.

(IV) Condominium Management and Related Services

We recorded net sales of ¥4,724 million (up 7.6% year over year) and operating income of ¥224 million (operating loss of ¥77 million a year earlier) during the third quarter under review.

(1) Condominium Management

We recorded net sales of ¥1,432 million (up 7.2% year over year) due to the start of the new management contracting of “Duo Veel Sendai Kamisugi,” etc. in condominium management.

(2) Sports Club Operation Revenue

We recorded net sales of ¥2,606 million (up 8.7% year over year) mainly due to the operation of sports clubs.

(3) Other Income

We recorded net sales of ¥685 million (up 4.6% 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 ¥53 million (up 0.2% year over year) and operating income of ¥15 million (up 225.8% year over year) 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, 97.4% of the contracts have been executed.

FY3/22	Number of units to be delivered	Number of contracts signed	Progress
Condominium apartments	783	763	97.4%
Condominium apartments for seniors	517	450	87.0%
Detached houses	89	87	97.8%
Total	1,389	1,300	93.6%

(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 third quarter under review, total assets amounted to ¥129,445 million (down 4.8% from March 31, 2021), total liabilities amounted to ¥92,287 million (down 7.4% from March 31, 2021), and total net assets amounted to ¥37,157 million (up 2.2% from March 31, 2021), mainly due to decrease in inventories and reduction in loans payable.

(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 consolidated results and sales status for the third 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 3rd Quarter under Review (December 31, 2021)
Assets		
Current assets		
Cash and deposits	29,293	27,056
Accounts receivable - trade	382	698
Merchandise	34	28
Real estate for sale	31,122	34,098
Real estate for sale in process	37,029	32,406
Operational investment securities	1,463	800
Prepaid expenses	1,539	1,436
Other	4,295	3,175
Allowance for doubtful accounts	(17)	(15)
Total current assets	105,142	99,685
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,081	12,169
Machinery, equipment and vehicles, net	91	0
Tools, furniture and fixtures, net	107	89
Land	11,166	9,372
Construction in progress	3	3
Total property, plant and equipment	22,449	21,635
Intangible assets		
Goodwill	177	167
Other	271	298
Total intangible assets	448	466
Investments and other assets	7,990	7,659
Total non-current assets	30,888	29,760
Total assets	136,030	129,445
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,045	646
Short-term loans payable	11,216	6,874
Current portion of bonds	3,582	3,666
Current portion of long-term loans payable	14,826	16,080
Income taxes payable	1,332	253
Advances received	4,517	5,233
Provision for bonuses	315	194
Provision for after-sales services	48	48
Other	4,644	3,906
Total current liabilities	41,530	36,903
Non-current liabilities		
Bonds payable	2,628	2,953
Long-term loans payable	51,845	48,673
Deferred tax liabilities	909	914
Allowance for share provision to directors	223	223
Net defined benefit liability	160	148
Asset retirement obligations	469	562
Other	1,894	1,908
Total non-current liabilities	58,131	55,384
Total liabilities	99,661	92,287

(Million yen)

	End of Previous Fiscal Year (March 31, 2021)	End of 3rd Quarter under Review (December 31, 2021)
Net assets		
Shareholders' equity		
Capital stock	15,882	5,000
Capital surplus	—	10,882
Retained earnings	14,042	14,359
Treasury shares	(990)	(990)
Total shareholders' equity	28,934	29,250
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112	146
Foreign currency translation adjustment	(185)	112
Total accumulated other comprehensive income	(72)	259
Subscription rights to shares	0	0
Non-controlling interests	7,507	7,647
Total net assets	36,368	37,157
Total liabilities and net assets	136,030	129,445

(2) Consolidated Quarterly Income Statement and Comprehensive Income Statement

Consolidated Quarterly Income Statement

Consolidated Income Statements for the Third Quarter (Cumulative)

(Million yen)

	Previous 3rd Quarter (From April 1, 2020 to December 31, 2020)	3rd Quarter under Review (From April 1, 2021 to December 31, 2021)
Net sales	51,686	45,876
Cost of sales	41,155	35,389
Gross profit	10,530	10,486
Selling, general and administrative expenses	7,481	7,023
Operating income	3,049	3,462
Non-operating income		
Interest income	47	44
Dividend income	29	156
Contract cancellations	113	135
Foreign exchange gains	136	—
Subsidy income	150	94
Gain on investments in partnership	112	—
Other	39	53
Total non-operating income	629	484
Non-operating expenses		
Interest expenses	785	748
Commission fee	95	175
Amortization of share issuance cost	23	—
Foreign exchange losses	—	171
Share of loss of entities accounted for using equity method	32	88
Other	19	21
Total non-operating expenses	955	1,205
Ordinary income	2,723	2,741
Extraordinary income		
Gain on sales of non-current assets	—	2
Gain on reversal of asset retirement obligations	—	9
Gain on sales of investment securities	1	—
Gain on sales of receivables	475	—
Total extraordinary income	476	11
Extraordinary losses		
Loss on valuation of investment securities	—	25
Loss on disaster	—	19
Loss on store closings	—	11
Loss due to the spread of COVID-19	277	70
Total extraordinary losses	277	126
Income before income taxes	2,922	2,626
Income taxes - current	663	504
Income taxes - deferred	93	385
Total income taxes	757	889
Profit (loss) attributable to	2,165	1,736
Non-controlling interests	(34)	167
Owners of parent	2,199	1,569

Consolidated Quarterly Comprehensive Income Statements

Consolidated Income Statements for the Third Quarter (Cumulative)

(Million yen)

	Previous 3rd Quarter (From April 1, 2020 to December 31, 2020)	3rd Quarter under Review (From April 1, 2021 to December 31, 2021)
Profit	2,165	1,736
Other comprehensive income		
Valuation difference on available-for-sale securities	31	34
Foreign currency translation adjustment	(325)	304
Share of other comprehensive income of entities accounted for using equity method	11	11
Total other comprehensive income	(282)	350
Comprehensive income	1,882	2,087
Comprehensive income attributable to		
Owners of parent	1,925	1,901
Non-controlling interests	(42)	185

(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 December 31, 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 nine months ended December 31, 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 3rd Quarter (From April 1, 2020 to December 31, 2020)

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	37,083	5,725	4,435	4,389	52	51,686	—	51,686
Intersegment sales or transfers	39	75	211	209	—	535	(535)	—
Total	37,122	5,801	4,647	4,598	52	52,222	(535)	51,686
Segment income (loss)	2,784	56	106	(77)	4	2,874	175	3,049

(Notes) 1. The adjustment for segment income (loss) consists of elimination of intersegment transactions of ¥(23) million and income (loss) of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥198 million.

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

3rd Quarter under Review (From April 1, 2021 to December 31, 2021)

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	18,346	16,487	6,265	4,724	53	45,876	—	45,876
Intersegment sales or transfers	—	0	264	219	—	484	(484)	—
Total	18,346	16,487	6,529	4,944	53	46,360	(484)	45,876
Segment income	655	2,056	364	224	15	3,316	145	3,462

(Notes) 1. The adjustment for segment income consists of elimination of intersegment transactions of ¥(17) 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 ¥164 million.

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

3. Other Information

(1) Records of Sales

Segment Name	Previous 3rd Quarter (From April 1, 2020 to December 31, 2020) Net sales (Million yen)	3rd Quarter under Review (From April 1, 2021 to December 31, 2021) Net sales (Million yen)	YoY Change (%)
(I) Real Estate Development			
(1) Real Estate Sales	36,905	18,265	49.5
(2) Other Income	177	80	45.2
Total Real Estate Development	37,083	18,346	49.5
(II) CCRC			
(1) Real Estate Sales	5,253	15,624	297.4
(2) Other Income	471	862	182.8
Total CCRC	5,725	16,487	287.9
(III) Real Estate Investment			
(1) Real Estate Sales	2,385	3,962	166.1
(2) Rental Revenue	1,815	2,007	110.6
(3) Other Income	235	295	125.5
Total Real Estate Investment	4,435	6,265	141.2
(IV) Condominium Management and Related Services			
(1) Condominium Management	1,336	1,432	107.2
(2) Sports Club Operation Revenue	2,396	2,606	108.7
(3) Other Income	655	685	104.6
Total Condominium Management and Related Services	4,389	4,724	107.6
(V) Other	52	53	100.2
Total	51,686	45,876	88.8

(Notes) 1. Intersegment transactions are offset and omitted.

2. 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.

3. 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 3rd Quarter (From April 1, 2020 to December 31, 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)	862 Units 5 Blocks — Building 36,493 (Million yen) (92.2%)	931 Units 3 Blocks — Building 36,905 (Million yen) (119.9%)	650 Units 2 Blocks — Building 26,017 (Million yen) (86.9%)
CCRC	238 Units — Block — Building 9,383 (Million yen)	174 Units — Block — Building 6,902 (Million yen) (71.7%)	137 Units — Block — Building 5,253 (Million yen) (70.2 %)	275 Units — Block — Building 11,032 (Million yen) (138.9%)
Real Estate Investment	2 Units — Block — Building 82 (Million yen)	18 Units — Block 4 Buildings 2,375 (Million yen) (18.2%)	15 Units — Block 4 Buildings 2,385 (Million yen) (30.9%)	5 Units — Block — Building 73 (Million yen) (1.4%)
Total	959 Units — Block — Building 35,896 (Million yen)	1,054 Units 5 Blocks 4 Buildings 45,772 (Million yen) (73.2%)	1,083 Units 3 Blocks 4 Buildings 44,544 (Million yen) (96.9%)	930 Units 2 Blocks — Building 37,124 (Million yen) (85.8%)

	3rd Quarter under Review (From April 1, 2021 to December 31, 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)	740 Units — Block — Building 29,596 (Million yen) (81.1%)	434 Units — Block — Building 18,265 (Million yen) (49.5%)	808 Units — Block — Building 31,190 (Million yen) (119.9%)
CCRC	219 Units — Block — Building 8,538 (Million yen)	249 Units — Block — Building 10,351 (Million yen) (150.0%)	390 Units — Block — Building 15,624 (Million yen) (297.4%)	78 Units — Block — Building 3,265 (Million yen) (29.6%)
Real Estate Investment	1 Unit — Block 3 Buildings 1,844 (Million yen)	7 Units — Block 9 Buildings 4,788 (Million yen) (201.5%)	8 Units — Block 8 Buildings 3,962 (Million yen) (166.1%)	1 Unit — Block 4 Buildings 2,671 (Million yen) (—%)
Total	722 Units — Block 3 Buildings 30,243 (Million yen)	996 Units — Block 9 Buildings 44,736 (Million yen) (97.7%)	832 Units — Block 8 Buildings 37,852 (Million yen) (85.0%)	887 Units — Block 4 Buildings 37,127 (Million yen) (100.0%)

(Notes) 1. 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.

2. YoY comparison of outstanding contracts at end of period in Real Estate Investment is not described as it is over 1,000 %.