



Fiscal Year March 2023 Earnings Announcement (Japanese GAAP)

May 11, 2023

Company Name: **Hoosiers Holdings Co., Ltd.**

Listed market: Tokyo Stock Exchange Prime Market

Stock Code: 3284

URL: <https://www.hoosiers.co.jp/>

Representative: (Title) President and Representative Director,
Executive Officer

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Scheduled date of the annual meeting of shareholders: June 23, 2023

June 23, 2023

Scheduled date to file Securities Report: June 26, 2023

June 26, 2023

Scheduled date to commence dividend payment: June 26, 2023

June 26, 2023

Preparation of supplemental information of quarterly financial results: Yes

Holding of annual financial results briefing: Yes (For institutional investors and analysts)

(Figures are rounded down to the nearest million yen)

1. Fiscal Year March 2023 Consolidated Earnings Results (From April 1, 2022 to March 31, 2023)

(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	%
FY3/23	79,286	(0.3)	8,425	25.9	7,280	27.9	4,557	48.5
FY3/22	79,542	(0.8)	6,694	23.2	5,692	23.3	3,068	6.6

(Note) Comprehensive income: FY3/23 ¥5,328 million (37.2%) FY3/22 ¥3,882 million (35.1%)

	Earnings per Share	Diluted Earnings per Share	ROE	ROA	Operating Margin
	Yen	Yen	%	%	%
FY3/23	128.83	128.62	13.8	5.3	10.6
FY3/22	86.74	86.61	10.2	4.3	8.4

(Reference) Share of (profit) loss of entities accounted for using equity method FY3/23 ¥(458)million FY3/22 ¥(255) million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
As of March 31, 2023	147,504	42,663	23.6	983.48
As of March 31, 2022	127,905	38,960	24.4	883.66

(Reference) Shareholders' equity: As of March 31, 2023 ¥34,794 million As of March 31, 2022 ¥31,263 million

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	Million yen
FY3/23	(7,532)	(178)	5,932	28,623
FY3/22	20,259	(4,172)	(9,896)	30,143

2. Dividends

	Dividend per Share					Total Dividend (Annual)	Payout Ratio (Consolidated)	Dividend to Net Asset Ratio (Consolidated)
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Year	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/22	—	17.00	—	19.00	36.00	1,288	41.5	4.2
FY3/23	—	24.00	—	28.00	52.00	1,865	40.4	5.6
FY3/24 (Forecast)	—	27.00	—	28.00	55.00		40.5	

Notes on dividends: The year-end dividend per share for the fiscal year ended March 31, 2023 was revised from ¥24 to ¥28. Please refer to "Announcement of Dividends of Surplus (Dividend Increase)" released today (May 11, 2023) for details.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 2024 (From April 1, 2023 to March 31, 2024)

(% 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	90,000	13.5	8,600	2.1	7,500	3.0	4,800	5.3	135.67

* Matters to be noted

(1) Changes in important subsidiaries (Changes in specified subsidiaries which accompany a change in the scope of consolidation): No

(2) 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

(3) Outstanding shares (Common stock)

(a) Number of outstanding shares at the end of period (Including treasury shares)

March 31, 2023	36,916,775 shares	March 31, 2022	36,916,775 shares
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(b) Number of treasury shares at the end of period

March 31, 2023	1,537,512 shares	March 31, 2022	1,537,512 shares
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(c) Average number of shares during the period

FY3/23	35,379,263 shares	FY3/22	35,379,263 shares
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The number of treasury shares includes 570,550 shares of our company that are held by Board Benefit Trust as of the end of the third quarter under review.

(Reference) Summary of Non-Consolidated Earnings Results

1. Fiscal Year March 2023 Consolidated Earnings Results (From April 1, 2022 to March 31, 2023)

(1) Non-Consolidated Earnings (% indicates changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/23	6,890	229.9	4,986	—	5,406	—	5,334	—
FY3/22	2,088	(66.7)	422	(90.6)	244	(94.5)	194	(95.5)

	Earnings Per Share		Diluted Earnings Per Share	
	Yen		Yen	
FY3/23	150.79		150.55	
FY3/22	5.51		5.50	

(2) Non-Consolidated financial position

	Total Assets		Net Assets		Equity Ratio		Net Assets per Share	
	Million yen		Million yen		%		Yen	
FY3/23	46,762		22,784		48.7		644.00	
FY3/22	48,111		19,009		39.5		537.30	

(Reference) Shareholders' equity: As of March 31, 2023 ¥22,784 million

As of March 31, 2022 ¥19,009 million

*Earnings Announcement is out of scope of 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 exceeding 1,000% or negative figures in FY3/23 and/or FY3/22 is indicated as “-.”

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1. Overview of Business Performance, etc.

(1) Overview of business performance during the consolidated fiscal year under review

During the consolidated fiscal year under review, the Japanese economy witnessed a gradual recovery trend as the socioeconomic activities are returning to normal after the COVID-19 pandemic, but the prospect remained uncertain mainly because of concerns over economic downturn due to the tightening of monetary policy around the world and rising inflation.

In the real estate industry, while the future business environment is uncertain due to concerns over possible rises in construction material prices and interest rates, the condominium market in major regional cities, which is our main business area, showed steady growth against the backdrop of the move towards compact cities by local cities triggered by the changes in social structure brought about by aging population as well as continued strong needs for housing that enables diversified lifestyles.

Under such business environment, profitability improved mainly in Real Estate Development and CCRC, and we are making steady progress toward the Medium-Term Management Plan (for FY3/22 to FY3/26) announced on May 13, 2021. As announced by “Announcement Concerning Acquisition of Shares of Home Stage Co., Ltd. (Making It a Second-Tier Subsidiary)” dated November 18, 2022 (Japanese version only), we completed the acquisition of shares of Home Stage Co., Ltd., located in Kumamoto City, Kumamoto Prefecture, and are now working to enhance our real estate development business in Kyushu area. We also engage in other businesses compatible with the real estate business, such as real estate investment business, hotel management business, sports club operation and PFI operation, with an aim to offer new added value to people’s lives.

During the consolidated fiscal year under review, the number of contracted units was 1,451 units, 8 buildings, and that of delivered units was 1,481 units, 9 buildings. As of the end of the consolidated fiscal year, we managed 22,425 units. Consequently, as the results for the consolidated fiscal year, we posted net sales of ¥79,286 million (down 0.3% year over year), operating income of ¥8,425 million (up 25.9% year over year), ordinary income of ¥7,280 million (up 27.9% year over year), and profit attributable to owners of parent of ¥4,557 million (up 48.5% year over year).

Results by segment are as follows.

(I) Real Estate Development

During the consolidated fiscal year under review, the Group recorded net sales of ¥49,916 million (up 37.0% year over year) and operating income of ¥6,410 million (up 138.6 % year over year) due to a delivery of 1,185 condominium units such as “Mid Rise Tower Tajimi,” “Duo Hills Kyoto Katsuragawa,” “Duo Hills Notogawa Ekimae” etc.

(II) CCRC

During the consolidated fiscal year under review, the Group recorded net sales of ¥13,166 million (down 35.9% year over year) and operating income of ¥1,559 million (down 37.9 % year over year) due to a delivery of 287 condominium units such as “DUO SCENE Egota-no-Mori Park” etc.

(III) Real Estate Investment

During the consolidated fiscal year under review, the Group recorded net sales of ¥9,295 million (down 42.4% year over year) and operating income of ¥55 million (down 94.7% year over year).

(1) Real Estate Sales

Due to the sales of inventory assets, we recorded net sales of ¥6,035 million (down 52.8% year over year).

(2) Rental Revenue

We recorded net sales of ¥2,896 million (up 6.9% year over year) due to the stable operation of owned income-producing properties.

(IV) Condominium Management and Related Services

We recorded net sales of ¥6,857 million (up 7.9% year over year) and operating income of ¥387 million (up 49.0% year over year) during the consolidated fiscal year under review.

(1) Condominium Management

We recorded net sales of ¥2,010 million (up 4.9% year over year) due to the start of the new management contracting of “Mid Rise Tower Tajimi,” “Duo Hills Kyoto Katsuragawa,” etc. in condominium management.

(2) Sports Club Operation Revenue

We recorded net sales of ¥3,589 million (up 2.7% year over year) mainly due to the operation of sports clubs.

(3) Other Income

We recorded net sales of ¥1,257 million (up 33.6% year over year) in hotel business and consigned construction, etc.

(V) Other

We recorded net sales of ¥50 million (down 26.7% year over year) and operating income of ¥8 million (down 60.4% year over year) through PFI operations.

(2) Overview of financial position as of the end of fiscal year under review

Assets, liabilities, and net assets

During the consolidated fiscal year under review, sales of condominium apartments and detached houses showed solid growth and new consolidated subsidiaries increased due to M&As; and as a result, total assets amounted to ¥147,504 million (up 15.3% from March 31, 2022), total liabilities amounted to ¥104,840 million (up 17.9% from March 31, 2022) and total net assets amounted to ¥42,663 million (up 9.5% from March 31 2022).

(3) Cash flows

During the consolidated fiscal year under review, cash and cash equivalents decreased by ¥1,519 million to ¥28,623 million mainly due to increased cash outflows resulting from an increase of inventories despite increased cash inflows resulting from proceeds of loans payable. Cash and deposits were ¥30,640 million, including deposits, etc. whose purpose of use is limited to development of ¥2,017 million.

(I) Cash flows from operating activities

Net cash used in operating activities was ¥7,532 million (¥20,259 million provided in the previous fiscal year), which was mainly due to an increase in inventories and recording income before income taxes. .

(II) Cash flows from investing activities

Net cash used in investing activities was ¥178 million (¥4,172 million used in the previous fiscal year), which was mainly due to payments of loans receivable and proceeds from sales of other securities of subsidiaries and associates.

(III) Cash flows from financing activities

Net cash provided by financing activities was ¥5,932 million (¥9,896 million used in the previous fiscal year), which was mainly due to proceeds from long-term loans payable.

(Reference) Cash flow-related indicators

	FY3/21	FY3/22	FY3/23
Equity Ratio (%)	21.2	24.4	23.6
Equity Ratio, Market Capitalization Based (%)	19.2	18.0	19.8

Equity Ratio: Net Assets / Total Assets

Equity Ratio, Market Capitalization Based: Market Capitalization / Total Assets

(Notes)

1. Each indicator is based on consolidated financial data.
2. Market capitalization = Period end share price × Number of outstanding shares at end of period (excluding treasury shares)

(4) Future prospects

The consolidated earnings forecasts for the fiscal year ending March 31, 2024 are net sales of ¥90,000 million, operating income of ¥8,600 million, ordinary income of ¥7,500 million and profit attributable to owners of parent of ¥4,800 million based on the Medium-Term Management Plan.

The number of units of condominium apartments, condominium apartments for seniors and detached houses to be delivered in the fiscal year ending March 31, 2024 are forecast to be a total of 1,415 units. The progress rate of the Group's mainstay condominium apartments was 53.1% as of April 1, 2023.

FY3/24	Number of units to be delivered	Number of contracts signed	Progress
Condominium apartments	1,118	594	53.1%
Condominium apartments for seniors	242	92	38.0%
Detached houses	55	13	23.6%
Total	1,415	699	49.4%

(Note) The number of units for joint venture properties is calculated by multiplying by the investment ratio and rounding down to the whole number.

Basic policy regarding the distribution of profits during the current and next periods

We will continue to aim to enhance our business performance in order to implement a stable and continual dividend payment, in overall consideration of a need to secure internal reserves as well, in anticipation of future performance and business development. Under the return policy of “payout ratio of over 40% and DOE of over 4%” set out in the current Medium-Term Management Plan (FY3/22 to FY3/26), we proactively work to return profit to our shareholders in comprehensive consideration of optimal equity level and the investment environment.

As announced in “Announcement of Dividends of Surplus (Dividend Increase)” dated May 11, 2023, we revised the year-end dividend per share for the fiscal year ended March 31, 2023 from the most recent dividend forecast of ¥24 to ¥28, an increase by ¥4. Combined with the interim dividend per share of ¥24 paid on December 5, 2022, the annual dividend totals ¥52 per share.

For the year ending March 31, 2024, we plan to pay dividends per share of ¥55 (¥27 at the end of the second quarter and ¥28 as the year-end dividend).

2. Basic Policy for the Selection of Accounting Standards

The policy of the Group at the current time is to create consolidated financial statements under the Japanese GAAP with consideration for the period comparability of the consolidated financial statements and the comparability between companies.

Furthermore, we have a policy to appropriately support the application of IFRS upon consideration of various conditions in Japan and around the world.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Million yen)

	End of Previous Fiscal Year (March 31, 2022)	Fiscal Year under Review (March 31, 2023)
Assets		
Current assets		
Cash and deposits	32,035	30,640
Accounts receivable - trade	733	479
Merchandise	25	22
Real estate for sale	23,659	22,455
Real estate for sale in process	33,599	55,627
Operational investment securities	567	606
Prepaid expenses	1,325	1,575
Other	4,840	6,238
Allowance for doubtful accounts	(115)	(117)
Total current assets	96,672	117,527
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,629	19,605
Accumulated depreciation	(4,747)	(5,888)
Buildings and structures, net	13,881	13,717
Machinery, equipment and vehicles	29	45
Accumulated depreciation	(22)	(33)
Machinery, equipment and vehicles, net	6	12
Tools, furniture and fixtures	468	499
Accumulated depreciation	(396)	(431)
Tools, furniture and fixtures, net	72	68
Land	9,423	9,158
Leased assets	1,312	1,314
Accumulated depreciation	(860)	(878)
Leased assets, net	451	435
Total property, plant and equipment	23,835	23,391
Intangible assets		
Goodwill	164	219
Other	301	363
Total intangible assets	466	582
Investments and other assets		
Investment securities	3,114	2,504
Long-term loans receivable	104	334
Deferred tax assets	1,247	1,071
Other	2,469	2,098
Allowance for doubtful accounts	(4)	(5)
Total investments and other assets	6,931	6,003
Total non-current assets	31,233	29,977
Total assets	127,905	147,504

(Million yen)

	End of Previous Fiscal Year (March 31, 2022)	Fiscal Year under Review (March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,184	2,392
Electronically recorded obligations - operating	3,096	2,347
Short-term loans payable	7,166	5,239
Current portion of bonds	595	431
Current portion of long-term loans payable	16,111	13,775
Income taxes payable	608	1,512
Advances received	3,733	3,990
Provision for bonuses	302	368
Provision for bonuses for directors (and other officers)	—	28
Provision for after-sales services	37	24
Other	2,884	3,775
Total current liabilities	35,722	33,884
Non-current liabilities		
Bonds payable	7,487	7,938
Long-term loans payable	41,295	58,401
Deferred tax liabilities	1,062	1,078
Allowance for share provision to directors	223	268
Net defined benefit liability	138	12
Asset retirement obligations	693	952
Other	2,322	2,304
Total non-current liabilities	53,223	70,956
Total liabilities	88,945	104,840
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	10,882	10,878
Retained earnings	15,858	18,907
Treasury shares	(990)	(1,002)
Total shareholders' equity	30,749	33,783
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	226	205
Foreign currency translation adjustment	286	805
Total accumulated other comprehensive income	513	1,011
Subscription rights to shares	0	0
Non-controlling interests	7,696	7,869
Total net assets	38,960	42,663
Total liabilities and net assets	127,905	147,504

(2) Consolidated Income Statement and Comprehensive Income Statement
Consolidated Income Statement

(Million yen)

	Previous Fiscal Year (From April 1, 2021 to March 31, 2022)	Fiscal Year under Review (From April 1, 2022 to March 31, 2023)
Net sales	79,542	79,286
Cost of sales	62,861	60,203
Gross profit	16,681	19,083
Selling, general and administrative expenses	9,986	10,657
Operating income	6,694	8,425
Non-operating income		
Interest income	56	56
Dividend income	305	173
Contract cancellations	155	90
Foreign exchange gains	—	71
Subsidy income	102	108
Surrender value of insurance policies	1	103
Other	76	66
Total non-operating income	698	669
Non-operating expenses		
Interest expenses	984	1,047
Commission fee	286	255
Foreign exchange losses	120	—
Share of loss of entities accounted for using equity method	255	458
Other	53	54
Total non-operating expenses	1,700	1,815
Ordinary income	5,692	7,280
Extraordinary income		
Gain on sales of non-current assets	2	4
Gain on reversal of asset retirement obligations	9	—
Gain on sales of other securities of subsidiaries and associates	—	72
Total extraordinary income	11	76
Extraordinary losses		
Impairment losses	429	5
Loss on valuation of investment securities	25	—
Loss on disaster	19	4
Loss on store closings	11	60
Loss due to the spread of COVID-19	67	—
Total extraordinary losses	553	69
Income before income taxes	5,151	7,286
Income taxes - current	1,238	2,204
Income taxes - deferred	643	271
Total income taxes	1,881	2,475
Profit attributable to	3,270	4,810
Non-controlling interests	201	253
Owners of parent	3,068	4,557

Consolidated Comprehensive Income Statement

(Million yen)

	Previous Fiscal Year (From April 1, 2021 to March 31, 2022)	Fiscal Year under Review (From April 1, 2022 to March 31, 2023)
Profit	3,270	4,810
Other comprehensive income		
Valuation difference on available-for-sale securities	114	(20)
Foreign currency translation adjustment	496	592
Share of other comprehensive income of entities accounted for using equity method	1	(54)
Total other comprehensive income	611	517
Comprehensive income	3,882	5,328
Comprehensive income attributable to		
Owners of parent	3,655	5,056
Non-controlling interests	227	271

(3) Statement of Change in Consolidated Shareholders' Equity

Previous Fiscal Year (From April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year under review	15,882	—	14,042	(990)	28,934
Changes of items during period					
Dividends of surplus			(1,252)		(1,252)
Profit attributable to owners of parent			3,068		3,068
Capital reduction	(10,882)	10,882			—
Sale of shares of consolidated subsidiaries		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	(10,882)	10,882	1,816	—	1,815
Balance at the end of the year	5,000	10,882	15,858	(990)	30,749

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the year under review	112	(185)	(72)	0	7,507	36,368
Changes of items during period						
Dividends of surplus						(1,252)
Profit attributable to owners of parent						3,068
Capital reduction						—
Sale of shares of consolidated subsidiaries						(0)
Net changes in items other than shareholders' equity	114	471	586	—	189	775
Total changes during period	114	471	586	—	189	2,591
Balance at the end of the year	226	286	513	0	7,696	38,960

Fiscal Year under Review (From April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year under review	5,000	10,882	15,858	(990)	30,749
Changes of items during period					
Dividends of surplus			(1,538)		(1,538)
Profit attributable to owners of parent			4,557		4,557
Decrease in retained earnings due to a decrease of entities accounted for using equity method			29		29
Transfer of treasury shares to Board Benefit Trust		11		109	121
Receipt of treasury shares from Board Benefit Trust				(121)	(121)
Changes in interest in subsidiaries		(15)			(15)
Net changes in items other than shareholders' equity					
Total changes during period	—	(3)	3,048	(11)	3,033
Balance at the end of the year	5,000	10,878	18,907	(1,002)	33,783

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the year under review	226	286	513	0	7,696	38,960
Changes of items during period						
Dividends of surplus						(1,538)
Profit attributable to owners of parent						4,557
Decrease in retained earnings due to a decrease of entities accounted for using equity method						29
Transfer of treasury shares to Board Benefit Trust						121
Receipt of treasury shares from Board Benefit Trust						(121)
Changes in interest in subsidiaries						(15)
Net changes in items other than shareholders' equity	(20)	518	497	—	172	669
Total changes during period	(20)	518	497	—	172	3,703
Balance at the end of the year	205	805	1,011	0	7,869	42,663

(4) Consolidated Cash Flow Statement

(Million yen)

	Previous Fiscal Year (From April 1, 2021 to March 31, 2022)	Fiscal Year under Review (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Income before income taxes	5,151	7,286
Depreciation	1,375	1,457
Amortization of goodwill	13	18
Impairment loss	429	5
Increase (decrease) in allowance for doubtful accounts	105	(6)
Increase (decrease) in provision for bonuses	(12)	58
Increase (decrease) in provision for bonuses for directors (and other officers)	-	28
Increase (decrease) in provision for share awards for directors (and other officers)	-	44
Increase (decrease) in net defined benefit liability	(21)	(137)
Increase (decrease) in provision for after-sales services	(10)	(13)
Interest and dividend income	(361)	(229)
Interest expenses	984	1,047
Share of (profit) loss of entities accounted for using equity method	255	458
Foreign exchange losses (gains)	120	(71)
Subsidy income	(102)	(108)
Loss on store closings	11	60
Loss due to the spread of COVID-19	67	-
Decrease (increase) in notes and accounts receivable - trade	(350)	254
Decrease (increase) in inventories	11,760	(15,604)
Decrease (increase) in investment securities for sale	940	14
Decrease (increase) in prepaid expenses	288	(208)
Increase (decrease) in notes and accounts payable - trade	3,231	378
Decrease (increase) in consumption taxes refund receivable	563	(191)
Increase (decrease) in accrued consumption taxes	398	(179)
Increase (decrease) in advances received	(784)	88
Increase (decrease) in deposits received	(1,472)	203
Other	(531)	946
Subtotal	22,046	(4,397)
Interest and dividends received	238	352
Interest paid	(1,015)	(1,063)
Subsidies received	123	108
Payments associated with the loss due to the spread of COVID-19	(67)	-
Income taxes refund	949	27
Income taxes paid	(2,015)	(2,560)
Net cash provided by (used in) operating activities	20,259	(7,532)

(Million yen)

	Previous Fiscal Year (From April 1, 2021 to March 31, 2022)	Fiscal Year under Review (From April 1, 2022 to March 31, 2023)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,097)	(571)
Proceeds from sales of property, plant and equipment and intangible assets	114	108
Purchase of investment securities	(519)	(23)
Proceeds from sales of investment securities	—	57
Proceeds from distribution of investment securities	366	592
Purchase of other securities of subsidiaries and associates	(1,350)	—
Proceeds from sales of other securities of subsidiaries and associates	—	700
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(386)	(267)
Payments of loans receivable	(869)	(727)
Collection of loans receivable	574	574
Payments into time deposits	—	(609)
Proceeds from withdrawal of time deposits	—	650
Transfer to escrow account	—	(1,100)
Other	(5)	437
Net cash provided by (used in) investing activities	(4,172)	(178)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(4,212)	(3,380)
Proceeds from long-term loans payable	22,016	38,707
Repayments of long-term loans payable	(31,573)	(28,625)
Proceeds from issuance of bonds	5,536	500
Redemption of bonds	(3,664)	(595)
Proceeds from share issuance to non-controlling shareholders	7	40
Dividends paid	(1,259)	(1,537)
Repayments to non-controlling shareholders	—	(22)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(101)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	—	5
Withdrawal of limited purpose deposit	3,484	1,157
Other	(232)	(213)
Net cash provided by (used in) financing activities	(9,896)	5,932
Effect of exchange rate change on cash and cash equivalents	29	257
Net increase (decrease) in cash and cash equivalents	6,219	(1,519)
Cash and cash equivalents at beginning of period	23,923	30,143
Cash and cash equivalents at end of period	30,143	28,623

(5) Matters to be Noted regarding Consolidated Financial Statements

(Notes on the premise of a going concern)

Not applicable.

(Changes in accounting principles)

(Application of the accounting standard for revenue recognition)

On April 1, 2022, the Company applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No.31, June 17, 2021, “Implementation Guidance on Accounting Standard for Fair Value Measurement”), and the new accounting policy stipulated in the Implementation Guidance on Accounting Standard for Fair Value Measurement is applied prospectively pursuant to the transitional treatment stipulated by Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. The application has no impact on the consolidated financial statements.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group’s reportable segments are components of the Group for which discrete financial information is available and whose results are regularly reviewed by the Board of Directors to make decisions about management resources to be allocated and assess their performance.

The Group’s reportable segments consist of five segments: “Real Estate Development” handling newly built Real Estate Development; “CCRC” handling condominium apartments and ancillary services targeting active seniors; “Real Estate Investment” engaging in purchase/sale and rental of income-producing properties, international businesses, etc.; “Condominium Management and Related Services” handling mainly condominiums management service and hotel businesses and sports club operations, and “Other” engaging in PFI operations.

2. Method of calculating net sales, profit or losses, assets, liabilities and other items by reportable segment

The accounting treatments applied for reportable segments are in accordance with accounting principles and procedures adopted in preparing the consolidated financial statements.

Segment income is based on operating income.

Intersegment sales or transfers are based on market prices.

3. Information concerning net sales, profit or losses, assets, liabilities and other items by reportable segment
Previous Fiscal Year (From April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable Segment						Adjustment	Consolidated income statement amount
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Other	Total		
Net sales								
Sales to external customers	36,436	20,539	16,143	6,353	68	79,542	—	79,542
Intersegment sales or transfers	—	0	371	284	—	655	(655)	—
Total	36,436	20,540	16,514	6,637	68	80,198	(655)	79,542
Segment income	2,686	2,510	1,052	259	20	6,530	164	6,694
Segment assets	31,186	14,626	51,012	2,892	54	99,772	28,133	127,905
Others								
Depreciation	4	3	1,267	18	—	1,294	81	1,375
Amortization of goodwill	—	—	2	11	—	13	—	13
Impairment losses	—	—	420	8	—	429	—	429
Investments in entities accounted for using equity method	—	—	2,880	—	—	2,880	—	2,880
Increases in property, plant and equipment and intangible assets	—	2	5,262	509	—	5,774	87	5,861

- (Notes)
1. The adjustment for segment income consists of elimination of intersegment transactions of ¥(31) 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 ¥196 million.
 2. The segment income is adjusted with the operating income in the consolidated income statement.
 3. The adjustment for segment assets consists of elimination of intersegment transactions of ¥(18) million, the amounts unable to be allocated to reportable segments of ¥16,960 million and assets of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥11,461 million.
 4. The adjustment for depreciation consists of the amounts unable to be allocated to reportable segments of ¥10 million and depreciation of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥71 million.
 5. The adjustment for increases in property, plant and equipment and intangible assets represents an increase of ¥87 million in the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments.
 6. Part of property, plant and equipment was transferred to real estate for sale and real estate for sale in process due to a change in holding purpose, but this change has no impact on segment income.
 7. Part of real estate for sale and real estate for sale in process were transferred to property, plant and equipment due to a change in holding purpose, but this change has no impact on segment income.

Fiscal Year under Review (From April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable Segment						Adjustment	Consolidated income statement amount
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Other	Total		
Net sales								
Sales to external customers	49,916	13,166	9,295	6,857	50	79,286	—	79,286
Intersegment sales or transfers	—	—	314	188	—	503	(503)	—
Total	49,916	13,166	9,610	7,046	50	79,789	(503)	79,286
Segment income	6,410	1,559	55	387	8	8,420	5	8,425
Segment assets	49,289	9,210	59,216	2,257	75	120,050	27,454	147,504
Others								
Depreciation	22	3	1,326	33	—	1,386	71	1,457
Amortization of goodwill	4	—	2	11	—	18	—	18
Impairment losses	—	—	—	5	—	5	—	5
Investments in entities accounted for using equity method	—	—	907	—	—	907	—	907
Increases in property, plant and equipment and intangible assets	1,260	1	345	44	—	1,652	117	1,769

- (Notes)
1. The adjustment for segment income consists of elimination of intersegment transactions of ¥(3) million, the amounts unable to be allocated to reportable segments of ¥(0) million and income of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥8 million.
 2. The segment income is adjusted with the operating income in the consolidated income statement.
 3. The adjustment for segment assets consists of elimination of intersegment transactions of ¥(37) million, the amounts unable to be allocated to reportable segments of ¥20,617 million and assets of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥6,874 million.
 4. The adjustment for depreciation consists of the amounts unable to be allocated to reportable segments of ¥10 million and depreciation of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥60 million.
 5. The adjustment for increases in property, plant and equipment and intangible assets represents an increase of ¥117 million in the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments.
 6. Part of property, plant and equipment was transferred to real estate for sale and real estate for sale in process due to a change in holding purpose, but this change has no impact on segment income.

[Related information]

Previous Fiscal Year (From April 1, 2021 to March 31, 2022)

1. Information by products and services

(Million yen)

	Real estate sales	Real estate rental	Condominium management	Sports club operation	Other	Total
Sales to external customers	68,443	2,773	1,917	3,495	2,912	79,542

2. Information by region

(1) Net sales

The disclosure is omitted as sales to external customers in Japan exceed 90% of net sales in the consolidated income statement.

(2) Property, plant and equipment

(Million yen)

Japan	North America	Vietnam	Total
21,884	1,951	—	23,835

3. Information by major customer

The disclosure is omitted as there are no external customers that account for more than 10% of net sales in the consolidated income statement.

Fiscal Year under Review (From April 1, 2022 to March 31, 2023)

1. Information by products and services

(Million yen)

	Real estate sales	Real estate rental	Condominium management	Sports club operation	Other	Total
Sales to external customers	67,106	3,049	2,010	3,589	3,530	79,286

2. Information by region

(1) Net sales

The disclosure is omitted as sales to external customers in Japan exceed 90% of net sales in the consolidated income statement.

(2) Property, plant and equipment

The disclosure is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the balance of property, plant and equipment in the consolidated balance sheets.

3. Information by major customer

The disclosure is omitted as there are no external customers that account for more than 10% of net sales in the consolidated income statement.

[Information on impairment loss of non-current assets for each reportable segment]

Previous Fiscal Year (From April 1, 2021 to March 31, 2022)

The disclosure is omitted as the same information is disclosed in segment information.

Fiscal Year under Review (From April 1, 2022 to March 31, 2023)

The disclosure is omitted as the same information is disclosed in segment information.

[Information about amortization of goodwill and year-end balance for each reportable segment]

Previous Fiscal Year (From April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable Segment						Corporate and elimination	Total
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Other	Subtotal		
Amortization amount for the year	—	—	2	11	—	13	—	13
Impairment loss for the year	—	—	—	—	—	—	—	—
Year-end balance	—	—	12	151	—	164	—	164

Fiscal Year under Review (From April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable Segment						Corporate and elimination	Total
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Other	Subtotal		
Amortization amount for the year	4	—	2	11	—	18	—	18
Impairment loss for the year	—	—	—	—	—	—	—	—
Year-end balance	68	—	10	139	—	219	—	219

[Information about gain on bargain purchase for each reportable segment]

Previous Fiscal Year (From April 1, 2021 to March 31, 2022)

Not applicable.

Fiscal Year under Review (From April 1, 2022 to March 31, 2023)

Not applicable.

(Per share information)

	Previous Fiscal Year (From April 1, 2021 to March 31, 2022)	Fiscal Year under Review (From April 1, 2022 to March 31, 2023)
Net assets per share	¥883.66	¥983.48
Earnings per share	¥86.74	¥128.83
Diluted earnings per share	¥86.61	¥128.62

(Notes) 1. Basis for calculation of net assets per share is as follows:

Item	End of Previous Fiscal Year (March 31, 2022)	End of Fiscal Year under Review (March 31, 2023)
Total net assets (Million yen)	38,960	42,663
Amount deducted from total net assets (Million yen)	7,697	7,869
(Of which, subscription rights to shares (Million yen))	(0)	(0)
(Of which, non-controlling interests (Million yen))	(7,696)	(7,869)
Net assets at end of year attributable to common stock (Million yen)	31,263	34,794
Number of outstanding common stock (Shares)	36,916,775	36,916,775
Number of treasury shares of common stock (Shares)	1,537,512	1,537,512
Number of common stock used to calculate net assets per share (Shares)	35,379,263	35,379,263

2. Basis for calculation of earnings per share and diluted earnings per share is as follows:

Item	Previous Fiscal Year (From April 1, 2021 to March 31, 2022)	Fiscal Year under Review (From April 1, 2022 to March 31, 2023)
Earnings per share		
Profit attributable to owners of parent (Million yen)	3,068	4,557
Amounts not attributable to common stock shareholders (Million yen)	—	—
Profit attributable to owners of parent related to common stock at end of year (Million yen)	3,068	4,557
Average number of common stock during the year (Shares)	35,379,263	35,379,263
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Million yen)	—	—
Increase in common stock (Shares)	51,670	57,143
(Of which, subscription rights to shares (Shares))	(51,670)	(57,143)
Description of potentially dilutive shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	—	—

3. The Company's shares held by the Board Benefit Trust as trust assets under the "Board Benefit Trust" program are included in treasury shares deducted in calculating the number of average shares during the year for the calculation of earnings per share and also those deducted from the total number of outstanding shares at end of year for the calculation of net assets per share. The number of those treasury shares as of March 31, 2022 and 2023 was 410,550 shares and 570,550 shares, respectively.
The average number of the treasury shares during the year deducted to calculate earnings per share for the years ended March 31, 2022 and 2023 was 410,550 shares and 464,906 shares, respectively.

(Important subsequent events)

Not applicable.

4. Other Information

(1) Records of Sales

	Previous Fiscal Year (From April 1, 2021 to March 31, 2022)	Fiscal Year under Review (From April 1, 2022 to March 31, 2023)	YoY Change (%)
Segment Name	Net sales (Million yen)	Net sales (Million yen)	
(I) Real Estate Development			
(1) Real Estate Sales	36,313	49,277	135.7
(2) Other Income	123	638	519.0
Total Real Estate Development	36,436	49,916	137.0
(II) CCRC			
(1) Real Estate Sales	19,349	11,793	60.9
(2) Other Income	1,190	1,372	115.3
Total CCRC	20,539	13,166	64.1
(III) Real Estate Investment			
(1) Real Estate Sales	12,780	6,035	47.2
(2) Rental Revenue	2,708	2,896	106.9
(3) Other Income	653	363	55.6
Total Real Estate Investment	16,143	9,295	57.6
(IV) Condominium Management and Related Services			
(1) Condominium Management	1,917	2,010	104.9
(2) Sports Club Operation Revenue	3,495	3,589	102.7
(3) Other Income	941	1,257	133.6
Total Condominium Management and Related Services	6,353	6,857	107.9
(V) Other	68	50	73.3
Total	79,542	79,286	99.7

(Notes) Intersegment transactions are offset and omitted.

(2) Real Estate Sales Information

	Previous Fiscal Year (From April 1, 2021 to March 31, 2022)											
	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	1,040 Units	— Block	— Building	902 Units	— Block	— Building	639 Units	— Block	— Building
	19,860 (Million yen)			41,948 (Million yen) (86.5%)			36,313 (Million yen) (65.9%)			25,494 (Million yen) (128.4%)		
CCRC	219 Units	— Block	— Building	331 Units	— Block	— Building	484 Units	— Block	— Building	66 Units	— Block	— Building
	8,538 (Million yen)			13,844 (Million yen) (140.2%)			19,349 (Million yen) (180.5%)			3,034 (Million yen) (35.5%)		
Real Estate Investment	1 Unit	— Block	3 Buildings	8 Units	— Block	17 Buildings	9 Units	— Block	18 Buildings	— Unit	— Block	2 Buildings
	1,844 (Million yen)			11,600 (Million yen) (187.0%)			12,780 (Million yen) (287.7%)			664 (Million yen) (36.0%)		
Total	722 Units	— Block	3 Buildings	1,379 Units	— Block	17 Buildings	1,395 Units	— Block	18 Buildings	705 Units	— Block	2 Buildings
	30,243 (Million yen)			67,393 (Million yen) (104.3%)			68,443 (Million yen) (97.4%)			29,193 (Million yen) (96.5%)		

	Fiscal Year under Review (From April 1, 2022 to March 31, 2023)											
	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	639 Units	— Block	— Building	1,129 Units	1 Block	— Building	1,185 Units	— Block	— Building	714 Units	1 Block	— Building
	25,494 (Million yen) (Note)2			50,021 (Million yen) (119.2%)			49,277 (Million yen) (135.7%)			30,447 (Million yen) (119.4%)		
CCRC	66 Units	— Block	— Building	313 Units	— Block	— Building	287 Units	— Block	— Building	92 Units	— Block	— Building
	3,034 (Million yen)			12,788 (Million yen) (92.4%)			11,793 (Million yen) (60.9%)			4,029 (Million yen) (132.8%)		
Real Estate Investment	— Unit	— Block	2 Buildings	9 Units	— Block	8 Buildings	9 Units	— Block	9 Buildings	— Unit	— Block	1 Building
	664 (Million yen)			5,729 (Million yen) (49.4%)			6,035 (Million yen) (47.2%)			357 (Million yen) (53.8%)		
Total	705 Units	— Block	2 Buildings	1,451 Units	1 Block	8 Buildings	1,481 Units	— Block	9 Buildings	806 Units	1 Block	1 Building
	29,193 (Million yen)			68,538 (Million yen) (101.7%)			67,106 (Million yen) (98.0%)			34,834 (Million yen) (119.3%)		

- (Note) 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. Outstanding Contracts at Beginning of Period and Transaction volume for the fiscal year under review do not include those of Home Stage Co., Ltd. which was included in the scope of consolidation during the period.