



First Quarter Fiscal Year Ending March 31, 2024 Consolidated Earnings Announcement (Japanese GAAP)

August 10, 2023

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

Listed market: Tokyo Stock Exchange Prime Market

Stock Code: 3284

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

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Executive Officer

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Scheduled date to file quarterly report:

August 14, 2023

Scheduled date to commence dividend payment:

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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 FY3/24 Consolidated Earnings Results (From April 1, 2023 to June 30, 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	%
1st Quarter FY3/24	14,640	123.4	898	—	521	—	245	—
1st Quarter FY3/23	6,552	(31.6)	(568)	—	(855)	—	(677)	—

(Note) Comprehensive income: 1st Quarter FY3/24 ¥726 million (—%) 1st Quarter FY3/23 ¥47 million (36.9%)

	Earnings per Share	Diluted Earnings per Share
	Yen	Yen
1st Quarter FY3/24	6.94	6.93
1st Quarter FY3/23	(19.14)	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of June 30, 2023	148,496	42,471	23.3
As of March 31, 2023	147,504	42,663	23.6

(Reference) Shareholders' equity: As of June 30, 2023 ¥34,547 million As of March 31, 2023 ¥34,794 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
FY3/23	—	24.00	—	28.00	52.00
FY3/24	—	—	—	—	—
FY3/24 (Forecast)	—	27.00	—	28.00	55.00

(Note) Changes in the latest forecasts released: No

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	135.14

(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: No

(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)

(b) Number of treasury shares at the end of period

(c) Average number of shares during the period

June 30, 2023	36,916,775 shares	March 31, 2023	36,916,775 shares
June 30, 2023	1,365,112 shares	March 31, 2023	1,537,512 shares
1st Quarter FY3/24	35,422,309 shares	1st Quarter FY3/23	35,379,263 shares

The number of treasury shares includes 498,150 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 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 for the three months ended June 30, 2023 and/or 2022 is indicated as “—.”

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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 306 units, 1 building, and that of delivered units was 166 units, 2 buildings. As of the end of the first quarter, we managed 22,535 units. Consequently, as the results for the first quarter, we posted net sales of ¥14,640 million (up 123.4% year over year), operating income of ¥898 million (operating loss of ¥568 million a year earlier), ordinary income of ¥521 million (ordinary loss of ¥855 million a year earlier), and profit attributable to owners of parent of ¥245 million (loss attributable to owners of parent of ¥677 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.

Following the review of the reportable segments, effective April 1, 2023, we changed our reportable segments from five segments of “Real Estate Development,” “CCRC,” “Real Estate Investment,” “Condominium Management and Related Services” and “Other” to four segments of “Real Estate Development,” “CCRC,” “Real Estate Investment” and “Condominium Management and Related Services.” Segment information for the previous first quarter is prepared under the new segmentation.

(I) Real Estate Development

During the first quarter under review, the Group recorded net sales of ¥8,960 million (up 849.0% year over year) and operating income of ¥699 million (operating loss of ¥754 million a year earlier) due to a delivery of 138 condominium units such as “Duo Hills Hijiyama Residence”, etc.

(II) CCRC

During the first quarter under review, the Group recorded net sales of ¥1,421 million (down 44.0% year over year) and operating income of ¥55 million (down 78.1% year over year) due to a delivery of 28 condominium units.

(III) Real Estate Investment

We recorded net sales of ¥2,408 million (up 67.5% year over year) and operating income of ¥90 million (operating loss of ¥120 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 ¥1,562 million (up 134.9% year over year).

(2) Rental Revenue

We recorded net sales of ¥765 million (up 13.5% year over year) due to the stable operation of owned income-producing properties.

(IV) Condominium Management and Related Services

We recorded net sales of ¥1,850 million (up 13.2% year over year) and operating income of ¥53 million (up 372.4% year over year) during the first quarter under review.

(1) Condominium Management

We recorded net sales of ¥524 million (up 4.8% year over year) due to the start of the new management contracting of “Duo Hills Hijiyama Residence”, etc. in condominium management.

(2) Sports Club Operation Revenue

We recorded net sales of ¥905 million (up 2.4% year over year) mainly due to the operation of sports clubs.

(3) Other Income

We recorded net sales of ¥420 million (up 68.6% year over year) in hotel business and consigned construction, etc.

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, 66.9% of the contracts have been executed.

FY3/24	Number of units to be delivered	Number of contracts signed	Progress
Condominium apartments	1,118	749	66.9%
Condominium apartments for seniors	242	156	64.5%
Detached houses	55	20	36.4%
Total	1,415	925	65.3%

(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 ¥148,496 million (up 0.7% from March 31, 2023) mainly due to increases of real estate for sale in process and borrowings, total liabilities amounted to ¥106,025 million (up 1.1% from March 31, 2023), and total net assets amounted to ¥42,471 million (down 0.5% from March 31, 2023).

(3) Qualitative information on consolidated earnings forecasts

The earnings forecasts for the fiscal year ending March 31, 2024 remain unchanged from those announced on May 11, 2023 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 Sheet

(Million yen)

	End of Previous Fiscal Year (March 31, 2023)	End of 1st Quarter under Review (June 30, 2023)
Assets		
Current assets		
Cash and deposits	30,640	27,135
Accounts receivable - trade	479	709
Merchandise	22	23
Real estate for sale	22,455	19,373
Real estate for sale in process	55,627	61,804
Operational investment securities	606	608
Prepaid expenses	1,575	1,810
Other	6,238	5,192
Allowance for doubtful accounts	(117)	(127)
Total current assets	117,527	116,532
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,717	13,551
Machinery, equipment and vehicles, net	12	27
Tools, furniture and fixtures, net	68	65
Land	9,158	11,096
Leased assets, net	435	459
Construction in progress	—	8
Total property, plant and equipment	23,391	25,208
Intangible assets		
Goodwill	219	212
Other	363	475
Total intangible assets	582	687
Total investments and other assets	6,003	6,068
Total non-current assets	29,977	31,964
Total assets	147,504	148,496

(Million yen)

	End of Previous Fiscal Year (March 31, 2023)	End of 1st Quarter under Review (June 30, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,392	1,765
Electronically recorded obligations - operating	2,347	1,906
Short-term loans payable	5,239	7,553
Current portion of bonds	431	485
Current portion of long-term loans payable	13,775	10,545
Income taxes payable	1,512	115
Advances received	3,990	4,799
Provision for bonuses	368	235
Provision for bonuses for directors (and other officers)	28	—
Provision for after-sales services	24	24
Other	3,775	3,722
Total current liabilities	33,884	31,152
Non-current liabilities		
Bonds payable	7,938	8,078
Long-term loans payable	58,401	62,246
Deferred tax liabilities	1,078	1,081
Allowance for share provision to directors	268	229
Net defined benefit liability	12	12
Asset retirement obligations	952	953
Other	2,304	2,270
Total non-current liabilities	70,956	74,872
Total liabilities	104,840	106,025
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	10,878	10,843
Retained earnings	18,907	18,155
Treasury shares	(1,002)	(893)
Total shareholders' equity	33,783	33,106
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	205	397
Foreign currency translation adjustment	805	1,043
Total accumulated other comprehensive income	1,011	1,440
Subscription rights to shares	0	—
Non-controlling interests	7,869	7,924
Total net assets	42,663	42,471
Total liabilities and net assets	147,504	148,496

(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, 2022 to June 30, 2022)	1st Quarter under Review (From April 1, 2023 to June 30, 2023)
Net sales	6,552	14,640
Cost of sales	5,097	11,187
Gross profit	1,454	3,453
Selling, general and administrative expenses	2,023	2,554
Operating income (loss)	(568)	898
Non-operating income		
Interest income	3	25
Dividend income	17	5
Contract cancellations	2	37
Subsidy income	65	—
Share of profit of entities accounted for using equity method	—	0
Gain on investments in partnership	—	13
Other	39	17
Total non-operating income	128	99
Non-operating expenses		
Interest expenses	245	281
Commission fee	61	72
Foreign exchange losses	83	120
Share of loss of entities accounted for using equity method	11	—
Other	13	2
Total non-operating expenses	415	476
Ordinary income (loss)	(855)	521
Extraordinary losses		
Loss on retirement of non-current assets	—	1
Loss on valuation of shares of subsidiaries and associates	—	18
Total extraordinary losses	—	20
Income (loss) before income taxes	(855)	501
Income taxes - current	15	85
Income taxes - deferred	(257)	117
Total income taxes	(242)	202
Profit (loss)	(613)	298
Non-controlling interests	63	52
Owners of parent	(677)	245

Consolidated Quarterly Comprehensive Income Statement
Consolidated Income Statements for the First Quarter (Cumulative)

(Million yen)

	Previous 1st Quarter (From April 1, 2022 to June 30, 2022)	1st Quarter under Review (From April 1, 2023 to June 30, 2023)
Profit (loss)	(613)	298
Other comprehensive income		
Valuation difference on available-for-sale securities	237	191
Foreign currency translation adjustment	455	265
Share of other comprehensive income of entities accounted for using equity method	(32)	(28)
Total other comprehensive income	661	428
Comprehensive income	47	726
Comprehensive income attributable to		
Owners of parent	(35)	672
Non-controlling interests	83	54

(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)

Not applicable.

(Segment information, etc.)

[Segment information]

Previous 1st Quarter (From April 1, 2022 to June 30, 2022)

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	Total		
Net sales							
Sales to external customers	944	2,536	1,437	1,634	6,552	—	6,552
Intersegment sales or transfers	—	—	64	45	110	(110)	—
Total	944	2,536	1,502	1,679	6,662	(110)	6,552
Segment income (loss)	(754)	254	(120)	11	(608)	40	(568)

- (Notes)
1. The adjustment for segment income (loss) consists of elimination of intersegment transactions of ¥0 million, the amounts unable to be allocated to reportable segments of ¥(0) million and income (loss) of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥39 million.
 2. The segment income (loss) is adjusted with the operating loss in the consolidated quarterly income statement.
 3. Part of property, plant and equipment was transferred to real estate for sale due to a change in holding purpose, but this change has no impact on segment income.

1st Quarter under Review (From April 1, 2023 to June 30, 2023)

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	Total		
Net sales							
Sales to external customers	8,960	1,421	2,408	1,850	14,640	—	14,640
Intersegment sales or transfers	—	—	151	54	205	(205)	—
Total	8,960	1,421	2,560	1,904	14,846	(205)	14,640
Segment income	699	55	90	53	899	(0)	898

- (Notes)
1. The adjustment for segment income consists of elimination of intersegment transactions of ¥(7) million, the amounts unable to be allocated to reportable segments of ¥(0) million and income (loss) of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥7 million.
 2. The segment income is adjusted with the operating income in the consolidated quarterly income statement.

2 Changes in reportable segments, etc.

Following the review of the reportable segments, effective April 1, 2023, we changed our reportable segments from five segments of “Real Estate Development,” “CCRC,” “Real Estate Investment,” “Condominium Management and Related Services” and “Other” to four segments of “Real Estate Development,” “CCRC,” “Real Estate Investment” and “Condominium Management and Related Services.”

Segment information for the previous first quarter is prepared under the new segmentation.

3. Other Information

(1) Records of Sales

	Previous 1st Quarter (From April 1, 2022 to June 30, 2022)	1st Quarter under Review (From April 1, 2023 to June 30, 2023)	YoY Change (%)
Segment Name	Net sales (Million yen)	Net sales (Million yen)	
(I) Real Estate Development			
(1) Real Estate Sales	919	8,712	947.3
(2) Other Income	24	248	—
Total Real Estate Development	944	8,960	949.0
(II) CCRC			
(1) Real Estate Sales	2,197	1,063	48.4
(2) Other Income	339	357	105.2
Total CCRC	2,536	1,421	56.0
(III) Real Estate Investment			
(1) Real Estate Sales	665	1,562	234.9
(2) Rental Revenue	674	765	113.5
(3) Other Income	97	80	82.4
Total Real Estate Investment	1,437	2,408	167.5
(IV) Condominium Management and Related Services			
(1) Condominium Management	500	524	104.8
(2) Sports Club Operation Revenue	884	905	102.4
(3) Other Income	249	420	168.6
Total Condominium Management and Related Services	1,634	1,850	113.2
Total	6,552	14,640	223.4

(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 1st Quarter (From April 1, 2022 to June 30, 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	639 Units	— Block	— Building	228 Units	— Block	— Building	24 Units	— Block	— Building	844 Units	— Block	— Building
	25,494 (Million yen)			8,907 (Million yen) (100.5%)			919 (Million yen) (17.7%)			33,482 (Million yen) (142.4%)		
CCRC	66 Units	— Block	— Building	92 Units	— Block	— Building	54 Units	— Block	— Building	104 Units	— Block	— Building
	3,034 (Million yen)			3,870 (Million yen) (140.1%)			2,197 (Million yen) (180.8%)			4,707 (Million yen) (46.7%)		
Real Estate Investment	— Unit	— Block	2 Buildings	— Unit	— Block	1 Building	— Unit	— Block	2 Buildings	— Unit	— Block	1 Building
	664 (Million yen)			321 (Million yen) (71.9%)			665 (Million yen) (102.5%)			320 (Million yen) (19.5%)		
Total	705 Units	— Block	2 Buildings	320 Units	— Block	1 Building	78 Units	— Block	2 Buildings	948 Units	— Block	1 Building
	29,193 (Million yen)			13,099 (Million yen) (108.5%)			3,781 (Million yen) (53.5%)			38,510 (Million yen) (109.3%)		

	1st Quarter under Review (From April 1, 2023 to June 30, 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	709 Units	1 Block	— Building	242 Units	1 Block	— Building	138 Units	2 Blocks	— Building	813 Units	— Block	— Building
	30,447 (Million yen)			11,052 (Million yen) (124.1%)			8,712 (Million yen) (947.3%)			32,787 (Million yen) (97.9%)		
CCRC	92 Units	— Block	— Building	64 Units	— Block	— Building	28 Units	— Block	— Building	128 Units	— Block	— Building
	4,029 (Million yen)			2,678 (Million yen) (69.2%)			1,063 (Million yen) (48.4%)			5,643 (Million yen) (119.9%)		
Real Estate Investment	— Unit	— Block	1 Building	— Unit	— Block	1 Building	— Unit	— Block	2 Buildings	— Unit	— Block	— Building
	357 (Million yen)			1,205 (Million yen) (374.9%)			1,562 (Million yen) (234.9%)			— (Million yen) (—%)		
Total	801 Unit	1 Block	1 Building	306 Units	1 Block	1 Building	166 Units	2 Blocks	2 Buildings	941 Units	— Block	— Building
	34,834 (Million yen)			14,935 (Million yen) (114.0%)			11,338 (Million yen) (299.8%)			38,431 (Million yen) (99.8%)		

(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 In Real Estate Development, sale of interest in joint venture properties to joint venture partners is excluded from the number of units above.