Summary of Consolidated Financial Results

For the Second Quarter of FY2024
(January 1, 2024 – June 30, 2024)

**This document is an English summary translation of a statement written initially in Japanese. The original Japanese should be considered the primary version.*

Disclaimer Regarding Forward-Looking Statements

The forward-looking statements, including forecasts of performance of Hulic and its Group companies, contained in these materials are based on information currently available to the Hulic management and on certain assumptions deemed to be reasonable. Actual business and other results may vary substantially due to various factors.

HULIC CO., LTD.

(TSE Code: 3003)

Consolidated Financial Results for the Second Quarter of FY2024 <under Japanese GAAP>

July 26, 2024

Name of company listed: Hulic Co., Ltd. Stock exchange listing: Tokyo (Prime Market)
Code number: 3003 URL: https://www.hulic.co.jp/en/
Representative: Takaya Maeda, President, Representative Director
Contact: Mayumi Naruse, Managing Officer, General Manager of the Corporate Communications & Investor Relations Department and the Corporate Sustainability Department
E-mail: naruse.mayumi@hulic.co.jp
Quarterly Securities Report to be filed on: August 2, 2024
Dividends to be paid on: September 3, 2024
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (For institutional investors and analysts)

1. Consolidated Financial Results for the 2Q FY2024 (January 1, 2024 to June 30, 2024)

(1) Consolidated Financial Results (cumulative)

(Amounts indicated are displayed with amounts less than one million yen rounded off.)
(Percentages indicate the YoY increase / decrease.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q FY2024	204,852	11.3	68,923	3.4	64,856	4.2	44,130	0.0
2Q FY2023	183,950	(25.6)	66,650	16.7	62,200	8.1	44,117	19.2

Note: Comprehensive income: 2Q FY2024: ¥52,296 million [(10.5%)], 2Q FY2023: ¥58,489 million [58.7%]

	EPS (Net income per share)	Diluted EPS
	Yen	Yen
2Q FY2024	57.98	57.98
2Q FY2023	57.98	57.95

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	BPS (Net assets per share)
	Million yen	Million yen	%	Yen
2Q FY2024	2,815,565	816,344	28.3	1,047.49
FY2023	2,480,472	769,300	30.8	1,006.19

Reference: Equity: 2Q FY2024: ¥797,480 million, FY2023: ¥765,656 million

2. Dividends

	Annual dividends				
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	–	23.00	–	27.00	50.00
FY2024	–	26.00			
FY2024 (Planned)			–	26.00	52.00

Note: Revision to the planned dividends announced recently: N/A

3. Forecasts of Consolidated Financial Results for FY2024 (January 1, 2024 to December 31, 2024)

(Percentages indicate the YoY increase / decrease.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		EPS (Net income per share)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full fiscal year	—	—	153,000	4.6	144,000	4.7	98,000	3.5	128.74

Note: Revision to the forecasts of financial results announced recently: N/A

The Company has a stable business structure centered on leasing operations, however, operating revenue (net sales) fluctuates substantially due to trends in the buying and selling of real estate for sale. Success or failure in this buying and selling of properties is affected significantly by economic conditions and the real estate market. As forecasting such trends is currently problematic, the Company has not provided a forecast of its operating revenue. The Company will disclose this information promptly once it becomes possible to make a forecast.

*** Notes**

(1) Significant Changes in the Scope of Consolidation during the Period: Yes

Newly included: Four: (company name) Hulic USA #1 LLC, AKITA WIND POWER KENKYUSHO, Riso Kyoiku Co., Ltd., Nishi Tokyo Asset Godo Kaisha

Excluded: One: (company name) NIPPON VIEW HOTEL BUSINESS CO., LTD.

(2) Application of Special Accounting for Preparing Quarterly Consolidated Financial Statements: N/A

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements

1. Changes in accounting policies due to revisions of accounting standards, etc.: N/A
2. Changes in accounting policies due to other reasons: N/A
3. Changes in accounting estimates: N/A
4. Restatement of prior period financial statements: N/A

(4) Number of Issued Shares (common stock)

	2Q FY2024	FY2023
1) Number of issued shares as of the end of each period (including treasury shares)	767,907,735	767,907,735 (the end of FY2023)
2) Number of treasury shares as of the end of each period	6,584,534	6,966,030 (the end of FY2023)
3) Average number of outstanding shares for each period (consolidated cumulative period)	761,077,871	760,816,917 (2Q FY2023)

* The summary of quarterly financial results is exempt from the quarterly reviews by certificated accountants or auditors.

* Disclaimer regarding forward-looking statements

This document contains forward-looking statements about the performance of Hulic and its Group companies, based on management's assumptions in light of current available information. In no way do these statements provide any assurance by Hulic of achieving such results. Actual results may differ substantially from these statements due to various factors.

Table of Contents

1. Summary of Business Results, etc. of 2Q FY2024 ····· 2
   (1) Summary of Business Results ····· 2
   (2) Summary of Financial Position ····· 3
   (3) Notes Regarding Forward-looking Statements such as Forecasts of Consolidated Business Results ····· 4
2. Consolidated Financial Statements (Unaudited) ····· 5
   (1) Quarterly Consolidated Balance Sheets (Unaudited) ····· 5
   (2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income (Unaudited) ····· 7
   (3) Quarterly Consolidated Statements of Cash Flows (Unaudited) ····· 9
   (4) Footnotes on the Quarterly Consolidated Financial Statements ····· 11
   Segment Information ····· 11

1. Summary of Business Results, etc. of 2Q FY2024

(1) Summary of Business Results

In 2Q FY2024, leasing income from real estate was stable due to the completion and acquisition of properties in the previous fiscal year and in the current fiscal year. In addition, sales of real estate for sale steadily progressed during 2Q FY2024. As a result, operating revenue was ¥204,852 million (increased ¥20,901 million or 11.3% compared with the same period of the previous fiscal year, hereinafter "YoY"), operating profit was ¥68,923 million (increased ¥2,272 million or 3.4% YoY), ordinary profit was ¥64,856 million (increased ¥2,655 million or 4.2% YoY) and profit attributable to owners of parent was ¥44,130 million (increased ¥12 million or 0.0% YoY).

The business results for each segment were as follows.

(Operating revenue for each segment includes inter-segment operating revenue and the balance of book-entry transfers.)

<Real Estate>

The Group's core business is a leasing business that utilizes approximately 250 buildings and properties (excluding real estate for sale), amounting to approximately 1,340,000 square meters of floor space, located mainly in Tokyo's 23 wards. From the perspective of constructing a competitive leasing portfolio that addresses the changing circumstances, we work to further improve the overall value of our buildings and properties not only by continuous portfolio reshuffling but also by developing and reconstructing properties that are highly earthquake resistant and environmentally friendly. In addition, we work to acquire stable and continuous capital gains and asset management fees through expanding pipelines for development / reconstruction and value-added projects as well as diversifying exit strategies of properties.

New acquisitions (non-current assets) in 2Q FY2024 included ALBORE GINZA (partial) (Chuo-ku, Tokyo), KIOXIA Yokkaichi Plant (Land) (Yokkaichi-shi, Mie), Rokumaru Gate Ikebukuro (partial) (Toshima-ku, Tokyo), Akiba CO Building (Chiyoda-ku, Tokyo), Hulic Ginza 1-chome Showa-dori Building (Chuo-ku, Tokyo) and others.

In development and reconstruction business (non-current assets), Hulic Logistics Hashimoto (Chuo-ku, Sagamihara-shi) (completed in July 2024), Hulic Shogi-Kaikan Sendagaya Building (Shibuya-ku, Tokyo), (tentative name) Hulic Fukuoka Building Reconstruction Project (Chuo-ku, Fukuoka-shi), (tentative name) Misato Logistics Development Project I (Misato-shi, Saitama), (tentative name) Ginza Building Reconstruction Project (Chuo-ku, Tokyo), (tentative name) Sapporo Reconstruction Project II (Chuo-ku, Sapporo-shi), (tentative name) Shinsaibashi Project (Chuo-ku, Osaka), (tentative name) Misato Logistics Development Project II (Misato-shi, Saitama), (tentative name) Shinjuku 318 Development Project (Shinjuku-ku, Tokyo), (tentative name) Aoyama Building Reconstruction Project (Minato-ku, Tokyo), and (tentative name) Ginza 5-chome Development Project (Chuo-ku, Tokyo), etc. were proceeded as planned.

In PPP (Public Private Partnership) business, projects including "Urban Renewal Step-Up Project (Shibuya Area) Shibuya 1-chome Area Joint Development Project" conducted by the Tokyo Metropolitan Government and the Shibuya City Government, etc. were proceeded as planned.

As for real estate for sale, new acquisitions including UNIMO Chiharadai (Ichihara-shi, Chiba) were made, and properties including THE HUB GINZA OCT (Chuo-ku, Tokyo), etc. were sold.

As described above, the segment operations progressed as planned because leasing income from real estate was stable due to the completion of properties and acquisition of properties in the previous fiscal year and in the current fiscal year. In addition, sales of real estate for sale steadily progressed during 2Q FY2024. As a result, operating revenue in this business segment totaled ¥180,539 million (increased ¥16,929 million or 10.3% YoY) and operating profit was ¥72,839 million (increased ¥1,600 million or 2.2% YoY).

<Insurance Agency>

Hulic Insurance Service Co., Ltd., one of the Company's consolidated subsidiaries, serves as an insurance agency for both Japanese and foreign insurance companies operating in Japan and sells various insurance products to both corporate and individual customers. Although a difficult business environment continues to surround the insurance business industry, Hulic Insurance Service Co., Ltd. is pursuing expansion of this business, concentrating on corporate transactions, with a strategy of acquiring the business rights of existing non-life insurance agents.

As a result, operating revenue in this business segment was ¥1,892 million (increased ¥74 million or 4.1% YoY) and operating profit was ¥587 million (increased ¥9 million or 1.5% YoY).

<Hotels / Ryokans>

In Hotels / Ryokans business, as the Company's consolidated subsidiaries, Hulic Hotel Management Co., Ltd. manages "THE GATE HOTEL" brand hotel series, "View Hotel" brand hotel series, and HULIC FUFU Co., Ltd. manages "FUFU" ryokan series.

In 2Q FY2024, both occupancy rates and ADR (Average Daily Rates) remained at high levels reflecting the continuous favorable tourism demand from both domestic and overseas customers.

As a result, operating revenue in this business segment was ¥24,984 million (increased ¥5,147 million or 25.9% YoY) and operating

profit was ¥1,532 million (increased ¥1,308 million or 584.0% YoY).

<Others>

Hulic Build Co., Ltd., one of the Company's consolidated subsidiaries, regularly takes orders of repair constructions, constructions of refurbishment at the end of lease contracts and interior fit-outs at the beginning of lease contracts from the Company's existing properties.

As a result, operating revenue was ¥4,482 million (increased ¥1,418 million or 46.2% YoY) and operating profit was ¥187 million (decreased ¥125 million or 40.2% YoY).

(2) Summary of Financial Position

1) Changes in Consolidated Financial Position

<Assets>

Total assets at the end of 2Q FY2024 was ¥2,815,565 million, increased by ¥335,092 million from the end of FY2023. From the perspective of constructing a competitive leasing portfolio that addresses the changing circumstances, we work to further improve the overall value of our buildings and properties not only by continuous portfolio reshuffling but also by developing and reconstructing properties that are highly earthquake resistant and environmentally friendly.

In addition, Hulic strives to provide support and backup as a sponsor to maintain and improve the long-term earnings of Hulic Reit, Inc. & Hulic Private Reit, Inc. and realize steady growth of its assets under management.

Changes in amount of major items are as follows.

- Cash and deposits: Increased ¥27,466 million
- Real estate for sale: Increased ¥32,871 million (Transfer from non-current assets, acquisition and sales of properties, etc.)
- Land Increased ¥170,962 million (Acquisition of properties, transfer to real estate for sale, etc.)
- Investment securities: Increased ¥44,268 million (Acquisition and sales of investment securities, an increase in valuation difference on available-for-sale securities, etc.)

<Liabilities>

Total liabilities at the end of 2Q FY2024 was ¥1,999,221 million, increased by ¥288,048 million from the end of FY2023. This was mainly attributable to financing carried out for capital investment and the like.

The balance of borrowings was ¥1,109,877 million, which included ¥30,000 million non-recourse borrowings owed by a consolidated SPC. Financing from financial institutions was operated stably at low cost reflecting the Group's high earnings level.

<Net Assets>

Total net assets at the end of 2Q FY2024 was ¥816,344 million, increased by ¥47,043 million from the end of FY2023. Total shareholders' equity was ¥730,638 million, increased by ¥23,844 million from the end of FY2023, due mainly to an increase of retained earnings in profit attributable to owners of parent and a decrease of retained earnings in the cash dividend payment.

Total accumulated other comprehensive income was ¥66,841 million, increased by ¥7,978 million from the end of FY2023, due mainly to an increase in valuation difference on available-for-sale securities as a result of an increase in unrealized gains on marketable securities.

2) Consolidated Cash Flows

In 2Q FY2024, cash and cash equivalents (hereinafter "cash") amounted to ¥110,230 million as of the end of 2Q FY2024 as a result of an increase of ¥85,234 million through operating activities, a decrease of ¥298,199 million through investing activities and an increase of ¥240,431 million through financing activities.

Million yen

	2Q (From January 1, 2024 to June 30, 2024)	Previous 2Q (From January 1, 2023 to June 30, 2023)
Cash flows from operating activities	85,234	114,232
Cash flows from investing activities	(298,199)	(117,034)
Cash flows from financing activities	240,431	35,708
Cash and cash equivalents at end of period	110,230	171,206

Cash flows in each activity and the major contributing factors in 2Q FY2024 were presented as follows.

<Cash flows from operating activities>
Cash flows from operating activities was ¥85,234 million (decreased ¥28,997 million YoY). This was mainly attributable to ¥65,400 million in profit before income taxes with the main factors of leasing income from real estate and sales of real estate for sale, ¥21,817 million of a decrease in real estate for sale and ¥18,384 million income taxes paid.

<Cash flows from investing activities>
Cash flows from investing activities was negative ¥298,199 million (increased ¥181,165 million YoY). This was mainly attributable to ongoing development and reconstruction projects and acquisitions of new properties, both carried out from the perspective of constructing a competitive leasing portfolio that addresses the changing circumstances.

<Cash flows from financing activities>
Cash flows from financing activities was ¥240,431 million (increased ¥204,723 million YoY). This was mainly attributable to financing for above-mentioned development and reconstruction projects and restructuring of leasing portfolio.

(3) Notes Regarding Forward-looking Statements such as Forecasts of Consolidated Business Results

As the Company's business performance for 2Q FY2024 broadly proceeded according to plans, it has not made any changes to the forecasts of consolidated business results for the fiscal year ending December 31, 2024.

2. Consolidated Financial Statements (Unaudited)

(1) Quarterly Consolidated Balance Sheets (Unaudited)

(Million yen)

Item	At the end of 2Q (June 30, 2024)	At the end of previous fiscal year (December 31, 2023)
Assets		
Current assets		
Cash and deposits	110,345	82,878
Trade notes and accounts receivable and contract assets	11,536	8,992
Merchandise	227	24
Real estate for sale	295,961	263,089
Real estate for sale in process	2,027	2,871
Costs on construction contracts in progress	2	39
Supplies	428	373
Other	16,601	14,707
Allowance for doubtful accounts	(23)	(4)
Total current assets	437,107	372,973
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	248,615	235,329
Machinery, equipment and vehicles, net	16,556	11,991
Land	1,487,764	1,316,801
Construction in progress	39,788	42,755
Other, net	11,830	10,527
Total property, plant and equipment	1,804,555	1,617,405
Intangible assets		
Goodwill	14,510	4,164
Leasehold interests in land	66,290	70,695
Other	29,847	3,079
Total intangible assets	110,647	77,938
Investments and other assets		
Investment securities	372,732	328,463
Guarantee deposits	51,470	47,384
Deferred tax assets	992	947
Net defined benefit asset	675	752
Other	35,628	32,838
Allowance for doubtful accounts	(7)	(0)
Total investments and other assets	461,491	410,387
Total non-current assets	2,376,694	2,105,731
Deferred assets		
Total deferred assets	1,763	1,768
Total assets	2,815,565	2,480,472

(Million yen)

Item	At the end of 2Q (June 30, 2024)	At the end of previous fiscal year (December 31, 2023)
Liabilities		
Current liabilities		
Short-term borrowings	135,498	104,883
Short-term bonds payable	154,901	-
Current portion of bonds payable	120,000	30,000
Accrued expenses	6,643	4,523
Income taxes payable	21,900	18,760
Advances received	9,508	6,510
Provision for bonuses	975	532
Provision for bonuses for directors (and other officers)	187	382
Other	16,214	19,715
Total current liabilities	465,830	185,306
Non-current liabilities		
Bonds payable	324,000	381,000
Long-term borrowings	974,379	929,145
Deferred tax liabilities	83,850	73,210
Provision for share awards	3,033	3,238
Net defined benefit liability	4,466	1,706
Long-term guarantee deposits	98,340	93,307
Other	45,320	44,257
Total non-current liabilities	1,533,391	1,525,865
Total liabilities	1,999,221	1,711,172
Net assets		
Shareholders' equity		
Share capital	111,609	111,609
Capital surplus	137,738	137,731
Retained earnings	484,645	461,214
Treasury shares	(3,354)	(3,760)
Total shareholders' equity	730,638	706,794
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	67,236	58,943
Deferred gains or losses on hedges	(680)	(436)
Foreign currency translation adjustment	0	-
Remeasurements of defined benefit plans	284	355
Total accumulated other comprehensive income	66,841	58,862
New share acquisition rights	75	-
Non-controlling interests	18,789	3,643
Total net assets	816,344	769,300
Total liabilities and net assets	2,815,565	2,480,472

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income (Unaudited)

(Million yen)

Item	2Q (From January 1, 2024 to June 30, 2024)	Previous 2Q (From January 1, 2023 to June 30, 2023)
Operating revenue	204,852	183,950
Operating costs	106,591	91,192
Operating gross profit	98,261	92,758
Selling, general and administrative expenses	29,337	26,107
Operating profit	68,923	66,650
Non-operating income		
Interest income	30	28
Dividend income	2,167	1,829
Share of profit of entities accounted for using equity method	52	-
Termination of lease contracts	677	158
Other	390	505
Total non-operating income	3,318	2,521
Non-operating expenses		
Interest expenses	6,207	5,682
Share of loss of entities accounted for using equity method	-	405
Other	1,177	883
Total non-operating expenses	7,385	6,971
Ordinary profit	64,856	62,200
Extraordinary income		
Gain on sale of investment securities	5,445	21
Gain on investments in silent partnership, etc.	46	20
Compensation income	-	3,351
Other	53	206
Total extraordinary income	5,545	3,599
Extraordinary losses		
Loss on retirement of non-current assets	1,998	341
Loss on reconstructions of buildings	147	620
Impairment losses	31	540
Loss on step acquisitions	2,792	-
Other	30	86
Total extraordinary losses	5,000	1,589
Profit before income taxes	65,400	64,211
Income taxes - current	21,333	20,954
Income taxes - deferred	(249)	(871)
Total income taxes	21,083	20,083
Net income before non-controlling interests	44,317	44,127
Profit attributable to non-controlling interests	186	9
Profit attributable to owners of parent	44,130	44,117

Quarterly Consolidated Statements of Comprehensive Income (Unaudited)

(Million yen)

Item	2Q (From January 1, 2024 to June 30, 2024)	Previous 2Q (From January 1, 2023 to June 30, 2023)
Profit	44,317	44,127
Other comprehensive income		
Valuation difference on available-for-sale securities	8,484	14,466
Deferred gains or losses on hedges	(243)	(164)
Foreign currency translation adjustment	0	-
Remeasurements of defined benefit plans, net of tax	(84)	108
Share of other comprehensive income of entities accounted for using equity method	(177)	(47)
Total other comprehensive income	7,978	14,362
Comprehensive income	52,296	58,489
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	52,109	58,480
Comprehensive income attributable to non-controlling interests	186	9

(3) Quarterly Consolidated Statements of Cash Flows (Unaudited)

(Million yen)

Item	2Q (From January 1, 2024 to June 30, 2024)	Previous 2Q (From January 1, 2023 to June 30, 2023)
Cash flows from operating activities		
Profit before income taxes	65,400	64,211
Depreciation	8,503	8,126
Increase (decrease) in allowance for doubtful accounts	14	(30)
Increase (decrease) in provision for bonuses	(31)	(196)
Increase (decrease) in provision for bonuses for directors (and other officers)	(194)	(174)
Increase (decrease) in provision for share awards	178	206
Increase (decrease) in net defined benefit asset and liability	57	(53)
Interest and dividend income	(2,198)	(1,857)
Interest expenses	6,207	5,682
Share of loss (profit) of entities accounted for using equity method	(52)	405
Loss on retirement of non-current assets	1,998	341
Loss (gain) on sale of non-current assets	(0)	(133)
Loss (gain) on sale of investment securities	(5,445)	(21)
Loss (gain) on investments in silent partnership, etc.	(46)	(20)
Loss (gain) on step acquisitions	2,792	-
Decrease (increase) in trade receivables	(1,658)	(211)
Decrease (increase) in real estate for sale	21,817	59,833
Decrease (increase) in guarantee deposits	(1,037)	(6,640)
Increase (decrease) in guarantee deposits received	5,033	1,588
Decrease (increase) in other assets	4,279	(3,778)
Increase (decrease) in other liabilities	666	1,929
Subtotal	106,283	129,205
Interest and dividends received	3,431	2,387
Interest paid	(6,095)	(5,810)
Income taxes paid	(18,384)	(11,630)
Income taxes refund	0	80
Cash flows from operating activities	85,234	114,232
Cash flows from investing activities		
Payments into time deposits	(2,232)	(10)
Proceeds from withdrawal of time deposits	10	-
Purchase of property, plant and equipment	(244,711)	(104,333)
Purchase of intangible assets	(4,723)	(2,653)
Proceeds from sale of non-current assets	0	1,187
Purchase of investment securities	(53,195)	(3,729)
Proceeds from sale of investment securities	6,603	187
Proceeds from redemption of investment securities	8,982	136
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(8,508)	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	168	-
Loan advances	(47)	(47)
Proceeds from collection of loans receivable	0	2
Other, net	(545)	(7,774)
Cash flows from investing activities	(298,199)	(117,034)

Item	2Q (From January 1, 2024 to June 30, 2024)	Previous 2Q (From January 1, 2023 to June 30, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	13,856	-
Net increase (decrease) in short-term bonds payable	154,821	59,971
Proceeds from long-term borrowings	121,000	138,500
Repayments of long-term borrowings	(60,763)	(136,286)
Proceeds from issuance of bonds	62,604	39,855
Redemption of bonds	(30,000)	(50,000)
Purchase of treasury shares	(0)	(0)
Dividends paid	(20,699)	(16,866)
Proceeds from share issuance to non-controlling interests	—	800
Dividends paid to non-controlling interests	(120)	-
Other, net	(265)	(265)
Cash flows from financing activities	240,431	35,708
Foreign currency translation differences on cash and cash equivalents	0	-
Net increase (decrease) in cash and cash equivalents	27,466	32,906
Cash and cash equivalents at beginning of period	82,763	138,300
Cash and cash equivalents at end of period	110,230	171,206

(4) Footnotes on the Quarterly Consolidated Financial Statements

(Footnotes on the Assumption of Going Concern)

N/A

(Footnotes on Shareholders' Equity in Case of Significant Changes)

N/A

(Footnotes on Segment Information, etc.)

【Segment Information】

I. 2Q FY2024 (from January 1, 2024 to June 30, 2024)

1. Information on operating revenue, profit or loss by reportable segment

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Value recorded in the Quarterly Consolidated Statements of Income (Note 3)
	Real estate business	Insurance agency business (subsidiary)	Hotels / Ryokans (subsidiaries)	Total				
Operating revenue								
Outside customers	175,852	1,892	24,843	202,588	2,263	204,852	-	204,852
Inter-segment	4,687	-	141	4,829	2,218	7,047	(7,047)	-
Total	180,539	1,892	24,984	207,417	4,482	211,899	(7,047)	204,852
Segment profit	72,839	587	1,532	74,959	187	75,146	(6,223)	68,923

Notes:

1. The category of "Others" included business segments that were not included in the reportable segments, such as general construction, design / construction management, etc.
2. Adjustment of segment profit of negative ¥6,223 million included elimination of intersegment transactions of ¥323 million and corporate expenses of negative ¥6,546 million which were not distributed to reportable segments. Corporate expenses were expenses mainly related to general administrative departments that did not belong to reportable segments.
3. Segment profit was adjusted with operating profit reported in the Quarterly Consolidated Statements of Income.

2. Information on impairment losses on non-current assets and goodwill for each reportable segment:

The information was omitted because it was immaterial.

II. 2Q FY2023 (from January 1, 2023 to June 30, 2023)

1. Information on operating revenue, profit or loss by reportable segment

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Value recorded in the Quarterly Consolidated Statements of Income (Note 3)
	Real estate business	Insurance agency business (subsidiary)	Hotels / Ryokans (subsidiaries)	Total				
Operating revenue								
Outside customers	159,937	1,818	19,693	181,449	2,501	183,950	-	183,950
Inter-segment	3,673	-	143	3,817	563	4,380	(4,380)	-
Total	163,610	1,818	19,837	185,266	3,064	188,330	(4,380)	183,950
Segment profit	71,239	578	224	72,041	313	72,354	(5,703)	66,650

Notes:

1. The category of "Others" included business segments that were not included in the reportable segments, such as general construction, design / construction management, etc.
2. Adjustment of segment profit of negative ¥5,703 million included elimination of intersegment transactions of ¥390 million and corporate expenses of negative ¥6,094 million, which were not distributed to reportable segments. Corporate expenses were expenses mainly related to general administrative departments that did not belong to reportable segments.
3. Segment profit was adjusted with operating profit reported in the Quarterly Consolidated Statements of Income.

2. Information on impairment losses on non-current assets and goodwill for each reportable segment:

The information was omitted because it was immaterial.