



# Fiscal Year March 2024 Earnings Announcement (Japanese GAAP)

May 14, 2024

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 of the annual meeting of shareholders:

June 21, 2024

Scheduled date to file Securities Report:

June 24, 2024

Scheduled date to commence dividend payment:

June 24, 2024

Preparation of supplemental information of 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 2024 Consolidated Earnings Results (From April 1, 2023 to March 31, 2024)

### (1) Consolidated Earnings

(% indicates changes from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/24	86,418	9.0	8,943	6.1	7,599	4.4	4,806	5.5
FY3/23	79,286	(0.3)	8,425	25.9	7,280	27.9	4,557	48.5

(Note) Comprehensive income: FY3/24 ¥6,100 million (14.5%) FY3/23 ¥5,328 million (37.2%)

	Earnings per Share	Diluted Earnings per Share	ROE	ROA	Operating Margin
	Yen	Yen	%	%	%
FY3/24	135.32	135.28	13.1	4.9	10.3
FY3/23	128.83	128.62	13.8	5.3	10.6

(Reference) Share of profit (loss) of entities accounted for using equity method FY3/24 ¥(433)million FY3/23 ¥(458) million

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
As of March 31, 2024	164,399	46,858	23.6	1,091.23
As of March 31, 2023	147,504	42,663	23.6	983.48

(Reference) Shareholders' equity: As of March 31, 2024 ¥38,795 million As of March 31, 2023 ¥34,794 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
FY3/24	186	(2,407)	2,413	29,001
FY3/23	(7,532)	(178)	5,932	28,623

## 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	%	%
FY3/23	—	24.00	—	28.00	52.00	1,865	40.4	5.6
FY3/24	—	27.00	—	28.00	55.00	1,982	40.6	5.3
FY3/25 (Forecast)	—	29.00	—	29.00	58.00		40.4	

## 3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 2025 (From April 1, 2024 to March 31, 2025)

(% indicates changes from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Earnings per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	97,000	12.2	9,400	5.1	8,000	5.3	5,100	6.1	143.45

**\* 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: No

(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, 2024	36,916,775 shares	March 31, 2023	36,916,775 shares
March 31, 2024	1,365,112 shares	March 31, 2023	1,537,512 shares
FY3/24	35,519,501 shares	FY3/23	35,379,263 shares

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

(c) Average number of shares during the period

The number of treasury shares includes 498,150 shares of the Company's stock held by the Board Benefit Trust as of March 31, 2024.

(Reference) Summary of Non-Consolidated Earnings Results

1. Fiscal Year March 2024 Non-Consolidated Earnings Results (From April 1, 2023 to March 31, 2024)

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

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/24	6,133	(11.0)	4,071	(18.3)	4,617	(14.6)	4,550	(14.7)
FY3/23	6,890	229.9	4,986	—	5,406	—	5,334	—

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
FY3/24	128.12	128.09
FY3/23	150.79	150.55

(2) Non-Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FY3/24	49,393	25,981	52.6	730.81
FY3/23	46,762	22,784	48.7	644.00

(Reference) Shareholders' equity: As of March 31, 2024 ¥25,981 million

As of March 31, 2023 ¥22,784 million

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

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

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

\*The year-on-year percentage change exceeding 1,000% or negative figures in FY3/24 and/or FY3/23 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 backed by normalization of the economic activities after the COVID-19 pandemic and the recovery of inbound demand in addition to rising prices and an increase in corporate wage reflecting such trend. On the other hand, the economic outlook remained uncertain mainly because of concerns over the tightening of monetary policy around the world, a rising inflation, and increasing geopolitical risks.

In the real estate industry, there are concerns over a rise in construction material prices, labor shortages and interest rate hike associated with the lifting of the negative interest rate policy while the housing sales market saw solid housing demand, and sales prices in central Tokyo and prime locations in regional cities are on an upward trend against a backdrop of changes in the social structure such as increasing nuclear families and dual-income households and aging population. In the real estate investment market, demand for investment in real estate in Japan remains brisk supported by a favorable fund-raising environment in Japan compared to overseas countries.

Under such business environment, during the consolidated fiscal year under review, the Group made steady progress toward the Medium-Term Management Plan (for FY3/22 to FY3/26) mainly due to the improvement in profitability in our mainstay Real Estate Development as well as in CCRC and an increase in the number of buildings sold in the Real Estate Investment. As a result, we posted net sales of ¥86,418 million (up 9.0% year over year), operating income of ¥8,943 million (up 6.1% year over year), ordinary income of ¥7,599 million (up 4.4% year over year), and profit attributable to owners of parent of ¥4,806 million (up 5.5% year over year). During the consolidated fiscal year under review, the number of delivered units was 1,374 units, 17 buildings and 1 block, and the number of units under management as of the end of the consolidated fiscal year under review was 23,565 units.

(Million yen)

Consolidated earnings	FY3/23	FY3/24	Changes	(Million yen)	
				Full-year forecasts	Comparison to forecasts
Net sales	79,286	86,418	7,131	90,000	(3,581)
Operating income	8,425	8,943	517	8,600	343
Ordinary income	7,280	7,599	319	7,500	99
Profit attributable to owners of parent	4,557	4,806	248	4,800	6

(Units)

Number of units delivered	FY3/23	FY3/24	Changes	(Units)	
				Full-year forecasts	Comparison to forecasts
Condominium apartments	1,146	1,066	(80)	1,118	(52)
Condominium apartments for seniors	287	256	(31)	242	14
Detached houses	39	52	13	55	(3)
Total	1,472	1,374	(98)	1,415	(41)

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

(Buildings)

Number of buildings sold	FY3/23	FY3/24	Changes	(Buildings)	
				Full-year forecasts	Comparison to forecasts
Inventories (income-producing properties)	4	8 Buildings and 1 Block	4 Buildings and 1 Block	10	(1)
Inventories (flats)	5	9	4	13	(4)
Total	9	17 Buildings and 1 Block	8 Buildings and 1 Block	23	(5)

Results by segment are as follows.

(I) Real Estate Development

During the consolidated fiscal year under review, the Group recorded net sales of ¥50,862 million (up 1.9% year over year) and operating income of ¥4,152 million (down 35.2% year over year) due to a delivery of 1,118 units of condominium apartments and detached houses including “Duo Hills Tawaramoto Ekimae” (Shiki-gun, Nara Prefecture), “Duo Hills Hijiyama Residence” (Hiroshima City, Hiroshima Prefecture) and “Duo Avenue Shin-itabashi” (Kita-ku, Tokyo), etc. Overall, the segment posted an increase in net sales but a decrease in income due to a year-on-year decrease in the number of units delivered of condominium apartments and detached houses despite a sales increase due to the contribution of Home Stage Co., Ltd., which became our consolidated subsidiary in December 2022.

(II) CCRC

During the consolidated fiscal year under review, the Group recorded net sales of ¥12,083 million (down 8.2% year over year) and operating income of ¥2,193 million (up 40.6 % year over year) due to a delivery of 256 units including “DUO SCENE Yokohama Kawawa-Cho Garden” (Yokohama City, Kanagawa Prefecture) as condominium apartments for seniors. Overall, the segment posted a decrease in net sales but an increase in operating income due to an improvement in profitability despite a year-on-year decrease in the number of units delivered.

(III) Real Estate Investment

During the consolidated fiscal year under review, the Group recorded net sales of ¥15,665 million (up 68.5% year over year) and operating income of ¥2,251 million (up 3,954.5% year over year). Overall, the segment posted an increase in both net sales and operating income mainly due to a year-on-year increase in the number of buildings sold in inventories (income-producing properties and flats).

(1) Real Estate Sales

We recorded net sales of ¥12,162 million (up 101.5% year over year) due to a delivery of 17 buildings and 1 Block of inventories (income-producing properties and flats) such as “Due Flats Itabashi-honcho” (Itabashi-ku, Tokyo) and “Duo Maison Akabane” (Kita-ku, Tokyo), etc.

(2) Rental Revenue

We recorded net sales of ¥3,133 million (up 8.2% year over year) due to the stable operation of owned income-producing properties.

(IV) Condominium Management and Related Services

During the consolidated fiscal year under review, the Group recorded net sales of ¥7,806 million (up 13.0% year over year) and operating income of ¥334 million (down 15.3% year over year). Overall, the segment posted an increase in net sales but a decrease in operating income mainly due to an increase in personnel costs while net sales increased due to an increase in the number of units under management.

(1) Condominium Management

We recorded net sales of ¥2,123 million (up 5.6% year over year) due to the start of the new management contracting of “Duo Hills Tawaramoto Ekimae” (Shiki-gun, Nara Prefecture), “Duo Hills Hijiyama Residence” (Hiroshima City, Hiroshima Prefecture), etc. in condominium management.

(2) Sports Club Operation Revenue

We recorded net sales of ¥3,709 million (up 3.3% year over year) mainly due to the operation of sports clubs.

(3) Other Income

We recorded net sales of ¥1,973 million (up 50.9% year over year) in the hotel business, PFI and consigned construction, etc.

(Million yen)

Net sales	FY3/23	FY3/24	Changes
Real Estate Development	49,916	50,862	946
CCRC	13,166	12,083	(1,082)
Real Estate Investment	9,295	15,665	6,369
Condominium Management and Related Services	6,908	7,806	897
Corporate/ elimination	—	—	—
Total	79,286	86,418	7,131

(Million yen)

Operating income	FY3/23	FY3/24	Changes
Real Estate Development	6,410	4,152	(2,258)
CCRC	1,559	2,193	633
Real Estate Investment	55	2,251	2,195
Condominium Management and Related Services	395	334	(60)
Corporate/ elimination	5	12	7
Total	8,425	8,943	517

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

## Assets, liabilities, and net assets

As of the end of the consolidated fiscal year under review, due mainly to an increase in inventories attributable to the progress of procurement of income-producing properties and land for condominium apartments, total assets amounted to ¥164,399 million (up 11.5% from March 31, 2023), total liabilities amounted to ¥117,541 million (up 12.1% from March 31, 2023) and total net assets amounted to ¥46,858 million (up 9.8% from March 31, 2023).

(Million yen)

	As of March 31, 2023	As of March 31, 2024	Changes
Total assets	147,504	164,399	16,895
Total liabilities	104,840	117,541	12,700
(of which, interest-bearing debt)	85,785	90,664	4,878
Net assets	42,663	46,858	4,194
Equity ratio	23.6%	23.6%	—
D/E ratio	2.0 times	1.9 times	—
ROA	5.3%	4.9%	—
ROE	13.8%	13.1%	—

(Notes) 1. Interest-bearing debt include short-term loans payable, current portion of bonds, current portion of long-term loans payable, bonds, and long-term loans payable.

2. D/E ratio: Interest-bearing debt/net assets

### (3) Overview of cash flows during the consolidated fiscal year under review

During the consolidated fiscal year under review, cash and cash equivalents increased by ¥377 million to ¥29,001 million mainly due to increased cash inflows resulting from proceeds of loans payable despite increased cash outflows resulting from an increase in inventories.

(Million yen)

	FY3/23	FY3/24
Cash flows from operating activities	(7,532)	186
Cash flows from investing activities	(178)	(2,407)
Cash flows from financing activities	5,932	2,413
Cash and cash equivalents at end of period	28,623	29,001

Conditions of cash flows during the consolidated fiscal year under review and relevant factors are as follows:

#### (I) Cash flows from operating activities

Net cash provided by operating activities was ¥186 million (¥7,532 million used in the previous fiscal year), which was mainly due to recording income before income taxes and an increase in inventories.

#### (II) Cash flows from investing activities

Net cash used in investing activities was ¥2,407 million (¥178 million used in the previous fiscal year), which was mainly due to purchase of property, plant and equipment and intangible assets.

#### (III) Cash flows from financing activities

Net cash provided by financing activities was ¥2,413 million (¥5,932 million provided in the previous fiscal year), which was mainly due to an increase in short-term loans payable.

#### (Reference) Cash flow-related indicators

	FY3/22	FY3/23	FY3/24
Equity Ratio (%)	24.4	23.6	23.6
Equity Ratio (market capitalization-based) (%)	18.0	19.8	24.4

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) Outlook for the next fiscal year

The consolidated earnings forecasts for the fiscal year ending March 31, 2025 are net sales of ¥97,000 million, operating income of ¥9,400 million, ordinary income of ¥8,000 million and profit attributable to owners of parent of ¥5,100 million.

For the fiscal year ending March 31, 2025, the number of units of condominium apartments, condominium apartments for seniors and detached houses to be delivered is forecasted to be a total of 1,239 units, and the number of buildings of inventories (income-producing properties and flats) to be sold is forecast to be a total of 25 buildings.

(Million yen)

Consolidated earnings forecasts	FY3/24	FY3/25	Changes
Net sales	86,418	97,000	10,581
Operating income	8,943	9,400	456
Ordinary income	7,599	8,000	400
Profit attributable to owners of parent	4,806	5,100	293

Number of units to be delivered	Number of units to be delivered (Units)	Number of contracts signed (Units)	Progress
Condominium apartments	1,157	517	44.7%
Condominium apartments for seniors	67	15	22.4%
Detached houses	15	1	6.7%
Total	1,239	533	43.0%

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

(Buildings)

Number of units to be sold	Number of buildings to be sold
Inventories (income-producing properties)	13
Inventories (flats)	12
Total	25



(5) Basic policy regarding the distribution of profits for the current and next fiscal years

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 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 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.

For the fiscal year ended March 31, 2024, we will pay the annual dividend per share of ¥55. Combined with the interim dividend per share of ¥27 already paid, the year-end dividend totals ¥28 per share.

For the fiscal year ending March 31, 2025, we plan to pay dividends per share of ¥58 (¥29 as interim dividend and ¥29 as year-end dividend).

2. Basic Policy for the Selection of Accounting Standards

The policy of the Group for the moment is to prepare consolidated financial statements under the Japanese GAAP in consideration of the comparability of the consolidated financial statements between periods and 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, 2023)	End of Fiscal Year under Review (March 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	30,640	30,709
Accounts receivable - trade	479	991
Merchandise	22	19
Real estate for sale	22,455	19,279
Real estate for sale in process	55,627	75,748
Operational investment securities	606	909
Prepaid expenses	1,575	1,498
Other	6,238	3,611
Allowance for doubtful accounts	(117)	(124)
Total current assets	117,527	132,643
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,605	18,842
Accumulated depreciation	(5,888)	(6,702)
Buildings and structures, net	13,717	12,140
Machinery, equipment and vehicles	45	60
Accumulated depreciation	(33)	(34)
Machinery, equipment and vehicles, net	12	26
Tools, furniture and fixtures	499	537
Accumulated depreciation	(431)	(452)
Tools, furniture and fixtures, net	68	85
Land	9,158	10,870
Leased assets	1,314	1,350
Accumulated depreciation	(878)	(900)
Leased assets, net	435	449
Construction in progress	—	119
Total property, plant and equipment	23,391	23,691
Intangible assets		
Goodwill	219	191
Other	363	631
Total intangible assets	582	822
Investments and other assets		
Investment securities	2,504	3,122
Long-term loans receivable	334	504
Deferred tax assets	1,071	1,300
Other	2,098	2,332
Allowance for doubtful accounts	(5)	(16)
Total investments and other assets	6,003	7,243
Total non-current assets	29,977	31,756
Total assets	147,504	164,399

(Million yen)

	End of Previous Fiscal Year (March 31, 2023)	End of Fiscal Year under Review (March 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,392	3,294
Electronically recorded obligations - operating	2,347	6,289
Short-term loans payable	5,239	9,857
Current portion of bonds	431	2,804
Current portion of long-term loans payable	13,775	13,252
Income taxes payable	1,512	2,006
Advances received	3,990	5,256
Provision for bonuses	368	370
Provision for bonuses for directors (and other officers)	28	18
Provision for after-sales services	24	31
Other	3,775	5,160
Total current liabilities	33,884	48,342
Non-current liabilities		
Bonds	7,938	5,365
Long-term loans payable	58,401	59,384
Deferred tax liabilities	1,078	1,065
Provision for share awards for directors	268	257
Net defined benefit liability	12	12
Asset retirement obligations	952	895
Other	2,304	2,216
Total non-current liabilities	70,956	69,198
Total liabilities	104,840	117,541
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	10,878	10,843
Retained earnings	18,907	21,743
Treasury shares	(1,002)	(893)
Total shareholders' equity	33,783	36,693
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	205	757
Foreign currency translation adjustment	805	1,343
Total accumulated other comprehensive income	1,011	2,101
Subscription rights to shares	0	—
Non-controlling interests	7,869	8,063
Total net assets	42,663	46,858
<b>Total liabilities and net assets</b>	<b>147,504</b>	<b>164,399</b>

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

(Million yen)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Fiscal Year under Review (From April 1, 2023 to March 31, 2024)
Net sales	79,286	86,418
Cost of sales	60,203	65,980
Gross profit	19,083	20,437
Selling, general and administrative expenses	10,657	11,494
Operating income	8,425	8,943
Non-operating income		
Interest income	56	108
Dividend income	173	286
Contract cancellations	90	120
Foreign exchange gains	71	—
Subsidy income	108	—
Surrender value of insurance policies	103	—
Gain on investments in partnership	—	186
Other	66	159
Total non-operating income	669	860
Non-operating expenses		
Interest expenses	1,047	1,215
Commission fee	255	360
Foreign exchange losses	—	158
Share of loss of entities accounted for using equity method	458	433
Other	54	35
Total non-operating expenses	1,815	2,203
Ordinary income	7,280	7,599
Extraordinary income		
Gain on sales of non-current assets	4	12
Gain on sales of other securities	—	5
Gain on sales of other securities of subsidiaries and associates	72	—
Total extraordinary income	76	18
Extraordinary losses		
Impairment losses	5	70
Loss on retirement of non-current assets	—	2
Loss on valuation of shares of subsidiaries and associates	—	19
Loss on disaster	4	4
Loss on store closings	60	7
Total extraordinary losses	69	105
Income before income taxes	7,286	7,512
Income taxes - current	2,204	2,906
Income taxes - deferred	271	(398)
Total income taxes	2,475	2,508
Profit	4,810	5,004
Profit attributable to non-controlling interests	253	198
Profit attributable to owners of parent	4,557	4,806

## Consolidated Comprehensive Income Statement

(Million yen)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Fiscal Year under Review (From April 1, 2023 to March 31, 2024)
Profit	4,810	5,004
Other comprehensive income		
Valuation difference on available-for-sale securities	(20)	551
Foreign currency translation adjustment	592	624
Share of other comprehensive income of entities accounted for using equity method	(54)	(80)
Total other comprehensive income	517	1,096
Comprehensive income	5,328	6,100
Comprehensive income attributable to:		
Owners of parent	5,056	5,896
Non-controlling interests	271	204

### (3) Consolidated Statement of Changes in Shareholders' Equity

Previous Fiscal Year (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	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
Increase 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			Subscription rights to shares	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	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
Increase 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

Fiscal Year under Review (From April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year	5,000	10,878	18,907	(1,002)	33,783
Changes of items during period					
Dividends of surplus			(1,979)		(1,979)
Profit attributable to owners of parent			4,806		4,806
Disposal of treasury shares		(34)		68	33
Increase in retained earnings due to deconsolidation			9		9
Disposal of treasury shares by Board Benefit Trust				41	41
Net changes in items other than shareholders' equity					
Total changes during period	—	(34)	2,835	109	2,910
Balance at the end of the year	5,000	10,843	21,743	(893)	36,693

	Accumulated other comprehensive income			Subscription rights to shares	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	205	805	1,011	0	7,869	42,663
Changes of items during period						
Dividends of surplus						(1,979)
Profit attributable to owners of parent						4,806
Disposal of treasury shares						33
Increase in retained earnings due to deconsolidation						9
Disposal of treasury shares by Board Benefit Trust						41
Net changes in items other than shareholders' equity	551	537	1,089	(0)	194	1,284
Total changes during period	551	537	1,089	(0)	194	4,194
Balance at the end of the year	757	1,343	2,101	—	8,063	46,858

## (4) Consolidated Cash Flow Statement

(Million yen)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Fiscal Year under Review (From April 1, 2023 to March 31, 2024)
<b>Cash flows from operating activities</b>		
Income before income taxes	7,286	7,512
Depreciation	1,457	1,611
Amortization of goodwill	18	28
Loss on valuation of shares of subsidiaries and associates	—	19
Impairment loss	5	70
Loss (gain) on sales of non-current assets	(4)	(10)
Gain on sale of available-for-sale securities	—	(5)
Increase (decrease) in allowance for doubtful accounts	(6)	3
Increase (decrease) in provision for bonuses	58	2
Increase (decrease) in provision for bonuses for directors (and other officers)	28	(9)
Increase (decrease) in provision for share awards for directors (and other officers)	44	30
Increase (decrease) in net defined benefit liability	(137)	(0)
Increase (decrease) in provision for after-sales services	(13)	7
Interest and dividend income	(229)	(394)
Interest expenses	1,047	1,215
Share of loss (profit) of entities accounted for using equity method	458	433
Foreign exchange losses (gains)	(71)	158
Subsidy income	(108)	—
Decrease (increase) in notes and accounts receivable - trade	254	(512)
Decrease (increase) in inventories	(15,604)	(15,920)
Decrease (increase) in operational investment securities	14	(274)
Decrease (increase) in prepaid expenses	(208)	18
Increase (decrease) in notes and accounts payable - trade	378	4,843
Decrease (increase) in consumption taxes refund receivable	(191)	(152)
Increase (decrease) in accrued consumption taxes	(179)	(274)
Increase (decrease) in advances received	88	1,266
Increase (decrease) in deposits received	203	(248)
Increase (decrease) in other payables	702	1,914
Other	308	1,664
Subtotal	(4,397)	2,998
Interest and dividends received	352	394
Interest paid	(1,063)	(1,153)
Subsidies received	108	—
Income taxes refund received	27	1,179
Income taxes paid	(2,560)	(3,233)
Net cash provided by (used in) operating activities	(7,532)	186



(Million yen)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Fiscal Year under Review (From April 1, 2023 to March 31, 2024)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(571)	(2,569)
Proceeds from sales of property, plant and equipment and intangible assets	108	32
Purchase of investment securities	(23)	(124)
Proceeds from sales of investment securities	57	—
Proceeds from distribution of investment securities	592	398
Proceeds from sales of other securities of subsidiaries and associates	700	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(267)	—
Purchase of securities	—	(422)
Proceeds from sales of securities	—	209
Payments of loans receivable	(727)	(172)
Collection of loans receivable	574	338
Payments into time deposits	(609)	(140)
Proceeds from withdrawal of time deposits	650	91
Transfer to escrow account	(1,100)	—
Other	437	(49)
Net cash provided by (used in) investing activities	(178)	(2,407)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(3,380)	4,479
Proceeds from long-term loans payable	38,707	31,784
Repayments of long-term loans payable	(28,625)	(31,550)
Proceeds from issuance of bonds	500	250
Redemption of bonds	(595)	(463)
Proceeds from share issuance to non-controlling shareholders	40	26
Proceeds from disposal of treasury shares resulting from exercise of subscription rights to shares	—	33
Dividends paid	(1,537)	(1,980)
Repayments to non-controlling shareholders	(22)	(10)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(101)	(1)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	5	—
Withdrawal of limited purpose deposit	1,157	357
Other	(213)	(512)
Net cash provided by (used in) financing activities	5,932	2,413
Effect of exchange rate change on cash and cash equivalents	257	187
Net increase (decrease) in cash and cash equivalents	(1,519)	379
Cash and cash equivalents at beginning of period	30,143	28,623
Decrease in cash and cash equivalents due to deconsolidation	—	(2)
Cash and cash equivalents at end of period	28,623	29,001

## (5) Matters to be Noted regarding 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 four segments: "Real Estate Development" handling newly built condominium apartments for families and singles and detached houses; "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.; and "Condominium Management and Related Services" handling mainly condominium management service and hotel businesses and sports club 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 and transfers are based on market prices.

3. Information concerning net sales, income or losses, assets, liabilities and other items by reportable segment  
Previous Fiscal Year (From April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable Segment					Adjustment	Consolidated financial statements amount
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Total		
Net sales							
Sales to external customers	49,916	13,166	9,295	6,908	79,286	—	79,286
Intersegment sales or transfers	—	—	314	188	503	(503)	—
Total	49,916	13,166	9,610	7,097	79,789	(503)	79,286
Segment income	6,410	1,559	55	395	8,420	5	8,425
Segment assets	49,289	9,210	59,216	2,333	120,050	27,454	147,504
Other items							
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 (loss) 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.

Fiscal Year under Review (From April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable Segment					Adjustment	Consolidated financial statements amount
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Total		
Net sales							
Sales to external customers	50,862	12,083	15,665	7,806	86,418	—	86,418
Intersegment sales or transfers	16	—	822	136	975	(975)	—
Total	50,878	12,083	16,487	7,943	87,394	(975)	86,418
Segment income	4,152	2,193	2,251	334	8,931	12	8,943
Segment assets	53,374	9,849	72,766	2,625	138,615	25,784	164,399
Other items							
Depreciation	18	3	1,452	44	1,519	92	1,611
Amortization of goodwill	14	—	2	11	28	—	28
Impairment losses	55	—	—	14	70	—	70
Investments in entities accounted for using equity method	—	—	555	—	555	—	555
Increases in property, plant and equipment and intangible assets	19	1	2,125	122	2,268	375	2,643

- (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 ¥5 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 ¥(49) million, the amounts unable to be allocated to reportable segments of ¥16,692 million and assets of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥9,141 million.
  4. The adjustment for depreciation consists of the amounts unable to be allocated to reportable segments of ¥0 million and depreciation of the holding company (the filing company of the consolidated financial statements) not allocated to reportable segments of ¥91 million.
  5. The adjustment for increases in property, plant and equipment and intangible assets represents an increase of ¥375 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 due to a change in holding purpose, but this change has no impact on segment income.
  7. 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 fiscal year is prepared under the new segmentation.

[Related information]

Previous Fiscal Year (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.

Fiscal Year under Review (From April 1, 2023 to March 31, 2024)

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	72,576	3,426	2,123	3,709	4,582	86,418

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 by reportable segment]

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

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

Fiscal Year under Review (From April 1, 2023 to March 31, 2024)

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

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

Previous Fiscal Year (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	Subtotal		
Amortization amount for the year	4	—	2	11	18	—	18
Impairment loss for the year	—	—	—	—	—	—	—
Year-end balance	68	—	10	139	219	—	219

Fiscal Year under Review (From April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable Segment					Corporate and elimination	Total
	Real Estate Development	CCRC	Real Estate Investment	Condominium Management and Related Services	Subtotal		
Amortization amount for the year	14	—	2	11	28	—	28
Impairment loss for the year	—	—	—	—	—	—	—
Year-end balance	53	—	8	128	191	—	191

[Information about gain on bargain purchase by reportable segment]

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

Not applicable.

Fiscal Year under Review (From April 1, 2023 to March 31, 2024)

Not applicable.

(Per share information)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Fiscal Year under Review (From April 1, 2023 to March 31, 2024)
Net assets per share	¥983.48	¥1,091.23
Earnings per share	¥128.83	¥135.32
Diluted earnings per share	¥128.62	¥135.28

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

Item	End of Previous Fiscal Year (March 31, 2023)	End of Fiscal Year under Review (March 31, 2024)
Total net assets (Million yen)	42,663	46,858
Amount deducted from total net assets (Million yen)	7,869	8,063
(Of which, subscription rights to shares (Million yen))	(0)	(—)
(Of which, non-controlling interests (Million yen))	(7,869)	(8,063)
Net assets at end of year attributable to common stock (Million yen)	34,794	38,795
Number of outstanding common stock (Shares)	36,916,775	36,916,775
Number of treasury shares of common stock (Shares)	1,537,512	1,365,112
Number of common stock used to calculate net assets per share (Shares)	35,379,263	35,551,663

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

Item	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Fiscal Year under Review (From April 1, 2023 to March 31, 2024)
Earnings per share		
Profit attributable to owners of parent (Million yen)	4,557	4,806
Amounts not attributable to common stock shareholders (Million yen)	—	—
Profit attributable to owners of parent related to common stock (Million yen)	4,557	4,806
Average number of common stock during the year (Shares)	35,379,263	35,519,501
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Million yen)	—	—
Increase in common stock (Shares)	57,143	9,174
(Of which, subscription rights to shares (Shares))	(57,143)	(9,174)
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, 2023 and 2024 was 570,550 shares and 498,150 shares, respectively.  
The average number of treasury shares during the year deducted for the calculation of earnings per share for the fiscal years ended March 31, 2023 and 2024 was 464,906 shares and 515,557 shares, respectively.

(Important subsequent events)

Not applicable.



#### 4. Other Information

##### (1) Records of Sales

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Fiscal Year under Review (From April 1, 2023 to March 31, 2024)	YoY Change (%)
Segment Name	Net sales (Million yen)	Net sales (Million yen)	
(I) Real Estate Development			
(1) Real Estate Sales	49,277	49,770	101.0
(2) Other Income	638	1,092	171.0
Total Real Estate Development	49,916	50,862	101.9
(II) CCRC			
(1) Real Estate Sales	11,793	10,643	90.3
(2) Other Income	1,372	1,440	104.9
Total CCRC	13,166	12,083	91.8
(III) Real Estate Investment			
(1) Real Estate Sales	6,035	12,162	201.5
(2) Rental Revenue	2,896	3,133	108.2
(3) Other Income	363	368	101.5
Total Real Estate Investment	9,295	15,665	168.5
(IV) Condominium Management and Related Services			
(1) Condominium Management	2,010	2,123	105.6
(2) Sports Club Operation Revenue	3,589	3,709	103.3
(3) Other Income	1,308	1,973	150.9
Total Condominium Management and Related Services	6,908	7,806	113.0
Total	79,286	86,418	109.0

(Notes) Intersegment transactions are offset and omitted.

(2) Real Estate Sales Information

	Previous Fiscal Year (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 (Note) 2			¥50,021 million (119.2%)			¥49,277 million (135.7%)			¥30,447 million (119.4%)		
CCRC	66 Units	— Block	— Building	313 Units	— Block	— Building	287 Units	— Block	— Building	92 Units	— Block	— Building
	¥3,034 million			¥12,788 million (92.4%)			¥11,793 million (60.9%)			¥4,029 million (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			¥5,729 million (49.4%)			¥6,035 million (47.2%)			¥357 million (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			¥68,538 million (101.7%)			¥67,106 million (98.0%)			¥34,834 million (119.3%)		

	Fiscal Year under Review (From April 1, 2023 to March 31, 2024)											
	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	964 Units	1 Block	— Building	1,118 Units	2 Blocks	— Building	555 Units	— Block	— Building
	¥30,447 million			¥43,639 million (87.2%)			¥49,770 million (101.0%)			¥24,316 million (79.9%)		
CCRC	92 Units	— Block	— Building	179 Units	— Block	— Building	256 Units	— Block	— Building	15 Units	— Block	— Building
	¥4,029 million			¥7,352 million (57.5%)			¥10,643 million (90.3%)			¥738 million (18.3%)		
Real Estate Investment	— Unit	— Block	1 Building	— Units	1 Block	17 Buildings	— Unit	1 Block	17 Buildings	— Units	— Block	1 Building
	¥357 million			¥12,654 million (220.9%)			¥12,162 million (201.5%)			¥850 million (237.7%)		
Total	801 Units	1 Block	1 Building	1,143 Units	2 Blocks	17 Buildings	1,374 Units	3 Blocks	17 Buildings	570 Units	— Block	1 Building
	¥34,834 million			¥63,647 million (92.9%)			¥72,576 million (108.2%)			¥25,905 million (74.4%)		

- (Note) 1. Transaction volume represents 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 rounding down to the nearest integer.
2. Outstanding Contracts at Beginning of Period and Transaction volume for the previous fiscal year do not include those of Home Stage Co., Ltd. which was included in the scope of consolidation during the period.
3. In the Real Estate Development, sale of interest in joint venture properties to joint venture partners is excluded from the number of units above.