FOR IMMEDIATE RELEASE

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Notice Concerning Partial Amendment to Consolidated Financial Statements for the three months ended June 30, 2021 through to Consolidated Financial Statements for the nine months ended December 31, 2023

The Company hereby announced that it has corrected some of the information contained in its financial statements for the past fiscal years as follows.

1. Reason for correction

In order to adopt an alternative interpretation of accounting standards and to bring the Company's accounting policies in line with the industry practice, the Company amended certain statements as follows.

2. Impact of corrections on prior year results

There is no impact on prior year results.

3. Details of correction

Reclassification of breakdown of net sales in Notes (Segment Information), and correction of (Changes in accounting policies) and (Information per share).

Corrections are indicated by underlining.

4. Financial statements to be corrected

(1) Consolidated Financial Statements (Japanese Accounting Standard) (For the three months ended June 30, 2021)
(2) Consolidated Financial Statements (Japanese Accounting Standard) (For the six months ended September 30, 2021)
(3) Consolidated Financial Statements (Japanese Accounting Standard) (For the nine months ended December 31, 2021)
(4) Consolidated Financial Statements (Japanese Accounting Standard) (For the Fiscal Year 2021)
(5) Consolidated Financial Statements (Japanese Accounting Standard) (For the three months ended June 30, 2022)
(6) Consolidated Financial Statements (Japanese Accounting Standard) (For the six months ended September 30, 2022)
(7) Consolidated Financial Statements (Japanese Accounting Standard) (For the nine months ended December 31, 2022)
(8) Consolidated Financial Statements (Japanese Accounting Standard) (For the Fiscal Year 2022)
(9) Consolidated Financial Statements (Japanese Accounting Standard) (For the three months ended June 30, 2023)
(10) Consolidated Financial Statements (Japanese Accounting Standard) (For the six months ended September 30, 2023)
(11) Consolidated Financial Statements (Japanese Accounting Standard) (For the nine months ended December 31, 2023)

(1) Consolidated Financial Statements (Japanese Accounting Standard) (For the three months ended June 30, 2021)

[Changes in accounting policies]

[Before correction]

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) from the beginning of Q1 in FY ending March 31, 2022 and started to recognize the revenue when the Company transfers a promised goods or services to a customer with the amount which the Company expects to receive from the customer as a consideration. As a result, instead of recognizing revenue in one go for key money, reduction of rent, handling charge for monthly rental contract, and other handling charges for service provision, such revenue have been divided by the tenants' average staying period in the apartment on a pro rata basis. The whole income from *LEONET* service used to be recognized as a revenue prior to the change but the new amount of revenue is the income from *LEONET* users deducted by the Company's cost payable to the service supplier.

At the application of the new accounting policy based on the Accounting Standard for Revenue Recognition, the Company followed the specific transitional handling as stated in the item 84 of the Accounting Standard for Revenue Recognition. The Company adjusted the beginning retained earnings by cumulative-effect amount to reflect the retrospective application of account processing from the beginning of Q1 ended June 30, 2021. However, the Company has not applied the accounting policy in accordance with the item 86 of the said Accounting Standard for the contracts with most of the revenue recognition has been completed prior to the beginning of Q1 ended June 30, 2021, following the previous accounting policy. The Company followed the item 86 (1) of the Accounting Standard for Revenue Recognition and did the account processing for the contracts which were modified prior to the beginning of Q1 ended June 30, 2021 and adjusted the beginning retained earnings by the cumulative-effect amount.

As a result of the above account processing, net sales for Q1 ended June 30, 2021 were increased by JPY 651 million, cost of sales was decreased by JPY 127 million, and operating loss, recurring loss, and loss before taxes and other adjustments were decreased by JPY 778 million each. The beginning balance of retained earnings was reduced by JPY 4,963 million.

The Company followed the transitional handling stated in item 28–15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12, March 31, 2020) and did not disclose the breakdown information on the net sales from customer contracts which were concluded during Q1 in FY ended March 31, 2021.

[After correction]

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) from the beginning of Q1 in FY ending March 31, 2022 and started to recognize the revenue when the Company transfers a promised goods or services to a customer with the amount which the Company expects to receive from the customer as a consideration. As a result, the Company has decided to recognize revenues from various service fees, etc., which were previously recognized at the time of contract, on a pro-rata basis over the average occupancy period, etc. With respect to *LEONET*'s video subscription fees, since the provider of the service is a third party and the Company's performance obligation is to arrange for such service to be provided, the Company has determined that it is acting as an agent and recognizes revenue based on the net amount of consideration received from the customer less the amount paid to such other party.

At the application of the new accounting policy based on the Accounting Standard for Revenue Recognition, the Company followed the specific transitional handling as stated in the item 84 of the Accounting Standard for Revenue Recognition. The Company adjusted the beginning retained earnings by cumulative-effect amount to reflect the retrospective application of account processing from the beginning of Q1 ended June 30, 2021.

The Company followed the item 86 (1) of the Accounting Standard for Revenue Recognition and did the account processing for the contracts which were modified prior to the beginning of Q1 ended June 30, 2021 and adjusted the beginning retained earnings by the cumulative-effect amount.

As a result, net sales increased by JPY 165 million, cost of sales decreased by JPY 127 million, operating loss decreased by JPY 293 million, and recurring loss and loss before income taxes and other adjustments decreased by the same amount in the Q1 of the consolidated fiscal year ended June 30, 2021. The balance of retained earnings at the beginning of the period decreased by JPY 2,111 million.

According to transient measures set forth in Section 89-3 of the Revenue Recognition Accounting Standard, this document contains no note on matters related to revenue recognition for the Q1 of the previous consolidated fiscal year.

(Changes in the Revenue Recognition Standard)

With respect to the recognition of key money, rent discounts, monthly contract commissions, and other revenues in the Leasing Business, the Company previously used the method of recognizing revenues at the time of contract, but has changed to the method of recognizing revenues over the average occupancy period beginning in the Q1 of the consolidated fiscal year ended June 30, 2021. The purpose of this change was to more appropriately calculate periodic income (loss) since the new core system became operational at the beginning of the said consolidated fiscal year.

This change in accounting policy has been applied prospectively from the beginning of the Q1 of the consolidated fiscal year ended June 30, 2021, since the necessary data regarding prior periods have not been accumulated and the principle treatment for retrospective application is not practicable.

As a result of this change, net sales increased by JPY 485 million, and operating loss, recurring loss, and loss before income taxes and other adjustment decreased by the same amount for the Q1 of the consolidated fiscal year ended June 30, 2021. The balance of retained earnings at the beginning of the period decreased by JPY 2,852 million.

[Before correction]

(Segment Information)

I. Three months ended June 30, 2021 (April 1, 2021 – June 30, 2021)

(i) Information on net sales, profit or loss per reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	69,704	–	–	69,704	–	69,704
Ancillary service income	13,894	–	–	13,894	–	13,894
Maintenance	8,916	–	–	8,916	–	8,916
Rental guarantee	1,153	–	–	1,153	–	1,153
Furniture insurance	544	–	–	544	–	544
Company housing agency fee	203	–	–	203	–	203
Roof lease solar power generation	816	–	–	816	–	816
Construction subcontracting	826	–	–	826	–	826
Other	140	3,622	420	4,183	–	4,183
Sales from contracts with customer	96,201	3,622	420	100,244	–	100,244
Other sales	–	–	–	–	–	–
Sales to customers	96,201	3,622	420	100,244	—	100,244
Inter-segment sales and transfers	22	—	55	78	(78)	—
Total	96,224	3,622	476	100,322	(78)	100,244
Segment profit (or loss)	230	(230)	(259)	(259)	(1,028)	(1,287)

[After correction]
(Segment Information)
I. Three months ended June 30, 2021 (April 1, 2021 – June 30, 2021)
(i) Information on net sales, profit or loss per reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	6,868	—	—	6,868	—	6,868
Maintenance	8,916	—	—	8,916	—	8,916
Company housing agency fee	203	—	—	203	—	203
Roof lease solar power generation	816	—	—	816	—	816
Construction subcontracting	826	—	—	826	—	826
Other	25	3,622	366	4,015	—	4,015
Sales from contracts with customer	17,658	3,622	366	21,647	—	21,647
Rent income	72,868	—	—	72,868	—	72,868
Ancillary service income	3,861	—	—	3,861	—	3,861
Rental guarantee	1,153	—	—	1,153	—	1,153
Furniture insurance	544	—	—	544	—	544
Other	114	—	53	168	—	168
Other sales	78,543	—	53	78,596	—	78,596
Sales to external customers	96,201	3,622	420	100,244	—	100,244
Inter-segment sales and transfers	22	—	55	78	(78)	—
Total	96,224	3,622	476	100,322	(78)	100,244
Segment profit (loss)	230	(230)	(259)	(259)	(1,028)	(1,287)

(2) Consolidated Financial Statements (Japanese Accounting Standard) (For the six months ended September 30, 2021)

[Changes in accounting policies]

[Before correction]

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) from the beginning of Q1 in fiscal year ending March 31, 2022 and started to recognize the revenue when the Company transfers a promised goods or services to a customer with the amount which the Company expects to receive from the customer as a consideration. As a result, instead of recognizing revenue in one go for key money, reduction of rent, handling charge for monthly rental contract, and other handling charges for service provision, such revenue have been divided by the tenants' average staying period in the apartment on a pro rata basis. The whole income from *LEONET* service used to be recognized as a revenue prior to the change but the new amount of revenue is the income from *LEONET* users deducted by the Company's cost payable to the service supplier.

At the application of the new accounting policy based on the Accounting Standard for Revenue Recognition, the Company followed the specific transitional handling as stated in the item 84 of the Accounting Standard for Revenue Recognition. The Company adjusted the beginning retained earnings by cumulative-effect amount to reflect the retrospective application of account processing from the beginning of Q1 ended June 30, 2021. However, the Company has not applied the accounting policy in accordance with the item 86 of the said Accounting Standard for the contracts with most of the revenue recognition has been completed prior to the beginning of Q1 ended June 30, 2021, following the previous accounting policy. The Company followed the item 86 (1) of the Accounting Standard for Revenue Recognition and did the account processing for the contracts which were modified prior to the beginning of Q1 ended June 30, 2021 and adjusted the beginning retained earnings by the cumulative-effect amount.

As a result of the above account processing, net sales for 1st half ended September 30, 2021 were increased by JPY 411 million, cost of sales was decreased by JPY 823 million. Consequently operating profit and income before taxes and other adjustments were increased by JPY 1,235 million each and recurring loss was reduced by the same amount. The beginning balance of retained earnings was reduced by JPY 4,963 million.

The Company followed the transitional handling stated in item 28–15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No.12, March 31, 2020) and did not disclose the breakdown information on the net sales from customer contracts which were concluded during 1st half in the fiscal year ended March 31, 2021.

[After correction]

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) from the beginning of Q1 in fiscal year ending March 31, 2022 and started to recognize the revenue when the Company transfers a promised goods or services to a customer with the amount which the Company expects to receive from the customer as a consideration. As a result, the Company has decided to recognize revenues from various service fees, etc., which were previously recognized at the time of contract, on a pro-rata basis over the average occupancy period, etc. With respect to *LEONET*'s video subscription fees, since the provider of the service is a third party and the Company's performance obligation is to arrange for such service to be provided, the Company has determined that it is acting as an agent and recognizes revenue based on the net amount of consideration received from the customer less the amount paid to such other party.

At the application of the new accounting policy based on the Accounting Standard for Revenue Recognition, the Company followed the specific transitional handling as stated in the item 84 of the Accounting Standard for Revenue Recognition. The Company adjusted the beginning retained earnings by cumulative-effect amount to reflect the retrospective application of account processing from the beginning of the Q1 ended June 30, 2021.

The Company followed the item 86 (1) of the Accounting Standard for Revenue Recognition and did the account processing for the contracts which were modified prior to the beginning of Q1 ended June 30, 2021 and adjusted the beginning retained earnings by the cumulative-effect amount.

As a result, net sales decreased by JPY 445 million, cost of decreased by JPY 823 million, operating profit increased by JPY 377 million, recurring loss decreased by the same amount, and income before income taxes and other adjustments increased by the same amount for the Q2 of the consolidated fiscal year ended September 30, 2021. The balance of retained earnings at the beginning of the period decreased by JPY 2,111 million.

According to transient measures set forth in Section 89-3 of the Revenue Recognition Accounting

Standard, this document contains no note on matters related to revenue recognition for the Q2 of the previous consolidated fiscal year.

(Changes in the Revenue Recognition Standard)

With respect to the recognition of key money, rent discounts, monthly contract commissions, and other revenues in the Leasing Business, the Company previously used the method of recognizing revenues at the time of contract, but has changed to the method of recognizing revenues over the average occupancy period beginning in the Q1 of the consolidated fiscal year ended June 30, 2021. The purpose of this change was to more appropriately calculate periodic income (loss) since the new core system became operational at the beginning of the said consolidated fiscal year.

This change in accounting policy has been applied prospectively from the beginning of the Q1 of the consolidated fiscal year ended June 30, 2021, since the necessary data regarding prior periods have not been accumulated and the principle treatment for retrospective application is not practicable.

As a result of this change, net sales increased by JPY 857 million, operating profit increased by the same amount, recurring loss decreased by the same amount, and income before income taxes and other adjustments increased by the same amount for the Q2 of the consolidated fiscal year ended September 30, 2021. The balance of retained earnings at the beginning of the period decreased by JPY 2,852 million.

[Before correction]
(Segment Information)

I. Six months ended September 30, 2021 (April 1, 2021 – September 30, 2021)

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	139,930	–	–	139,930	–	139,930
Ancillary service income	26,863	–	–	26,863	–	26,863
Maintenance	17,631	–	–	17,631	–	17,631
Rental guarantee	2,256	–	–	2,256	–	2,256
Furniture insurance	1,021	–	–	1,021	–	1,021
Company housing agency fee	393	–	–	393	–	393
Roof lease solar power generation	1,628	–	–	1,628	–	1,628
Construction subcontracting	1,636	–	–	1,636	–	1,636
Other	263	7,253	670	8,187	–	8,187
Sales from contracts with customer	191,626	7,253	670	199,550	–	199,550
Other sales	–	–	–	–	–	–
Sales to customers	191,626	7,253	670	199,550	–	199,550
Inter-segment sales and transfers	38	–	113	152	(152)	–
Total	191,664	7,253	784	199,702	(152)	199,550
Segment profit (or loss)	3,709	(317)	(692)	2,699	(1,889)	809

[After correction]
(Segment Information)

I. Six months ended September 30, 2021 (April 1, 2021 – September 30, 2021)

(i) Information on net sales, profit or loss per reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	13,034	–	–	13,034	–	13,034
Maintenance	17,631	–	–	17,631	–	17,631
Company housing agency fee	393	–	–	393	–	393
Roof lease solar power generation	1,628	–	–	1,628	–	1,628
Construction subcontracting	1,636	–	–	1,636	–	1,636
Other	39	7,253	563	7,856	–	7,856
Sales from contracts with customer	34,365	7,253	563	42,182	-	42,182
Rent income	146,278	–	–	146,278	–	146,278
Ancillary service income	7,480	–	–	7,480	–	7,480
Rental guarantee	2,256	–	–	2,256	–	2,256
Furniture insurance	1,021	–	–	1,021	–	1,021
Other	224	–	107	331	–	331
Other sales	157,260	–	107	157,368	–	157,368
Sales to external customers	191,626	7,253	670	199,550	–	199,550
Inter-segment sales and transfers	38	–	113	152	(152)	-
Total	191,664	7,253	784	199,702	(152)	199,550
Segment profit (loss)	3,709	(317)	(692)	2,699	(1,889)	809

(3) Consolidated Financial Statements (Japanese Accounting Standard) (For the nine months ended December 31, 2021)

[Changes in accounting policies]

[Before correction]

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) from the beginning of Q1 in fiscal year ending March 31, 2022 and started to recognize the revenue when the Company transfers a promised goods or services to a customer with the amount which the Company expects to receive from the customer as a consideration. As a result, instead of recognizing revenue in one go for key money, reduction of rent, handling charge for monthly rental contract, and other handling charges for service provision, such revenue have been divided by the tenants' average staying period in the apartment on a pro rata basis. The whole income from *LEONET* service used to be recognized as a revenue prior to the change but the new amount of revenue is the income from *LEONET* users deducted by the Company's cost payable to the service supplier.

At the application of the new accounting policy based on the Accounting Standard for Revenue Recognition, the Company followed the specific transitional handling as stated in the item 84 of the Accounting Standard for Revenue Recognition. The Company adjusted the beginning retained earnings by cumulative-effect amount to reflect the retrospective application of account processing from the beginning of Q1 ended June 30, 2021. However, the Company has not applied the accounting policy in accordance with the item 86 of the said Accounting Standard for the contracts with most of the revenue recognition has been completed prior to the beginning of Q1 ended June 30, 2021, following the previous accounting policy. The Company followed the item 86 (1) of the Accounting Standard for Revenue Recognition and did the account processing for the contracts which were modified prior to the beginning of Q1 ended June 30, 2021 and adjusted the beginning retained earnings by the cumulative-effect amount.

As a result of the above account processing, net sales for Q3 ended December 31, 2021 were increased by JPY 140 million, cost of sales was decreased by JPY 1,216 million. Consequently operating profit, recurring profit, and income before taxes and other adjustments were increased by JPY 1,357 million each. The beginning balance of retained earnings was reduced by JPY 4,963 million.

The Company followed the transitional handling stated in item 28–15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No.12, March 31, 2020) and did not disclose the breakdown information on the net sales from customer contracts which were concluded during Q3 in the fiscal year ended March 31, 2021.

[After correction]

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) from the beginning of Q1 in fiscal year ending March 31, 2022 and started to recognize the revenue when the Company transfers a promised goods or services to a customer with the amount which the Company expects to receive from the customer as a consideration. As a result, the Company has decided to recognize revenues from various service fees, etc., which were previously recognized at the time of contract, on a pro-rata basis over the average occupancy period, etc. With respect to *LEONET*'s video subscription fees, since the provider of the service is a third party and the Company's performance obligation is to arrange for such service to be provided, the Company has determined that it is acting as an agent and recognizes revenue based on the net amount of consideration received from the customer less the amount paid to such other party.

At the application of the new accounting policy based on the Accounting Standard for Revenue Recognition, the Company followed the specific transitional handling as stated in the item 84 of the Accounting Standard for Revenue Recognition. The Company adjusted the beginning retained earnings by cumulative-effect amount to reflect the retrospective application of account processing from the beginning of Q1 ended June 30, 2021.

The Company followed the item 86 (1) of the Accounting Standard for Revenue Recognition and did the account processing for the contracts which were modified prior to the beginning of Q1 ended June 30, 2021 and adjusted the beginning retained earnings by the cumulative-effect amount.

As a result, net sales decreased by JPY 772 million, cost of sales decreased by JPY 1,216 million, and operating profit, recurring profit, and income before income taxes and other adjustment increased JPY 444 million for the Q3 of the consolidated fiscal year ended December 31, 2021. The balance of retained earnings at the beginning of the period decreased by JPY 2,111 million.

According to transient measures set forth in Section 89-3 of the Revenue Recognition Accounting Standard, this document contains no note on matters related to revenue recognition for the Q3 of the previous consolidated fiscal year.

(Changes in the Revenue Recognition Standard)

With respect to the recognition of key money, rent discounts, monthly contract commissions, and other revenues in the Leasing Business, the Company previously used the method of recognizing revenues at the time of contract, but has changed to the method of recognizing revenues over the average occupancy period beginning in the Q1 of the consolidated fiscal year ended June 30, 2021. The purpose of this change was to more appropriately calculate periodic income (loss) since the new core system became operational at the beginning of the said consolidated fiscal year.

This change in accounting policy has been applied prospectively from the beginning of the Q1 of the consolidated fiscal year ended June 30, 2021, since the necessary data regarding prior periods have not been accumulated and the principle treatment for retrospective application is not practicable.

As a result of this change, net sales increased by JPY 912 million, and operating profit, recurring profit, and income before income taxes and other adjustments increased by the same amount for the Q3 of the consolidated fiscal year ended December 31, 2021. The balance of retained earnings at the beginning of the period decreased by JPY 2,852 million.

[Before correction]
(Segment Information)

I. Nine months ended December 31, 2021 (April 1, 2021 – December 31, 2021)

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments (Note 1)	Amount stated in Consolidated Statement of Income (Note 2)
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	209,821	–	–	209,821	–	209,821
Ancillary service income	39,723	–	–	39,723	–	39,723
Maintenance	26,330	–	–	26,330	–	26,330
Rental guarantee	3,404	–	–	3,404	–	3,404
Furniture insurance	1,500	–	–	1,500	–	1,500
Company housing agency fee	577	–	–	577	–	577
Roof lease solar power generation	2,195	–	–	2,195	–	2,195
Construction subcontracting	1,797	–	–	1,797	–	1,797
Other	344	10,890	884	12,119	–	12,119
Sales from contracts with customer	285,696	10,890	884	297,470	–	297,470
Other sales	–	–	–	–	–	–
Sales to customers	285,696	10,890	884	297,470	–	297,470
Inter-segment sales and transfers	58	–	179	238	(238)	–
Total	285,754	10,890	1,064	297,708	(238)	297,470
Segment profit (or loss)	8,588	(456)	(1,148)	6,983	(2,708)	4,275

[After correction]
(Segment Information)

I. Nine months ended December 31, 2021 (April 1, 2021 – December 31, 2021)

(i) Information on net sales, profit or loss per reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	19,107	–	–	19,107	–	19,107
Maintenance	26,330	–	–	26,330	–	26,330
Company housing agency fee	577	–	–	577	–	577
Roof lease solar power generation	2,195	–	–	2,195	–	2,195
Construction subcontracting	1,797	–	–	1,797	–	1,797
Other	19	10,890	720	11,630	–	11,630
Sales from contracts with customer	50,028	10,890	720	61,639	-	61,639
Rent income	219,352	–	–	219,352	–	219,352
Ancillary service income	11,085	–	–	11,085	–	11,085
Rental guarantee	3,404	–	–	3,404	–	3,404
Furniture insurance	1,500	–	–	1,500	–	1,500
Other	324	–	163	488	–	488
Other sales	235,667	–	163	235,831	–	235,831
Sales to external customers	285,696	10,890	884	297,470	–	297,470
Inter-segment sales and transfers	58	–	179	238	(238)	–
Total	285,754	10,890	1,064	297,708	(238)	297,470
Segment profit (loss)	8,588	(456)	(1,148)	6,983	(2,708)	4,275

(4) Consolidated Financial Statements (Japanese Accounting Standard) (For the Fiscal Year 2021)

[Changes in accounting policies]

[Before correction]

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) from the beginning of the fiscal year ended March 2022 and started to recognize the revenue when the Company transfers a promised goods or services to a customer with the amount which the Company expects to receive from the customer as a consideration. As a result, instead of recognizing revenue in one go for key money, reduction of rent, handling charge for monthly rental contract, and other handling charges for service provision, such revenue have been divided by the tenants' average staying period in the apartment on a pro rata basis. The whole income from *LEONET* service used to be recognized as a revenue prior to the change but the new amount of revenue is the income from *LEONET* users deducted by the Company's cost payable to the service supplier.

At the application of the new accounting policy based on the Accounting Standard for Revenue Recognition, the Company followed the specific transitional handling as stated in the item 84 of the Accounting Standard for Revenue Recognition. The Company adjusted the beginning retained earnings by cumulative-effect amount to reflect the retrospective application of account processing from the beginning of the fiscal year ended March 2022. However, the Company has not applied the accounting policy in accordance with the item 86 of the said Accounting Standard for the contracts with most of the revenue recognition has been completed prior to the beginning of the fiscal year ended March 2022, following the previous accounting policy. The Company followed the item 86 (1) of the Accounting Standard for Revenue Recognition and did the account processing for the contracts which were modified prior to the beginning of the fiscal year ended March 2022 and adjusted the beginning retained earnings by the cumulative-effect amount.

As a result of the above account processing, net sales were increased by JPY 1,325 million, cost of sales was decreased by JPY 1,580 million. Consequently operating profit was increased by JPY 2,905 million, recurring loss was decreased by the same amount, and income before taxes and other adjustments were increased by the same amount. The beginning balance of retained earnings was reduced by JPY 4,963 million.

The Company put the impact on per share information in the relevant part of the document.

The Company followed the transitional handling stated in item 89–3 of the Accounting Standard for Revenue Recognition and did not mention note on revenue recognition related to the previous fiscal year ended March 2021.

[After correction]

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) from the beginning of the fiscal year ended March 2022 and started to recognize the revenue when the Company transfers a promised goods or services to a customer with the amount which the Company expects to receive from the customer as a consideration.

As a result, the Company has decided to recognize revenues from various service fees, etc., which were previously recognized at the time of contract, on a pro-rata basis over the average occupancy period, etc. With respect to *LEONET*'s video subscription fees, since the provider of the service is a third party and the Company's performance obligation is to arrange for such service to be provided, the Company has determined that it is acting as an agent and recognizes revenue based on the net amount of consideration received from the customer less the amount paid to such other party.

At the application of the new accounting policy based on the Accounting Standard for Revenue Recognition, the Company followed the specific transitional handling as stated in the item 84 of the Accounting Standard for Revenue Recognition. The Company adjusted the beginning retained earnings by cumulative-effect amount to reflect the retrospective application of account processing from the beginning of the fiscal year ended March 2022.

The Company followed the item 86 (1) of the Accounting Standard for Revenue Recognition and did the account processing for the contracts which were modified prior to the beginning of the fiscal year ended March 2022 and adjusted the beginning retained earnings by the cumulative-effect amount.

As a result, net sales decreased by JPY 1,544 million, cost of sales decreased by JPY 1,580 million, operating profit increased by JPY 36 million, recurring loss decreased by the same amount, and income before income taxes and other adjustments increased by the same amount for the said consolidated fiscal year. The balance of retained earnings at the beginning of the period decreased by JPY 2,111 million.

The impacts on information per share are detailed in the relevant sections.

According to the transitional treatment stipulated in Paragraph 89-3 of the Revenue Recognition

Accounting Standard, this document contains no note on matters related to revenue recognition for the previous consolidated fiscal year.

(Changes in the Revenue Recognition Standard)

With respect to the recognition of key money, rent discounts, monthly contract commissions, and other revenues in the leasing business, the Company previously used the method of recognizing revenues at the time of contract, but has changed to the method of recognizing revenues over the average occupancy period beginning in the fiscal year ended March 2022. The purpose of this change was to more appropriately calculate periodic income (loss) since the new core system became operational at the beginning of the fiscal year ended March 2022.

This change in accounting policy has been applied prospectively from the beginning of the fiscal year ended March 2022, since the necessary data regarding prior periods have not been accumulated and the principle treatment for retrospective application is not practicable.

As a result of this change, net sales increased by JPY 2,869 million, operating profit increased by the same amount, recurring loss decreased by the same amount, and income before income taxes and other adjustments increased by the same amount for the fiscal year ended March 2022. The balance of retained earnings at the beginning of the period decreased by JPY 2,852 million.

The impacts on information per share are detailed in the relevant sections.

[Before correction]
(Segment Information)
(4) Net sales, Profit or loss, Assets and Liabilities and Other items by Reportable Segment

(i) Information on net sales including breakdown, profit or loss, assets, liabilities and other items by reportable segment

FY ended March 2022 (April 1, 2021 – March 31, 2022)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	278,740	–	–	278,740	–	278,740
Ancillary service income	53,517	–	–	53,517	–	53,517
Maintenance	35,315	–	–	35,315	–	35,315
Rental guarantee	4,559	–	–	4,559	–	4,559
Furniture insurance	3,744	–	–	3,744	–	3,744
Company housing agency fee	788	–	–	788	–	788
Roof lease solar power generation	2,775	–	–	2,775	–	2,775
Construction subcontracting	3,145	–	–	3,145	–	3,145
Other	456	14,258	1,064	15,779	–	15,779
Sales from contracts with customer	383,043	14,258	1,064	398,366	–	398,366
Other sales	–	–	–	–	–	–
Sales to customers	383,043	14,258	1,064	398,366	–	398,366
Inter-segment sales and transfers	76	–	249	326	(326)	–
Total	383,120	14,258	1,314	398,692	(326)	398,366
Segment profit (loss)	7,719	(789)	(1,668)	5,261	(3,486)	1,774
Segment assets	63,393	3,261	21,369	88,024	57,406	145,430
Other items						
Depreciation	6,480	32	1,087	7,600	1,752	9,352
Increase in property,	1,596	5	22	1,624	513	2,137

plant and equipment, and intangible fixed assets						

[After correction]
(Segment Information)
(4) Net sales, Profit or loss, Assets and Liabilities and Other items by Reportable Segment

(i) Information on net sales including breakdown, profit or loss, assets, liabilities and other items by reportable segment

FY ended March 2022 (April 1, 2021 – March 31, 2022)

(JPY million)

	Reportable segments				Adjustments	Amount recorded in consolidated financial statements
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	26,243	–	–	26,243	–	26,243
Maintenance	35,315	–	–	35,315	–	35,315
Company housing agency fee	788	–	–	788	–	788
Roof lease solar power generation	2,775	–	–	2,775	–	2,775
Construction subcontracting	3,145	–	–	3,145	–	3,145
Other	21	14,258	845	15,124	–	15,124
Sales from contracts with customer	68,288	14,258	845	83,392	-	83,392
Rent income	291,430	–	–	291,430	–	291,430
Ancillary service income	14,584	–	–	14,584	–	14,584
Rental guarantee	4,559	–	–	4,559	–	4,559
Furniture insurance	3,744	–	–	3,744	–	3,744
Other	435	–	218	654	–	654
Other sales	314,755	–	218	314,973	–	314,973
Sales to external customers	383,043	14,258	1,064	398,366	–	398,366
Inter-segment sales and transfers	76	–	249	326	(326)	–
Total	383,120	14,258	1,314	398,692	(326)	398,366
Segment profit (loss)	7,719	(789)	(1,668)	5,261	(3,486)	1,774
Segment assets	63,393	3,261	21,369	88,024	57,406	145,430
Other Items						
Depreciation and amortization	6,480	32	1,087	7,600	1,752	9,352
Increase in property, plant and equipment and intangible assets	1,596	5	22	1,624	513	2,137

[Before correction]
(Information per share)
(Note) As mentioned in changes in accounting policies, the Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) and followed the specific transitional handling as stated in the item 84 of the Accounting Standard for Revenue Recognition. Consequently, net asset per share was reduced by JPY 6.26, net income per share and diluted net income per share were increased by JPY 8.83 and JPY 7.90 respectively.

[After correction]
(Information per share)
(Note) As described in Change in accounting policies (Application of Accounting Standard for Revenue Recognition, etc.), the Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), and followed the specific transitional handling as stated in the item 84 of the Accounting Standard for Revenue Recognition. Consequently, net asset per share was reduced by JPY 6.31, net income per share and diluted net income per share were increased by JPY 0.11 and JPY 0.10, respectively.

As described in Change in accounting policies (Application of Accounting Standard for Revenue Recognition, etc.), with respect to the recognition of key money, rent discounts, monthly contract commissions, and other revenues in the leasing business, the Company previously used the method of recognizing revenues at the time of contract, but has changed to the method of recognizing revenues over the average occupancy period beginning in the fiscal year ended March 2022. Such change has been applied prospectively from the beginning of the fiscal year ended March 2022, since the necessary data regarding prior periods have not been accumulated and the principle treatment for retrospective application is not practicable.

As a result, for the fiscal year ended March 2022, net assets per share, net income per share and diluted net income per share increased by JPY 0.05, JPY 8.72 and JPY 7.80, respectively.

(5) Consolidated Financial Statements (Japanese Accounting Standard) (For the three months ended June 30, 2022)

[Before correction]

[Segment Information]

(i) Information on net sales, profit or loss per reportable segment and breakdown of net sales

Three months ended June 30, 2022 (April 1, 2022 – June 30, 2022)

(JPY million)

	Reportable segments				Adjustments (Note 1)	Amount stated in Consolidated Statement of Income (Note 2)
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	74,372	–	–	74,372	–	74,372
Ancillary service income	11,175	–	–	11,175	–	11,175
Maintenance	9,014	–	–	9,014	–	9,014
Rental guarantee	1,080	–	–	1,080	–	1,080
Company housing agency fee	205	–	–	205	–	205
Roof lease solar power generation	849	–	–	849	–	849
Construction subcontracting	423	–	–	423	–	423
Other	73	3,494	341	3,909	–	3,909
Sales from contracts with customer	97,195	3,494	341	101,031	–	101,031
Furniture insurance	375	–	–	375	–	375
Other sales	375	–	–	375	–	375
Sales to customers	97,571	3,494	341	101,406	–	101,406
Inter-segment sales and transfers	17	–	63	81	(81)	–
Total	97,588	3,494	405	101,488	(81)	101,406
Segment profit (loss)	5,366	(357)	(568)	4,440	(860)	3,579

(i) Information on net sales, profit or loss per reportable segment and breakdown of net sales

Three months ended June 30, 2021 (April 1, 2021 – June 30, 2021)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	69,704	–	–	69,704	–	69,704
Ancillary service income	13,894	–	–	13,894	–	13,894
Maintenance	8,916	–	–	8,916	–	8,916
Rental guarantee	1,153	–	–	1,153	–	1,153
Company housing agency fee	203	–	–	203	–	203
Roof lease solar power generation	816	–	–	816	–	816
Construction subcontracting	826	–	–	826	–	826
Other	140	3,622	420	4,183	–	4,183
Sales from contracts with customer	95,657	3,622	420	99,700	–	99,700
Furniture insurance	544	–	–	544	–	544
Other sales	544	–	–	544	–	544
Sales to customers	96,201	3,622	420	100,244	—	100,244
Inter-segment sales and transfers	22	—	55	78	(78)	—
Total	96,224	3,622	476	100,322	(78)	100,244
Segment profit (or loss)	230	(230)	(259)	(259)	(1,028)	(1,287)

[After correction]
(Segment Information)

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

Three months ended June 30, 2022 (April 1, 2022–June 30, 2022)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	7,458	–	–	7,458	–	7,458
Maintenance	9,014	–	–	9,014	–	9,014
Company housing agency fee	205	–	–	205	–	205
Roof lease solar power generation	849	–	–	849	–	849
Construction subcontracting	423	–	–	423	–	423
Other	1	3,494	289	3,785	–	3,785
Sales from contracts with customer	17,953	3,494	289	21,737	-	21,737
Rent income	74,372	–	–	74,372	–	74,372
Ancillary service income	3,717	–	–	3,717	–	3,717
Rental guarantee	1,080	–	–	1,080	–	1,080
Furniture insurance	375	–	–	375	–	375
Other	71	–	52	124	–	124
Other sales	79,617	–	52	79,669	–	79,669
Sales to external customers	97,571	3,494	341	101,406	–	101,406
Inter-segment sales and transfers	17	–	63	81	(81)	–
Total	97,588	3,494	405	101,488	(81)	101,406
Segment profit (loss)	5,366	(357)	(568)	4,440	(860)	3,579

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

Three months ended June 30, 2021 (April 1, 2021–June 30, 2021)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	6,868	–	–	6,868	–	6,868
Maintenance	8,916	–	–	8,916	–	8,916
Company housing agency fee	203	–	–	203	–	203
Roof lease solar power generation	816	–	–	816	–	816
Construction subcontracting	826	–	–	826	–	826
Other	25	3,622	366	4,015	–	4,015
Sales from contracts with customer	17,658	3,622	366	21,647	–	21,647
Rent income	72,868	–	–	72,868	–	72,868
Ancillary service income	3,861	–	–	3,861	–	3,861
Rental guarantee	1,153	–	–	1,153	–	1,153
Furniture insurance	544	–	–	544	–	544
Other	114	–	53	168	–	168
Other sales	78,543	–	53	78,596	–	78,596
Sales to external customers	96,201	3,622	420	100,244	–	100,244
Inter-segment sales and transfers	22	–	55	78	(78)	–
Total	96,224	3,622	476	100,322	(78)	100,244
Segment profit (loss)	230	(230)	(259)	(259)	(1,028)	(1,287)

(6) Consolidated Financial Statements (Japanese Accounting Standard) (For the six months ended September 30, 2022)

[Before correction]

(Segment Information)

I. Six months ended September 30, 2022 (April 1, 2022–September 30, 2022)

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	149,186	–	–	149,186	–	149,186
Ancillary service income	21,612	–	–	21,612	–	21,612
Maintenance	17,938	–	–	17,938	–	17,938
Rental guarantee	2,152	–	–	2,152	–	2,152
Company housing agency fee	407	–	–	407	–	407
Roof lease solar power generation	1,653	–	–	1,653	–	1,653
Construction subcontracting	1,060	–	–	1,060	–	1,060
Other	162	6,953	582	7,698	–	7,698
Sales from contracts with customer	194,173	6,953	582	201,710	–	201,710
Furniture insurance	750	–	–	750	–	750
Other	750	–	–	750	–	750
Sales to external customers	194,924	6,953	582	202,460	–	202,460
Inter-segment sales and transfers	35	–	128	163	(163)	–
Total	194,959	6,953	711	202,624	(163)	202,460
Segment profit (loss)	10,488	(702)	(1,224)	8,561	(1,598)	6,962

II. Six months ended September 30, 2021 (April 1, 2021 – September 30, 2021)

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments (Note 1)	Amount stated in Consolidated Statement of Income (Note 2)
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	139,930	–	–	139,930	–	139,930
Ancillary service income	26,863	–	–	26,863	–	26,863
Maintenance	17,631	–	–	17,631	–	17,631
Rent guarantee	2,256	–	–	2,256	–	2,256
Company housing agency fee	393	–	–	393	–	393
Roof lease solar power generation	1,628	–	–	1,628	–	1,628
Construction subcontracting	1,636	–	–	1,636	–	1,636
Other	263	7,253	670	8,187	–	8,187
Sales from contracts with customer	190,604	7,253	670	198,529	–	198,529
Furniture insurance	1,021	–	–	1,021	–	1,021
Other sales	1,021	–	–	1,021	–	1,021
Sales to customers	191,626	7,253	670	199,550	–	199,550
Inter-segment sales and transfers	38	–	113	152	(152)	–
Total	191,664	7,253	784	199,702	(152)	199,550
Segment profit (or loss)	3,709	(317)	(692)	2,699	(1,889)	809

[After correction]
(Segment Information)

I. Six months ended September 30, 2022 (April 1, 2022 – September 30, 2022)

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments (Note 1)	Amount stated in Consolidated Statement of Income (Note 2)
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	14,296	–	–	14,296	–	14,296
Maintenance	17,938	–	–	17,938	–	17,938
Company housing agency fee	407	–	–	407	–	407
Roof lease solar power generation	1,653	–	–	1,653	–	1,653
Construction subcontracting	1,060	–	–	1,060	–	1,060
Other	3	6,953	474	7,431	–	7,431
Sales from contracts with customer	35,360	6,953	474	42,788	–	42,788
Rent income	149,186	–	–	149,186	–	149,186
Ancillary service income	7,316	–	–	7,316	–	7,316
Rental guarantee	2,152	–	–	2,152	–	2,152
Furniture insurance	750	–	–	750	–	750
Other	158	–	108	267	–	267
Other sales	159,564	–	108	159,672	–	159,672
Sales to customers	194,924	6,953	582	202,460	–	202,460
Inter-segment sales and transfers	35	–	128	163	(163)	–
Total	194,959	6,953	711	202,624	(163)	202,460
Segment profit (or loss)	1,0488	(702)	(1,224)	8,561	(1,598)	6,962

II. Six months ended September 30, 2021 (April 1, 2021 – September 30, 2021)

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	13,034	–	–	13,034	–	13,034
Maintenance	17,631	–	–	17,631	–	17,631
Company housing agency fee	393	–	–	393	–	393
Roof lease solar power generation	1,628	–	–	1,628	–	1,628
Construction subcontracting	1,636	–	–	1,636	–	1,636
Other	39	7,253	563	7,856	–	7,856
Sales from contracts with customer	34,365	7,253	563	42,182	-	42,182
Rent income	146,278	–	–	146,278	–	146,278
Ancillary service income	7,480	–	–	7,480	–	7,480
Rental guarantee	2,256	–	–	2,256	–	2,256
Furniture insurance	1,021	–	–	1,021	–	1,021
Other	224	–	107	331	–	331
Other sales	157,260	–	107	157,368	–	157,368
Sales to external customers	191,626	7,253	670	199,550	–	199,550
Inter-segment sales and transfers	38	–	113	152	(152)	–
Total	191,664	7,253	784	199,702	(152)	199,550
Segment profit (loss)	3,709	(317)	(692)	2,699	(1,889)	809

(7) Consolidated Financial Statements (Japanese Accounting Standard) (For the nine months ended December 31, 2022)

[Before correction]

(Segment Information)

I. Nine months ended December 31, 2022 (April 1, 2022 – December 31, 2022)

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	224,290	–	–	224,290	–	224,290
Ancillary service income	32,767	–	–	32,767	–	32,767
Maintenance	26,764	–	–	26,764	–	26,764
Rental guarantee	3,212	–	–	3,212	–	3,212
Company housing agency fee	606	–	–	606	–	606
Roof lease solar power generation	2,199	–	–	2,199	–	2,199
Construction subcontracting	1,076	–	–	1,076	–	1,076
Other	217	10,482	738	11,437	–	11,437
Sales from contracts with customer	291,134	10,482	738	302,355	–	302,355
Furniture insurance	1,161	–	–	1,161	–	1,161
Other sales	1,161	–	–	1,161	–	1,161
Sales to customers	292,296	10,482	738	303,517	–	303,517
Inter-segment sales and transfers	43	–	194	238	(238)	–
Total	292,340	10,482	933	303,756	(238)	303,517
Segment profit (or loss)	16,079	(997)	(1,959)	13,122	(2,353)	10,768

II. Nine months ended December 31, 2021 (April 1, 2021 – December 31, 2021)

Information on net sales, profit or loss by reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments (Note 1)	Amount stated in Consolidated Statement of Income (Note 2)
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	219,352	–	–	219,352	–	219,352
Ancillary service income	30,192	–	–	30,192	–	30,192
Maintenance	26,330	–	–	26,330	–	26,330
Rental guarantee	3,404	–	–	3,404	–	3,404
Company housing agency fee	577	–	–	577	–	577
Roof lease solar power generation	2,195	–	–	2,195	–	2,195
Construction subcontracting	1,797	–	–	1,797	–	1,797
Other	344	10,890	884	12,119	–	12,119
Sales from contracts with customer	284,195	10,890	884	295,970	–	295,970
Furniture insurance	1,500	–	–	1,500	–	1,500
Other sales	1,500	–	–	1,500	–	1,500
Sales to customers	285,696	10,890	884	297,470	–	297,470
Inter-segment sales and transfers	58	–	179	238	(238)	–
Total	285,754	10,890	1,064	297,708	(238)	297,470
Segment profit (or loss)	8,588	(456)	(1,148)	6,983	(2,708)	4,275

[After correction]
(Segment Information, etc.)
[Segment information]

I. Nine months ended December 31, 2022 (April 1, 2022 – December 31, 2022)

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	21,611	–	–	21,611	–	21,611
Maintenance	26,764	–	–	26,764	–	26,764
Company housing agency fee	606	–	–	606	–	606
Roof lease solar power generation	2,199	–	–	2,199	–	2,199
Construction subcontracting	1,076	–	–	1,076	–	1,076
Other	5	10,482	564	11,051	–	11,051
Sales from contracts with customer	52,263	10,482	564	63,310	-	63,310
Rent income	224,290	–	–	224,290	–	224,290
Ancillary service income	11,156	–	–	11,156	–	11,156
Rental guarantee	3,212	–	–	3,212	–	3,212
Furniture insurance	1,161	–	–	1,161	–	1,161
Other	212	–	174	386	–	386
Other sales	240,033	–	174	240,207	–	240,207
Sales to external customers	292,296	10,482	738	303,517	–	303,517
Inter-segment sales and transfers	43	–	194	238	(238)	-
Total	292,340	10,482	933	303,756	(238)	303,517
Segment profit (loss)	16,079	(997)	(1,959)	13,122	(2,353)	10,768

II. Nine months ended December 31, 2021 (April 1, 2021–December 31, 2021)

Information on net sales, profit or loss by reportable segment and breakdown of net sales

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	19,107	–	–	19,107	–	19,107
Maintenance	26,330	–	–	26,330	–	26,330
Company housing agency fee	577	–	–	577	–	577
Roof lease solar power generation	2,195	–	–	2,195	–	2,195
Construction subcontracting	1,797	–	–	1,797	–	1,797
Other	19	10,890	720	11,630	–	11,630
Sales from contracts with customer	50,028	10,890	720	61,639	–	61,639
Rent income	219,352	—	—	219,352	—	219,352
Ancillary service income	11,085	—	—	11,085	—	11,085
Rental guarantee	3,404	—	—	3,404	—	3,404
Furniture insurance	1,500	–	–	1,500	–	1,500
Other	324	—	163	488	—	488
Other sales	235,667	–	163	235,831	–	235,831
Sales to external customers	285,696	10,890	884	297,470	–	297,470
Inter-segment sales and transfers	58	–	179	238	(238)	-
Total	285,754	10,890	1,064	297,708	(238)	297,470
Segment profit (loss)	8,588	(456)	(1,148)	6,983	(2,708)	4,275

(8) Consolidated Financial Statements (Japanese Accounting Standard) (For the Fiscal Year 2022)
[Before correction]
(Segment Information)

I. Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

Information on net sales including breakdown, profit or loss, liabilities and other items by reportable segment

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	299,494	–	–	299,494	–	299,494
Ancillary service income	44,762	–	–	44,762	–	44,762
Maintenance	35,761	–	–	35,761	–	35,761
Rental guarantee	4,295	–	–	4,295	–	4,295
Company housing agency fee	837	–	–	837	–	837
Roof lease solar power generation	2,717	–	–	2,717	–	2,717
Construction subcontracting	1,222	–	–	1,222	–	1,222
Other	381	13,941	1,069	15,392	–	15,392
Sales from contracts with customer	389,471	13,941	1,069	404,482	–	404,482
Furniture insurance	1,966	–	–	1,966	–	1,966
Other sales	1,966	–	–	1,966	–	1,966
Sales to customers	391,438	13,941	1,069	406,449	–	406,449
Inter-segment sales and transfers	51	–	263	314	(314)	–
Total	391,489	13,941	1,333	406,764	(314)	406,449
Segment profit (or loss)	16,887	(1,208)	(2,706)	12,971	(3,092)	9,879
Segment assets	56,561	4,137	22,753	83,452	83,096	166,548
Other items						
Depreciation	4,592	34	1,261	5,888	681	6,570
Increase in property, plant and equipment, and intangible fixed assets	1,637	21	24	1,684	61	1,745

II. Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

Information on net sales including breakdown, profit or loss, liabilities and other items by reportable segment

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	291,430	–	–	291,430	–	291,430
Ancillary service income	40,827	–	–	40,827	–	40,827
Maintenance	35,315	–	–	35,315	–	35,315
Rental guarantee	4,559	–	–	4,559	–	4,559
Company housing agency fee	788	–	–	788	–	788
Roof lease solar power generation	2,775	–	–	2,775	–	2,775
Construction subcontracting	3,145	–	–	3,145	–	3,145
Other	456	14,258	1,064	15,779	–	15,779
Sales from contracts with customer	379,299	14,258	1,064	394,621	–	394,621
Furniture insurance	3,744	–	–	3,774	–	3,774
Other sales	3,744	–	–	3,774	–	3,774
Sales to customers	383,043	14,258	1,064	398,366	–	398,366
Inter-segment sales and transfers	76	–	249	326	(326)	–
Total	383,120	14,258	1,314	398,692	(326)	398,366
Segment profit (loss)	7,719	(789)	(1,668)	5,261	(3,486)	1,774
Segment assets	63,393	3,261	21,369	88,024	57,406	145,430
Other items						
Depreciation	6,480	32	1,087	7,600	1,752	9,352
Increase in property, plant and equipment, and intangible fixed assets	1,596	5	22	1,624	513	2,137

[After correction]

(Segment Information)

I. Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

Information on net sales including breakdown, profit or loss, liabilities and other items by reportable segment

(JPY million)

	Reportable segments				Adjustments	Amount recorded in consolidated financial statements
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	29,790	–	–	29,790	–	29,790
Maintenance	35,761	–	–	35,761	–	35,761
Company housing agency fee	837	–	–	837	–	837
Roof lease solar power generation	2,717	–	–	2,717	–	2,717
Construction subcontracting	1,222	–	–	1,222	–	1,222
Other	7	13,941	831	14,780	–	14,780
Sales from contracts with customer	70,336	13,941	831	85,108	–	85,108
Rent income	299,494	–	–	299,494	–	299,494
Ancillary service income	14,971	–	–	14,971	–	14,971
Rental guarantee	4,295	–	–	4,295	–	4,295
Furniture insurance	1,966	–	–	1,966	–	1,966
Other	374	–	238	612	–	612
Other sales	321,101	–	238	321,340	–	321,340
Sales to external customers	391,438	13,941	1,069	406,449	–	406,449
Inter-segment sales and transfers	51	–	263	314	(314)	–
Total	391,489	13,941	1,333	406,764	(314)	406,449
Segment profit (loss)	16,887	(1,208)	(2,706)	12,971	(3,092)	9,879
Segment assets	56,561	4,137	22,753	83,452	83,096	166,548
Other Items						
Depreciation and amortization	4,592	34	1,261	5,888	681	6,570
Increase in property, plant and equipment and intangible assets	1,637	21	24	1,684	61	1,745

II. Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

Information on net sales including breakdown, profit or loss, liabilities and other items by reportable segment

(JPY million)

	Reportable segments				Adjustments	Amount recorded in consolidated financial statements
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	26,243	–	–	26,243	–	26,243
Maintenance	35,315	–	–	35,315	–	35,315
Company housing agency fee	788	–	–	788	–	788
Roof lease solar power generation	2,775	–	–	2,775	–	2,775
Construction subcontracting	3,145	–	–	3,145	–	3,145
Other	21	14,258	845	15,124	–	15,124
Sales from contracts with customer	68,288	14,258	845	83,392	–	83,392
Rent income	291,430	–	–	291,430	–	291,430
Ancillary service income	14,584	–	–	14,584	–	14,584
Rental guarantee	4,559	–	–	4,559	–	4,559
Furniture insurance	3,744	–	–	3,744	–	3,744
Other	435	–	218	654	–	654
Other sales	314,755	–	218	314,973	–	314,973
Sales to external customers	383,043	14,258	1,064	398,366	–	398,366
Inter-segment sales and transfers	76	–	249	326	(326)	–
Total	383,120	14,258	1,314	398,692	(326)	398,366
Segment profit (loss)	7,719	(789)	(1,668)	5,261	(3,486)	1,774
Segment assets	63,393	3,261	21,369	88,024	57,406	145,430
Other Items						
Depreciation and amortization	6,480	32	1,087	7,600	1,752	9,352
Increase in property, plant and equipment and intangible assets	1,596	5	22	1,624	513	2,137

(9) Consolidated Financial Statements (Japanese Accounting Standard) (For the three months ended June 30, 2023)

[Before correction]

(Segment Information)

(i) **Information on net sales, profit or loss by reportable segment and breakdown of net sales**

Three months ended June 30, 2023 (April 1, 2023 – June 30, 2023)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	79,175	–	–	79,175	–	79,175
Ancillary service income	11,786	–	–	11,786	–	11,786
Maintenance	8,859	–	–	8,859	–	8,859
Rental guarantee	1,115	–	–	1,115	–	1,115
Company housing agency fee	237	–	–	237	–	237
Roof lease solar power generation	803	–	–	803	–	803
Construction subcontracting	54	–	–	54	–	54
Other	49	3,543	355	3,949	–	3,949
Sales from contracts with customer	102,082	3,543	355	105,981	–	105,981
Furniture insurance	393	–	–	393	–	393
Other sales	393	–	–	393	–	393
Sales to customers	102,476	3,543	355	106,375	–	106,375
Inter-segment sales and transfers	6	–	76	82	(82)	–
Total	102,482	3,543	432	106,458	(82)	106,375
Segment profit (loss)	9,344	(236)	(629)	8,477	(854)	7,622

Three months ended June 30, 2022 (April 1, 2022 – June 30, 2022)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	74,372	–	–	74,372	–	74,372
Ancillary service income	11,175	–	–	11,175	–	11,175
Maintenance	9,014	–	–	9,014	–	9,014
Rental guarantee	1,080	–	–	1,080	–	1,080
Company housing agency fee	205	–	–	205	–	205
Roof lease solar power generation	849	–	–	849	–	849
Construction subcontracting	423	–	–	423	–	423
Other	73	3,494	341	3,909	–	3,909
Sales from contracts with customer	97,195	3,494	341	101,031	–	101,031
Furniture insurance	375	–	–	375	–	375
Other sales	375	–	–	375	–	375
Sales to customers	97,571	3,494	341	101,406	–	101,406
Inter-segment sales and transfers	17	–	63	81	(81)	–
Total	97,588	3,494	405	101,488	(81)	101,406
Segment profit (loss)	5,366	(357)	(568)	4,440	(860)	3,579

[After correction]
(Segment Information)
(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

Three months ended June 30, 2023 (April 1, 2023 – June 30, 2023)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	7,608	–	–	7,608	–	7,608
Maintenance	8,859	–	–	8,859	–	8,859
Company housing agency fee	237	–	–	237	–	237
Roof lease solar power generation	803	–	–	803	–	803
Construction subcontracting	54	–	–	54	–	54
Other	–	3,543	287	3,831	–	3,831
Sales from contracts with customer	17,563	3,543	287	21,394	-	21,394
Rent income	79,175	–	–	79,175	–	79,175
Ancillary service income	4,177	–	–	4,177	–	4,177
Rental guarantee	1,115	–	–	1,115	–	1,115
Furniture insurance	393	–	–	393	–	393
Other	49	–	67	117	–	117
Other sales	84,913	–	67	84,980	–	84,980
Sales to external customers	102,476	3,543	355	106,375	–	106,375
Inter-segment sales and transfers	6	–	76	82	(82)	-
Total	102,482	3,543	432	106,458	(82)	106,375
Segment profit (loss)	9,344	(236)	(629)	8,477	(854)	7,622

Three months ended June 30, 2022 (April 1, 2022 – June 30, 2022)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	7,458	–	–	7,458	–	7,458
Maintenance	9,014	–	–	9,014	–	9,014
Company housing agency fee	205	–	–	205	–	205
Roof lease solar power generation	849	–	–	849	–	849
Construction subcontracting	423	–	–	423	–	423
Other	1	3,494	289	3,785	–	3,785
Sales from contracts with customer	17,953	3,494	289	21,737	–	21,737
Rent income	74,372	–	–	74,372	–	74,372
Ancillary service income	3,717	–	–	3,717	–	3,717
Rental guarantee	1,080	–	–	1,080	–	1,080
Furniture insurance	375	–	–	375	–	375
Other	71	–	52	124	–	124
Other sales	79,617	–	52	79,669	–	79,669
Sales to external customers	97,571	3,494	341	101,406	–	101,406
Inter-segment sales and transfers	17	–	63	81	(81)	-
Total	97,588	3,494	405	101,488	(81)	101,406
Segment profit (loss)	5,366	(357)	(568)	4,440	(860)	3,579

(10) Consolidated Financial Statements (Japanese Accounting Standard) (For the six months ended September 30, 2023)

[Before correction]

(Segment Information)

(i) **Information on net sales, profit or loss by reportable segment and breakdown of net sales**

Six months ended September 30, 2023 (April 1, 2023 – September 30, 2023)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	158,108	–	–	158,108	–	158,108
Ancillary service income	22,743	–	–	22,743	–	22,743
Maintenance	17,702	–	–	17,702	–	17,702
Rental guarantee	2,203	–	–	2,203	–	2,203
Company housing agency fee	452	–	–	452	–	452
Roof lease solar power generation	1,604	–	–	1,604	–	1,604
Construction contracting	401	–	–	401	–	401
Other	103	7,124	617	7,845	–	7,845
Sales from contracts with customer	203,320	7,124	617	211,062	–	211,062
Furniture insurance	785	–	–	785	–	785
Other sales	785	–	–	785	–	785
Sales to customers	204,106	7,124	617	211,848	–	211,848
Inter-segment sales and transfers	12	–	142	155	(155)	–
Total	204,118	7,124	760	212,003	(155)	211,848
Segment profit (loss)	18,122	(301)	(1,165)	16,655	(1,827)	14,828

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

Six months ended September 30, 2022 (April 1, 2022 – September 30, 2022)

(JPY million)

	Reportable segments				Adjustments (Note 1)	Amount stated in Consolidated Statement of Income (Note 2)
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	149,186	–	–	149,186	–	149,186
Ancillary service income	21,612	–	–	21,612	–	21,612
Maintenance	17,938	–	–	17,938	–	17,938
Rental guarantee	2,152	–	–	2,152	–	2,152
Company housing agency fee	407	–	–	407	–	407
Roof lease solar power generation	1,653	–	–	1,653	–	1,653
Construction subcontracting	1,060	–	–	1,060	–	1,060
Other	162	6,953	582	7,698	–	7,698
Sales from contracts with customer	194,173	6,953	582	201,710	–	201,710
Furniture insurance	750	–	–	750	–	750
Other sales	750	–	–	750	–	750
Sales to customers	194,924	6,953	582	202,460	–	202,460
Inter-segment sales and transfers	35	–	128	163	(163)	–
Total	194,959	6,953	711	202,624	(163)	202,460
Segment profit (loss)	10,488	(702)	(1,224)	8,561	(1,598)	6,962

[After correction]
(Segment Information)

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

Six months ended September 30, 2023 (April 1, 2023–September 30, 2023)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	14,290	—	—	14,290	—	14,290
Maintenance	17,702	—	—	17,702	—	17,702
Company housing agency fee	452	—	—	452	—	452
Roof lease solar power generation	1,604	—	—	1,604	—	1,604
Construction subcontracting	401	—	—	401	—	401
Other	—	7,124	476	7,600	—	7,600
Sales from contracts with customer	34,451	7,124	476	42,052	—	42,052
Rent income	158,108	—	—	158,108	—	158,108
Ancillary service income	8,453	—	—	8,453	—	8,453
Rental guarantee	2,203	—	—	2,203	—	2,203
Furniture insurance	785	—	—	785	—	785
Other	103	—	140	244	—	244
Other sales	169,654	—	140	169,795	—	169,795
Sales to external customers	204,106	7,124	617	211,848	—	211,848
Inter-segment sales and transfers	12	—	142	155	(155)	—
Total	204,118	7,124	760	212,003	(155)	211,848
Segment profit (loss)	18,122	(301)	(1,165)	16,655	(1,827)	14,828

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

Six months ended September 30, 2022 (April 1, 2022 – September 30, 2022)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	14,296	—	—	14,296	—	14,296
Maintenance	17,938	—	—	17,938	—	17,938
Company housing agency fee	407	—	—	407	—	407
Roof lease solar power generation	1,653	—	—	1,653	—	1,653
Construction subcontracting	1,060	—	—	1,060	—	1,060
Other	3	6,953	474	7,431	—	7,431
Sales from contracts with customer	35,360	6,953	474	42,788	—	42,788
Rent income	149,186	—	—	149,186	—	149,186
Ancillary service income	7,316	—	—	7,316	—	7,316
Rental guarantee	2,152	—	—	2,152	—	2,152
Furniture insurance	750	—	—	750	—	750
Other	158	—	108	267	—	267
Other sales	159,564	—	108	159,672	—	159,672
Sales to external customers	194,924	6,953	582	202,460	—	202,460
Inter-segment sales and transfers	35	—	128	163	(163)	—
Total	194,959	6,953	711	202,624	(163)	202,460
Segment profit (loss)	10,488	(702)	(1,224)	8,561	(1,598)	6,962

(11) Consolidated Financial Statements (Japanese Accounting Standard) (For the nine months ended December 31, 2023)

[Before correction]

(Segment Information)

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

Nine months ended December 31, 2023 (April 1, 2023 – December 31, 2023)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	237,047	—	—	237,047	—	237,047
Ancillary service income	33,576	—	—	33,576	—	33,576
Maintenance	26,589	—	—	26,589	—	26,589
Rental guarantee	3,237	—	—	3,237	—	3,237
Company housing agency fee	691	—	—	691	—	691
Roof lease solar power generation	2,182	—	—	2,182	—	2,182
Construction subcontracting	422	—	—	422	—	422
Other	106	10,639	926	11,672	—	11,672
Sales from contracts with customer	303,854	10,639	926	315,420	—	315,420
Furniture insurance	1,156	—	—	1,156	—	1,156
Other sales	1,156	—	—	1,156	—	1,156
Sales to customers	305,010	10,639	926	316,576	—	316,576
Inter-segment sales and transfers	18	—	212	230	(230)	—
Total	305,028	10,639	1,138	316,806	(230)	316,576
Segment profit (loss)	25,107	(409)	(1,744)	22,953	(2,943)	20,009

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

Nine months ended December 31, 2022 (April 1, 2022 – December 31, 2022)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Rent income	224,290	—	—	224,290	—	224,290
Ancillary service income	32,767	—	—	32,767	—	32,767
Maintenance	26,764	—	—	26,764	—	26,764
Rental guarantee	3,212	—	—	3,212	—	3,212
Company housing agency fee	606	—	—	606	—	606
Roof lease solar power generation	2,199	—	—	2,199	—	2,199
Construction subcontracting	1,076	—	—	1,076	—	1,076
Other	217	10,482	738	11,437	—	11,437
Sales from contracts with customer	291,134	10,482	738	302,355	—	302,355
Furniture insurance	1,161	—	—	1,161	—	1,161
Other sales	1,161	—	—	1,161	—	1,161
Sales to customers	292,296	10,482	738	303,517	—	303,517
Inter-segment sales and transfers	43	—	194	238	(238)	—
Total	292,340	10,482	933	303,756	(238)	303,517
Segment profit (loss)	16,079	(997)	(1,959)	13,122	(2,353)	10,768

[After correction]
(Segment Information, etc.)

[Segment information]

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

Nine months ended December 31, 2023 (April 1, 2023-December 31, 2023)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	20,750	—	—	20,750	—	20,750
Maintenance	26,589	—	—	26,589	—	26,589
Company housing agency fee	691	—	—	691	—	691
Roof lease solar power generation	2,182	—	—	2,182	—	2,182
Construction subcontracting	422	—	—	422	—	422
Other	—	10,639	702	11,341	—	11,341
Sales from contracts with customer	50,637	10,639	702	61,979	—	61,979
Rent income	237,047	—	—	237,047	—	237,047
Ancillary service income	12,825	—	—	12,825	—	12,825
Rental guarantee	3,237	—	—	3,237	—	3,237
Furniture insurance	1,156	—	—	1,156	—	1,156
Other	106	—	224	330	—	330
Other sales	254,372	—	224	254,597	—	254,597
Sales to external customers	305,010	10,639	926	316,576	—	316,576
Inter-segment sales and transfers	18	—	212	230	(230)	—
Total	305,028	10,639	1,138	316,806	(230)	316,576
Segment profit (loss)	25,107	(409)	(1,744)	22,953	(2,943)	20,009

(i) Information on net sales, profit or loss by reportable segment and breakdown of net sales

Nine months ended December 31, 2022 (April 1, 2022–December 31, 2022)

(JPY million)

	Reportable segments				Adjustments	Amount stated in Consolidated Statement of Income
	Leasing Business	Elderly Care Business	Other Businesses	Total		
Net sales						
Ancillary service income	21,611	—	—	21,611	—	21,611
Maintenance	26,764	—	—	26,764	—	26,764
Company housing agency fee	606	—	—	606	—	606
Roof lease solar power generation	2,199	—	—	2,199	—	2,199
Construction subcontracting	1,076	—	—	1,076	—	1,076
Other	5	10,482	564	11,051	—	11,051
Sales from contracts with customer	52,263	10,482	564	63,310	-	63,310
Rent income	224,290	—	—	224,290	—	224,290
Ancillary service income	11,156	—	—	11,156	—	11,156
Rental guarantee	3,212	—	—	3,212	—	3,212
Furniture insurance	1,161	—	—	1,161	—	1,161
Other	212	—	174	386	—	386
Other sales	240,033	—	174	240,207	—	240,207
Sales to external customers	292,296	10,482	738	303,517	—	303,517
Inter-segment sales and transfers	43	—	194	238	(238)	—
Total	292,340	10,482	933	303,756	(238)	303,517
Segment profit (loss)	16,079	(997)	(1,959)	13,122	(2,353)	10,768

END