Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 [Japanese GAAP]

February 14, 2025

Company name: robot home Inc.
Stock exchange listing: Tokyo Stock Exchange
Code number: 1435
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Scheduled date of Annual General Meeting of Shareholders: March 27, 2025
Scheduled date to commence dividend payments: March 28, 2025
Scheduled date to file annual securities report: March 28, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for securities analysts and institutional investors)

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Consolidated operating results (% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2024	13,157	52.6	1,043	39.4	1,018	38.0	912	3.0
December 31, 2023	8,625	59.1	748	16.0	737	10.9	886	23.2

(Note) Comprehensive income: Fiscal year ended December 31, 2024: ¥895 million [0.2%]
Fiscal year ended December 31, 2023: ¥894 million [35.1%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2024	10.16	-	10.2	8.1	7.9
December 31, 2023	9.86	-	10.8	6.5	8.7

(Reference) Share of profit (loss) of entities accounted for using equity method:
Fiscal year ended December 31, 2024: ¥ - million
Fiscal year ended December 31, 2023: ¥ - million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2024	13,233	9,310	70.3	103.57
As of December 31, 2023	12,019	8,594	71.5	95.58

(Reference) Equity: As of December 31, 2024: ¥9,308 million
As of December 31, 2023: ¥8,591 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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2024	2,060	(729)	447	6,501
December 31, 2023	1,043	(488)	(57)	4,718

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended December 31, 2023	-	1.00	-	1.00	2.00	179	20.3	2.2
December 31, 2024	-	1.00	-	1.00	2.00	179	19.7	2.0
Fiscal year ending December 31, 2025 (Forecast)	-	1.00	-	1.00	2.00		16.3	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	24,000	82.4	1,400	34.1	1,350	32.6	1,100	20.5	12.24

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: No
New: - Exclusion: -

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: Yes
4) Retrospective restatement: No

(3) Total number of shares outstanding (common stock)
1) Total number of shares outstanding at the end of the period (including treasury shares):
December 31, 2024: 91,127,000 shares
December 31, 2023: 91,127,000 shares
2) Total number of treasury shares at the end of the period:
December 31, 2024: 1,242,800 shares
December 31, 2023: 1,242,800 shares
3) Average number of shares during the period:
Fiscal year ended December 31, 2024: 89,884,200 shares
Fiscal year ended December 31, 2023: 89,884,200 shares

(Reference) Overview of Unconsolidated Financial Results

Unconsolidated results for the fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Unconsolidated financial results

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2024	11,384	54.3	734	99.4	847	102.8	956	18.0
December 31, 2023	7,377	62.7	368	(50.3)	417	(47.2)	810	4.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2024	10.64	-
December 31, 2023	9.02	-

(2) Unconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2024	13,079	9,471	72.4	105.37
As of December 31, 2023	11,734	8,715	74.3	96.96

(Reference) Equity: As of December 31, 2024: ¥9,471 million

As of December 31, 2023: ¥8,715 million

* About the difference in the unconsolidated financial results for the current fiscal year from the actual results for the previous fiscal year

During the current fiscal year, the number of deliveries of newly built real estate for investment exceeded the actual result for the previous fiscal year, in addition to the sale of large inventories. As a result, the flow income domain of the robot home business grew significantly, and the recurring income domain also performed well due to the increased inflow from the flow income domain to the recurring income domain, resulting in increases in all of net sales, operating profit, ordinary profit, and profit from the previous fiscal year.

* These consolidated financial results are outside the scope of audits by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions judged to be reasonable. The Company makes no warranty as to the achievability of these forecasts. Actual performance, etc. may differ significantly from these forecasts due to a wide range of factors.

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1. Summary of Operating Results, etc.

(1) Summary of operating results for the current fiscal year

The Japanese economy during the current fiscal year was on a gradual recovery path largely because of the improvement of personal consumption and capital investment as well as the improvement of the employment condition and income environment. Meanwhile, uncertainty about the future persists as evidenced by the impact caused by global monetary tightening, a change in the Bank of Japan's monetary easing measures, soaring raw material and energy prices and other factors.

Under these circumstances, the Group has promoted DX (digital transformation) by utilizing state-of-the-art technologies such as AI/IoT and continued to update rental property management platform "robot home" through the use of those technologies. By generating a virtuous growth cycle that involves supply of new and secondhand properties to real estate owners, leasing management contracts, sale and reinvestment and further growth of the circulation on the platform, the Group has stably increased recurring income.

As a result, the performance for the current fiscal year was ¥13,157 million in net sales (up 52.6% year on year), ¥1,043 million in operating profit (up 39.4% year on year), ¥1,018 million in ordinary profit (up 38.0% year on year) and ¥912 million in profit attributable to owners of parent (up 3.0% year on year).

The performance of each segment is as follows.

Since the current fiscal year, the Company has partially changed the business segment stated as the reportable segment as well as the business segment name, and the comparison/analysis for the current fiscal year is based on the classification after the change.

1) AI/IoT business

In the AI/IoT business, the Company offers its consulting services drawing on its ongoing development and operation of its rental property management platform "robot home." The Company aims for the automation of real estate management by connecting all players on the platforms, namely residents, owners, maintenance companies, leasing agents, and leasing management companies. Further, it makes inroads into the DX domain through its accumulated real estate and technological expertise. It offers comprehensive DX support service not only to the real estate industry but to other industries as well.

As a result, net sales for the current fiscal year were ¥714 million (up 34.7% year on year) and operating profit was ¥262 million (up 8.5% year on year).

2) robot home business

In the robot home business, the Company strived to build a virtuous growth cycle that involves supply of new and seconded properties to real estate owners (the flow income domain), leasing management contracts (the recurring income domain), sale and reinvestment (the flow income domain) and further growth of the circulation on the platform, through the use of rental property management platform "robot home," which was built in the AI/IoT business.

In the recurring income domain, the Company implemented streamlined PM business and increased stable recurring income by introducing rental property management RPA "robot home for PM," which utilizes the core technologies such as AI/IoT. Further, the Company focused its efforts on the sustainable expansion of its profit foundations through initiatives, for example, the expansion of its business domains into the maintenance domain and the expansion of the share of company-guaranteed units.

In the flow income domain, the Company invigorated transactions in the application by further enhancing its support not only for purchase but also for asset building and sale. It focused its efforts to further stabilize its profit foundations by facilitating the circulation on the platform.

As a result, net sales for the current fiscal year were ¥12,469 million (up 53.9% year on year) and operating profit was ¥2,410 million (up 42.5% year on year).

(2) Summary of financial position for the current fiscal year

(Assets)

Total assets at the end of the current fiscal year increased by ¥1,213 million from the end of the previous fiscal year to ¥13,233 million. This is mainly attributable to increases in cash and deposits of ¥1,782 million and property, plant and equipment of ¥553 million, and a decrease in real estate for sale of ¥1,003 million.

(Liabilities)

Total liabilities at the end of the current fiscal year increased by ¥497 million from the end of the previous fiscal year to ¥3,922 million. This is mainly attributable to an increase in long-term borrowings of ¥539 million, and a decrease in accounts payable - trade of ¥157 million.

(Net assets)

Total net assets at the end of the current fiscal year increased by ¥715 million from the end of the previous fiscal year to ¥9,310 million. This is mainly attributable to the recording of profit attributable to owners of parent of ¥912 million and the payment of a dividend of surplus of ¥179 million.

(3) Summary of cash flows for the current fiscal year

Cash and cash equivalents at the end of the current fiscal year increased by ¥1,782 million from the end of the previous fiscal year, to ¥6,501 million. Cash flows in each activity are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥2,060 million (¥1,043 million provided in the previous fiscal year). This is mainly attributable to inflows of ¥998 million in profit before income taxes and ¥989 million in a decrease in inventories, and an outflow due to a decrease in trade payables of ¥157 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥729 million (¥488 million used in the previous fiscal year). This is mainly attributable to outflows of ¥661 million in purchase of property, plant and equipment and ¥65 million in purchase of intangible assets.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥447 million (¥57 million used in the previous fiscal year). This is mainly attributable to an inflow of ¥607 million in proceeds from long-term borrowings and an outflow due to dividends paid of ¥179 million.

(4) Future outlook

As for the outlook for the fiscal year ending December 31, 2025, uncertainty about the future persists as evidenced by the prolonged impact of the situation in Ukraine and rising prices resulting from the weaker yen and soaring resource prices, among other factors.

Under these circumstances, in accordance with the management philosophy of “A life with robot home can change the world,” the Group will continue to develop its business to provide highly convenient services, suitable for diversifying lifestyles, through various services in the real estate field based on DX (digital transformation) that relies on advanced technologies such as AI and IoT and realize this philosophy.

With regard to consolidated financial results forecasts for the fiscal year ending December 31, 2025, the Company projects net sales of ¥24,000 million (increase of 82.4% year on year), an operating profit of ¥1,400 million (increase of 34.1% year on year), an ordinary profit of ¥1,350 million (increase of 32.6% year on year), and profit attributable to owners of parent of ¥1,100 million (increase of 20.5% year on year).

2. Basic Stance on Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and among companies, the Company will maintain the policy of preparing its consolidated financial statements under Japanese GAAP for the time being.

With regard to applying International Financial Reporting Standards, the Company’s policy is to take appropriate measures in consideration of the situation in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes
(1) Consolidated balance sheets

(Thousand yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	4,718,875	6,501,814
Accounts receivable - trade	449,700	412,299
Merchandise and finished goods	20,670	13,446
Real estate for sale	3,574,848	2,571,583
Real estate for sale in process	146,158	164,767
Supplies	3,258	5,482
Other	240,760	249,830
Allowance for doubtful accounts	(121,874)	(95,585)
Total current assets	9,032,399	9,823,637
Non-current assets		
Property, plant and equipment		
Buildings and structures	706,544	1,021,514
Accumulated depreciation	(134,854)	(136,316)
Buildings and structures, net	571,690	885,198
Machinery, equipment and vehicles	42,966	40,969
Accumulated depreciation	(35,706)	(35,275)
Machinery, equipment and vehicles, net	7,259	5,694
Land	427,763	641,842
Leased assets	7,760	13,490
Accumulated depreciation	(5,040)	(6,546)
Leased assets, net	2,719	6,944
Other	42,418	70,099
Accumulated depreciation	(20,664)	(25,301)
Other, net	21,754	44,798
Total property, plant and equipment	1,031,187	1,584,477
Intangible assets		
Goodwill	181,090	168,155
Customer-related assets	69,873	64,498
Other	134,891	163,069
Total intangible assets	385,854	395,723
Investments and other assets		
Investment securities	1,071,928	1,038,034
Deferred tax assets	232,038	187,252
Other	265,968	203,962
Total investments and other assets	1,569,935	1,429,249
Total non-current assets	2,986,977	3,409,450
Total assets	12,019,376	13,233,088

(Thousand yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	624,352	467,170
Short-term borrowings	427,500	500,040
Current portion of long-term borrowings	48,452	62,676
Income taxes payable	28,898	17,798
Deposits received	1,160,212	1,246,077
Asset retirement obligations	34,337	-
Provision for loss on guarantees	384,235	337,667
Other	431,319	388,612
Total current liabilities	3,139,307	3,020,042
Non-current liabilities		
Long-term borrowings	218,730	758,659
Asset retirement obligations	44,134	102,907
Deferred tax liabilities	2,818	18,333
Other	20,212	23,032
Total non-current liabilities	285,894	902,931
Total liabilities	3,425,202	3,922,974
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	7,460,469	7,460,469
Retained earnings	1,395,244	2,128,305
Treasury shares	(299,986)	(299,986)
Total shareholders' equity	8,565,728	9,298,789
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,107	4,955
Foreign currency translation adjustment	560	5,214
Total accumulated other comprehensive income	25,667	10,169
Non-controlling interests	2,778	1,155
Total net assets	8,594,173	9,310,114
Total liabilities and net assets	12,019,376	13,233,088

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

(Thousand yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net sales	8,625,026	13,157,735
Cost of sales	5,189,242	8,725,443
Gross profit	3,435,784	4,432,292
Selling, general and administrative expenses	2,686,998	3,388,317
Operating profit	748,786	1,043,974
Non-operating income		
Interest income	503	955
Dividend income	9,646	8,298
Gain on investments in investment partnerships	319	-
Gain on sale of goods	2,136	-
Other	5,126	2,115
Total non-operating income	17,731	11,369
Non-operating expenses		
Interest expenses	14,039	21,585
Guarantee commission	1,263	1,456
Loss on investments in investment partnerships	2,203	4,355
Commission expenses	8,612	7,934
Other	2,868	1,945
Total non-operating expenses	28,987	37,276
Ordinary profit	737,530	1,018,066
Extraordinary income		
Gain on sale of non-current assets	299	18
Gain on sale of investment securities	164,751	-
Gain on reversal of share acquisition rights	15,773	-
Gain on reversal of asset retirement obligations	-	7,344
Total extraordinary income	180,824	7,363
Extraordinary losses		
Loss on sale of non-current assets	5	-
Loss on valuation of investment securities	37,836	26,710
Total extraordinary losses	37,842	26,710
Profit before income taxes	880,513	998,719
Income taxes – current	26,980	16,654
Income taxes – deferred	(33,715)	70,858
Total income taxes	(6,734)	87,512
Profit	887,247	911,206
Profit (loss) attributable to non-controlling interests	898	(1,622)
Profit attributable to owners of parent	886,349	912,829

Consolidated statements of comprehensive income

(Thousand yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Profit	887,247	911,206
Other comprehensive income		
Valuation difference on available-for-sale securities	5,214	(20,151)
Foreign currency translation adjustment	1,810	4,653
Total other comprehensive income	7,024	(15,497)
Comprehensive income	894,272	895,708
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	893,374	897,331
Comprehensive income attributable to non-controlling interests	898	(1,622)

(3) Consolidated statements of changes in net assets

For the fiscal year ended December 31, 2023

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	7,460,469	688,663	(299,986)	7,859,146
Changes during period					
Dividends of surplus			(179,768)		(179,768)
Profit attributable to owners of parent			886,349		886,349
Net changes in items other than shareholders' equity					
Total changes during period	-	-	706,581	-	706,581
Balance at end of period	10,000	7,460,469	1,395,244	(299,986)	8,565,728

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	19,892	(1,250)	18,642	15,773	1,880	7,895,443
Changes during period						
Dividends of surplus						(179,768)
Profit attributable to owners of parent						886,349
Net changes in items other than shareholders' equity	5,214	1,810	7,024	(15,773)	898	(7,850)
Total changes during period	5,214	1,810	7,024	(15,773)	898	698,730
Balance at end of period	25,107	560	25,667	-	2,778	8,594,173

For the fiscal year ended December 31, 2024

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	7,460,469	1,395,244	(299,986)	8,565,728
Changes during period					
Dividends of surplus			(179,768)		(179,768)
Profit attributable to owners of parent			912,829		912,829
Net changes in items other than shareholders' equity					
Total changes during period	-	-	733,061	-	733,061
Balance at end of period	10,000	7,460,469	2,128,305	(299,986)	9,298,789

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	25,107	560	25,667	-	2,778	8,594,173
Changes during period						
Dividends of surplus						(179,768)
Profit attributable to owners of parent						912,829
Net changes in items other than shareholders' equity	(20,151)	4,653	(15,497)	-	(1,622)	(17,120)
Total changes during period	(20,151)	4,653	(15,497)	-	(1,622)	715,940
Balance at end of period	4,955	5,214	10,169	-	1,155	9,310,114

(4) Consolidated statements of cash flows

(Thousand yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	880,513	998,719
Depreciation	118,744	180,331
Amortization of goodwill	12,935	12,935
Amortization of customer relationship	5,374	5,374
Gain on sale of non-current assets	(299)	(18)
Loss on sale of non-current assets	5	-
Gain on reversal of asset retirement obligations	-	(7,252)
Loss (gain) on valuation of investment securities	37,836	26,710
Interest and dividend income	(10,149)	(9,253)
Interest expenses	14,039	21,585
Loss (gain) on sale of investment securities	(164,751)	-
Loss (gain) on investments in investment partnerships	1,884	4,355
Gain on reversal of share acquisition rights	(15,773)	-
Decrease (increase) in trade receivables	(18,753)	37,401
Decrease (increase) in inventories	(220,881)	989,656
Increase (decrease) in trade payables	477,821	(157,182)
Decrease (increase) in advance payments to suppliers	(43,554)	(25,902)
Increase (decrease) in advances received	5,000	(8,000)
Increase (decrease) in deposits received	116,363	85,865
Increase (decrease) in long-term accounts payable - other	316	(316)
Increase (decrease) in allowance for doubtful accounts	37	(26,288)
Increase (decrease) in provision for loss on guarantees	(189,676)	(46,568)
Decrease (increase) in other assets	(2,060)	39,086
Increase (decrease) in other liabilities	44,072	(32,606)
Other, net	10,352	10,997
Subtotal	1,059,397	2,099,629
Interest and dividends received	10,149	9,253
Interest paid	(14,511)	(21,001)
Income taxes paid	(13,673)	(26,952)
Income taxes refund	2,241	-
Net cash provided by (used in) operating activities	1,043,603	2,060,929

(Thousand yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(303,760)	(661,887)
Proceeds from sale of property, plant and equipment	691	-
Purchase of intangible assets	(84,100)	(65,486)
Purchase of investment securities	(298,000)	(30,000)
Proceeds from sale of investment securities	270,457	-
Proceeds from redemption of investment securities	14,695	-
Proceeds from divestments	10	-
Payments of leasehold and guarantee deposits	(90,533)	(28,781)
Proceeds from refund of leasehold and guarantee deposits	2,252	56,630
Net cash provided by (used in) investing activities	(488,287)	(729,525)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	174,600	72,540
Proceeds from long-term borrowings	-	607,000
Repayments of long-term borrowings	(52,148)	(52,357)
Dividends paid	(178,924)	(179,142)
Repayments of lease liabilities	(1,025)	(976)
Net cash provided by (used in) financing activities	(57,498)	447,064
Effect of exchange rate change on cash and cash equivalents	1,810	4,470
Net increase (decrease) in cash and cash equivalents	499,628	1,782,938
Cash and cash equivalents at beginning of period	4,219,247	4,718,875
Cash and cash equivalents at end of period	4,718,875	6,501,814

(5) Notes to consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting estimates)

(Changes in estimate regarding asset retirement obligations)

In the fiscal year ended December 31, 2024, the Company has made a change in estimate regarding the asset retirement obligations that the Company recorded related to the restoration obligations associated with the real estate lease contracts, due to availability of new information on the restoration costs. The asset retirement obligations before amendment have been reduced to reflect a decrease of ¥7,344 thousand attributable to said change. As a result of this change in estimate, profit before income taxes for the fiscal year ended December 31, 2024 increased by ¥7,344 thousand.

Due to the decision made to relocate the Nagoya Branch and the Osaka Branch, the useful lives of non-current assets not expected to be used after the relocation have been shortened and changed prospectively. As a result of this change in estimate, operating profit, ordinary profit, and profit before income taxes for the fiscal year ended December 31, 2024 decreased by ¥22,981 thousand, respectively, compared with the previous method.

(Matters related to revenue recognition)

The information on disaggregation of revenues from contracts with customers is as described in “(Segment information, etc.)” under “Notes to consolidated financial statements.”

(Segment information, etc.)
(Segment information)

1. Summary of reportable segments

The Group's reportable segments represent constituent components of an entity for which separate financial statements are available, and are subject to periodic consideration by the Board of Directors in order to determine the allocation of management resources and to perform business evaluation.

The Company has two reportable segments, namely "AI/IoT business" and "robot home business" with classification based upon business content.

In the AI/IoT business, we provide DX consulting services to other companies by constantly developing, operating, and providing services for the "robot home," a DX rental housing platform, and drawing upon our accumulated in-house real estate and technology expertise to expand into the DX domain. In the robot home business, we provide services that allow our users to view, examine and purchase real estate for investment on "income club," a real estate investment marketplace, and offer streamlined PM services through the use of "robot home," an IoT platform for rental housing. We also provide insurance services such as rental guarantees and services in the maintenance domain.

2. Calculation method for amount of net sales, profit and loss, assets, liabilities and other items for respective reportable segments

The accounting method for reportable segments is generally the same as stated in the important matters that serve as the basis for preparation of consolidated financial statements.

Profit or loss of reportable segments represents the operating profit or loss base, and inter-segment sales and transfers are based on market prices.

3. Information concerning the amount of net sales, profit and loss, assets, liabilities and other items for respective reportable segments

For the fiscal year ended December 31, 2023

(Thousand yen)

	Reportable segment			Others (Note 1)	Total	Adjustments (Notes 2,3,4)	Amounts on consolidated financial statements (Note 5)
	AI/IoT business	robot home business	Total				
Net sales							
Goods and services transferred at a point in time	264,160	5,364,059	5,628,219	-	5,628,219	-	5,628,219
Goods and services transferred for a certain period of time	259,687	2,138,470	2,398,157	-	2,398,157	-	2,398,157
Income generated by contracts with customers	523,847	7,502,529	8,026,377	-	8,026,377	-	8,026,377
Other income	-	598,649	598,649	-	598,649	-	598,649
Net sales to external customers	523,847	8,101,179	8,625,026	-	8,625,026	-	8,625,026
Inter-segment sales or transfers	6,748	-	6,748	-	6,748	(6,748)	-
Total	530,596	8,101,179	8,631,775	-	8,631,775	(6,748)	8,625,026
Segment profit or loss	242,352	1,691,368	1,933,720	(2,174)	1,931,546	(1,182,759)	748,786
Assets	589,181	5,365,155	5,954,336	167,310	6,121,646	5,897,730	12,019,376
Other							
Depreciation	5,283	39,498	44,781	-	44,781	73,963	118,744
Increase in property, plant and equipment and intangible assets	8,675	312,350	321,025	-	321,025	57,304	378,329

(Notes) 1.“Others” refers to business segments not included in the reportable segments.
2. The adjustments to segment profits or losses mainly represent companywide expenses which have not been allocated to each reportable segment.
3. The adjustments to segment assets represent companywide assets (mainly cash and deposits, investment securities, etc.) which have not been allocated to each reportable segment.
4. The adjustments to depreciation and increase in property, plant and equipment and intangible assets represent depreciation of and an increase in companywide assets which have not been allocated to each reportable segment.
5. Segment profit or loss is adjusted with the operating profit on the consolidated statements of income.

For the fiscal year ended December 31, 2024

(Thousand yen)

	Reportable segment			Others (Note 1)	Total	Adjustments (Notes 2,3,4)	Amounts on consolidated financial statements (Note 5)
	AI/IoT business	robot home business	Total				
Net sales							
Goods and services transferred at a point in time	463,336	9,629,462	10,092,799	-	10,092,799	-	10,092,799
Goods and services transferred for a certain period of time	225,317	2,146,639	2,371,957	-	2,371,957	-	2,371,957
Income generated by contracts with customers	688,654	11,776,102	12,464,756	-	12,464,756	-	12,464,756
Other income	-	692,978	692,978	-	692,978	-	692,978
Net sales to external customers	688,654	12,469,080	13,157,735	-	13,157,735	-	13,157,735
Inter-segment sales or transfers	25,828	38	25,866	-	25,866	(25,866)	-
Total	714,483	12,469,118	13,183,601	-	13,183,601	(25,866)	13,157,735
Segment profit or loss	262,859	2,410,558	2,673,417	(1,379)	2,672,037	(1,628,063)	1,043,974
Assets	264,740	5,109,445	5,374,186	307,579	5,681,765	7,551,322	13,233,088
Other							
Depreciation	5,608	48,863	54,472	-	54,472	125,859	180,331
Increase in property, plant and equipment and intangible assets	-	341,609	341,609	-	341,609	421,215	762,824

(Notes) 1.“Others” refers to business segments not included in the reportable segments.

2. The adjustments to segment profits or losses mainly represent companywide expenses which have not been allocated to each reportable segment.
3. The adjustments to segment assets represent companywide assets (mainly cash and deposits, investment securities, etc.) which have not been allocated to each reportable segment.
4. The adjustments to depreciation and increase in property, plant and equipment and intangible assets represent depreciation of and an increase in companywide assets which have not been allocated to each reportable segment.
5. Segment profit or loss is adjusted with the operating profit on the consolidated statements of income.

4. Matters concerning changes, etc. to reportable segments

(Change in the name of a reportable segment)

Since the fiscal year ended December 31, 2024, the name of the reportable segment, which was previously “Robot Home business” has been changed to “robot home business.” There is no impact on segment information due to the change in the name of said reportable segment.

The segment information for the previous fiscal year is stated using the classification method after the change.

(Per share information)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net assets per share	¥95.58	¥103.57
Basic earnings per share	¥9.86	¥10.16

(Notes) 1. Diluted earnings per share is not presented because there were no dilutive shares.

2. The basis for the calculation of basic earnings per share is as follows.

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Thousand yen)	886,349	912,829
Amount not attributable to common shareholders (Thousand yen)	-	-
Profit attributable to owners of parent relating to common stock (Thousand yen)	886,349	912,829
Average number of shares of common stock outstanding during the period (Shares)	89,884,200	89,884,200
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect	-	-

(Significant events after reporting period)

Not applicable