Note: This document is a translation of the Japanese original. The Japanese original has been disclosed in Japan in accordance with Japanese accounting standards and the Financial Instruments and Exchange Act. This document does not contain or constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on this document. In the case that there is any discrepancy between the Japanese original and this document, the Japanese original is assumed to be correct.

Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 13, 2025

Company name: HASEKO Corporation
Stock exchange listing: Tokyo Stock Exchange, Prime section
Code number: 1808
URL: https://www.haseko.co.jp/hc/english/

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2024	836,740	8.8	57,446	(6.5)	58,393	(3.5)	18,367	(53.6)
December 31, 2023	768,852	8.8	61,439	8.6	60,482	9.9	39,593	7.2

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 17,365 million [(69.3)%]
Nine months ended December 31, 2023: ¥ 56,564 million [7.5%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	67.28	-
December 31, 2023	145.16	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
December 31, 2024	1,254,347	505,390	40.3
March 31, 2024	1,351,231	511,246	37.8

(Reference) Equity: As of December 31, 2024: ¥ 505,390 Million
As of March 31, 2024: ¥ 511,246 Million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	40.00	-	45.00	85.00
Fiscal year ending March 31, 2025	-	40.00	-		
Fiscal year ending March 31, 2025 (Forecast)				45.00	85.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 01, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	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	1,180,000	7.8	82,000	(4.4)	80,000	(4.0)	30,000	(46.5)	109.87

(Note) Revision to the financial results forecast announced most recently: Yes

Regarding the revision to the consolidated financial results forecast, please refer to the document “Notice Concerning Recording of Extraordinary Losses (Impairment Losses) and Revisions to Full-Year Financial Results Forecasts” disclosed today(February 13, 2025).

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2024:	300,794,397	shares
March 31, 2024:	300,794,397	shares

2) Total number of treasury shares at the end of the period:

December 31, 2024:	27,749,991	shares
March 31, 2024:	28,009,610	shares

3) Average number of shares during the period:

Nine months ended December 31, 2024:	272,998,845	shares
Nine months ended December 31, 2023:	272,745,977	shares

(Note) The number of treasury stocks above includes shares held as the trust assets for the Board Benefit Trust (BBT) and the Employee Stock Ownership Plan (ESOP).
Shares of the Company's own stock held in BBT and ESOP trust accounts are included in treasury stock subtracted from the calculation of the average number of shares during the period.

*** Quarterly financial results reports are exempt from review conducted by certified public accountants or an audit firm.**

Explanation regarding appropriate use of forecasts, and other specific comments

The forecasts contained herein are based on information available as of the date of this announcement, and the actual results may differ materially from forecasts due to various factors. For details of assumptions for financial forecasts and other related matters, please refer to “1. Overview of Financial Results, etc. (3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking information” on page 3 of the Attachment.

Supplementary materials for this report and results briefing materials can be found on the Company’s website.

Table of contents of appendix

1.Overview of Financial Results, etc. 2
(1) Overview of Financial Results for this period 2
(2) Overview of Financial Position for this period 3
(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking information 3
2.Quarterly Consolidated Financial Statements and Principal Notes 4
(1) Quarterly Consolidated Balance Sheets 4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income 6
(Quarterly Consolidated Statements of Income) 6
(Quarterly Consolidated Statements of Comprehensive Income) 8
(3) Notes to Quarterly Consolidated Financial Statements 9
(Notes to Going Concern Assumption) 9
(Notes to Significant Changes in the Amount of Shareholders' Equity) 9
(Notes on Changes in Accounting Policies) 9
(Notes on Segment Information) 9
(Notes on Quarterly Consolidated Statements of Cash Flows) 10
3.Non-consolidated Orders Received 11

1.Overview of Financial Results, etc.

(1) Overview of Financial Results for this period

For the nine months ended on December 31, 2024, since increases in net sales of completed construction contracts and volume of transaction of real estate, net sales were 836.7 billion yen, up by 8.8% compared with the same period of the previous fiscal year. Since the gross profit margin of completed construction contracts declined, operating profit was 57.4 billion yen, down by 6.5% compared with the same period of the previous fiscal year, ordinary profit was 58.4 billion yen, down by 3.5% compared with the same period of the previous fiscal year. Since the extraordinary loss on impairment losses, loss on valuation of investment securities and provision for loss on litigation in the Overseas-related business, profit attributable to owners of parents was 18.4 billion yen, down by 53.6% compared with the same period of the previous fiscal year.

Operating results by reportable segment are as follow:

Billions of yen

	Construction-related business		Real estate-related business		Service-related business		Overseas-related business	
Net Sales	586.6	(+32.4)	119.5	(+36.3)	185.8	(-1.0)	1.4	(+0.7)
Segment profit	40.1	(-5.9)	18.5	(+3.9)	8.2	(-1.2)	-4.2	(-0.5)

Figures in parentheses show the amount of increase or decrease from the same period of the previous fiscal year

(Construction-related business)

For construction works, projects owners have had high regard for the Company's ability in gathering land information as well as product planning, its attitude regarding construction quality and maintaining construction schedules, efficient production system, and such. Meanwhile, the gross profit margin of completed construction contracts lowered due to worsened construction profitability upon receiving orders and higher costs of material and labor, among other factors.

In terms of orders for new construction of for-sale condominiums, the Company won orders for 61 projects in total throughout Japan consisting of 48 in the Tokyo metropolitan area including 17 large projects, 200 units or more, and 13 in the Kinki and Tokai areas including 7 large projects. In addition, aside from construction of for-sale condominiums, the Company received orders for 4 projects for rental apartments, etc.

As for construction completion, the Company completed construction of 47 projects including 7 projects for rental apartments, etc.

The segment posted sales of 586.6 billion yen, up by 5.9% compared with the same period of the previous fiscal year because increases in net sales of completed construction contracts by the Company, and segment profit was 40.1 billion yen, down by 12.8% compared with the same period of the previous fiscal year because the gross profit margin of completed construction contracts declined.

(Real estate-related Business)

The segment posted sales of 119.5 billion yen, up by 43.7% compared with the same period of the previous fiscal year because of an increase in a transaction volume of other real estate, despite a decrease in volume of for-sale condominium delivered by subsidiaries, segment profit of 18.5 billion yen, up by 26.9% compared with the same period of the previous fiscal year.

(Service-related Business)

The volume of construction work in common areas and exclusive areas in for-sale condominium management operations increased, but the number of units to be delivered in consigned sales of newly built condominiums and the volume of real estate sales for businesses in the real estate brokerage business decreased.

The segment posted sales of 185.8 billion yen, down by 0.5% compared with the same period of the previous fiscal year, and operating profit of 8.2 billion yen, down by 13.1% compared with the same period of the previous fiscal year.

(Overseas-related business)
The subsidiaries have been operating a commercial facility and developing new projects of for-sale detached housing business in Oahu, Hawaii.
The segment posted sales of 1.4 billion yen (the sales of 0.7 billion yen in the same period of the previous fiscal year) and operating loss of 4.2 billion yen (the operating loss of 3.7 billion yen in the same period of the previous fiscal year).

(2) Overview of Financial Position for this period
Total assets as of December 31, 2024 were 1,254.3 billion yen, decreased by 96.9 billion yen from the end of the previous fiscal year. This is mainly due to a decrease in cash and deposits accompany with repayment of accounts payable and repayment of borrowing of debt.
Total liabilities were 749.0 billion yen, decreased by 91.0 billion yen from the end of the previous fiscal year. This is mainly due to decreases in accounts payable and borrowing of debt.
Net assets were 505.4 billion yen, decreased by 5.9 billion yen from the end of the previous fiscal year. This is mainly due to the payment of cash dividends, despite recording of net income attributable to owners of parents.

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward- Looking Information
In light of the financial results for the nine months ended December 31, 2024, we have revised the full-year consolidated earnings forecast released on May 10, 2024.
For details, please refer to the document ”Notice Concerning Recording of Extraordinary Losses (Impairment Losses) and Revisions to Full-Year Financial Results Forecasts” disclosed today (February 13, 2025).

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	284,129	179,059
Notes receivable, accounts receivable from completed construction contracts and other	148,526	136,965
Securities	2,255	2,292
Costs on construction contracts in progress	12,733	15,484
Real estate for sale	266,332	244,508
Costs on real estate business	253,423	304,473
Real estate for development	33,056	34,598
Other	21,367	34,354
Allowance for doubtful accounts	(121)	(131)
Total current assets	1,021,700	951,601
Non-current assets		
Property, plant and equipment		
Buildings and structures	95,784	73,236
Machinery, vehicles, tools, furniture and fixtures	13,191	12,498
Land	91,774	81,841
Leased assets	1,062	1,127
Construction in progress	8,251	12,328
Other	130	178
Accumulated depreciation	(34,566)	(37,146)
Total property, plant and equipment	175,625	144,062
Intangible assets		
Leasehold interests in land	1,895	1,878
Goodwill	1,981	1,828
Other	7,160	7,984
Total intangible assets	11,036	11,691
Investments and other assets		
Investment securities	91,444	94,582
Long-term loans receivable	3,551	4,578
Retirement benefit asset	29,362	30,677
Deferred tax assets	5,545	4,152
Other	13,925	13,958
Allowance for doubtful accounts	(958)	(954)
Total investments and other assets	142,870	146,993
Total non-current assets	329,531	302,746
Total assets	1,351,231	1,254,347

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	100,694	98,063
Electronically recorded obligations - operating	73,193	47,285
Current portion of long-term borrowings	10,000	10,000
Current portion of bonds payable	-	20,000
Income taxes payable	15,853	5,551
Advances received on construction contracts in progress	47,167	49,306
Deposits received - real estate business	41,765	19,948
Provision for warranties for completed construction	4,861	4,235
Provision for loss on construction contracts	687	943
Provision for bonuses	6,019	3,109
Provision for bonuses for directors (and other officers)	208	-
Other	93,936	70,417
Total current liabilities	394,383	328,856
Non-current liabilities		
Bonds payable	120,000	100,000
Long-term borrowings	285,000	275,000
Provision for loss on litigation	2,990	6,065
Provision for share awards	4,427	4,682
Provision for share awards for directors (and other officers)	481	445
Retirement benefit liability	1,777	1,957
Deferred tax liabilities	11	11
Other	30,916	31,942
Total non-current liabilities	445,601	420,101
Total liabilities	839,985	748,957
Net assets		
Shareholders' equity		
Share capital	57,500	57,500
Capital surplus	7,373	7,373
Retained earnings	461,707	456,478
Treasury shares	(37,233)	(36,858)
Total shareholders' equity	489,347	484,494
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,452	7,993
Foreign currency translation adjustment	11,101	12,329
Remeasurements of defined benefit plans	345	574
Total accumulated other comprehensive income	21,899	20,897
Total net assets	511,246	505,390
Total liabilities and net assets	1,351,231	1,254,347

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales		
Net sales of completed construction contracts	404,059	443,674
Net sales of design and supervision	5,527	8,455
Net sales of leasing and management	66,706	68,827
Real estate sales	278,141	300,068
Other operating revenue	14,419	15,715
Total net sales	768,852	836,740
Cost of sales		
Cost of sales of completed construction contracts	344,242	387,982
Cost of design and supervision	2,658	3,992
Cost of leasing and management	51,502	53,562
Cost of sales - real estate	242,928	261,659
Other business expenses	11,868	12,686
Total cost of sales	653,199	719,880
Gross profit		
Gross profit on completed construction contracts	59,817	55,692
Gross profit-design and supervision	2,868	4,464
Gross profit-leasing and management	15,204	15,266
Gross profit - real estate sales	35,213	38,409
Gross profit - other business	2,551	3,030
Total gross profit	115,654	116,860
Selling, general and administrative expenses	54,215	59,414
Operating profit	61,439	57,446
Non-operating income		
Interest income	156	205
Dividend income	430	2,791
Other	1,168	1,247
Total non-operating income	1,755	4,244
Non-operating expenses		
Interest expenses	1,798	2,608
Share of loss of entities accounted for using equity method	354	434
Other	560	255
Total non-operating expenses	2,712	3,297
Ordinary profit	60,482	58,393

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Extraordinary income		
Gain on sale of non-current assets	19	11
Gain on sale of investment securities	-	62
Other	58	7
Total extraordinary income	77	80
Extraordinary losses		
Loss on disposal of non-current assets	42	48
Impairment losses	-	14,877
Loss on valuation of investment securities	-	2,722
Provision for loss on litigation	-	3,058
Other	54	7
Total extraordinary losses	96	20,711
Profit before income taxes	60,463	37,761
Income taxes - current	18,638	17,039
Income taxes - deferred	2,231	2,355
Total income taxes	20,869	19,394
Profit	39,594	18,367
Profit attributable to non-controlling interests	1	-
Profit attributable to owners of parent	39,593	18,367

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	39,594	18,367
Other comprehensive income		
Valuation difference on available-for-sale securities	4,357	(2,459)
Foreign currency translation adjustment	11,899	1,228
Remeasurements of defined benefit plans, net of tax	713	229
Total other comprehensive income	16,970	(1,002)
Comprehensive income	56,564	17,365
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	56,563	17,365
Comprehensive income attributable to non-controlling interests	1	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Significant Changes in the Amount of Shareholder's Equity)

Not applicable.

(Notes to Changes in Accounting Policies)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the nine months ended December 31, 2024.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, Accounting Standards Board of Japan). These changes to our accounting policy do not affect our quarterly consolidated financial statements.

Also, for the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the nine months ended December 31, 2024. This change in accounting policies was applied retrospectively. Hence, the quarterly consolidated financial statements for the nine months ended December 31, 2023 and the consolidated financial statements for the prior fiscal year have been modified retrospectively. This change in accounting policies has no impact on the quarterly consolidated financial statements for the nine months ended December 31, 2023 and the consolidated financial statements for the prior fiscal year.

(Notes on Segment information)

1. Reportable segment information (net sales and profit (loss))

For the nine months ended December 31, 2023 (Millions of Yen)

	Reportable Segments				Total	Adjustments and eliminations (Note 1)	Consolidated (Note 2)
	Construction-related business	Real estate-related business	Service-related business	Overseas-related business			
Net sales							
Sales to third parties	506,934	82,815	178,371	732	768,852	—	768,852
Inter-segment sales and transfer	47,265	367	8,424	—	56,057	(56,057)	—
Total	554,200	83,183	186,795	732	824,909	(56,057)	768,852
Segment profit(loss)	46,021	14,565	9,444	(3,738)	66,291	(4,852)	61,439

Note 1 : Adjustment and eliminations for segment profit include (1,230) million yen of elimination of inter-segment transactions and (3,622) million yen of corporate expenses, which are not allocable to the reportable segments. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

Note 2 : Segment profit(loss) has been adjusted with operating profit in the quarterly consolidated statement of income.

For the nine months ended December 31,2024 (Millions of Yen)

	Reportable Segments				Total	Adjustments and eliminations (Note 1)	Consolidated (Note 2)
	Construction-related business	Real estate-related business	Service-related Business	Overseas-related business			
Net sales							
Sales to third parties	538,090	119,191	178,053	1,406	836,740	—	836,740
Inter-segment sales and transfer	48,551	318	7,746	—	56,615	(56,615)	—
Total	586,641	119,509	185,799	1,406	893,354	(56,615)	836,740
Segment profit(loss)	40,130	18,487	8,211	(4,230)	62,597	(5,151)	57,446

Note 1 : Adjustment and eliminations for segment profit include (1,393) million yen of elimination of inter-segment transactions and (3,758) million yen of corporate expenses, which are not allocable to the reportable segments. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

Note 2 : Segment profit(loss) has been adjusted with operating profit in the quarterly consolidated statement of income.

2. Information about impairment loss on non-current assets and goodwill by reportable segment

(Significant impairment losses on non-current assets)

In the “Overseas-related business” segment, an impairment loss on non-current assets was recorded. The amount of the impairment loss recorded was 14,668 million yen for the nine months ended December 31, 2024.

(Notes on quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the current quarterly consolidated accounting period have not been prepared.

Depreciation expenses (including amortization expenses pertaining to intangible assets excluding goodwill) and amortization expenses of goodwill pertaining to the quarterly consolidated period under review are as follows.

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Depreciation	5,429 million yen	6,034 million yen
Amortization of goodwill	152 million yen	152 million yen

3.Non-consolidated Orders received

(1) Non-consolidated Orders received

	Orders	
	Millions of Yen	%
For the nine months ended December 31, 2024	433,781	39.0
For the nine months ended December 31, 2023	312,100	27.5

* % indicates changes from the previous corresponding period.

Breakdown of orders Received 〔Millions of Yen〕

	For the nine months ended December 31 2023		**For the nine months ended December 31 2024**		Increase (decrease)	
	Amount	%	**Amount**	**%**	Amount	%
Private-sector condominiums	249,945	(84.4%)	**395,494**	**(94.2%)**	145,549	58.2%
Rental condominiums, Company housing, etc.	30,991	(10.5%)	**14,413**	**(3.4%)**	(16,578)	(53.5%)
Residence Total	280,936	(94.9%)	**409,907**	**(97.6%)**	128,971	45.9%
Non-Residence	2,841	(1.0%)	**4,517**	**(1.1%)**	1,676	59.0%
Others	12,202	(4.1%)	**5,364**	**(1.3%)**	(6,837)	(56.0%)
Construction Total	295,978	94.8%	**419,788**	**96.8%**	123,810	41.8%
Consulting Contracts	4,911	1.6%	**3,818**	**0.9%**	(1,093)	(22.3%)
Construction business	300,889	96.4%	**423,606**	**97.7%**	122,717	40.8%
Design and Supervision	11,211	3.6%	**10,175**	**2.3%**	(1,036)	(9.2%)
Orders Total	312,100	100.0%	**433,781**	**100.0%**	121,681	39.0%

* The figures in parentheses refer to the proportion of Construction Total.

(2) Non-consolidated Orders received forecast

	Annual	
	Millions of Yen	%
March 2025 forecast	580,000	8.0
March 2024 result	536,942	11.6

* % indicates changes from the previous corresponding period.

Qualitative information of Orders Received result and forecast

Construction total were 419.8 billion yen, increased by 123.8 billion yen y/y (up by 41.8% compared with the same period of the previous fiscal year) and Orders received were 433.8 billion yen (up by 39.0% compared with the same period of the previous fiscal year). A progress rate against the annual forecast of 580 billion yen was 74.8%, and we haven't revised the annual forecast.