February 7, 2025

Summary of Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2025 [Japanese Standards] (Consolidated)

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Date of commencement of dividend payment: —
The supplementary explanation document for closing of accounts is created. No
The briefing for closing of accounts is held. No

(Millions of yen rounded down)

1. Consolidated Operating Results for the Third Quarter of Fiscal Year Ending March 31, 2025 (From April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (Cumulative) (% figures represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Shareholders of Parental Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q/ FY ending March 31, 2025	78,190	17.9	5,763	5.7	5,745	5.4	3,898	8.1
3Q/ FY ended March 31, 2024	66,295	15.8	5,453	25.5	5,452	26.3	3,607	23.6

(Note)
Comprehensive income
3Q/ FY ending March 31, 2025: ¥3,858 million (6.2%)
3Q/ FY ended March 31, 2024: ¥3,634 million (23.1%)

	Net Income Per Share	Net Income Per Share After Dilution
	Yen	Yen
3Q/ FY ending March 31, 2025	119.13	—
3Q/ FY ended March 31, 2024	110.30	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	99,056	70,277	70.9	2,147.09
As of March 31, 2024	95,281	68,031	71.4	2,079.57

(Reference)
Shareholders' equity:
As of December 31, 2024: ¥70,277 million
As of March 31, 2024: ¥68,031 million

2. Dividends

	Dividends Per Share				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2024	—	24.00	—	26.00	50.00
FY ending March 31, 2025	—	24.00	—		
FY ending March 31, 2025 (forecast)				26.00	50.00

(Note) Revision to the latest forecast of dividends: No
Breakdown of year-end dividend for the fiscal year ended March 31, 2024
Ordinary dividend 24.00 yen Special dividend 2.00 yen
Breakdown of year-end dividend for the fiscal year ending March 31, 2025
Ordinary dividend 24.00 yen Commemorative dividend 2.00 yen

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

(% figures represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Shareholders of Parental Company		Net Income Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	103,000	2.6	7,500	(20.5)	7,500	(20.5)	5,000	(22.5)	152.79

(Note) Revision to the latest forecast on the operating results: No

In conjunction with changes in the number of treasury shares such as the disposal of treasury stock as transfer-restricted share remuneration effective on August 20, 2024, the Company revised the forecast for net income per share based on a review of the amount of average stock during term.

***Notes**

(1) Significant changes in the scope of consolidation during this nine-month period ended December 31, 2024: No

New: － (Company name: －), Excluded: － (Company name: －)

(2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting principles, changes in accounting estimates and restatements

1) Changes due to revisions to accounting standards, etc.: Yes
2) Changes other than 1): No
3) Changes in accounting estimates: No
4) Restatements: No

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at term-end (including treasury stocks)	Nine months ended December 31, 2024	34,646,500 shares	FY ended March 31, 2024	34,646,500 shares
2) Amount of treasury stock at term-end	Nine months ended December 31, 2024	1,915,115 shares	FY ended March 31, 2024	1,932,089 shares
3) Amount of average stock during term (Quarter accumulation)	Nine months ended December 31, 2024	32,722,310 shares	Nine months ended December 31, 2023	32,702,904 shares

* Review of the attached quarterly consolidated financial statements by a certified public accountant or audit corporations: No

* Explanation and other special notes regarding the appropriate use of the earnings forecast

(Notes on forward-looking statements)
The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.

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1. Summary of Operating Results, etc.

(1) Overview of Operating Results in the Third Quarter

During the nine-month consolidated period under review (first three quarters of the fiscal year ending March 31, 2025), the Japanese economy has recovered slowly due to various government measures taking effect as the employment and income pictures improved. On the other hand, considering the continued persistence of high interest rates in Europe and the United States, as well as the effects of the stagnation of the real estate market in China, continued attention must be paid to the risk that the downturns overseas economic activities may put downward pressure on the Japanese economy.

In the market for condominiums in the Tokyo metropolitan area, factors such as rising selling prices against the backdrop of rising prices for buildings and building plots have led to a decline in the number of new constructions in Tokyo. As a result, the number of newly supplied units during the year 2024 (January to December) fell 14.4% from the same period of last year to 23,003, the fewest number since 1973. In purchase demand, the average first-month contract rate for the same period was 66.9%, falling below 70% for the first time in four years. (All figures are derived from a survey by Real Estate Economic Institute Co., Ltd.)

In the market for investment-type condominiums which compose our corporate group's main business area, lease demand remained strong in the Tokyo metropolitan area centering on singles. Purchase demand for investment-type condominiums is solid, supported by low interest rates and by increasing recognition as income-earning properties that can be expected to provide steady earnings.

Under this business environment, our corporate group has been striving to enhance the customer support system, strengthen our brand name and expand the development and sales of the "Gala Condominium series" which provide various advantages for asset management mainly in the Tokyo metropolitan area, and "Gala Residence series" which are condominiums designed for families under our own brand. Adapting to the active market for pre-owned condominiums, enhancing the customer support system, and strengthening our brand name.

As a result, net sales were ¥78,190 million (an increase of 17.9% YOY), operating income amounted ¥5,763 million (an increase of 5.7% YOY), and ordinary income was ¥5,745 million (an increase of 5.4% YOY). Furthermore, net income attributable to shareholders of parental company totaled ¥3,898 million (an increase of 8.1% YOY).

(Real estate development segment)

We focused on the sales of newly constructed properties such as "Gala Avenue Higashi-Ojima", "Gala Vista Ojima", "Gala Residence Nishi-Arai Parkside", and others, and also actively conducted sales of pre-owned condominiums.

During the first nine months of the fiscal year ending March 31, 2025, net sales were ¥11,987 million for newly-built condominiums (347 units), ¥52,517 million for pre-owned condominiums (1,933 units), ¥4,455 million for real estate rental income, and ¥407 million from other income sources. Therefore, the total net sales in the segment reached ¥69,367 million (an increase of 24.4% YOY) and the segment profit was ¥4,773 million (an increase of 9.7% YOY).

Breakdown of net sales, etc.

Category	Nine-month consolidation period ended December 31, 2023 (Apr. 1, 2023 – Dec. 31, 2023)			Nine-month consolidation period ended December 31, 2024 (Apr. 1, 2024 – Dec. 31, 2024)		
	No. of Units	Amount (millions of yen)	YOY (%)	No. of Units	Amount (millions of yen)	YOY (%)
Gala Condominium series	426	12,181	158.2	257	7,669	63.0
Gala Residence series	108	4,368	75.1	90	4,318	98.9
Pre-owned condominiums	1,357	34,409	108.7	1,933	52,517	152.6
Real estate rental income	—	4,663	95.2	—	4,455	95.5
Other income	—	149	92.2	—	407	272.6
Total	1,891	55,772	111.0	2,280	69,367	124.4

(Note) Note that among for sales of condominiums, only the proceeds from condominiums that have been actually handed over to the customer are posted. Therefore, there may be unbalances in quarterly business results depending on the dates of completion of the housing or dates of delivery.

(Real estate management segment)

New orders for management of properties developed by the Group advanced, as did outside orders for property management. The number of managed units for leasing reached 19,058 and the number of buildings managed reached 364 (24,672 units).

During the first nine months of the fiscal year ending March 31, 2025, net sales in the real estate management segment were ¥3,141 million (an increase of 6.7% YOY) and segment profit was ¥870 million (an increase of 9.1% YOY).

(Construction segment)

The number of completed condominium construction projects declined, reducing both sales and profit YOY.
During the first nine months of the fiscal year ending March 31, 2025, net sales in the construction segment were ¥4,724 million (a decrease of 29.0% YOY) and segment profit was ¥138 million (a decrease of 56.4% YOY).

(Japanese inn segment)

The average price per room exceeded the level of the previous fiscal year. On the other hand, the occupancy rate was lower than expected.
During the first nine months of the fiscal year ending March 31, 2025, net sales in the Japanese inn segment were ¥926 million (an increase of 3.9% YOY) and the segment posted a loss of ¥34 million (compared to a segment loss of ¥38 million in the same period of the previous fiscal year).

(Other segments)

Net sales in other segments were ¥30 million in the first nine months of the fiscal year ending March 31, 2025 (a decrease of 17.7% YOY). Segment profit was ¥15 million (a decrease of 29.2% YOY).

(2) Overview of Financial Situation in the Third Quarter

(Assets)

At the end of the nine-month consolidated period under review, current assets were ¥86,567 million, an increase of ¥3,835 million as compared with the end of the previous consolidated fiscal year. Major increases were ¥13,957 million in real estate for sale in process and ¥1,891 million in notes and operating accounts receivable-trade, and contract assets, while major decreases were ¥7,279 million in cash and deposits, ¥2,841 million in real estate for sale, and ¥2,207 million in electronically recorded monetary claims-operating. Non-current assets recorded ¥12,488 million, a decrease of ¥60 million as compared with the end of the previous consolidated fiscal year.
As a result, total assets were ¥99,056 million, an increase of ¥3,775 million as compared with the end of the previous consolidated fiscal year.

(Liabilities)

At the end of the consolidated third quarter under review, current liabilities were ¥13,451 million, a decrease of ¥1,758 million as compared with the end of the previous consolidated fiscal year. This is mainly because income taxes payable increased by ¥1,298 million and notes and accounts payable-trade decreased by ¥855 million. Non-current liabilities recorded ¥15,327 million, an increase of ¥3,288 million as compared with the end of the previous consolidated fiscal year. This is mainly because long-term loans payable increased by ¥3,230 million.
As a result, total liabilities were ¥28,779 million, an increase of ¥1,529 million as compared with the end of the previous consolidated fiscal year.

(Net assets)

At the end of the consolidated third quarter under review, total net assets were ¥70,277 million, an increase of ¥2,245 million as compared with the end of the previous consolidated fiscal year. A major increase was by ¥3,898 million in net income attributable to shareholders of parental company, while a major decrease was by ¥1,636 million in dividends of surplus.
As a result, the shareholder's equity ratio was 70.9% (it was 71.4% at the end of the previous consolidated fiscal year).

(3) Explanation of Future Forecasts Such as the Forecast of Consolidated Operating Results

Regarding the forecast for the fiscal year ending March 31, 2025, there has been no change to the forecasted numbers listed in the "Summary of Financial Results for the Fiscal Year Ended March 31, 2024" that was released on May 13, 2024.

2. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheets in the Third Quarter

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
ASSETS		
Current assets		
Cash and deposits	34,600	27,321
Notes and operating accounts receivable-trade, and contract assets	3,259	5,150
Electronically recorded monetary claims-operating	2,207	-
Real estate for sale	12,491	9,650
Real estate for sale in process	28,159	42,116
Costs on uncompleted construction contracts	4	5
Raw materials and supplies	28	47
Advance payments-trade	348	501
Other	1,631	1,774
Allowance for doubtful accounts	(0)	(0)
Total current assets	**82,732**	**86,567**
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,359	7,379
Accumulated depreciation	(1,879)	(2,048)
Buildings and structures, net	**5,480**	**5,330**
Land	5,406	5,406
Other	458	478
Accumulated depreciation	(358)	(387)
Other, net	**100**	**90**
Total property, plant and equipment	**10,987**	**10,828**
Intangible assets	37	35
Investments and other assets		
Investment securities	405	298
Deferred tax assets	438	493
Other	690	842
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	**1,524**	**1,625**
Total non-current assets	**12,548**	**12,488**
Total assets	**95,281**	**99,056**

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	2,473	1,618
Current portion of long-term loans payable	5,653	5,700
Accounts payable-other	731	487
Income taxes payable	2,069	771
Accrued consumption taxes	335	262
Deposits received	2,726	3,065
Provision for bonuses	318	415
Other	900	1,131
Total current liabilities	**15,209**	**13,451**
Non-current liabilities		
Long-term loans payable	7,100	10,330
Long-term accounts payable-other	833	833
Net defined benefit liabilities	862	883
Long-term lease and guarantee deposited	1,897	1,932
Long-term deposits received	80	91
Provision incurred from business combination	1,253	1,253
Other	11	3
Total non-current liabilities	**12,039**	**15,327**
Total liabilities	**27,249**	**28,779**
NET ASSETS		
Shareholders' equity		
Capital stock	2,774	2,774
Capital surplus	3,066	3,078
Retained earnings	63,227	65,489
Treasury stock	(1,193)	(1,182)
Total shareholders' equity	**67,875**	**70,160**
Accumulated other comprehensive income		
Valuation difference on marketable securities	109	55
Remeasurements of defined benefit plans	47	60
Total accumulated other comprehensive income	**156**	**116**
Total net assets	**68,031**	**70,277**
Total liabilities and net assets	**95,281**	**99,056**

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(For the Nine-Month Consolidation Period)

(Millions of yen)

	1Q-3Q/ FY ended March 31, 2024 (Apr. 1, 2023 - Dec. 31, 2023)	1Q-3Q/ FY ending March 31, 2025 (Apr. 1, 2024 - Dec. 31, 2024)
Net Sales	**66,295**	**78,190**
Cost of sales	**52,986**	**64,112**
Gross profit	**13,309**	**14,077**
Selling, general and administrative expenses		
Advertising expenses	1,175	1,379
Salaries, allowances and bonuses	2,903	3,001
Provision for bonuses	336	398
Retirement benefit expenses	83	68
Provision for directors' retirement benefits	13	-
Other	3,342	3,465
Total selling, general and administrative expenses	**7,855**	**8,314**
Operating income	**5,453**	**5,763**
Non-operating income		
Interest income	0	3
Dividend income	8	10
Penalty income	15	4
Subsidy income	1	4
Other	12	14
Total non-operating income	**39**	**37**
Non-operating expenses		
Interest expenses	35	49
Other	4	5
Total non-operating expenses	**40**	**55**
Ordinary Income	**5,452**	**5,745**
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	34	-
Total extraordinary losses	**34**	-
Income before income taxes	**5,418**	**5,745**
Income taxes-current	1,951	1,885
Income taxes-deferred	(140)	(37)
Total income taxes	**1,811**	**1,847**
Net income	3,607	3,898
Net income attributable to shareholders of parental company	**3,607**	**3,898**

Quarterly Consolidated Statement of Comprehensive Income

(For the Nine-Month Consolidation Period)

(Millions of yen)

	1Q-3Q/ FY ended March 31, 2024 (Apr. 1, 2023 - Dec. 31, 2023)	1Q-3Q/ FY ending March 31, 2025 (Apr. 1, 2024 - Dec. 31, 2024)
Net income	**3,607**	**3,898**
Other comprehensive income		
Valuation difference on marketable securities	24	(53)
Remeasurements of defined benefit plans, net of tax	2	13
Total of other comprehensive income	**27**	**(40)**
Comprehensive income	**3,634**	**3,858**
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	3,634	3,858
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes Regarding Quarterly Consolidated Financial Statements

(Notes on Changes in Accounting Principles)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter "the 2022 Revised Accounting Standard"), etc. from the beginning of the consolidated first quarter under review. In the amendment of "taxes on other comprehensive income," a corporate-tax accounting category, the Company follows the transitional treatment in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment in the proviso of Paragraph 65-2 (2) of Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter "the 2022 Revised Guidance"). However, these changes in accounting principles have no effect on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries arising from transactions between consolidated companies were deferred for tax purposes, the 2022 Revised Guidance has been applied from the beginning of the consolidated first quarter under review. These changes in accounting principles were applied retrospectively. Accordingly, the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been modified retrospectively. However, these changes in accounting principles have no effect on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Notes on Segment Information, etc.)

（Segment Information）

I. For the Nine Months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

1. Information on the amount of sale and profit or loss for reported segments along with the breakdown of revenue

(Millions of yen)

	Reported segment					Other segments (Note) 1	Total	Adjustment (Note) 2	Amounts shown on Quarterly Consolidated Statement of Income (Note) 3
	Real estate development segment	Real estate management segment	Construction segment	Japanese inn segment	Subtotal				
Net Sales									
Newly-built condominiums	16,549	-	-	-	16,549	-	16,549	-	16,549
Pre-owned condominiums	34,409	-	-	-	34,409	-	34,409	-	34,409
Other	149	2,786	6,649	892	10,477	-	10,477	-	10,477
Revenue from contracts with customers	51,108	2,786	6,649	892	61,436	-	61,436	-	61,436
Other revenue (Note) 4	4,663	157	-	-	4,821	36	4,858	-	4,858
Net sales to external customers	55,772	2,943	6,649	892	66,258	36	66,295	-	66,295
Inter-segment sales or exchange	11	278	40	14	344	-	344	(344)	-
Total	55,783	3,222	6,690	906	66,603	36	66,640	(344)	66,295
Segment profit (loss)	4,351	797	316	(38)	5,427	21	5,448	5	5,453

(Notes) 1. “Other segments” are business segments that are not included in the reported segments. These include the financial-services business.

2. The adjustment of segment profit (loss) of ¥5 million includes negative ¥209 million in elimination of inter-segment transactions, Company-wide revenue of ¥400 million and Company-wide expenses of negative ¥186 million not allocated to each reported segments, and adjustment of inventories and non-current assets of negative ¥1 million. The elimination of inter-segment transactions mainly consists of the elimination of dividends from consolidated subsidiaries to the Company, Company-wide revenue is mainly the dividend income stated above, and Company-wide expenses are mainly general and administrative expenses not attributed to reported segments.

3. Segment profit (loss) is adjusted with operating income in the quarterly consolidated statement of income.

4. “Other revenue” mainly consists of revenue from real-estate rents.

II. For the Nine Months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

1. Information on the amount of sale and profit or loss for reported segments along with the breakdown of revenue

(Millions of yen)

	Reported segment					Other segments (Note) 1	Total	Adjustment (Note) 2	Amounts shown on Quarterly Consolidated Statement of Income (Note) 3
	Real estate development segment	Real estate management segment	Construction segment	Japanese inn segment	Subtotal				
Net Sales									
Newly-built condominiums	11,987	-	-	-	11,987	-	11,987	-	11,987
Pre-owned condominiums	52,517	-	-	-	52,517	-	52,517	-	52,517
Other	407	2,988	4,724	926	9,047	-	9,047	-	9,047
Revenue from contracts with customers	64,912	2,988	4,724	926	73,552	-	73,552	-	73,552
Other revenue (Note) 4	4,455	152	-	-	4,607	30	4,638	-	4,638
Net sales to external customers	69,367	3,141	4,724	926	78,160	30	78,190	-	78,190
Inter-segment sales or exchange	11	256	46	12	328	-	328	(328)	-
Total	69,379	3,397	4,770	939	78,488	30	78,518	(328)	78,190
Segment profit (loss)	4,773	870	138	(34)	5,747	15	5,763	0	5,763

(Notes) 1. “Other segments” are business segments that are not included in the reported segments. These include the financial-services business.

2. The adjustment of segment profit (loss) of ¥0 million includes negative ¥266 million in elimination of inter-segment transactions, Company-wide revenue of ¥400 million and Company-wide expenses of negative ¥130 million not allocated to each reported segments, and adjustment of inventories and non-current assets of negative ¥2 million. The elimination of inter-segment transactions mainly consists of the elimination of dividends from consolidated subsidiaries to the Company, Company-wide revenue is mainly the dividend income stated above, and Company-wide expenses are mainly general and administrative expenses not attributed to reported segments.

3. Segment profit (loss) is adjusted with operating income in the quarterly consolidated statement of income.

4. “Other revenue” mainly consists of revenue from real-estate rents.

(Notes in Event of Significant Changes in Shareholders’ Equity)

None.

(Notes Regarding Going Concern)

None.

(Notes Regarding Quarterly Consolidated Statement of Cash Flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the consolidated third quarter under review. Depreciation in the consolidated third quarter is as follows.

	1Q-3Q/ FY ended March 31, 2024 (Apr. 1, 2023 - Dec. 31, 2023)	1Q-3Q/ FY ending March 31, 2025 (Apr. 1, 2024 - Dec. 31, 2024)
Depreciation	¥268 million	¥265 million