



# Consolidated Financial Report for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]

May 13, 2024

Listed company name MIRARTH HOLDINGS, Inc.

Stock Exchange Listings  
Prime market of the Tokyo Stock Exchange

Security code 8897 URL <https://mirarth.co.jp/en/>  
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Scheduled date of Annual Shareholders' Meeting: June 26, 2024

Scheduled date for commencement of dividend payments June 27, 2024

Scheduled date to file Securities Report Statement: June 26, 2024

Financial Results: Preparation of Supplementary Explanations materials: Yes

Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

## 1. Consolidated Financial Results of Year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

### (1) Consolidated Results of Operations

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ending March 31, 2024	185,194	20.7	15,457	119.9	12,984	158.0	8,178	78.4
Year ending March 31, 2023	153,472	△5.7	7,030	△40.8	5,033	△50.9	4,584	△26.2

(NOTE) Comprehensive income Year ending March 31, 2024 8,409 Millions of yen (118.3%)

Year ending March 31, 2023 3,852 Millions of yen (△38.8%)

	Net income per share	Diluted Net income per share	Return on equity	Total assets Ordinary income rate	Net sales Operating income rate
	Yen	Yen	%	%	%
Year ending March 31, 2024	74.39	73.72	12.9	3.8	8.3
Year ending March 31, 2023	41.90	41.58	7.6	1.8	4.6

(Reference) Equity in earnings of affiliates Year ending March 31, 2024 238 Millions of yen

Year ending March 31, 2023 △219 Millions of yen

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ending March 31, 2024	337,447	71,669	19.5	596.90
Year ending March 31, 2023	341,669	65,142	18.0	558.95

(Reference) Shareholders' equity Year ending March 31, 2024 65,717 Millions of yen

Year ending March 31, 2023 61,377 Millions of yen

### (3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents Term end Balance
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ending March 31, 2024	36,777	△26,329	△15,464	41,884
Year ending March 31, 2023	△722	△46,354	61,531	47,148

## 2. Dividends

	Annual Cash Dividends per Share					Total dividends (Total)	Dividend payout ratio (Consolidated)	Net assets Dividends Ratio (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Term end	Total			
Year ending March 31, 2023	-	4.00	-	18.00	22.00	2,413	52.5	4.0
Year ending March 31, 2024	-	6.00	-	18.00	24.00	2,641	32.3	4.2
Year ending March 31, 2025 (Forecast)	-	7.00	-	23.00	30.00		30.9	

(NOTE) Breakdown of Year ending March 31, 2023 Term end dividends Ordinary dividend 16 yen Commemorative dividend 2 yen

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	205,700	11.1	17,000	10.0	16,000	23.2	10,700	30.8	97.19

※ Notes items

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): No

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

(2) Changes in accounting policies and changes or restatement of accounting estimates

① Changes in accounting policies due to revision of accounting standards: None

② Changes in accounting policies other than the above: None

③ Changes in accounting estimates: None

④ Restatement of revisions: None

(3) Issued shares count (Common stock)

① Term end Issued shares counts (including Treasury stock)

Year ending March 31, 2024	121,000,000Shares	Year ending March 31, 2023	121,000,000Shares
Year ending March 31, 2024	10,902,707Shares	Year ending March 31, 2023	11,192,607Shares
Year ending March 31, 2024	109,938,968Shares	Year ending March 31, 2023	109,403,868Shares

② Number of Term end Treasury stock

③ Average number of shares during the period

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results of Year ending March 31, 2024 (From April 1, 2023 to March 31, 2024)

(1) Non-Consolidated Results of Operations

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ending March 31, 2024	89,226	15.3	7,590	85.4	8,336	93.6	6,209	69.7
Year ending March 31, 2023	77,364	△13.0	4,093	△5.5	4,305	△44.4	3,659	△27.6

	Net income per share	Diluted Net income per share
	Yen	Yen
Year ending March 31, 2024	56.48	55.98
Year ending March 31, 2023	33.45	33.19

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ending March 31, 2024	148,678	56,861	38.1	513.95
Year ending March 31, 2023	154,996	52,937	34.0	480.08

(Reference) Shareholders' equity Year ending March 31, 2024 56,583 Millions of yen  
Year ending March 31, 2023 52,716 Millions of yen

<Reasons for difference in non-consolidated results from the results of the previous fiscal year >

We have shifted to a holding company structure with October 1, 2022. In Current fiscal year, there is a difference between Previous fiscal year and Current fiscal year's Actual due to the delivery of newly built condominiums that had already been contracted and a decline in Selling, general and administrative expenses.

※ This financial results report is outside the scope of Audit by Certified Public Accountant or an Audit corporation.

※ Explanation of the proper use of financial results forecasts and Other special notes  
(Cautionary Statement with Respect to Forward-Looking Statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and do not constitute guarantees by the Company of future performance. Actual results may differ materially from the forecast depending on a range of factors.

(Method of Obtaining Supplementary Briefing Materials on Financial Results)

Supplementary materials for financial results are posted on our website and disclosed in TDnet.

(Financial Results Details Obtaining Methods)

We plan to distribute a video presentation of our financial results on our website.

○Accompanying Materials – Contents

1.Overview of Operating Results and Financial Position	2
(1)Overview of Operating Results for the Fiscal Year under Review	2
(2)Overview of Financial Position for the Fiscal Year under Review	4
(3)Overview of Cash Flows for the Fiscal Year under Review	4
(4)Future Outlook	5
(5)Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years	5
2.Basic Approach to Selection of Accounting Standards	5
3.Consolidated Financial Statements and Supplementary Notes	6
(1)Consolidated Balance Sheets	6
(2)Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	8
Consolidated Statements of Income	8
Consolidated Statements of Comprehensive Income	9
(3)Consolidated Statements of Changes in Shareholders' Equity	10
(4)Consolidated Statements of Cash Flows	12
(5)Notes to the Consolidated Financial Statements	13
(Notes on Going Concern)	13
(Notes to Consolidated Balance Sheets)	13
(Notes to Consolidated Statements of Income)	13
(Rental and Other Real Estate-Related)	15
(Segment Information, etc.)	15
(Per Share Information)	19
(Significant Subsequent Events)	19
4.Other	20
Status of Production, Orders and Sales	20

## 1. Overview of Operating Results and Financial Position

### (1) Overview of Operating Results for the Fiscal Year under Review

In Current Consolidated Fiscal Year, social activities normalized as a result of the shift to 5 new types of coronavirus infectious diseases, and a gradual economic recovery was seen as Individuals consumption recovered and the employment/income situation improved. On the other hand, the outlook remains uncertain due to geopolitical risks, the impact of a rise in long-term interest rates in line with monetary policy in Europe and the United States, price increases in line with the yen's depreciation, and soaring energy resource prices resulting from tensions in the Middle East. These factors warrant continued close attention.

In the business environment in the real estate industry to which our group belongs, in new condominiums for sale, although selling prices are rising due to the impact of high raw material costs and other factors, the willingness to purchase is still strong among the actual demand segment. As the number of single-person households and dual-income households continues to increase and values change, the lifestyles of end users are diversifying, and demand for compact condominiums is on the rise in addition to needs for location and convenience of living. Meanwhile, in regional core cities, due in part to the trend toward compact cities, demand remained high, particularly among active seniors, and sales of condominiums were firm.

According to a survey by the Real Estate Economic Institute, Units for supplying condominiums nationwide in 2023 was 65,075 units, down 10.8% from the previous year. The annual supply of Units was below 70,000 units for the first time in 3 years, but the average condominium price in 2023 was 59,110 thousand yen, an increase for the seventh consecutive year, and the highest level since the survey was launched in 1973.

Considering the trend in the cost of new condominiums, we believe that the market for new condominiums will continue to be in a relatively favorable supply-demand balance. Against this backdrop, our Group ranked fifth nationwide in the 2023 Supply Units by Seller Group, and is responsible for providing a stable supply in the real estate subdivision market.

In October 2023, we formulated a long-term vision for the fiscal year ending March 2030 to realize our Group-wide Purpose "To design sustainable environments for a happier future for both people and our planet."

Be the Takara<sup>※</sup> of the community.

What future does a real estate developer have.

Does power trained at the site become the value of the local community.

MIRARTH will reform themselves and provide answers for 2030.

We evolve our model by connecting flow type to a stock-circulating type.

We extend our domain by connecting real estate to cities, regions and the environment.

We redefine value by connecting real estate revenues to social value.

MIRARTH become a Takara-like presence for the local community by thoroughly learning "the unique characteristics" that are rooted in each region, connecting the development of "points" with "lines," and promoting the revitalization of "faces."

Encourage the region, Japan and the world.

※Takara = treasure

In the formulation of this plan, the main target of the message is made up of employees. By doing so, we hope that the employees of our group will continue to ask their questions and become a company that contributes to regional revitalization.

In addition, we have set up specific "indicators" to be implemented by 2030. By connecting the ideas of our long-term vision to Segment of our group companies, we are playing a role in aligning and encouraging the direction of business growth and change.

In the future, based on this long-term vision, we will aim to create synergies that transcend the boundaries of the Group, such as "Real Estate Business," "Energy Business," and "Asset Management Business," by reflecting the ideals of each Group company up to 2030 in the day-to-day operations of each company's Target and each employee, and to make the future of humans and the planet happy as a "future environmental design company" that transcends the boundaries of a comprehensive real estate developer.

Current Consolidated Fiscal Year's results of operations are as follows: Net sales 185,194 Millions of yen (up 20.7% year on year), operating income 15,457 Millions of yen (up 119.9% year on year), ordinary income 12,984 Millions of yen (up 158.0% year on year) and net income attributable to owners of parent 8,178 Millions of yen (up 78.4% year on year).

## ① Results of Operations by Segment

## &lt; Real Estate Business &gt;

Due to factors such as new condominiums, liquidation, new detached house sales, renewal and resale, real estate rental, real estate management, and real estate Other, this business Net sales was 162,804 Millions of yen (up 17.0% year on year).

## &lt; Energy Business &gt;

Sales of power generation facilities in operation and sale of electricity from other power generation facilities. As a result, sales amounted to 13,849 Millions of yen (up 53.1% year on year).

## &lt; Asset Management Business &gt;

Despite steady performance in management fees, the business Net sales was 734 Millions of yen (down 33.0% year on year) due to a decline in acquisition fees for power generation Facilities following the conversion of Takara Leben Infrastructure Fund Inc. to Consolidated subsidiaries in End of Previous Consolidated Accounting Period.

## &lt; Other Businesses &gt;

Net sales for this segment was 7,805 Millions of yen (up 85.0% year on year) due to construction subcontracting, orders for large-scale repair work, and revenues from various fees and commissions.

## ② Explanation by Item

## &lt; Net sales &gt;

In Real Estate Business segment, 162,804 Millions of yen consisted of 2,214 newly built condominiums (including JV' interests), sales of income-generating properties, sales of newly built detached houses, sales of pre-owned condominiums, rental income from apartments, condominiums, offices, etc., and management income from 76,661 managed units.

Energy Business sales totaled 13,849 Millions of yen due to the revenue from electricity sales at power generation facilities and other factors.

Asset Management Business account is 734 Millions of yen due to management fees and other factors.

Other Businesses accounts for 7,805 Millions of yen due to construction subcontracting, large-scale repair work orders, and various fee income.

Consequently, Current Consolidated Fiscal Year's Net sales was 185,194 Millions of yen, up 20.7% year on year.

## &lt; Cost of sales &gt;

This was 144,603 Millions of yen, up 18.8% from the same period of the previous fiscal year, mainly due to an increase in the delivery of newly built condominiums.

## &lt; Selling, general and administrative expenses &gt;

Selling, general and administrative expenses increased 1.8% year on year to 25,133 Millions of yen due to aggressive investments in human capital and the building of a DX base.

## &lt;Non-operating income and expenses&gt;

Non-operating income was 1,193 Millions of yen, up 18.4% year on year, mainly due to an increase in equity in Profit of affiliates accounted for by the equity method.

Non-operating expenses was 3,666 Millions of yen, an increase of 22.0% year on year, mainly due to an increase in Interest expenses.

## &lt;Extraordinary income/losses&gt;

Extraordinary income increased 10 Millions of yen year on year to 709 Millions of yen due to a gain on sale of Stocks of subsidiaries and affiliates and other factors.

Extraordinary loss was 554 Millions of yen, up 347 Millions of yen year on year, mainly due to the recording of Impairment loss.

Consequently, Current Consolidated Fiscal Year's results of operations were as follows: Net sales 185,194 Millions of yen (up 20.7% year on year), Operating income 15,457 Millions of yen (up 119.9% year on year), Ordinary income 12,984 Millions of yen (up 158.0% year on year) and Net income attributable to owners of parent 8,178 Millions of yen (up 78.4% year on year).

## (2) Overview of Financial Position for the Fiscal Year under Review

Assets, Liabilities and Net Assets of our Current Consolidated Fiscal Year has decreased Total assets by 4,221 Millions of yen to 337,447 Millions of yen from Previous Consolidated Accounting Period due to the delivery of newly built condominiums and the sale of income-generating properties.

## &lt; Current assets &gt;

Due to the transfer of business Assets to inventory Assets, etc., Current assets increased by 3,208 Millions of yen to 191,937 Millions of yen from Previous Consolidated Accounting Period.

## &lt; Fixed assets &gt;

Despite the steady purchase of business Assets, Fixed assets decreased by 7,442 Millions of yen to 145,441 Millions of yen from Previous Consolidated Accounting Period due to the transfer to inventory Assets and other factors.

## &lt; Current liabilities &gt;

Due to the repayment of Short-term borrowings and other factors, Current liabilities decreased by 39,620 Millions of yen to 122,537 Millions of yen from Previous Consolidated Accounting Period.

## &lt; Fixed liabilities &gt;

Due to the increase in Long-term loans payable associated with new purchases and other factors, fixed liabilities increased by 28,871 Millions of yen to 143,240 Millions of yen from Previous Consolidated Accounting Period.

## &lt; Net assets &gt;

Total of Net assets has increased by 6,526 Millions of yen to 71,669 Millions of yen from Previous Consolidated Accounting Period, respectively, due to the amount of Net income attributable to owners of parent booked exceeding Dividend of surplus, etc.

## (3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents ("Funds") in End of the consolidated financial year decreased by 5,263 Millions of yen to 41,884 Millions of yen compared to End of End of Previous Consolidated Accounting Period.

## &lt; Cash flow from operating activities &gt;

The increase in net cash provided by operating activities was 36,777 Millions of yen (a decrease of 722 Millions of yen for End of Previous Consolidated Accounting Period). This was mainly due to a decline in inventory Assets.

## &lt; Cash flow from investing activities &gt;

The decrease in net cash used in investing activities was 26,329 Millions of yen (a decrease of 46,354 Millions of yen for End of Previous Consolidated Accounting Period). This was mainly due to Purchase of Property, plant and equipment.

## &lt; Cash flow from financing activities &gt;

The decrease in net cash used in financing activities was 15,464 Millions of yen (an increase of 61,531 Millions of yen for End of Previous Consolidated Accounting Period). This was mainly due to the repayment of borrowings.

## (Reference) Trends in cash flow-related indicators

	Year ending March 31, 2022	Year ending March 31, 2023	Year ending March 31, 2024
Equity ratio (%)	26.5	18.0	19.5
Market value based Equity ratio (%)	14.6	12.1	16.8
Debt amortization schedule (number of years)	5.5	-	5.7
Interest coverage ratio (times)	13.1	-	13.6

Equity ratio: Shareholders' equity/Total assets

Market value based Equity ratio: Equity securities market capitalization/Total assets

Debt redemption period: Interest-bearing Liabilities/Operating cash flow

Interest coverage ratio = operating cash flow / interest expenses

※ All figures are calculated on a consolidated basis.

※ The interest-bearing debt refers to the debts posted in the consolidated balance sheets for which we are paying interests.

※ "Debt redemption period (years)" and "Interest coverage ratio (times)" of Year ending March 31, 2023 are not stated because of negative operating cash flow.

## (4)Future Outlook

Consolidated earnings forecasts for the fiscal year ending March 2025 are estimated as follows.

In Real Estate Business, we are actively promoting the provision of new condominiums, which are our core business, not only in the Tokyo metropolitan area but also in central urban areas in rural areas. We anticipate the delivery of 2,200 units (our share of 2,150 units after the pro rata JV), and the contract progress rate is robust at 61.5%.

In Energy Business, we aim to expand our business by promoting onshore wind power and biomass, including solar power.

In Asset Management Business, we aim to accumulate Assets under management and increase management fees through group synergies and acquiring properties from third parties.

As a result of the above, the Company expects to make the following forecasts for the next fiscal year.

Net sales	205,700 Millions of yen (up 11.1% year on year)
Operating income	17,000 Millions of yen (up 10.0% year on year)
Ordinary income	16,000 Millions of yen (up 23.2% year on year)
Net income attributable to owners of parent	10,700 Millions of yen (up 30.8% year on year)

## (Contracts with Units to be delivered in the new condominium business, including JV Units)

	Year ending March 31, 2025 Number of units to be delivered (units)	Number of units	From the year ending March 31, 2026 Number of contracts (units) to be delivered	Total subscribers (units)
As of the end of March 2024	2,200	1,353	148	1,501

## (5)Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

Our new medium-term management plan formulated in May 2021 calls for Dividend payout ratio to be in the range of 30% to 35%.

For the fiscal year under review, we plan to pay a Term end dividend of 18 yen per share in 1 Shares Per share. Combined with End of second quarter dividends paid, 1 Shares Per share's Annual Cash Dividends per Share is 24 yen. The resulting Dividend payout ratio is 32.3%.

For dividends for the next fiscal year, we will return 30% to 35% in accordance with Dividend payout ratio announced on May 14, 2021, as part of our new medium-term management plan.

## 2.Basic Approach to Selection of Accounting Standards

In order to ensure Comparison potential with other companies in the same industry in Japan, we have adopted Japanese accounting standards.



## 3. Consolidated Financial Statements and Supplementary Notes

## (1) Consolidated Balance Sheets

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	47,872	42,740
Notes, accounts receivable-trade and contract assets	3,477	8,335
Real estate for sale	34,147	47,381
Power generation facilities for sale	3,375	65
Real estate for sale in progress	82,713	76,598
Costs incurred on uncompleted contracts	0	40
Other	17,415	17,053
Allowance for doubtful accounts	△275	△277
Total current assets	188,728	191,937
Fixed assets		
Property, plant and equipment		
Buildings and structures	33,984	33,724
Accumulated depreciation	△5,104	△5,969
Buildings and structures (net)	28,879	27,755
Machinery and equipment	57,096	63,287
Accumulated depreciation	△8,390	△10,834
Machinery, equipment and vehicles, net	48,705	52,453
Tools, furniture and fixtures	1,126	1,265
Accumulated depreciation	△811	△966
Tools, furniture, and fixtures, net	315	299
Land	41,394	33,759
Leased assets	345	345
Accumulated depreciation	△86	△118
Lease assets, net	258	226
Construction in progress	5,808	3,264
Total property, plant and equipment	125,362	117,759
Intangible assets		
Goodwill	3,918	3,420
Other	4,457	4,643
Total intangible assets	8,376	8,063
Investments and other assets		
Investment securities	2,368	2,597
Long-term loans receivable	830	200
Deferred tax assets	4,744	4,258
Other	11,205	12,563
Allowance for doubtful accounts	△2	△0
Total investments and other assets	19,145	19,619
Total fixed assets	152,884	145,441
Deferred assets	56	68
Total assets	341,669	337,447

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31,2023)	Current Consolidated Fiscal Year (March 31,2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	16,342	27,119
Short-term borrowings	92,069	25,621
Current portion of bonds payable	190	2,806
Current portion of long-term loans payable	25,997	44,102
Lease obligations	34	34
Income taxes payable	4,318	3,571
Advances received	10,197	9,167
Bonus Allowance	699	850
Compensation for completed construction Allowance	551	614
Other	11,755	8,648
Total current liabilities	162,157	122,537
Fixed liabilities		
Long-term loans payable	104,828	130,673
Bonds payable	4,015	7,008
Lease obligations	249	214
Directors' and corporate auditors' retirement benefits Allowance	135	100
Liabilities related to retirement benefits	1,100	1,314
Asset retirement obligations	182	200
Deferred tax liabilities	2,509	2,489
Other	1,348	1,239
Total Fixed liabilities	114,369	143,240
Total liabilities	276,527	265,778
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus	4,820	3,375
Retained earnings	55,971	61,514
Treasury stock	△4,174	△4,066
Total shareholders' equity	61,436	65,643
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities	△71	127
Foreign currency translation adjustments	3	△36
Remeasurements of defined benefit plans	8	△17
Total accumulated other comprehensive income	△59	73
Subscription rights to shares	220	277
Non-controlling interest	3,544	5,674
Total net assets	65,142	71,669
Total liabilities and net assets	341,669	337,447

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Income)

(Millions of yen)

	Previous Consolidated Fiscal Year (April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)
Net sales	153,472	185,194
Cost of sales	※1 121,763	※1 144,603
Gross profit	31,708	40,590
Selling, general and administrative expenses	※2 24,677	※2 25,133
Operating income	7,030	15,457
Non-operating income		
Interest income	28	34
Dividend income	233	174
Commission received	108	122
Income from insurance claim	38	228
Gain from equity method investment	-	238
Miscellaneous income	599	395
Total non-operating income	1,008	1,193
Non-operating expenses		
Interest expenses	2,080	2,795
Losses from equity method investment	219	-
Arrangement fee	165	646
Miscellaneous expenses	540	223
Total non-operating expenses	3,005	3,666
Ordinary income	5,033	12,984
Extraordinary income		
Gain on subsequent acquisitions	601	-
Gain on sales of Fixed assets	97	-
Gain on sales of investment securities	-	145
Gain on sales of stock of affiliates	-	563
Total extraordinary income	698	709
Extraordinary loss		
Loss on sales of Fixed assets	132	-
Impairment loss	※3 48	※3 508
Office relocation expenses	26	31
Loss on sales of shares of associated company	-	14
Extraordinary losses Total	206	554
Income before income taxes and minority interests from silent partnerships	5,525	13,139
Distribution of loss in partnership	△178	147
Income before income taxes	5,703	12,991
Income taxes, inhabitant taxes and business taxes	4,708	4,470
Income tax adjustments	△3,451	244
Total income and other taxes	1,257	4,714
Net income	4,445	8,276
Net income (loss) (△) attributable to non-controlling interests	△138	98
Net income attributable to owners of parent	4,584	8,178

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous Consolidated Fiscal Year (April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)
Net income	4,445	8,276
Other comprehensive income		
Net unrealized gains on available-for-sale securities	△ 619	198
Foreign currency translation adjustments	3	△ 40
Remeasurements of defined benefit plans	23	△ 25
Total other comprehensive income	△ 593	133
Comprehensive income	3,852	8,409
(Comprising)		
Comprehensive profit attributable to owners of the parent	3,990	8,311
Comprehensive income attributable to non-controlling interests	△ 138	98

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

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

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	4,819	4,817	53,395	△4,456	58,575
Change during the year					
Dividend of surplus			△1,963		△1,963
Net income attributable to owners of parent			4,584		4,584
Change due to new consolidation			△44		△44
Disposal of Treasury stock		3		282	285
Net changes of items other than Shareholders' equity					
Total changes of items during the period	-	3	2,575	282	2,860
Term end Balance	4,819	4,820	55,971	△4,174	61,436

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interest	Total net assets
	Net unrealized gains on available-for-sale securities	Foreign currency translation Adjustment account	Remeasurements of defined benefit plans	For Other Comprehensive income Accumulated Total			
Balance at the beginning of the period	548	0	△14	534	197	294	59,601
Change during the year							
Dividend of surplus							△1,963
Net income attributable to owners of parent							4,584
Change due to new consolidation							△44
Disposal of Treasury stock							285
Net changes of items other than Shareholders' equity	△619	3	23	△593	22	3,250	2,680
Total changes of items during the period	△619	3	23	△593	22	3,250	5,540
Term end Balance	△71	3	8	△59	220	3,544	65,142

Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	4,819	4,820	55,971	△4,174	61,436
Change during the year					
Dividend of surplus			△2,635		△2,635
Net income attributable to owners of parent			8,178		8,178
Change due to exclusion from consolidation			1		1
Increase (decrease) in equity due to capital increase of Consolidated subsidiaries		△1,301			△1,301
Change in treasury shares of parent arising from transactions with non-controlling interests		△174			△174
Disposal of Treasury stock		31		108	140
Net changes of items other than Shareholders' equity					
Total changes of items during the period	-	△1,444	5,543	108	4,207
Term end Balance	4,819	3,375	61,514	△4,066	65,643

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interest	Total net assets
	Net unrealized gains on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Other comprehensive income Accumulated Total			
Balance at the beginning of the period	△71	3	8	△59	220	3,544	65,142
Change during the year							
Dividend of surplus							△2,635
Net income attributable to owners of parent							8,178
Change due to exclusion from consolidation							1
Increase (decrease) in equity due to capital increase of Consolidated subsidiaries							△1,301
Change in treasury shares of parent arising from transactions with non-controlling interests							△174
Disposal of Treasury stock							140
Net changes of items other than Shareholders' equity	198	△40	△25	133	56	2,129	2,319
Total changes of items during the period	198	△40	△25	133	56	2,129	6,526
Term end Balance	127	△36	△17	73	277	5,674	71,669

## (4)Consolidated Statements of Cash Flows

(Millions of yen)

	Previous Consolidated Fiscal Year (April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)
<b>Cash flow from operating activities</b>		
Income before income taxes	5,703	12,991
Depreciation and amortization	3,020	5,370
Impairment loss	48	508
Goodwill depreciation	390	509
Increase (decrease) in Allowance (decrease in $\Delta$ )	99	179
Increase (decrease) in Liabilities related to retirement benefits (decrease in $\Delta$ )	141	174
Interest income and Dividend income	$\Delta$ 262	$\Delta$ 209
Charges for stock compensation	327	196
Interest expenses	2,080	2,795
Decrease (increase) in notes and accounts receivable-trade (increase in $\Delta$ )	$\Delta$ 65	$\Delta$ 4,892
Decrease (increase) in inventories (increase in $\Delta$ )	$\Delta$ 10,509	15,692
Increase (decrease) in notes and accounts payable-trade (decrease in $\Delta$ )	758	10,934
Increase (decrease) in advances received (decrease in $\Delta$ )	2,848	$\Delta$ 1,029
Other	$\Delta$ 741	1,736
Subtotal	3,839	44,957
Interest and dividend received	256	192
Interest expenses paid	$\Delta$ 2,109	$\Delta$ 2,695
Income taxes paid	$\Delta$ 2,709	$\Delta$ 5,676
Cash flow from operating activities	$\Delta$ 722	36,777
<b>Cash flow from investing activities</b>		
Payments into time deposits	$\Delta$ 14	$\Delta$ 35
Proceeds from withdrawal of time deposits	150	-
Purchase of Property, plant and equipment	$\Delta$ 19,349	$\Delta$ 25,589
Proceeds from sale of Property, plant and equipment	1,933	1,271
Purchase of Intangible assets	$\Delta$ 189	$\Delta$ 1,895
Purchase of stocks of subsidiaries and affiliates	-	$\Delta$ 604
Payments for long-term loans	$\Delta$ 450	-
Proceeds from collection of Long-term loans receivable	-	380
Purchase of investment securities	$\Delta$ 1,628	$\Delta$ 0
Proceeds from sale of investment securities	253	0
Purchases of subsidiary stock due to changes in the scope of consolidation	$\Delta$ 26,941	$\Delta$ 518
Proceeds from sales of Investments in subsidiaries resulting in change in scope of consolidation	-	445
Other	$\Delta$ 117	215
Cash flow from investing activities	$\Delta$ 46,354	$\Delta$ 26,329
<b>Cash flow from financing activities</b>		
Net change in Short-term borrowings (decrease in $\Delta$ )	74,783	$\Delta$ 67,503
Proceeds from long-term debt	97,853	124,207
Repayment of Long-term loans payable	$\Delta$ 106,935	$\Delta$ 75,498
Proceeds from issuance of common Bonds payable	150	5,745
Payments for redemption of Bonds payable	$\Delta$ 2,183	$\Delta$ 190
Repayments of lease obligations	$\Delta$ 35	$\Delta$ 34
Payments for reimbursement to non-controlling interests	-	$\Delta$ 4,768
Proceeds from share issuance to non-controlling shareholders	-	5,761
Cash dividends paid	$\Delta$ 1,962	$\Delta$ 3,161
Dividends paid to non-controlling interests	$\Delta$ 140	$\Delta$ 22
Cash flow from financing activities	61,531	$\Delta$ 15,464
Increase (decrease) in cash and cash equivalents (decrease in $\Delta$ )	14,454	$\Delta$ 5,017
Cash and cash equivalents at beginning of term	32,693	47,148
Decrease in Cash and cash equivalents due to exclusion of subsidiaries from consolidation	-	$\Delta$ 246
Cash and cash equivalents's Term end Balance	47,148	41,884

## (5)Notes to the Consolidated Financial Statements

(Notes on Going Concern)

Not applicable.

(Notes to Consolidated Balance Sheets)

In order to raise working capital efficiently, we have entered into overdraft and loan commitment contracts with 63 financial institutions (68 End of Previous Consolidated Accounting Period). Balance of undisbursed borrowings at the end of the consolidated fiscal year under these contracts are as follows:

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Maximum overdraft amount and loans Commitments		
Total amount	85,033 Millions of yen	84,333 Millions of yen
Loan balance	51,105	53,894
Net amount	33,928	30,439

(Notes to Consolidated Statements of Income)

※1 Term end Inventory is the amount after writing down the book value due to a decline in profitability, and the following loss on valuation of inventory Assets is included in Cost of sales.

	Previous Consolidated Fiscal Year (April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)
	△1,032 Millions of yen	16 Millions of yen

※2 The approximate percentages of expenses in selling expenses are End of Previous Consolidated Accounting Period 34%, Current Consolidated Fiscal Year 34%, and the approximate percentages of expenses in general and administrative expenses are End of Previous Consolidated Accounting Period 66% and Current Consolidated Fiscal Year 66%.

Major items and amounts of Selling, general and administrative expenses are as follows.

	Previous Consolidated Fiscal Year (April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)
Advertising expenses	5,352 Millions of yen	5,336 Millions of yen
Promotion expenses	2,218	2,398
Salary allowance	4,333	4,536
Bonus Allowance provision	915	1,082
Retirement benefit expenses	186	213
Provision for Allowance of directors' retirement benefits	27	26
Allowance for doubtful accounts provision	-	1



## ※3 Impairment loss

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

Our group recorded Impairment loss (48 Millions of yen) for the following Assets or Assets group in Current Consolidated Fiscal Year due to the decrease in profitability of Hotel, etc.

Application	Type	Location	Amount (Millions of yen)
Hotel	Land and structures	Nakagyo-ku, Kyoto	48
Total			48

The breakdown by account title is Land 24 Millions of yen, Buildings 24 Millions of yen.

Our group groups hotels on an individual property basis.

The recoverable amount is measured based on the net selling price. The net selling price is based on the appraisal value, etc. by a real estate appraiser.

Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

Our group recorded Impairment loss (508 Millions of yen) for the following Assets or Assets group in Current Consolidated Fiscal Year due to a decline in the profitability of rental properties, power generation Facilities and Hotel, etc.

Application	Type	Location	Amount (Millions of yen)
Rental real estate	Land	Matsuyama City, Ehime	39
Power generation Facilities	Machinery and equipment	Kayabe-gun, Hokkaido	13
Hotel	Land	Kyoto city, Kyoto	408
	Land	Kyoto city, Kyoto	46
Total			508

The breakdown by account title is Land 494 Millions of yen and Machinery and equipment 13 Millions of yen.

We group rental properties, power generation Facilities and Hotel on a property-by-property basis.

The recoverable amount is measured based on the net selling price. The net selling price is based on the appraisal value, etc. by a real estate appraiser of rental properties and Hotel In addition, the recoverable amount of power generation Facilities is measured at value in use, and the recoverable amount is evaluated as zero because future cash flows are expected to be negative.

## (Rental and Other Real Estate-Related)

We and certain consolidated subsidiaries have office buildings (including Land) for lease and condominiums for lease in For Other area of Tokyo. Rental income (loss) related to such rental properties in End of Previous Consolidated Accounting Period is 259 Millions of yen (rental income is recorded in Net sales and major rental expenses are recorded in Cost of sales). Rental income (loss) related to such rental properties in Current Consolidated Fiscal Year is 151 Millions of yen (rental income is recorded in Net sales and major rental expenses are recorded in Cost of sales).

In addition, the amounts reported on the consolidated balance sheets, the changes during the period, and the fair value of the rental properties are as follows.

(Millions of yen)

	Previous Consolidated Accounting Period (April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)
Carrying amount		
Beginning Balance	38,805	35,714
Changes during the year	△3,091	△4,668
Term end Balance	35,714	31,045
Term end Market Value	37,254	36,080

(NOTE) 1. Carrying amount is Acquisition cost less accumulated depreciation and Impairment loss.

2. Changes during the year, the main increases in End of Previous Consolidated Accounting Period were real estate acquisitions (12,097 Millions of yen) and Application changes to rental properties (38 Millions of yen), while the main decreases were transfers to Real estate for sale and Real estate for sale in progress (14,364 Millions of yen) and Depreciation and amortization (316 Millions of yen). The primary increase in Current Consolidated Fiscal Year was real estate acquisitions (11,659 Millions of yen) and the primary decrease was transfers to Real estate for sale and Real estate for sale in progress (17,010 Millions of yen) and Depreciation and amortization (303 Millions of yen).

3. The fair value of Term end is based on the appraisal value by an outside real estate appraiser.

4. Assets under construction are not included in the above table because it is extremely difficult to determine. End of Previous Consolidated Accounting Period and Current Consolidated Fiscal Year's Carrying amount under construction are 3,020 Millions of yen and 2,165 Millions of yen, respectively.

## (Segment Information, etc.)

## a. Segment information

## 1. Reportable segments at a Glance

Reportable segments of the Group are components of the Group for which discrete financial data is available and regularly reviewed by Board of Directors to make decisions about resource allocation and assess performance.

Our group conducts business activities mainly on condominium sales. "Real Estate Business," "Energy Business," and "Asset Management Business" are referred to as Reportable segments.

Real Estate Business is engaged in the core business of selling new condominiums, as well as new detached houses, renovation and resale of condominiums, the liquidation business, which sells income-generating properties such as residential properties and offices, the real estate rental business, and the real estate management business.

Energy Business sells electricity generated from solar and other wind, biomass and other renewable energy to electric power companies to generate stable revenues.

Asset Management Business utilizes our extensive expertise, know-how, and network accumulated in real estate and renewable energy to manage J-REIT and private funds and provide excellent investment-opportunities and solid Assets administration services.

## 2. Methods of calculating the amount of Net sales, Profit or loss, Assets, and Liabilities Items in Other for each Reportable segments

The accounting methods used for Report of business Segment are generally the same as the accounting Policy used for the preparation of consolidated financial statements, except for the valuation standards for inventory Assets.

Inventories are valued at book value after devaluation based on a decline in profitability.

Reportable segments earnings are Operating income based figures.

Intersegment revenues and transfers are based on prevailing market prices.

3. Information on the amount of Net sales, Profit or loss, Assets, and Liabilities Items in Other for each Reportable segments, as well as information on the breakdown of revenue

Previous Consolidated Accounting Period (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments				Other (NOTE)	Total
	Real Estate Business	Energy Business	Asset Management Business	Total		
Net sales						
Revenue arising from contracts with customers	133,291	9,045	1,096	143,434	4,219	147,653
Other revenue	5,819	-	-	5,819	-	5,819
Net sales to customers	139,110	9,045	1,096	149,253	4,219	153,472
Intersegment net sales or transfers	-	-	-	-	-	-
Total	139,110	9,045	1,096	149,253	4,219	153,472
Segment income (loss) ( $\Delta$ )	7,906	$\Delta$ 956	322	7,271	$\Delta$ 241	7,030
Segment assets	181,226	120,820	2,052	304,099	5,373	309,473
Segment liabilities	161,822	111,390	288	273,501	3,974	277,476
Items in Other						
Depreciation and amortization	362	2,183	7	2,553	86	2,639
Amortization of goodwill	78	-	-	78	-	78
Interest expenses	1,256	683	0	1,939	11	1,951
Increased amount of Property, plant and equipment and Intangible assets	16,957	52,485	2	69,445	96	69,542

(NOTE)"Other" Category is a business Segment not included in Reportable segments and includes construction subcontracting and repair work.

Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments				Other (NOTE)	Total
	Real Estate Business	Energy Business	Asset Management Business	Total		
Net sales						
Revenue arising from contracts with customers	156,933	13,849	734	171,517	7,805	179,322
Other revenue	5,871	-	-	5,871	-	5,871
Net sales to customers	162,804	13,849	734	177,388	7,805	185,194
Intersegment Net sales Or the amount transferred	-	-	-	-	-	-
Total	162,804	13,849	734	177,388	7,805	185,194
Segment income (loss) ( $\Delta$ )	13,790	2,026	$\Delta$ 34	15,782	$\Delta$ 325	15,457
Segment assets	178,033	113,998	935	292,967	7,264	300,232
Segment liabilities	157,048	117,604	110	274,763	3,562	278,325
Items in Other						
Depreciation and amortization	344	4,585	5	4,935	84	5,020
Amortization of goodwill	78	-	-	78	-	78
Interest expenses	1,315	1,544	0	2,860	2	2,862
Increased amount of Property, plant and equipment and Intangible assets	16,320	22,960	0	39,281	1,231	40,513

(NOTE)"Other" Category is a business Segment not included in Reportable segments and includes businesses such as construction and Hotel operations.

## 4. Major Details of Difference and Difference between Reportable segments Total and Carrying value (items related to reconciliation of differences)

(Millions of yen)

Net sales	Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Reportable segments Total	149,253	177,388
Net sales of Category in Other	4,219	7,805
Elimination of inter-segment transactions	-	-
Net sales of Consolidated Financial Statements	153,472	185,194

(Millions of yen)

Profit	Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Reportable segments Total	7,271	15,782
Benefits of Other's Category	△241	△325
Elimination of inter-segment transactions	-	-
Amortization of goodwill	-	-
Operating income of Consolidated Financial Statements	7,030	15,457

(Millions of yen)

Assets	Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Reportable segments Total	304,099	292,967
Other's Category property	5,373	7,264
Offset and Elimination of Obligations to Administration Divisions of Head Office	△97,348	△62,756
Corporate assets (Note)	129,544	99,971
Total assets of Consolidated Financial Statements	341,669	337,447

(NOTE)Corporate assets are assets not attributable to Reportable segments. Major items include assets related to Cash and deposits and Administration Divisions and deferred tax assets.

(Millions of yen)

Liabilities	Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Reportable segments Total	273,501	274,763
Other's Category Debt	3,974	3,562
Offset and Elimination of Obligations to Administration Divisions of Head Office	△44,814	△44,596
Corporate liabilities (Note)	43,864	32,049
Total liabilities of Consolidated Financial Statements	276,527	265,778

(NOTE)Corporate Liabilities is a Liabilities that is not attributable to Reportable segments. The main item is loans payable, etc.

(Millions of yen)

Items in Other	Reportable segments Total		Other		Adjusted amount		Carrying value	
	Previous consolidated Fiscal year	This consolidated company Fiscal year	Previous consolidated Fiscal year	This consolidated company Fiscal year	Previous consolidated Fiscal year	This consolidated company Fiscal year	Previous consolidated Fiscal year	This consolidated company Fiscal year
Depreciation and amortization	2,553	4,935	86	84	380	350	3,020	5,370
Amortization of goodwill	78	78	-	-	311	430	390	509
Interest expenses	1,939	2,860	11	2	129	△66	2,080	2,795
Property, plant and equipment and intangibles Increased Fixed assets (Note)	69,445	39,281	96	1,231	△48,704	△13,871	20,837	26,641

(NOTE) Adjustments to increase in Property, plant and equipment and Intangible assets represent accruals for Goodwill not allocated to Reportable segments, capital expenditures for head office buildings, etc., and elimination of inter-segment transactions.

## b. Information regarding impairment losses on fixed assets by report item

Previous Consolidated Accounting Period (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Real Estate Business	Energy Business	Asset Management Business	Others (Note)	Corporate and eliminations	Total
Impairment loss	-	-	-	48	-	48

(NOTE)The amount of "Other" is related to Hotel business.

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Real Estate Business	Energy Business	Asset Management Business	Others (Note)	Corporate and eliminations	Total
Impairment loss	39	13	-	455	-	508

(NOTE)The amount of "Other" is related to Hotel business.

## (Per Share Information)

	Previous Consolidated Accounting Period (From April 1, 2022 to 31 March, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Net assets per share	558.95 yen	596.90 yen
Net income per share	41.90 yen	74.39 yen
Diluted Net income per share	41.58 yen	73.72 yen

(NOTE)The basis for calculation of Net income per share and Diluted Net income per share is as follows.

	Previous Consolidated Accounting Period (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Net income per share		
Net income attributable to owners of parent (Millions of yen)	4,584	8,178
Net income not applicable to common shareholders (Millions of yen)	-	-
Net income attributable to owners of parent related to Common stock (Millions of yen)	4,584	8,178
Average number of shares during the period (Thousands of Shares)	109,403	109,938
Diluted Net income per share		
Net income attributable to owners of parent Adjustments (Millions of yen)	-	-
Common stock growth (Thousands of Shares)	852	990
(Subscription rights to shares (Thousands of Shares))	(852)	(990)
Summary of dilutive shares not included in the calculation of diluted Net income per share because they have no dilutive effect	-	-

## (Significant Subsequent Events)

Not applicable.

## 4. Other

## Status of Production, Orders and Sales

## ①Units under contract during the period

Segment name	Previous Consolidated fiscal year (From April 1, 2022 to March 31, 2023)		Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)		Year on year (%)
	Units	Amount (Millions of yen)	Units	Amount (Millions of yen)	
Real Estate Business	2,666	144,942	2,513	134,283	92.6
Total	2,666	144,942	2,513	134,283	92.6

## ②Contract Balance

Segment name	End of Previous Consolidated Accounting Period (As of March 31, 2023)		End of the consolidated financial year (as of March 31, 2024)		Year on year (%)
	Units	Amount (Millions of yen)	Units	Amount (Millions of yen)	
Real Estate Business	1,756	83,122	1,554	71,979	86.6
Total	1,756	83,122	1,554	71,979	86.6

## ③Status of Net sales

Segment name		Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Year on year (%)
Real Estate Business	(Millions of yen)	162,804	117.0
Energy Business	(Millions of yen)	13,849	153.1
Asset Management Business	(Millions of yen)	734	67.0
Reportable segments Total	(Millions of yen)	177,388	118.9
Other	(Millions of yen)	7,805	185.0
Combined Total	(Millions of yen)	185,194	120.7

(NOTE) Transactions between segment are offset and eliminated.